Harrogate Borough Council

Harrogate Town Centre Strategy & Masterplan
Baseline Report Volume One: Main Report

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1 INTRODUCTION

Purpose of the Report

1.1 In May 2014 Harrogate Borough Council commissioned Peter Brett Associates LLP to prepare the Harrogate Town Centre Strategy and Masterplan (HTCSM) on its behalf. The main objective of this work is to provide a comprehensive assessment of the strengths and weaknesses of the town centre and to develop a vision and physical masterplan, including deliverable area-based projects and proposals. The Borough Council intends to adopt the HTCSM as a Supplementary Planning Document which will be used to deliver town centre improvements, attract inward investment and inform development management decisions.

1.2 The purpose of this Baseline Report is to provide an evidence base that will allow us to set out a coherent vision for the town centre and practicable objectives for achieving that vision as the next stage of our work. The Baseline Report presents the results of a number of inter-related lines of enquiry concerning the current composition and performance of the town centre, its physical environment and infrastructure, and the local property market. In doing so we seek to draw out the Town Centre's existing assets, opportunities for improvement, and constraints on the future development of the town centre. Our further work will build on these findings to develop the vision for Harrogate Town Centre and the strategic options for delivering this vision.

Structure of the Report

1.3 The remainder of this report is structured as follows:

- in Section 2 we set out the strategic context for the development of the HTCSM including an assessment of relevant policy and the broader market context;
- in Section 3 we provide an introduction to Harrogate Town Centre and describe the existing composition of the town centre in terms in terms of its main land uses;
- in Section 4 we provide an overview of the town centre's current performance, referring to the results of our own primary research and published data that allows us to benchmark Harrogate's performance against comparator centres; and
- in Section 5 we provide an overview of changing national trends in town centre development and our view of their implications for Harrogate.

1.4 In the remaining sections of this report we provide a more targeted review of key issues that contribute to the town centre's current performance and that may provide opportunities or place constraints on its future development. These are as follows:

- Section 6 comprises a destination audit which reviews the important tourism and leisure offer of the town centre, as well as an assessment of town centre marketing;

- Section 7 provides a review of the local property market including a review of demand, rents, and yields;
- Section 8 provides an environmental audit of the town centre considering key character areas, identifying important landmark buildings and assessing the quality of the public realm; and
- Section 9 assesses transport infrastructure within the town centre with a focus on public transport facilities, parking and accessibility.

1.5 Lastly, in Section 10 we provide a summary of our findings and set out the next steps for the development of the HTCSM.

2 THE EXISTING POLICY CONTEXT

Introduction

2.1 In this section we set out the existing policy context for the development of the Harrogate Town Centre Strategy and Masterplan (HTCSM). We summarise the key planning policies that should be taken into consideration by the HTCSM and also have regard to existing strategies both for economic development generally and tourism strategies specifically. In summarising these policies and strategies we provide our own comments on their implications for the HTCSM.

National Planning Policy

The National Planning Policy Framework

2.2 The National Planning Policy Framework (NPPF) was published by the Government on 27 March 2012. Following its publication, this document now forms the statutory national planning policy guidance setting out the Government's planning policies for England and how these are expected to be applied.

Achieving Sustainable Development

2.3 Paragraph 6 of the NPPF confirms that *'the purpose of the planning system is to contribute to the achievement of sustainable development'*. This has three dimensions which give rise to the need for the planning system to perform a number of roles:

- **an economic role** – contributing to building a strong, responsive and competitive economy;
- **a social role** – supporting strong, vibrant and healthy communities; and
- **an environmental role** – contributing to protecting and enhancing our natural, built and historic environment.

2.4 Paragraph 9 adds that 'pursuing sustainable development involves seeking positive improvements in the quality of the built, natural and historic environment, as well as in people's quality of life' through a variety of means, including 'making it easier for jobs to be created in cities, towns and villages', and 'replacing poor design with better design'.

Presumption in Favour of Sustainable Development

2.5 The NPPF makes clear that there should be a presumption in favour of sustainable development. Paragraph 14 states that 'At the heart of the NPPF is a presumption in favour of sustainable development, which should be seen as a golden thread running through both plan-making and decision-taking'.

2.6 For plan-making, this presumption in favour of sustainable development means that 'local planning authorities should positively seek opportunities to meet the development needs of their area' and that 'Local Plans should meet objectively assessed needs, with sufficient flexibility to adapt to rapid change' (unless the adverse impacts of doing so would significantly outweigh the benefits, or specific policies contained within the NPPF indicate that development should be restricted).

2.7 Paragraph 15 of the NPPF explains that 'All plans should be based upon and reflect the presumption in favour of sustainable development, with clear policies that will guide how the presumption should be applied locally'.

Core Planning Principles

2.8 Paragraph 17 of the NPPF sets out a series of 12 'Core Planning Principles' which should underpin both plan-making and decision-taking. These 12 principles include a requirement that planning should be '*genuinely plan-led'*, a '*creative exercise'* with '*succinct plans'* to shape the development of an area. LPAs should also support sustainable economic development, and plans should take account of market signals to set out a clear strategy for allocating sufficient land for development, securing high quality design and conserving heritage assets.

Building a Strong, Competitive Economy

2.9 Paragraph 18 of the NPPF confirms that the Government is committed to securing economic growth in order to create jobs and prosperity. To this end the planning system should encourage and not act as an impediment to sustainable growth. LPAs should plan proactively to meet the development needs of business and support an economy fit for the 21st century, and planning policies should recognise and seek to address potential barriers to investment. To this end, local planning authorities should set out a clear economic vision and strategy for their area, support existing business sectors, and identify priority areas for economic regeneration, infrastructure provision and environmental enhancement.

Ensuring the Vitality of Town Centres

2.10 Paragraphs 23 to 27 of the NPPF are of particular relevance to town centre planning. In drawing up Local Plans, LPAs should, amongst other things:

- pursue policies to support the viability and vitality of town centres;
- promote competitive town centres that provide customer choice and a diverse retail offer;
- retain and enhance existing markets and, where appropriate, re-introduce or create new ones;
- recognise that residential development can play an important role in ensuring the vitality of centres; and
- plan positively for the future of declining centres to encourage economic activity.

Promoting Sustainable Transport

2.11 Paragraph 29 of the NPPF states that the transport system needs to be balanced in favour of sustainable transport modes. Paragraph 35 goes on to state that plans should protect and exploit opportunities for the use of sustainable transport modes for the movement of goods and people. Developments should be designed and located to, amongst other things:

- give priority to pedestrian and cycle movements, and have access to high quality public transport facilities;
- create safe and secure layouts which minimise conflicts between traffic and cyclists or pedestrians, avoiding street clutter; and
- consider the needs of people with disabilities by all modes of transport.

2.12 Paragraph 40 of the NPPF states that local authorities should seek to improve the quality of parking in town centre so that it is convenient safe and secure, and that they should set appropriate parking charges that do not undermine the vitality of town centres.

Requiring Good Design

2.13 Paragraph 56 of the NPPF says that the Government attaches great importance to the design of the built environment. It goes on to say that '*good design is a key aspect of sustainable development, is indivisible from good planning, and should contribute positively to making places better for people'.* Paragraph 57 states that it is important to plan positively for the achievement of high quality and inclusive design for all development.

2.14 Local and neighbourhood plans should develop robust and comprehensive design policies based on stated objectives for the future of an area and an understanding and evaluation of its defining characteristics. Planning policies and decisions should aim to ensure that developments:

- will function well and add to the overall quality of the area;
- establish a strong sense of place, using streetscapes and buildings to create attractive and comfortable places;
- optimise the potential of the site to accommodate development, create and sustain an appropriate uses (including green and other public space) and support local facilities and transport networks;
- respond to local character and history, and reflect the identity of local surroundings and material, while not preventing or discouraging appropriate innovation; and
- create safe and accessible environments; and
- are visually attractive as a result of good architecture and appropriate landscaping.

2.15 Paragraphs 59 and 60 state that local planning authorities should consider using design codes where they could help to deliver high quality outcomes (although design policies should avoid being unnecessarily prescriptive) and, whilst it was proper to seek to promote or reinforce local distinctiveness, planning policies and decisions should not stifle innovation.

Plan-Making

2.16 Paragraph 150 of the NPPF makes clear that '*Local Plans are the key to delivering sustainable development'*. Paragraph 152 states that local planning authorities should seek opportunities to achieve each of the economic, social and environmental dimensions of sustainable development, and net gains across all three. Paragraph 153 goes on to say that Local Plans should be '*aspirational but realistic'.*

2.17 Paragraph 158 of the NPPF explains that the Local Plan must be based on 'adequate, up-to-date and relevant evidence about the economic, social and environmental characteristics and prospects of the area' and that LPAs should be comprehensive in their assessments, ensuring that they are 'integrated and that they take full account of relevant market and economic signals'. Paragraph 173 of the NPPF states that pursuing sustainable development requires 'careful attention to viability and costs in plan-making and decision-taking. Plans should be deliverable'.

2.18 Paragraph 161 confirms that the evidence base should assess the role and function of town centres and the relationship between them, including any trends in the performance of centres, and the capacity of existing centres to accommodate new town centre development.

National Planning Practice Guidance

2.19 The National Planning Practice Guidance (NPPG) was launched by the Government in March 2014 as an online resource to streamline and consolidate over 7,000 pages of previous planning advice. Formal publication of this new resource replaced over 150 circulars, guidance notes and letters. Following its publication, this online resource is the formal supporting documentation to assist in implementing policies set out in the NPPF.

Planning for Town Centres

2.20 The section on 'Ensuring the vitality of town centres' provides further guidance on paragraphs 23 to 27 of the NPPF. The guidance is structured around three key aspects of planning for the vitality and viability of centres, the most relevant of which is strategic vision and town centre management.

2.21 The NPPG sets out the need to support town centres in generating local employment, to promote beneficial competition within and between centres, and to create attractive, diverse places where people want to live, visit and work. This should be done by planning to meet the needs of main town centres uses in full, whilst adopting a 'town centre first' approach.

2.22 The NPPG stresses the importance of having a strategic vision for town centres as this will be key to ensuring successful town centres which enable sustainable economic growth and provide a wide range of social and environmental benefits. The NPPG goes on to say that town centre strategies should be based on evidence of the current state of town centres and opportunities to meet development needs and support their vitality and viability.

2.23 Local planning authorities should take 'full account' of relevant market signals when planning for town centres and this analysis should be used to inform policies that are responsive to changes in the market as well as the changing needs of business. The guidance notes that:

> 'Not all successful town centre regeneration projects have been retail led or involved significant new development. Improvements to the public realm, transport (including parking) and accessibility as well as other measures promoted through partnership can also play important roles.'

2.24 Paragraph 007 of the town centre section of the NPPG sets out the matters that local planning authorities should consider when planning for tourism. These include:

- the specific needs of the tourist industry, including particular locational or operational requirements;
- engagement with representatives from the tourism industry;
- examining the broader social, economic and environmental impacts of tourism;
- analysing opportunities for tourism to support local services, vibrancy and enhance the built environment; and
- having regard to non-planning guidance produced by other Government departments.

Comment on National Planning Policy

2.25 The NPPF requires local planning authorities to positively seek opportunities to encourage sustainable development that delivers economic, social and environmental benefits. Planning should be a creative exercise that produces succinct plans and clear policies that take account of market signals. This should include supporting existing business sectors and identifying areas for regeneration, new infrastructure provision and environmental enhancements.

2.26 The HTCSM, which may in future be adopted as a Supplementary Planning Document by the Borough Council, should reflect the need to support sustainable development. The development of the HTCSM is a positive and proactive exercise in ensuring the future development of Harrogate Town Centre delivers economic, social and environmental benefits to the local community. In accordance with paragraphs 153 and 173 of the NPPF the HTCSM should be aspirational but also realistic and deliverable.

2.27 The NPPF sets out a range of priorities for local planning authorities in plan-making and decision-making. Those that are particularly relevant to the preparation of the HTCSM include:

- pursuing policies that will support the vitality and viability of town centres and provide customer choice and a diverse retail offer;
- protecting and exploiting opportunities to promote the use of sustainable transport modes whilst improving the quality of parking in town centres; and

- planning positively to achieve high quality and inclusive design, including by establishing a strong sense of place and reflecting local character and history.

Local Planning Policy

Harrogate Core Strategy

2.28 The Harrogate Core Strategy, adopted in February 2009, sets out the vision for Harrogate District and the strategic policies for development and conservation up to 2021 and beyond.

Vision and Strategic Objectives

2.29 Chapter 2 of the Core Strategy sets out the vision. The vision states (inter alia) that:

> 'the residents of Harrogate District will enjoy an exceptionally high quality and diverse environment, a prosperous urban and rural economy, and better access to….public transport and other facilities to encourage walking, cycling and less travel by car,…..the special character of the District's natural and built assets will be protected and enhanced…. the urban and rural economies of the District, including town centres, will be more buoyant, more diverse, more complementary with neighbouring economies, and more 'environmentally friendly'.

2.30 The Core Strategy vision goes on to say that the town of Harrogate will be the focus for new housing and commercial development in the District. Harrogate will expand its international conference facilities, its town centre retail, office and residential offer, as well as its digital and food industries.

2.31 A number of strategic objectives sit below the Core Strategy vision. These include:

- focusing the District's growth in the town of Harrogate, subject to appropriate to traffic management and new infrastructure;
- to promote a robust and varied economy for the benefit of local people;
- to protect and enhance the District's town centres, conference, business and holiday tourism;
- to integrate development and transport provision;
- to improve the provision of public transport services and facilities, pedestrian and cycle networks, park and ride, and traffic management measures to reduce traffic congestion, with priority given to Harrogate and Knaresborough;
- to protect and enhance the built and natural environment, giving special protection to those areas and buildings of recognised importance;
- to encourage exemplar design quality which safeguards the distinctive character of the District's settlements and minimises impacts on the environment;
- to reduce crime, anti-social behaviour and the fear of crime; and
- to improve accessibility to services and improvements in the quality of life for individuals, groups and areas with greatest social disadvantage or need.

Jobs and Business

2.32 Policy JB1 of the Core Strategy sets out the Council's priorities for enhancing the economic role of the District and supporting innovation and enterprise. These include maintaining and enhancing the competitiveness of Harrogate's conference and business tourism sector, and developing sustainable holiday tourism throughout the District.

2.33 Policy JB2 focuses on conference and business tourism and suggests that this will be supported by:

- resisting proposals that undermine conference and business tourism to the detriment of the vitality and viability of Harrogate Town Centre;
- protecting hotel room space and increasing hotel provision in Harrogate Town Centre;
- supporting the expansion and re-development of the Harrogate International Centre; and
- securing significant improvements to accessibility between the Yorkshire Showground and Harrogate Town Centre.

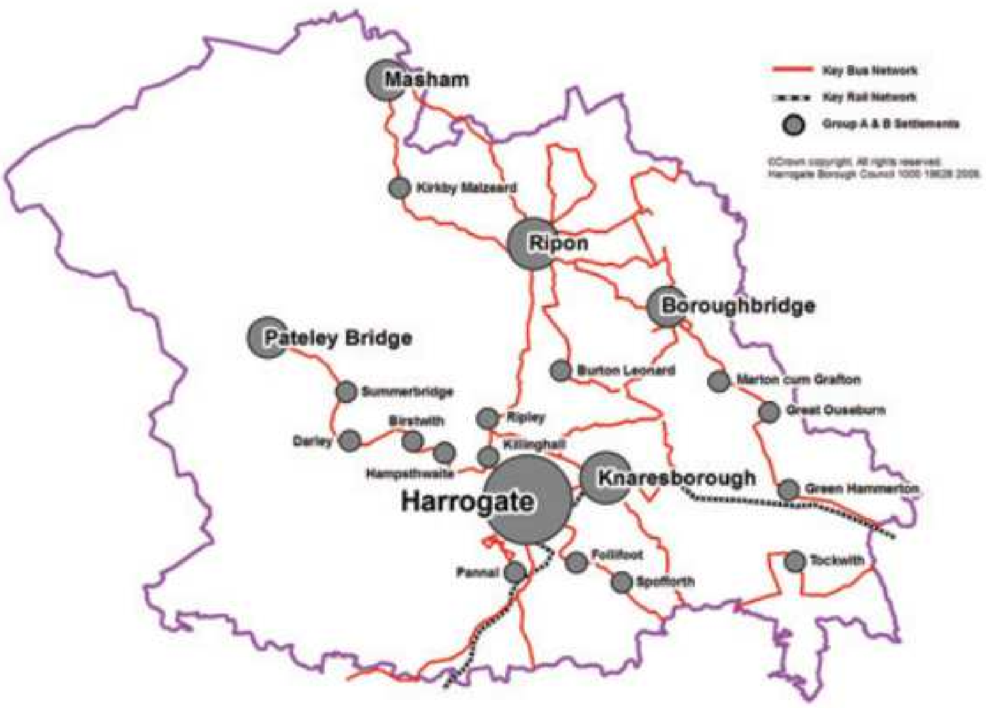
2.34 Policy JB4 identifies Harrogate as a Sub Regional Town that will be reinforced through:

- expansion of its main shopping area;
- additional food and particularly non-food shopping floorspace;
- construction of a modern transport interchange;
- enhanced office and hotel provision and increased town centre residential development;
- pedestrian and environmental improvements; and
- management of on and off street parking.

Travel

2.35 Chapter 6 of the Core Strategy contains policies relating to transport. Firstly, Policy TRA1 sets out how the Council plans to reduce the need to travel and to improve accessibility to jobs, shops, services and community facilities. This includes measures such as ensuring future development is well related to the key bus & rail network, as shown below in Figure 2.1**.**

Figure 2.1 Key Bus and Rail Network



Source: Harrogate Core Strategy

2.36 In addition, Policy TRA2 ‘Transport Infrastructure’ sets out the Council’s policy with regard to the safeguarding of routes and sites of importance for transport infrastructure. This includes the safeguarding of routes or sites identified within the Local Transport Plan Five Year Programme or Leeds City Region Development Programme. It also identifies the existing bus and rail stations on Station Parade in Harrogate as strategic site for the provision of a transport interchange.

2.37 Policy TRA3 ‘Travel Management’ identifies areas where the Council will work with the County Council and other transport providers to implement measures to reduce traffic congestion and improve accessibility to jobs. This includes:

- the implementation of improvements identified in the North Yorkshire Local Transport Plan;
- giving priority to the reduction of traffic congestion in the Harrogate and Knaresborough Priority Area;
- the improvement of public transport and associated infrastructure, including the capacity, quality and convenience of routes between Harrogate and Knaresborough to Leeds and York;
- developing a district-wide parking strategy; and
- the preparation of a Harrogate and Knaresborough Area Plan DPD which will address key transport issues.

Environment and Quality of Life

2.38 Core Strategy Policy EQ2 addresses the District's natural and built environment and the Green Belt. Priority measures to protect and enhance the natural and built environment include reducing the number of 'Buildings at Risk', ensuring new development incorporates high quality, locally distinctive design, and carrying out appraisals of the District's Conservation Areas incorporating measures for the protection and enhancement of their special interest.

2.39 We note the Harrogate Conservation Area Character Appraisal was approved by the Council in December 2010. This provides a detailed assessment of the form and character of the Conservation Area (which we note extends beyond the town centre area that will be covered by the HTCSM). The appendices to the Appraisal include a Management Strategy which sets out opportunities for enhancement. These include:

- reinstating glazed canopies, particularly along Parliament Street, Royal Parade and the north side of James Street;
- minimising or removing modern street furniture and street lighting where the style is inappropriate;
- the introduction of water features to give emphasis to the importance of the spa;
- the planting of trees in certain locations in the town to soften the appearance of harsh environments; and
- resurfacing in key areas with traditional stone paving and setts.

Emerging Development Plan Documents

2.40 In light of concerns expressed by the Inspector during the examination hearing sessions, a meeting of full council took place on 18th June 2014 at which Members resolved to withdraw the Sites and Policies DPD from examination. A new comprehensive Local Plan is now being prepared.

Harrogate Local Plan

2.41 The Harrogate Local Plan was adopted in 2001 and updated by way of a 'selective alteration' in 2004. Some policies were deleted and others saved by direction of the Secretary of State in 2007 and some of these saved policies have now been superceded by policies contained within the Harrogate Core Strategy that was adopted in 2011. However, a number of policies from the Local Plan continue to be saved and should be afforded weight in accordance with their conformity with the NPPF.

2.42 Appendix A of Volume 2 shows the Harrogate Town Centre inset from the Local Plan Proposals map. We review the key saved policies below.

Heritage and Design

2.43 Chapter 6 of the Local Plan addresses 'Heritage and Design'. The town centre is entirely contained within a conservation area and Policy HD3 addresses development in conservation areas. The policy states that development which would have an adverse effect on the character and appearance of the conservation area will not be permitted. This will include the demolition of non-listed buildings that make a positive contribution to the conservation area, the erection of buildings that are out of scale with their surroundings, proposals involving the loss of important open space, and proposals that would have an adverse effect on the historic form and layout of passageways and plots.

2.44 Policy HD9 of the Local Plan addresses building protection in Harrogate and states that in addition to its general powers to control demolition in conservation areas, the Council will seek to protect buildings and groups of buildings shown on the proposals map that make a positive contribution to the townscape and the street scene. The demolition of these buildings will not be permitted and any refurbishment should retain the whole structure. Policy HD10 addresses the frontage of The Stray and states that the change of use of residential properties will not be permitted.

2.45 Policy HD11 identifies several areas within Harrogate Town Centre that are priorities for townscape and environmental improvements. These areas are as follows:

- Cheltenham Parade/Crescent – the Local Plan envisaged the refurbishment of properties and the possible re-fenestration of Town Centre House;
- Commercial Street – the selective redevelopment and/or refurbishment of on the western side, and northern end of the eastern side, of the street;
- Copthall Tower, Station Parade – this building is considered to detract from the character of Harrogate, although it is recognised that it provides important office space within the town centre and replacement may not be commercially viable. The Local Plan therefore sought to encourage the refacing and upgrading of these buildings;
- Kings Road, Cheltenham Crescent and Union Street – the redevelopment or refurbishment of Spa building and properties to the south is encouraged;
- Montpellier Square – redevelopment of the site (used as a car park) and refurbishment of surrounding buildings;
- Royal Baths – at the time of the Local Plan's publication the Council had entered in to a development agreement to refurbish the Royal Baths and had prepared a development brief for the redevelopment of the western block. Refurbishment works have been completed and the western block redeveloped for residential use;
- Springfield Avenue – the redevelopment of the former Majestic Hotel Garage site;
- Station Parade – the redevelopment of the bus station and railway station to provide a new bus station, refurbished railway station, shopping development, car parking and toilets;
- Victoria Avenue Library - development of the small site to the east of the library; and
- York Place and Prince of Wales Mansions – infill development to the east of the Mansions to screen the rear car park from The Stray.

2.46 Policy HD20 of the Local Plan addresses the design of new development and redevelopment. It states that new buildings should make a positive contribution, should respect local distinctiveness and character, should include suitable landscaping, respect the privacy and amenities of neighbouring occupiers, provide a safe environment, and maximise opportunities for the conservation of energy and resources.

2.47 Policy HD21 addresses the design of shopfronts. It states that new shopfronts should be integrated with the general form of the building façade and its neighbours, fasicas should not be carried across facades of separate architectural identity, be constructed in appropriate materials, and that existing high quality shopfronts of traditional design and materials should be retained.

2.48 Policy HD22 concerns advertisement control and states that the size, design and number of advertisements should respect the scale, design and character of buildings, shopfronts and the street scene. Strict control will be exercised over illuminated and canopy signage, particularly on listed buildings and in conservation areas.

Shopping

2.49 Policy S2 of the Local Plan states that new shopping development within, or as an extension to, the Borough's defined main town centres and Harrogate's district centres will be permitted.

2.50 Policy S5 of the Local Plan seeks to control non-retail uses within the main centres. Within the primary shopping frontages of Harrogate, the loss of existing ground floor retail floorspace will only be permitted if the proposal would lead to an improvement in the vitality and viability of the centre. Within the secondary shopping frontages, Policy S5 is permissive of uses with Classes A1, A2 and A3 provided that any such development does not create concentrations of similar uses that would cumulatively result in conflict with other plan policies or adversely impact on the retail character, vitality and viability of the centre.

2.51 Proposal Policy S6 of the Local Plan identified town centre sites for new shopping development. These included:

- Royal Baths, Harrogate (2,500 sq. m);
- Station Parade, Harrogate (4,500 sq. m); and
- Union Street Car Park, Harrogate (1,000 sq. m).

2.52 We note that the Royal Baths site has now been partly redeveloped for alternative leisure uses and high density residential development. The Union Street car park site has been redeveloped for a new multi-storey car park.

Transportation

2.53 Saved Local Plan Policy T10 concerns new public car parks and proposes a new multi-storey at Union Street within Harrogate Town Centre (development now completed and fully operational). Policy T11 allocates land for park and ride facilities, including at Railway Road/Wetherby Road (A661) to serve Harrogate Town Centre (this facility has never been developed).

2.54 Policy T15 (including T15a and T15b) addresses non-residential private car parking in the Harrogate central area. It states that within the defined parking constraint area, the Council will resist additional parking except for operational parking (associated with deliveries and servicing), disabled parking and cycle parking. Instead the Council will seek measures to improve sustainable modes of transport and short stay parking. Staff parking will be limited to 1 space per 100 sq. m gross floorspace.

2.55 Bus access is addressed by Policy T20 and states that bus priority measures will be introduced wherever appropriate on major urban roads and within the main town centres, including Harrogate. Policy T22a seeks to promote cycling through the introduction of cycle routes, facilities and safety measures.

2.56 Policy T23 of the Local Plan concerns pedestrian movement and states that pedestrian priority measures and pedestrianisation will be introduced in the central area of Harrogate. Areas for pedestrianisation are shown on the proposals map and comprise James Street and the northern end of Princes Street.

Tourism

2.57 Chapter 13 of the Local Plan addresses tourism. Policy TRX states that within Harrogate Town Centre, the change of use of hotels with 30 or more lettable bedrooms will not be permitted unless clear evidence is provided to demonstrate that they are no longer viable for such use for a period of three years. Saved Policy TR5 states that the Harrogate International Centre site is identified for new or improved conference and exhibition facilities.

Supplementary Planning Documents

2.58 The Council has adopted several Supplementary Planning Documents (SPDs). The Green Infrastructure SPD was adopted in November 2014 and included an assessment of opportunities in the main urban area of Harrogate. The identified priorities include better connectivity between retail and conference areas from Station Parade, quality of place and transformation of the public realm, and enhancement of the historic environment.

2.59 The SPD has also identified opportunity areas in the town centre at Station Parade, the Conference Centre, Bower Road and West Park. Specific opportunities within these areas include:

- a new ‘point de vue’ at the Station Parade end of Cambridge Street;
- the reinvention of Victoria Gardens (referred to elsewhere within this report as Station Square) through a ‘pared down’ public realm scheme to increase the feeling of space, maximise its use and encourage social interaction;
- improvements to Crescent Gardens to bring together business and tourism trade, improve linkages to the Montpellier Quarter, the Royal Pump Room and Valley Gardens, and improve the Parliament Street junction;
- improving the setting of buildings and car parks in the Bower Road area, including linkages across the railway line; and

- exploring opportunities to ensure good links between the West Park area and Valley Gardens via Montpellier Hill.

2.60 The Council also adopted a Heritage Management SPD in November 2014. It provides detailed guidance on assessing heritage assets, the design of new development and alterations to historic buildings.

North Yorkshire Local Transport Plan

2.61 North Yorkshire's Local Transport Plan (LTP3) sets out the County Council's plans and strategies for maintain and improving the local transport system. The plan covers the period from 2011-2016.

2.62 The County Council has adopted for the following objectives for LTP3:

- supporting flourishing local economies by delivering reliable and efficient transport networks and services;
- reducing the impact of transport on the natural and built environment and tackling climate change;
- improving transport safety and security and promoting healthier travel;
- promoting greater equality of opportunity for all by improving people's access to all necessary services; and
- ensuring transport helps improve quality of life for all.

2.63 To support local economies, the County Council seeks to reduce congestion via better traffic management, reducing and managing travel demand, effecting modal shift to more sustainable modes of transport and providing additional capacity within the transport network. Harrogate Town Centre is listed as a main location that experiences regular significant congestion issues. A mid-term review of LTP3 was undertaken in May 2014 to ensure that any significant changes in circumstances were incorporated into the plan.

Comment on Local Planning Policy

2.64 It is important that the development of the HTCSM supports the vision and strategic objectives of the Harrogate Core Strategy. The Core Strategy emphasises the need to focus new development in the town of Harrogate, to deliver adequate services and infrastructure, and to support a robust and diverse local economy, with particular attention paid to tourism.

2.65 The HTCSM should recognise and support the priorities for Harrogate Town Centre, for conference and business tourism, and for transport improvements that are set out by the Core Strategy. It will also need to have regard to the social and environmental objectives of the existing development plan.

2.66 The Harrogate Local Plan was adopted in 2001 with a Selective Alteration adopted in 2004. Many of its policies remain as saved components of the development plan and should be afforded weight relative to their accordance with the NPPF. The saved polices set out more specific requirements in many areas, notably in terms of design, townscape and environmental improvements, and specific transport initiatives. The HTCSM should have due regard to the saved policies of the Local Plan but will provide an updated account of the measures required to support the objectives of the emerging Local Plan for Harrogate.

Economic Development Strategies

Sub-Regional Strategies

2.67 Following the abolition of the Regional Development Agencies in 2011 (including Yorkshire Forward), Local Enterprise Partnerships (LEPs) are responsible for economic development strategy at the sub-regional level. Harrogate District is part of the York-North-Yorkshire-East Riding LEP which submitted its 'Strategic Economic Plan' to the Government at the end of March 2014.

2.68 The Strategic Economic Plan has five key priorities as follows:

1) Profitable and ambitious small and mirco businesses.
2) A global leader in food manufacturing, agritech and biorenewables.
3) Inspired people.
4) Successful and distinctive places.
5) A well connected economy.

2.69 The most relevant priorities for the HTCSM are 1), 4) and 5). Each priority has a number of associated objectives and core activities which the HTCSM could support. Priority 1) includes the core activities of 'new market development' and delivering 'business friendly planning, regulation and procurement'. The objectives associated with priority 4) include the need to 'unlock major growth opportunities' and addressing 'environmental quality and community needs'. Core activities linked to priority 5) include the need to 'ease congestion in York and Harrogate' and 'enhance the reliability of our current transport networks'.

Local Strategies

2.70 The current economic development strategy for Harrogate is contained in the Borough Council's document 'A Strong Local Economy – Strategic Action Plan 2012-2015'[1]. This Action Plan is split into two sections; 'Supporting Business Growth and Job Creation' and 'Growing the Visitor Economy'.

2.71 The Strategic Action Plan is a succinct document that sets out a range of priorities that will be pursued by the Borough Council and led by the Economic Development Unit. The second section of the Plan relating to the visitor economy is most relevant to the HTCSM. The introductory sector emphasises the importance of tourism to the local economy noting that:

> '*the local economy, particularly in the urban core, is dependent upon the visitor spend generated by business and holiday tourism. It is crucial that,*

[1] The Council is currently in the process of preparing a new Strategic Action Plan to cover the period 2015-2020.

together with sector partners, we meet the challenge of marketing the Harrogate district as a visitor destination and maintain Harrogate International Centre's place in the UK conference and exhibition market through sustained long-term investment'.

2.72 Encompassing a majority of key focal areas in the document, key strategic priority areas in terms of growing the visitor economy include;

- Sustaining Harrogate International Centre (HIC) as one of the leading UK large event venues:
  - Priority 4A: Investment in the facilities (relevant measures include '[investigate] *which elements of the venue need greater investment [and] which parts of the venue may have alternative use*')
  - Priority 4B: Winning new business for HIC
  - Priority 4C: Repeat business at HIC
  - Priority 4D: Clarify and promote HIC's role in helping to grow the visitor economy.
- Increasing the contribution of tourism to the local economy:
  - Priority 5A: Integrating local destination management (relevant measures include '*Ensure that Destination Management is a key priority within the Council's Leisure Tourism and Economic Development Strategies*')
  - Priority 5B: Convert business visitors to leisure visitors (relevant measures include '*Establish permanent Visitor Information Point at HIC*')
  - Priority 5C: Investment in infrastructure and the physical environment (relevant measures include '*Develop and maintain the districts parks, gardens and open spaces as key elements of the visitor offer'*)
  - Priority 5D: Partnership and consultation across the sector.
- Improving the quality of the visitor experience:
  - Priority 6A: Developing the local tourism product (relevant measures include '*Parks team to maintain the high standard of floral attractions of the district and develop plans for the new pavilion and toilet facilities in Valley Gardens*', '*Invest in Royal Pump Room Museum to improve the interpretation of the Spa History for visitors'*)
  - Priority 6B: Providing high quality visitor services
  - Priority 6C: Sustainable and responsible tourism
  - Priority 6D: Improving quality and raising standards
- Attracting a larger share of the national and regional tourism market;
  - Priority 7A: Market the district to visitors
  - Priority 7B: Encourage longer stays and repeat visits (relevant measures include '*Undertake targeted marking and promotion of the Turkish Baths and continue a programme of planned investment in the facility*')
  - Priority 7C: Attract business visitors through promotion of the destination.

Tourism Strategies

2.73 In the following paragraphs, we provide a summary analysis of the following national, regional and local policy documents, with a focus on tourism and economic development;

- Government Tourism Policy (2011)
- "GREAT Britain You're Invited" Programme (2011)
- Delivering a Golden Legacy (2013)
- Strategic Framework for Tourism, 2010-2020 (2010)
- Welcome to Yorkshire's 5 Year Plan (2012-2017); '5 years. 5 ways we will grow the Yorkshire brand' (2012)
- Harrogate Destination Management Plan (2013 – 2018).

National Strategies

2.74 In 2011, DCMS published a document entitled 'Government Tourism Policy', setting out the Government's strategy to help the tourism industry maximise its potential for growth. The Strategy highlighted the following three goals;

- fund the most ambitious international marketing campaign ever in the years following 2012;
- increase the proportion of UK residents who holiday in the UK to match those who holiday abroad; and
- improve the sector's productivity to become one of the five most efficient and competitive visitor economies in the world.

2.75 Having set these broad goals, Government policy was translated into actions by VisitBritain and VisitEngland. In 2013/14 VisitBritain entered the third year of its match-funded £100m 'GREAT Britain You're Invited' Programme. The programme used three main threads for activity – culture, heritage and countryside – supported by shopping, food, sport, adventure and music.

2.76 Published in 2013, 'Delivering a Golden Legacy' is VisitBritain's growth strategy for inbound tourism (to be built on the platform of the 2012 London Olympics) to Britain leading up to 2020. Heritage and culture are seen as central to this process. The Strategy includes details of the specific potential to grow UK visitor numbers by 23% (to 40 million) and create 200,000 new jobs and £8.7 billion in additional overseas revenue by 2020.

2.77 In addition, VisitEngland is the lead on the 'Strategic Framework for Tourism, 2010-2020', developed by the tourism industry in partnership with Visit England. This has the headline ambition of 5%, year-on-year growth in the value of the tourism industry in England - an additional £50 billion to the economy and 225,000 jobs. The industry is currently on course to achieve this. The Strategy reaches its mid-term in 2015 and is currently undergoing a review, with a refreshed and revised version published later in 2015.

Regional Strategies

2.78 In the wake of the abolition of the RDA's in 2011, the policy and delivery landscape has changed radically over recent years. For tourism at a regional level, this means that there is no longer a shared plan or vision for visitor economy-focused activity. This change has impacted on tourism specifically as well as wider economic strategy development that has occurred subsequently. These changes have also taken place in the context of unprecedented pressures on local government budgets that have traditionally been relied upon to support tourism and arts and culture provision in order to boost visitor spend.

2.79 Whilst numerous English regional tourism agencies closed over recent years following the withdrawal of RDA administered Central Government funding (which was worth an estimated £10 million per year in Yorkshire and Humber until 2012), it must be noted that Welcome to Yorkshire continues its marketing and promotional role around the over-arching Yorkshire brand. Welcome to Yorkshire, for example was instrumental in bringing the Tour de France to Yorkshire in 2014. This regional promotion and marketing activity is now being achieved through a new business model, with Welcome to Yorkshire supported financially by the industry itself and local authorities, rather than Central Government.

2.80 Nonetheless, the new reality is that tourism and visitor economy-focused activity is now funded on a much more locally targeted basis. This promotes greater focus and understanding of local brands, but can also risk fragmentation and divisive competition for markets and resources if not handled deftly.

2.81 Welcome to Yorkshire is now focused on and around its successful marketing role as custodian of the 'Yorkshire brand' with activities detailed in 'Welcome to Yorkshire's 5 Year Plan (2012-2017)'. Launched in 2012, this Plan reflected the re-structured role following the closure of Yorkshire Forward. It takes the form of a high level vision statement for the further development of the 'Yorkshire Brand' over the next five years.

2.82 It sets out five ways that Welcome to Yorkshire will work to grow the Yorkshire brand:

- Keeping Yorkshire 'front of mind' – e.g. via continuing high profile advertising campaigns.
- Developing Yorkshire pride – including through a Yorkshire Champions Campaign and other ways to promote pride in Yorkshire amongst big business, individuals and schools.
- Growing inward investment – looking beyond purely 'tourism' and working with LEPs on international trade missions and coordinating trade visits to the region.
- Ensuring Yorkshire's voice is heard – by exploiting relationships with key national, regional and local media players and the region's MPs.
- Speaking with one voice – supporting a joined-up voice across councils, businesses, LEPs and the people of Yorkshire

2.83 Beyond its key focus on national and international campaigning, the plan also makes clear that Welcome to Yorkshire are also keen, dependent on '*the ambitions and* *demand of local businesses and organisations*', to work with local partnerships to deliver more specific, localised campaigns'. It also notes that Welcome to Yorkshire will lead on further work to develop a '*joined up five year tourism strategy for Yorkshire*', bringing together the plans of LEPs and local authorities.

Local Strategies

2.84 As stated previously, tourism promotion for Harrogate District is undertaken by Visit Harrogate. Although we understand Visit Harrogate are working on a new Development Management Organisation (DMO) Strategy, it is nonetheless of merit to consider the current (albeit incomplete) Harrogate Destination Management Plan (2013 – 2018).

2.85 The purpose of the plan is to:

- Develop the visitor economy of Harrogate District, including developing a place brand destination to strengthen its identity for visitors.
- Provide a framework and rationale for investment and development planning in the visitor economy.
- Identify priority actions.
- Clarify how partners and agencies can work together to deliver the Destination Management Plan.

2.86 The vision espoused for Harrogate District as a visitor destination is as follows;

> 'by 2015 Harrogate District will be a world class destination in which to live, learn, work, visit and invest, fully meeting the needs and expectations of the visitor whilst developing opportunities with businesses and communities to significantly contribute to the overall economic performance'.

2.87 Underpinning this vision are the following key objectives.

- DMP Objective 1: Increase the number of overnight stays and repeat business by growing the leisure and business markets.
- DMP Objective 2: Increase spend by implementing a step change in quality of the visitor experience and the attraction of non-traditional visitors to the area.
- DMP Objective 3: Identification of the destination brand incorporating local distinctiveness to present a compelling offer to visitors.
- DMP Objective 4: Tackle seasonality by identifying existing leisure and business events with the capacity to grow and attracting new events.
- DMP Objective 6: Extend the length of stay by developing the potential of the District's market towns and surrounding rural area
- DMP Objective 7: Manage and maintain the public realm for visitors.

2.88 The Destination Management Plan identifies the following as Harrogate's existing markets:

- ‘Mature and loyal regulars’ and ‘Active elders’ - both of whom are 50+ and enjoy sightseeing, natural attractions with the latter prefering the months of June and September; and
- **‘**Down to Earth families’ - 40 – 50yrs with teenage families who enjoy outdoor activities cycling, walking historic houses and museums.

2.89 In addition, it is indicated that Harrogate aspires to attract the following target markets:

- **‘**Affluent weekenders’ - seeking high end luxury offer competing with international destinations; and
- ‘Fun Seeking Families’ - with the outdoor adventure offer.

2.90 It is unfortunate that the document remains incomplete and in some ways, overtaken by events within the town (for example, the significant changes to hotel stock that have occurred since the supplementary analysis was undertaken in 2011). Nonetheless, the seven objectives remain a useful starting point for the development of the tourist product and the infrastructure Harrogate will need to be able to continue to compete at a regional and national level.

Comment on Economic and Tourism Strategies

2.91 Economic development strategies are provided both at sub-regional level by the LEP and at district level by the Borough Council. The LEP’s strategic plans are high-level but do contain a number of key initiatives that are relevant to the development of the HTCSM, including the need to focus on new markets and unlock growth opportunities, deliver environmental improvements and distinctive places, and reduce congestion in Harrogate.

2.92 The District’s own economic development strategy is heavily focused on the development of the visitor economy and particularly business tourism which is seen to be supporting many other sectors of the local economy in Harrogate. It contains a range of specific measures which should, where possible and appropriate, be supported by the HTCSM.

2.93 In terms of tourism strategies, tourism is now taken seriously at a national level as an engine of growth, renewal and distinctiveness in a competitive global market. At a regional level, it is clear that something of a policy vacuum remains in the wake of the abolition of the RDAs. Whilst the promotional role has largely been assumed by Welcome to Yorkshire, the developmental role remains less certain, fragmented between LEPs, DMOs and at local authority level.

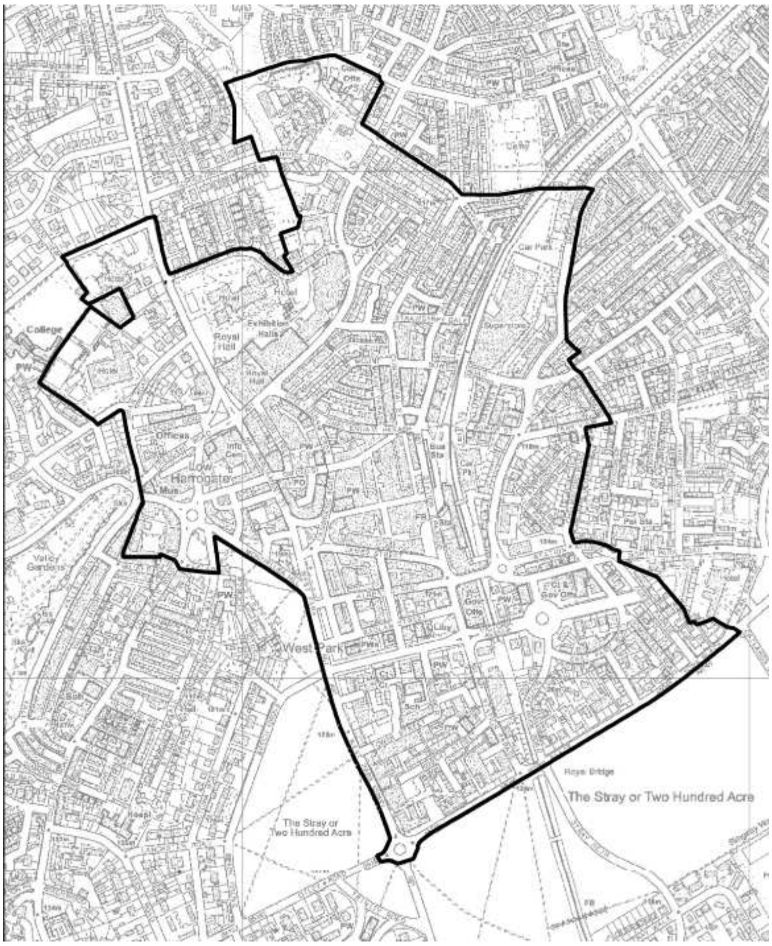
2.94 This uncertainty has undoubtedly contributed to a lack of a completed strategy and evidence-based research at Visit Harrogate. Nonetheless, tourism, leisure and culture remain ‘front and centre’ within the local strategic framework, with a number of measures and initiatives in the pipeline to grow tourism in Harrogate. The forthcoming HTCSM will be another part of the overall process which will, in turn ensure that Harrogate is well placed to compete over the coming decade and beyond.

3 THE COMPOSITION OF HARROGATE TOWN CENTRE

Introduction

3.1 Harrogate is located to the north of Leeds and to the west of York. It is the principal town centre within Harrogate District and by far its largest with a comprehensive range of retail, leisure and service facilities. It is an attractive destination that is characterised by the architecture of a Victorian Spa Town. The Town Centre is relatively compact and is bound by the parkland of The Stray to the south and by the residential areas of High Harrogate, New Park and Harlow Moor to the east, north and west. The study area for the HTCSM follows the boundaries of Harrogate Town Centre as identified by the Harrogate Local Plan (2001) and is shown in Figure 3.1 below.

Figure 3.1 Harrogate Town Centre Study Area



3.2 In this section we describe and analyse the current mix of uses within the study area, in terms of their characteristics and distribution. This analysis is based on Experian GOAD data (resulting from surveys undertaken in December 2013) and our own observations.

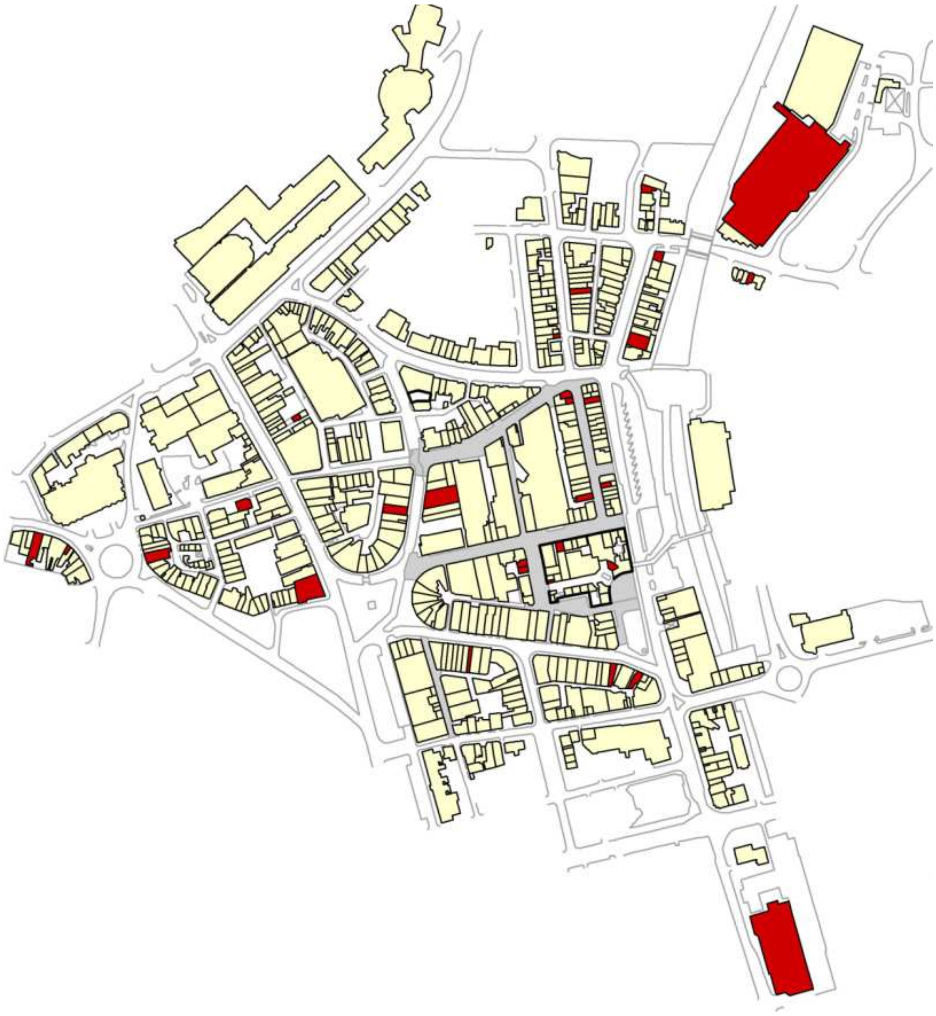
Retail Uses

Convenience Retail

3.3 Experian GOAD data[2] indicate that Harrogate Town Centre contains approximately 494 units of which 29 are categorised as convenience retail outlets. This equates to 5.9 per cent of the total units in the town centre compared to the UK average of 8.9 per cent, as shown at Appendix B. However, there is a reasonably good range of convenience retail outlets in Harrogate, with the town centre benefiting from two main foodstores (Asda and Waitrose), as well as a the foodhall within Marks and Spencer, Tesco Express on Cambridge Road and a Morrisons M Local store on Cambridge Street.

3.4 The distribution of convenience retail outlets within the town centre is shown in Figure 3.2 below. Such outlets are spread thinly throughout the town centre with the large Asda foodstore to the north of the town centre and the Waitrose foodstore shown to the south.

Figure 3.2 Distribution of Convenience Goods Retailers



[2] Survey date of December 2013. All references to UK averages refer to figures published by Experian in July 2014.

3.5 These stores are complemented by a range of bakers, confectioners, grocers and delicatessens that comprise both national and independent operators. In our assessment these convenience retail facilities generally meet local residents' needs and the town centre's convenience retail offer is healthy, albeit with some scope for the provision of a frozen food specialist and additional top-up shopping facilities such as a Sainsbury's Local or Co-operative.

Comparison Retail

3.6 Table 1 of Appendix A also shows that the 265 comparison goods outlets in the town centre equate to 53.6 per cent of the total units in the centre, which is markedly higher than the UK average of 40.6 per cent (though slightly narrower in floorspace percentage terms, reflecting the relatively small size of units in Harrogate). Harrogate has above-average representation in each of the clothing and footwear sub-sectors, which is a key determinant of a centre's attractiveness to shoppers. No sub-sectors are significantly under-represented, although it is notable that the proportion of charity shops is well below the national average. Thus, in numeric terms at least, Harrogate Town Centre has a very good representation of comparison retail outlets.

3.7 The town centre contains a good array of national comparison sector multiples including Debenhams, Next, River Island, Topshop, Marks & Spencer, H&M, Primark, TK Maxx, Dorothy Perkins, Burton, Waterstones, WH Smith, Argos and Boots. However, Harrogate's distinctive strength for a centre of its size arises from the strong levels of representation from high end comparison operators. These operators are concentrated in and around James Street and they include Molton Brown, L'Occitane, LK Bennett, Viyella, Whistles, Jigsaw, Joules, Jack Wills, Hobbs and White Stuff.

3.8 The strong offer in terms of national multiples is complemented by a wide range of good quality independent operators across the various comparison retail sub-sectors. Smaller independent operators are concentrated in the area to the west of Parliament Street, which has a very pleasant shopping environment. Commercial Street at the northern end of the town centre also appears to be an emerging location for quality independents.

3.9 A farmers market (operated by the Otley Town Partnership) takes places at Cambridge Street on every second Thursday of the month. Other occasional markets, including a Christmas Market, are held on open space adjacent to Montpellier Hill.

Variety and Department Stores

3.10 Variety and department stores often act as anchor stores and the location of these stores can determine the flow of pedestrians around a town centre and the overall extent of a town centre shopping area. In a centre of Harrogate's size, anchor stores will normally comprise department stores such as Debenhams, and large variety stores, such as Marks & Spencer. Figure 3.3 below shows the location of anchor stores, based on the GOAD classification of '*variety, department and catalogue showrooms*'.

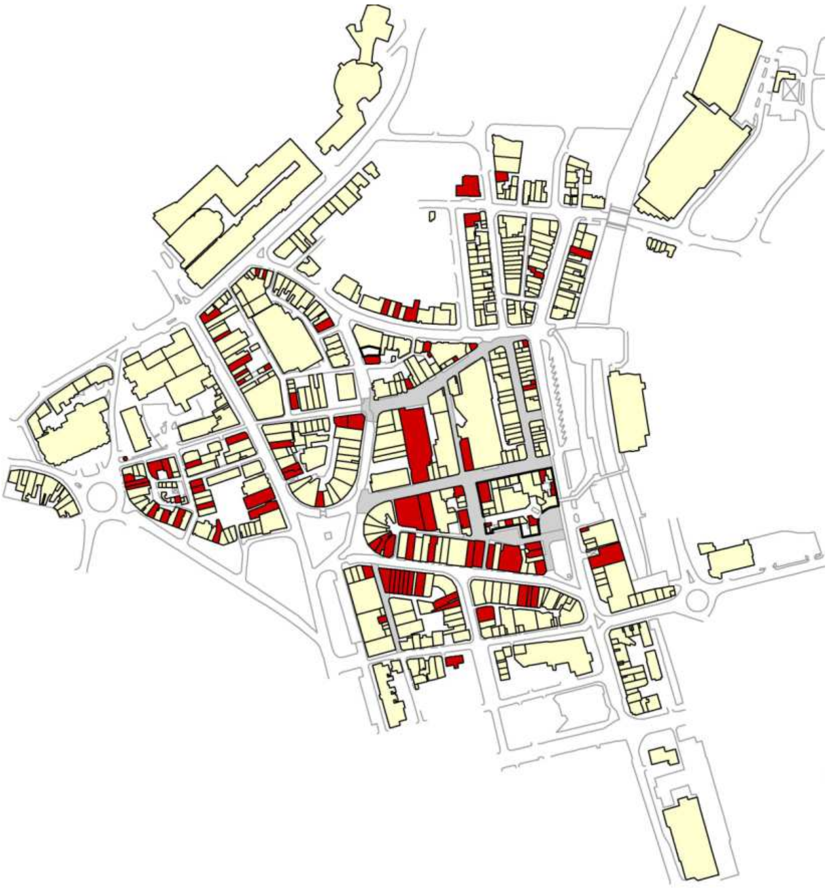
Figure 3.3 Location of Variety and Department Stores

3.11 The plan above shows Debenhams on Parliament Street, Marks & Spencer (and the adjacent Argos store) in the heart of the pedestrianised part of the town centre, Hoopers department store on James Street and Beale's department store on Station Parade. Beale's has recently closed, although we do not expect this closure to have a significant impact on the overall retail circuit given that this store was already somewhat isolated from other retail uses. As with Beale's, Debenhams is quite detached from other national multiple retailers that are concentrated on Cambridge Street and within the Victoria Shopping Centre. However, the presence of Debenhams on Parliament Street could help in driving footfall in the area to the west of the main shopping area and towards the Montpellier Quarter.

Clothing and Footwear Retailers

3.12 As noted above, representation in the clothing and footwear sub-sector is a key determinant of a centre's attractiveness to shoppers. Figure 3.4 below shows the distribution of clothing and footwear retailers within the town centre.

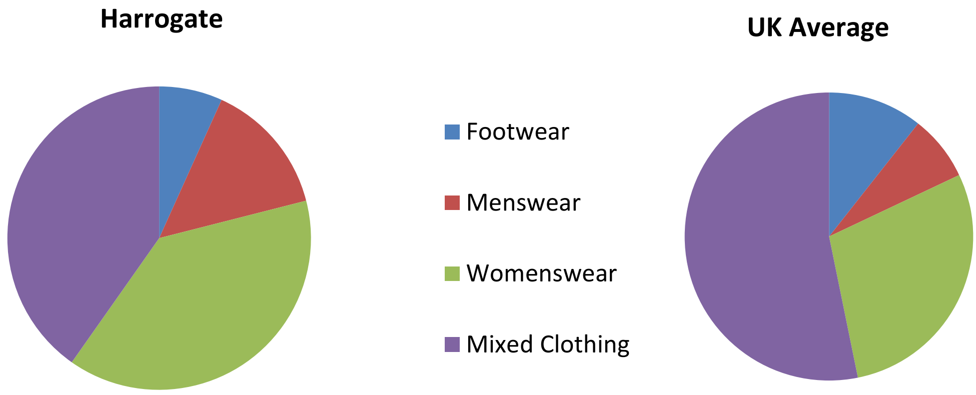
Figure 3.4 Distribution of Clothing and Footwear Retailers



3.13 Clothing and footwear retailers are distributed throughout the town centre in both primary and secondary shopping areas. This is relatively unusual and reflects the general good health of the town centre. There are concentrations of clothing and footwear retailers in the area to the east of the War Memorial, comprising both major high street fashion retailers and premium clothing and footwear brands on Cambridge Street and James Street. However, high quality independent clothing and footwear retailers are well represented in other parts of the town centre and particularly within the Montpellier Quarter to the west of Parliament Street.

3.14 Harrogate has above average representation in all clothing and footwear categories and particularly in terms of menswear and womenswear, where both the number of units and proportion of town centre floorspace used for the sale of these types of goods is more than double the UK average. Figure 3.5 below shows the breakdown of the clothing and footwear sector in Harrogate based on the amount of town centre floorspace within each sub-category (with UK averages for comparative purposes).

Figure 3.5 Breakdown of Clothing and Footwear Retail Floorspace



Other Non-Bulky Comparison Retailers

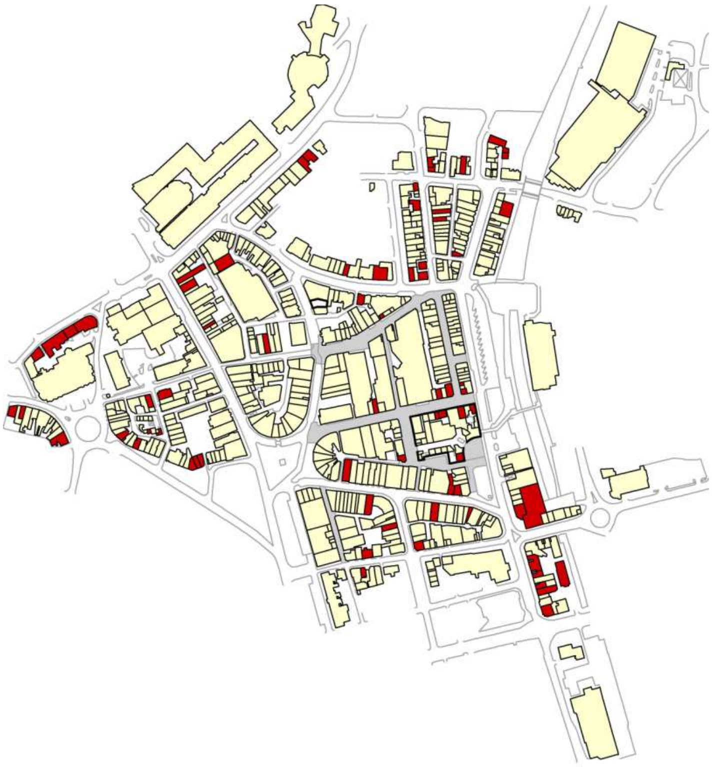
3.15 Other non-bulky comparison retail uses are also distributed throughout the town centre. These include chemists, toiletry retailers (we note a concentration of premium brands to the south of the War Memorial), booksellers, stationers, gift shops, florists and jewellers (with representation in this sub-category well above the national average).

Figure 3.6 Distribution of Other Non-Bulky Comparison Retailers

Bulky Comparison Retailers

3.16 The town centre's offer in terms of bulky comparison goods, including kitchen, bathrooms, furniture and electrical items, is unusually good. In terms of the number of town centre units, Harrogate has above average representation in the '*furniture, carpet and textiles*', '*electrical'* and '*DIY and hardware'* sub-categories. Many of these retailers sell premium brands, reflecting the affluence of Harrogate's catchment. Such retailers are dotted throughout the town centre although we note that there are particular concentrations of high quality bulky good retailers on Station Parade (in the vicinity of Station Bridge) and at the western end of Crescent Road.

Figure 3.7 Distribution of Bulky Goods Retailers



Size of Retail Units

3.17 Table 3.1 below shows the range of retail units currently available within the town centre in both the comparison and convenience sectors. This shows that the vast majority of units in both sectors provide floorspace of less than 250 sq. m. This reflects both the historic nature of much of the available accommodation within Harrogate and also the importance of small and independent retailers to the town centre. In the comparison sector there are only 19 units providing gross floorspace of more than 500 sq. m and just 2 in the smaller convenience sector (these being the Asda store at Dragon Road and Waitrose at Station Parade).

Table 3.1 Retail Unit Sizes in Town Centre

Gross Floorspace (sq. m)	Comparison	Convenience	Total
0-100	132	20	152
100-250	108	5	113
250-500	15	1	16
500-750	6	0	6
750-1000	4	0	4
1000-2500	7	0	7
2500 or more	2	2	4

Food and Drink Uses

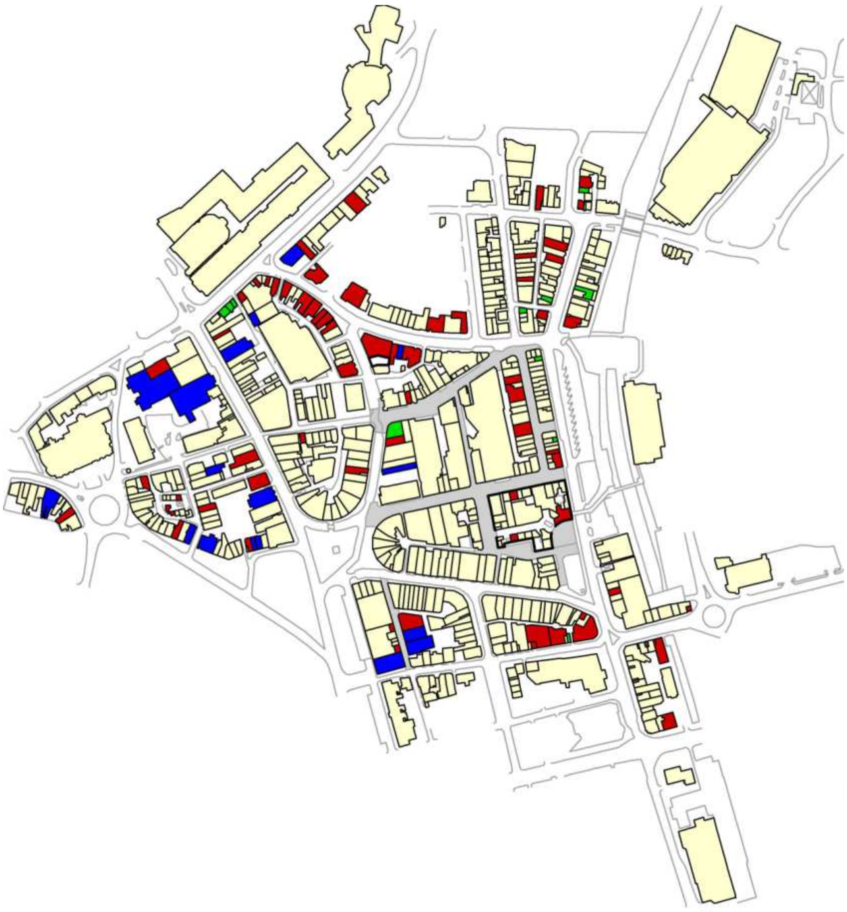
3.18 The overall proportion of service sector outlets in Harrogate Town Centre (31.8 per cent) is lower than the UK average (36.4 per cent). However, the proportion of town centre floorspace in such use is in line with the national average and this is mainly as a result of slightly above average representation in the '*restaurants, cafes, coffee bars, fast food and take-aways'* sub-category (which also includes pubs and bars). This category is important to the overall attractiveness of Harrogate as a visitor destination and the health of its night-time economy. Given the size of Harrogate and its role as a tourist destination, we might expect the proportion of food and drink uses within the town centre to be higher and well above the national average.

3.19 Figure 3.8 below shows the distribution of food and drink uses within the town centre. This is split by Use Class, with A3 (restaurants and cafes), A4 (drinking establishments) and A5 (hot food-takeaways) shown separately. There are relatively few A5 hot-food takeaways within the town centre (we suspect the number is well below the national average) and these are mainly located in peripheral locations on Kings Road and the northern end of Station Parade (shown in green).

3.20 It can be seen that restaurants and cafes (in red) are distributed throughout the town centre, although there are concentrations to the south of the Conference Centre on Cheltenham Crescent, and to the south of the main shopping area on Albert Street. The eastern end of Albert Street contains a cluster of Italian chain restaurants, including Pizza Express, Zizzi and Prezzo. Restaurants on Cheltenham Crescent cater for a wider variety of cuisines, including Indian and Chinese, and are mainly small independents, although Le Bistrot Pierre has recently taken a prominent unit in this location.

3.21 Drinking establishments (A4 – in blue) are mainly located on the western side of the town centre, including the pedestrianised section of John Street, the Royal Baths, Parliament Street and Montpellier Hill. The town centre has three main nightclubs (Moko Lounge, Rehab and The Viper Rooms) that are all located within the vicinity of Parliament Street.

Figure 3.8 Distribution of Food and Drink Units by Use Class

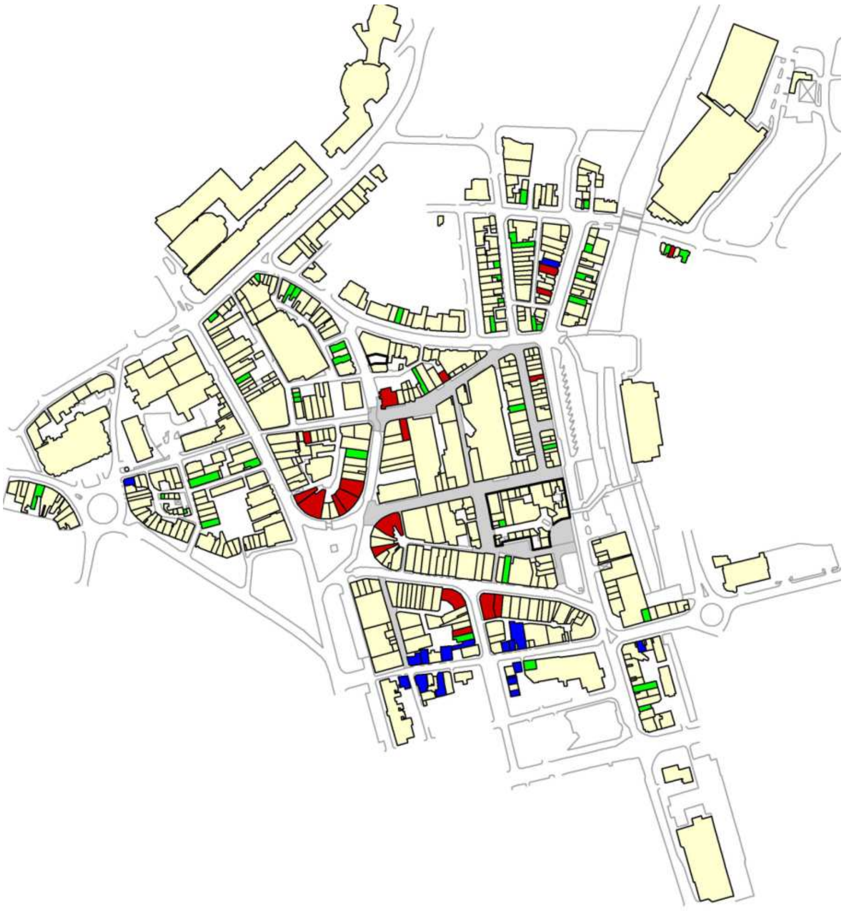


Other Service Uses

3.22 Representation in the *'banks & financial services'*, *'hairdressers', 'estate agents'* and *'travel agents'* GOAD sub-categories was all slightly below the UK average in December 2013 but we consider this to be largely a function of the vitality of Harrogate's retail offer and above-average representation of comparison retail outlets.

3.23 Figure 3.9 below shows that banks and building societies (in red) are largely clustered around the War Memorial, whilst estate agents (in blue) are concentrated on Albert Street. Indeed, this concentration of estate and commercial property agents extends into Princes Square to the south of Albert Street, but not included within the GOAD survey area. Other service uses (which mainly comprise hairdressers and beauty salons and are shown in green) are spread fairly evenly throughout the town centre, albeit they are more commonly located on the northern side of the town centre where units are generally smaller.

Figure 3.9 Distribution of Other Service Uses



Business, Residential and Other Uses

3.24 This analysis of the town centre has thus far mainly concentrated on street-level property within the commercial core of the town centre. This comprises the majority of the study area, although this also extends further to the north and particularly further to the south and east.

3.25 To the northwest of the area thus far examined, there is the Harrogate Borough Council offices on Crescent Gardens, some large residential properties on Swan Road and the Old Swan Hotel. To the north of Swan Road, the Southlands Nursing Home (a former hotel) on Ripon Road is included within the study area boundary, as is The Majestic Hotel and Holiday Inn, located to the rear of the Harrogate International Centre. Further analysis of serviced accommodation and conference facilities within the town centre is contained at section 6 of this report. However we note here that the largest hotels in the town centre are in this general location (together with The Crown Hotel on Royal Parade) and at Prospect Place where The Yorkshire Hotel and Hotel du Vin are located.

3.26 Established residential uses dominate the part of the town centre study area that lies to the north of Bower Road and the west of the railway line. There is range of property sizes from terraced houses to large detached dwellings. Residential property values are high throughout the town centre. On the northern edges of the study area is Knapping Mount, a property owned by the Council and currently housing the Department of Development Services. We understand that the Council has aspirations to vacate these premises, potentially enabling their redevelopment.

3.27 On the southern side of the town centre, between Princes Square and Victoria Avenue, is the town centre's main concentration of office space, mainly contained within large, traditional properties that have been converted from residential use, but also some purpose-built office blocks providing larger floorplates. The far southeastern part of the study area, to the east of the Waitrose foodstore and south of Victoria Avenue, is another established residential area comprising large, traditional properties on well-kept and attractive streets.

3.28 Finally, the southwestern part of the study area, between West Park and Station Parade is a more mixed area, containing retail and food and drink uses along West Park, and a mix of other commercial uses and residential properties, including high density residential property in the vicinity of Tower Street, Robert Street and fronting on to York Place. There are a number of flats and apartments throughout the rest of the town centre, including in converted properties, above some commercial premises and modern developments such as the apartment scheme adjoining the Royal Baths.

Vacant Property

3.29 According to Experian GOAD data, Harrogate Town Centre contained 40 vacant units in December 2013, equating to 8.1 per cent of all town centre units, which is lower than the UK average of 12.6 per cent at the same date. In terms of vacant floorspace, only 5.8 per cent of total floorspace within the town centre was vacant in December 2013, compared to a national average of 10.5 per cent.

3.30 Most town centres across the country have been affected by the closure of various national multiple retailers and struggling independent operators, who have been unable to weather the difficult economic conditions over the past five or six years. However, the fact that Harrogate's vacancy rate is well below the national average and appears to be falling is indicative of the overall good health of the town centre.

3.31 The distribution of vacant street-level property in the town centre (as at December 2013) is shown in Figure 3.10 below. Vacant units are spread thinly across the town centre and there are no particular concentrations that might indicate underperformance. The small concentration to the west of Parliament Street are units that were being refurbished at the time of the GOAD survey and that have now been partly re-let, further reducing the vacancy rate within the town centre.

Figure 3.10 Distribution of Vacant Street-Level Property

Summary

3.32 This section has provided a description of the main land uses currently within the HTCSM study area. The main findings of this analysis show that:

- retail uses dominate the study area, although there are a mixture of other commercial and residential uses within the town centre;
- convenience retail provision is dominated by the Asda and Waitrose stores to the north and south of the town centre;
- large anchor stores are distributed across the central shopping area, which should help to generate a balanced flow of shoppers around the town centre's commercial core;
- clothing and footwear retailers are concentrated on James Street and Cambridge Street though such retailers can be found throughout the town centre demonstrating the size and strength of the town centre's shopping area;
- food and drink uses are concentrated to the northern and southern edges of the commercial core, although pubs and bars are clearly concentrated to the western side of the town centre;

- town centre visitor accommodation, which is mainly provided by large hotels, is concentrated to the north-west of the town centre in the vicinity of the conference centre;
- offices and professional services uses are located to the south of the town centre in the vicinity of Victoria Avenue; and
- there are attractive, well established residential areas to the north, east and south of the study area.

4 THE CURRENT PERFORMANCE OF HARROGATE TOWN CENTRE

Introduction

4.1 In this section we provide an overview of the current performance of Harrogate Town Centre. There are three strands to this analysis:

- a summary of the trade and turnover in the town centre based on the most up-to-date data available, including the results of the Harrogate Retail Study;
- an assessment of the performance of the town centre in national rankings and a comparison of its performance with other centres; and
- a summary of the results of surveys of town centre visitors and town centre businesses commissioned to support the development of the HTCSM.

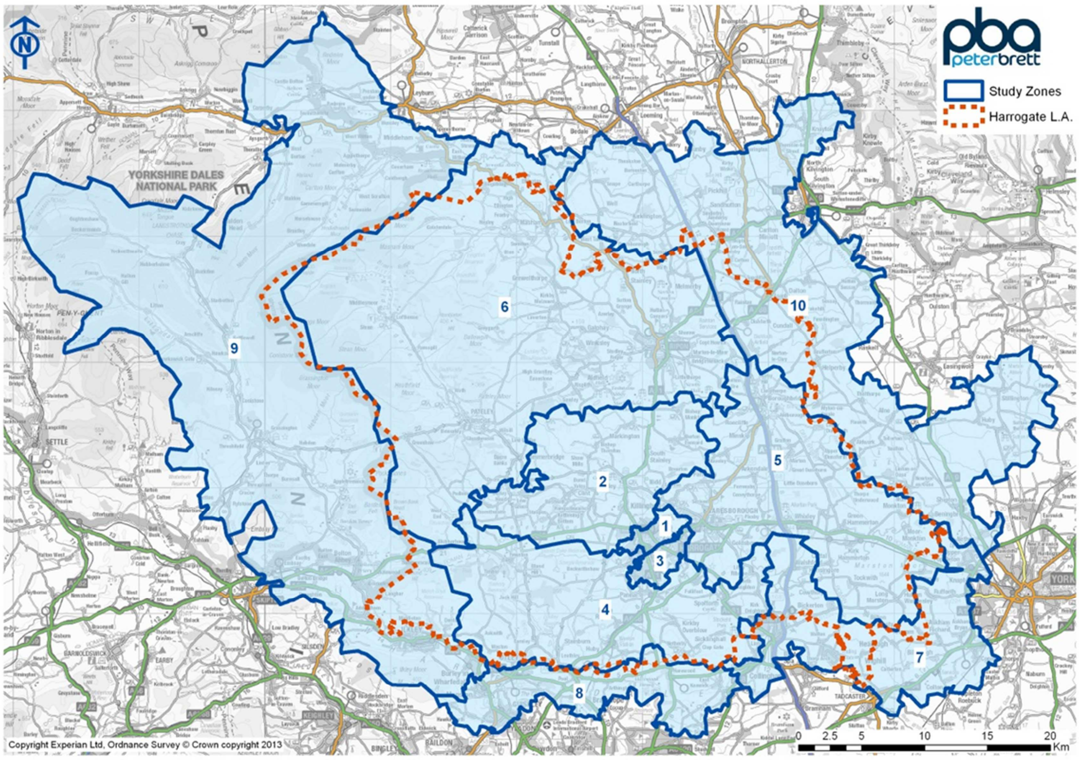
Town Centre Trade and Turnover

4.2 The analysis of the town centre in the previous section shows that Harrogate is an important and diverse shopping centre and that it provides a range of leisure facilities that support its role as a visitor destination. In this section we provide a summary of the key characteristics of existing trade in the critical town centre retail and leisure sectors.

Retail Sector

4.3 Our assessment of the current performance of the town centre's retail offer is based on the findings of the Harrogate Retail Study that was completed by Peter Brett Associates in January 2014. This study was supported by a survey of the shopping patterns of 1,000 households across Harrogate and neighbouring authorities and its results provide a wealth of information in terms of the performance of the town centre and the extent of its shopper catchment area. The study area used in the Retail Study is shown below in Figure 4.1.

Figure 4.1 Harrogate Retail Study Area



Comparison Goods

4.4 The Retail Study estimated that the comparison goods turnover of Harrogate Town Centre was approximately £225.2 million in 2013. It was by far the dominant destination for comparison goods expenditure within Harrogate District, with Ripon City Centre estimated to have an equivalent turnover of £40.4 million and Knaresborough Town Centre £21.0 million. Harrogate's comparison retail turnover equated to a market share of 29.3 per cent within the study area. The comparison goods market shares of Harrogate and key competing destinations inside and outside of the study area are shown in Table 4.1 below.

Table 4.1 Comparison Goods Market Shares

Centre	Turnover from Study Area (£m)	Market Share (%)
Harrogate Town Centre	225.2	29.3
Leeds City Centre	50.8	6.6
Plumpton Retail Park, Harrogate	40.7	5.3
Ripon City Centre	40.4	5.3
York City Centre	34.7	4.5
Clifton Moor Retail Park, York	34.6	4.5

Source: Harrogate Retail Study (2014)

4.5 The primary catchment area of Harrogate Town Centre comprises Zones 1 to 6 shown above in Figure 4.1. The town centre achieves a comparison goods market share of 57.6 per cent in its own zone (Zone 1). In neighbouring Zones 2, 3, 4 and 5 (all of which contain parts of the Harrogate urban area), the town centre secures healthy market shares of between 32.0 per cent and 57.7 per cent. The town centre is also able to secure a market share in Zone 6, which contains Ripon, at 31.2 per cent. Both Harrogate Town Centre and Ripon City Centre achieve market shares of over 25 per cent in Zone 6.

4.6 Harrogate's market share is lower in the remaining study area zones but this can be attributed to the close proximity of these zones to other centres outside the study area such as Leeds and York. However the town centre still achieves a comparison goods market share of between 10.0 and 12.6 per cent in Zones 7, 8 and 9. In the outer Zones 7 to 10, comparison goods shopping patterns are more dispersed with market shares split between major destinations such as Leeds and York, and locally important destinations such as Wetherby, Guiseley and Ilkley.

4.7 In Table 4.2 below we summarise the market shares of Harrogate Town Centre and Leeds and York City Centres for key sub-categories of comparison goods.

Table 4.2 Market Shares by Comparison Goods Sub-Categories

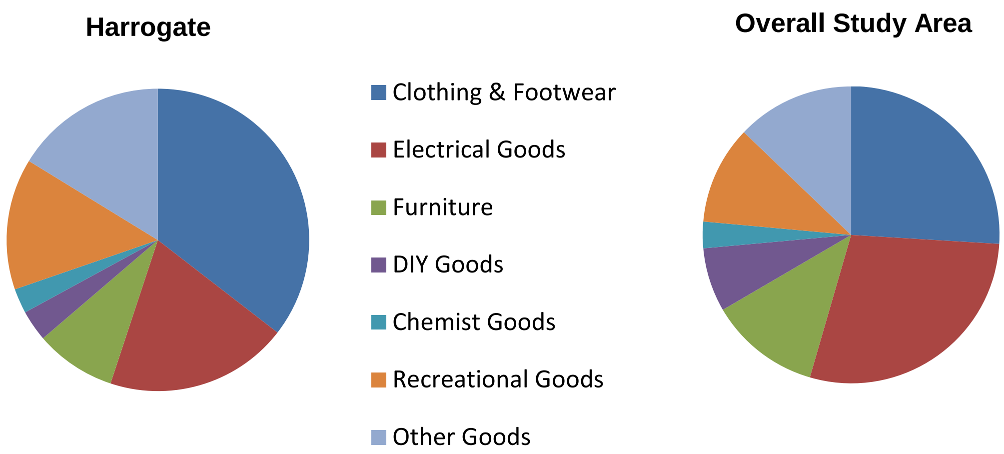
Centre	Market Share (%)		
	Clothing & Footwear	Furniture	Electrical
Harrogate Town Centre	38.4	21.4	20.6
Leeds City Centre	11.0	8.8	3.8
York City Centre	6.8	3.8	2.0

Source: Harrogate Retail Study (2014)

4.8 As can be seen from Table 4.2, Harrogate Town Centre is dominant within all three of these categories, although we note that Leeds and York both outperform their overall comparison goods market share in the clothing and footwear sub-sector.

4.9 Figure 4.2 below shows a breakdown of the total comparison goods turnover of Harrogate Town Centre by sub-sector. This is compared to the overall breakdown of comparison goods expenditure within the Retail Study area and shows that the town centre broadly performs better in non-bulky categories of comparison goods expenditure than in bulky categories. This is unsurprising given that larger furniture, electrical and DIY retailers tend to be located out-of-centre. Despite this, we consider that, for a traditionally configured town centre, Harrogate performs well in the bulky goods sub-sectors and Figure 4.2 shows that it draws healthy proportions of expenditure across all sub-sectors and is not over-reliant on any particular category of comparison goods.

Figure 4.2 Comparison Goods Expenditure by Sub-Category



Source: Harrogate Retail Study (2014)

4.10 On the basis of data from Experian GOAD, the Retail Study estimated that there was around 38,100 sq.m of comparison retail sales floorspace in Harrogate Town Centre, which, on the basis of a total comparison goods turnover of £225.2 million, would imply a comparison sales density of approximately £6,500 per sq.m. This is a good comparison sales density for a town centre location and reflects the strong performance of Harrogate.

Convenience Goods

4.11 Convenience goods shopping patterns are more localised than comparison goods shopping patterns. As such they are less important as an indicator of the town centre's performance. Nevertheless, the results of the Harrogate Retail Study show that convenience goods floorspace in the town centre has a total estimated turnover of £73.1 million (bringing the total convenience and comparison goods turnover of the town centre to just under £300 million).

4.12 The convenience goods turnover of the town centre is dominated by the Asda and Waitrose foodstores although the household survey results did pick up expenditure at smaller facilities within the town centre. A breakdown of the town centre's turnover and market shares within the study area are shown in Table 4.3 below.

Table 4.3 Convenience Turnover and Market Shares in Harrogate Town Centre

Centre	Turnover from Study Area (£m)	Market Share (%)
Asda, Bower Road	47.7	9.0
Waitrose, Station Parade	12.9	2.4
Other	12.5	2.0
Town Centre Total	**73.1**	**13.4**

4.13 The total town centre market share is 13.4 per cent. On a zone by zone basis, facilities in the town centre account for approximately 47 per cent of convenience goods expenditure in Zones 1 and 2 of the study area, a further 29 per cent in Zone 3 and 16 per cent in Zone 4. Out-of-centre foodstores in Harrogate (principally Morrisons and Sainsbury's) have a combined market share of 34 per cent in Zone 1 rising to 58 per cent in Zone 3. It is clear that town centre facilities draw greater volumes of trade from residents to the north of Harrogate than residents to the south of the town.

4.14 The Retail Study also provided an analysis of the extent to which convenience goods floorspace in the main foodstores was overtrading or undertading against company benchmark levels. Whilst the out-of-centre Morrisons and Sainsbury's store were found to be trading in-line with company averages, the town centre Asda store was estimated to be trading above company benchmark by approximately 40 per cent. This indicates that there may be some justification for the extension of this store or additional convenience goods floorspace provision elsewhere within the town centre.

Leisure Sector

4.15 At a regional level, Welcome to Yorkshire estimate that tourism in Yorkshire and the Humber is worth over £7 billion, which is more than the whole tourism expenditure in Ireland or Denmark[3]. The tourism industry employs nearly a quarter of a million people, representing 7 per cent of the total job market in the Yorkshire & Humber region[4].

4.16 This scale of activity is underlined by the estimated 200 million plus visits to Yorkshire made every year, including 15 million overnight staying visitors (equivalent to 48 million nights) from within the UK, worth nearly £2.6 billion to the local economy.

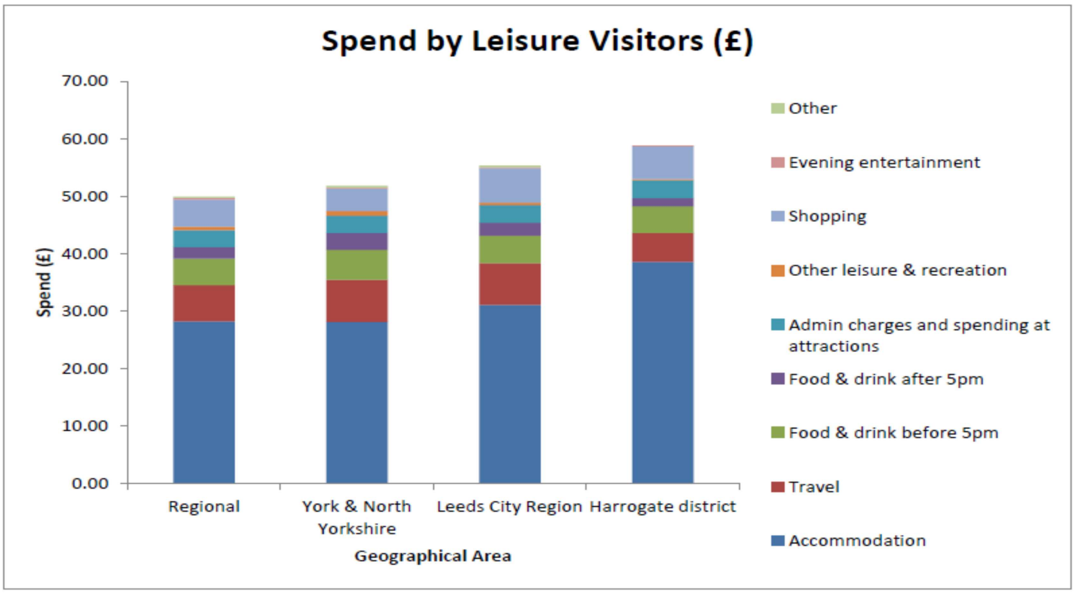
4.17 Overseas visitors contribute a further 3.2 million trips (13 million nights) and generate £637 million of spend a year, whilst day visits make up the largest proportion of the Yorkshire tourism economy, worth a massive £3.9 billion to the region every year with over 194 million visitors. Business trips represent a significant proportion of the tourism market, making up 19 per cent of all overnight trips in the region and accounting for a quarter of all visitor spend, equivalent to £1.6 billion a year.

4.18 The Regional Visitor Survey 2010/11 figures for Harrogate demonstrate that a high proportion of visitors are day visitors (73 per cent), with 63 per cent from within Yorkshire and Humberside. Of all visitors, 79 per cent are repeat visitors, 56 per cent are with partners and 28 per cent are with families. The main pre-arrival influencer is their previous experience and knowledge of Harrogate accounting for 76 per cent of visitors. A total of 75 per cent of visitors said they were very likely to return within 2 years and 95 per cent would recommend Harrogate.

[3] Source: Eurostat
[4] Source: Yorkshire Tourism Economic Impact Model

4.19 In terms of expenditure, Harrogate performs well compared with key regional competitors as highlighted in the latest available Tourism in Harrogate research digest (produced by Yorkshire Forward 2011) shown in Figure 4.3 below.

Figure 4.3 Average Spend by Leisure Visitors



Source:Tourism in Harrogate, 2011

4.20 As the foregoing demonstrates, leisure visitors to Harrogate tend to spend more than the average day leisure visitor to the region, especially on accommodation where the average spend is more than 10 per cent higher than the regional average.

4.21 In terms of the Harrogate visitor characteristics, the 2011 research reveals the following:

- Overwhelmingly UK based demand – 98 per cent of leisure visitors from Harrogate were from within the UK.
- Strong Yorkshire based market - Harrogate appeals strongly to the local market. Almost 66 per cent of leisure visitors to Harrogate came from within the Yorkshire and Humber region, with 8 per cent from North West England and 7 per cent from North East England.
- The car is the principal mode of transport - 90 per cent of leisure visitors travelled to Harrogate by car, although once in the district ‘on foot’ became the most common form of transport (98 per cent).
- Couples are the core market - leisure visitors are more likely to visit with their partner (in excess of 50 per cent of all visitors).
- Older age groups predominate - 41 per cent of leisure visitors to Harrogate are aged over 55, 13 per cent higher than the regional average.

4.22 In terms of Harrogate, the data suggests a core of older, loyal, predominantly local users of the town centre, with high levels of car dependency. This chimes with the Yorkshire trend as a whole and is unsurprising given the strong identity of Harrogate and quality tourism offer on display.

Summary

4.23 In summary, we have found that the performance of the town centre's retail and leisure sectors can be characterised as follows:

- Harrogate is clearly the dominant town centre within the District with an estimated retail turnover of £300 million per annum. Outside of the District the town centre's main competitors are Leeds and York;
- the town centre nevertheless draws significant volumes of retail trade from areas outside of the District and particularly from the northern side of West Yorkshire;
- the turnover per sq. m of comparison goods floorspace in Harrogate is approximately £6,500 which is a very healthy figure, especially given the age of much of the retail floorspace within the town centre;
- the town centre has an important role in meeting convenience shopping needs, especially for residents in central and northern suburbs of the town;
- town centre visitors are overwhelming from the UK and there is a strong local market in the Yorkshire region;
- visitor spend in Harrogate is on average higher than in other Yorkshire destinations, particularly in respect of accommodation; and
- couples and older people are the core visitor market for the town centre.

Performance in the National Rankings

4.24 In this section of the Baseline Report we provide an overview of the current performance of Harrogate Town Centre drawing on published data sources and benchmarking this performance against that of similar town centres. This is focused on retail activity though is expanded, to consider tourism, food and drink, and overall characteristics of the town centres market positions. We have identified four comparator centres against which to benchmark the performance of Harrogate Town Centre, as follows:

- Local comparators - these are essentially the main centres against which Harrogate competes to attract shoppers and visitors from its own local catchment area. **Leeds City Centre** is the dominant centre within Yorkshire and although characteristically different from Harrogate, it does contain many similar premium brand national retailers and is Harrogate's main competitor on the northern fringes of the Leeds-Bradford conurbation. **York City Centre** is Harrogate's main competitor to the east and is perhaps more similar to Harrogate in terms of its high quality independent retail offer and its heritage-based tourism.
- National comparators - we have identified two further centres elsewhere within the UK that we consider to be good comparators for Harrogate. These are the Spa Towns of **Royal Tunbridge Wells** and **Cheltenham**. Whilst both are located in southern England, the character and appeal of these two centres is similar to that of Harrogate.

Movement in National Rankings

4.25 The movement in national retail rankings of Harrogate and comparator centres can be tracked using time-series data from Javelin Group's Venuescore. Venuescore ranks the UK's retail centres on the basis of a weighted count of multiple retailers comprising fashion retailers, non-fashion multiples and anchor stores. Javelin's Venuescore index was first published in 2006 and has since been updated in 2010 and again in April 2013.

4.26 In 2006 Harrogate ranked in 73rd position but experienced a marked improvement to 51st position in 2010 before slipping back slightly to 55th in 2013. The overall improvement in national ranking since 2006 indicates that Harrogate has performed well and has been less affected by the impacts of the prolonged economic downturn than other centres within the Index. The performance of Harrogate and comparator centres is summarised in Table 4.4 below.

Table 4.4 Rankings for Harrogate and comparator centres

Centre	Javelin Venuescore Ranking		
	2006	2010	2013
Leeds	6	5	4
York	26	30	26
Harrogate	**73**	**51**	**55**
Royal Tunbridge Wells	61	58	51
Cheltenham	20	30	39

Source: Javelin Group Venuescore 2006 and 2013/14.

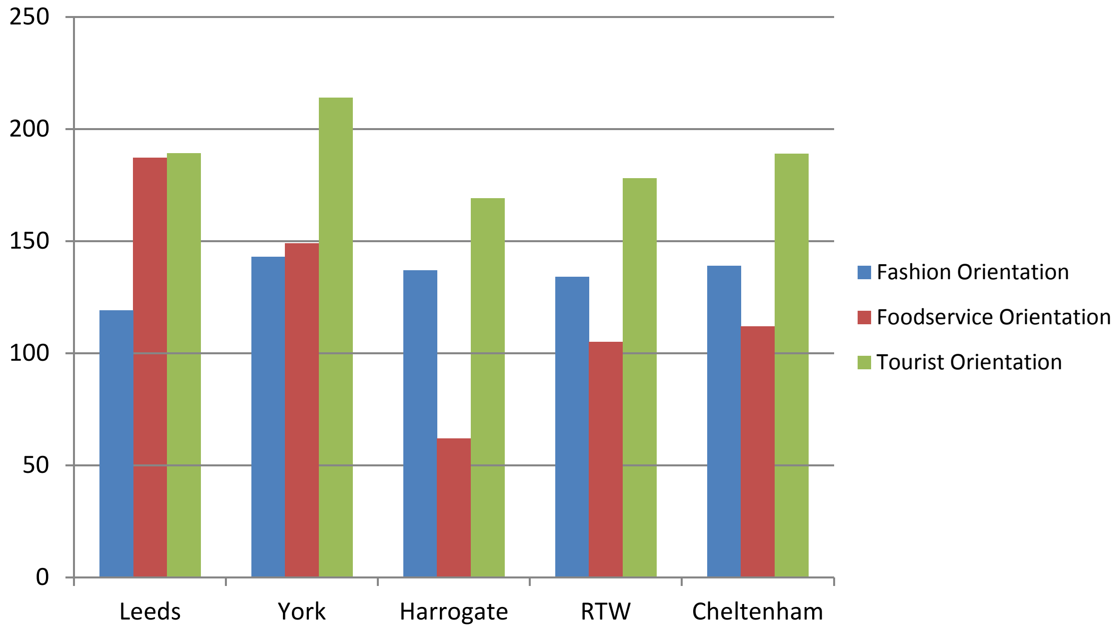
4.27 In terms of the Venuescore rankings Harrogate has performed better than most other comparator centres, with the most marked improvement in its position since 2006. Due to its size, Leeds City Centre was already ranked amongst the top destinations in the UK and has managed to improve its position from 6th to 4th between 2006 and 2013, an improvement which has been supported by the opening of the substantial Trinity Leeds retail and leisure scheme in early 2013. York City Centre has maintained its position in 26th place (recovering from a slight decline to 30th in 2010).

4.28 The other Spa Towns of Royal Tunbridge Wells and Cheltenham appear to have had more mixed fortunes. Like Harrogate, Tunbridge Wells Town Centre has seen a marked improvement in its ranking since 2006 and it now sits slightly ahead of Harrogate in 51st place. However, Cheltenham Town Centre has experienced a sustained decline since 2006 from 20th position in 2006 to 39th position in 2013.

Centre Orientation

4.29 The Venuescore rankings also grade the orientation of each centre's offer towards particular markets and activities. Figure 4.4 below shows the degree to which Javelin considers the centre's offer to be biased towards three indicators; fashion, foodservice (food and beverages), and tourism. In each case the UK average figure is 100 and a higher score indicates a higher bias.

Figure 4.4 Orientation of Harrogate and comparator centres



Source: Javelin Venuescore (2013)

4.30 Table 2.2 shows that York, Harrogate, Royal Tunbridge Wells and Cheltenham are all similar in terms of an above average bias towards fashion retail. Leeds scores slightly lower on this measure but is still above the UK average. In terms of foodservice, Leeds City Centre is much more strongly biased with a score of 187, possibly reflecting its size and importance as an economic centre for financial and professional services. York also has a high score and those of the other Spa Towns of Tunbridge Wells and Cheltenham are very similar at just over 100. However, Harrogate Town Centre performs strikingly lower here with a score that it well below the average and that of the comparator centres.

4.31 In terms of the tourist and visitor focus of the centres' offer, York has a very strong bias. Perhaps surprisingly, Leeds also scores strongly on this measure with an identical score to Cheltenham. However, the tourist offer of Leeds is likely to be qualitatively different to that of the other comparator centres. Harrogate again registers the lowest score on this index, although we note that it is similar to Royal Tunbridge Wells and is still well above the national average.

Market Positions and Classifications

4.32 A further component of the Venuescore ranking is to consider centres according to their market position, the characteristics of the fashion offer and the bias of the offer towards particular age groups. These results are shown in Table 4.5 and Figure 4.5 below.

4.33 Table 4.5 shows scores in terms of 'market position', 'fashion position' and 'age position'. Market Position indicates the degree to which a centre has a high-end or discount retail focus, with a higher score indicating a more high-end focus. Whilst all five comparator centres are clearly focused more towards a high-end offer, Harrogate receives the highest score on this measure, slightly higher than Royal Tunbridge Wells and more notably higher than Leeds, York and Cheltenham.

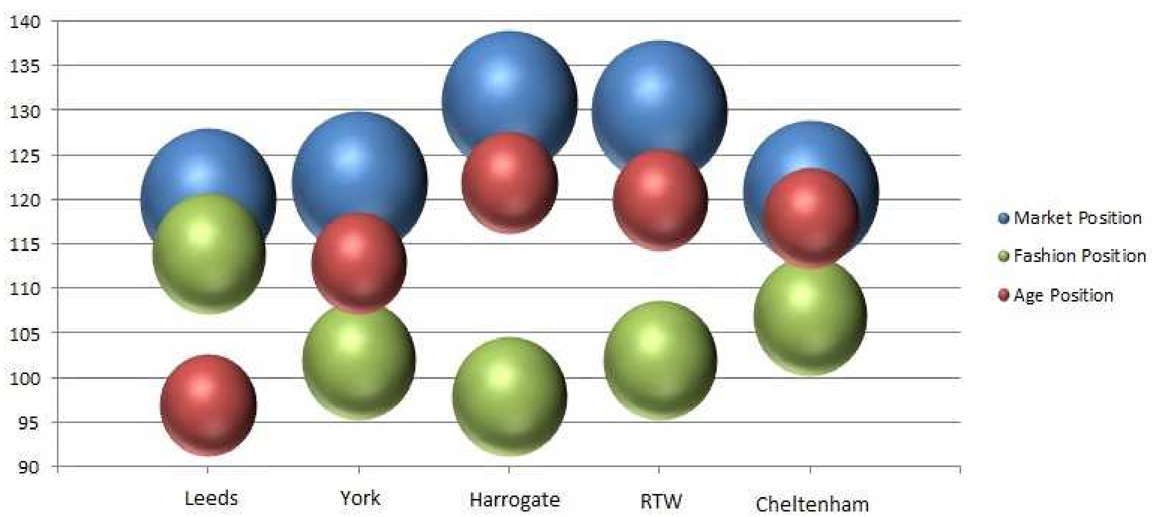
Table 4.5 Market Position of Harrogate and comparator centres

Centre	Javelin Venuescore Positions (2013)		
	Market Position	Fashion Position	Age Position
Leeds	120	114	97
York	122	102	113
Harrogate	**131**	**98**	**122**
Royal Tunbridge Wells	130	102	120
Cheltenham	121	107	118

Source: Javelin Venuescore (2013)

4.34 Fashion Position measures the degree to which a centre's fashion offer has a traditional or progressive focus, with higher scores indicating a more progressive focus. Unsurprisingly, Leeds City Centre scores most highly here, probably reflecting its younger demographics and higher student population. Harrogate has the lowest score but, at 98, this indicates that the town centre's fashion offer is relatively balanced between a traditional and progressive offer. It has a similar score to York and Tunbridge Wells, but is slightly less progressive than Cheltenham.

Figure 4.5 Market Position of Harrogate and comparator centres



4.35 Finally the Age Position index indicates the extent to which retailers present within a centre are focused on older or younger consumers, with higher scores indicating a greater focus on older shoppers. Harrogate Town Centre has the highest score on this measure indicating that its offer is most focussed on older people. However its score is only slightly higher than Tunbridge Wells' and Cheltenham's and all comparator centres except Leeds have an above average focus towards older people.

4.36 Table 4.6 shows how the market positions scores identified in Table 4.5 above relate to market classifications. In terms of the overall market, Leeds, York and Cheltenham receive the 'upper middle' classification, whereas Harrogate and Tunbridge Wells are classified as 'upscale'. This indicates that Harrogate's offer is more upmarket than the local comparator centres, though the significance of this should not be overplayed given the scores shown in Table 4.5.

Table 4.6 Market Classifications for Harrogate and comparator centres

Centre	Javelin Venuescore Classification (2013)		
	Market Classification	*Fashion Classification*	*Age Classification*
Leeds	Upper Middle	Fashion Forward	Mid
York	Upper Middle	Fashion Moderate	Mid
Harrogate	**Upscale**	**Updated Classic**	**Old**
Royal Tunbridge Wells	Upscale	Fashion Moderate	Old
Cheltenham	Upper Middle	Fashion Moderate	Mid

Source: Javelin Venuescore (2013)

4.37 In terms of fashion classification, Table 4.6 shows that York, Tunbridge Wells and Cheltenham are classified as 'fashion moderate' whereas Leeds City Centre is classified as 'fashion forward', reflecting its younger focus and more progressive fashion offer. Harrogate Town Centre is classified as 'updated classic', reflecting its more traditional focus and the upmarket nature of its fashion offer. Lastly in terms of age classification, Harrogate falls within the 'old' category whereas all other centres, except for Tunbridge Wells, are within the 'mid' age category. Again we would stress that this classification is marginal given the scores shown in Table 4.5.

Summary

4.38 In summary Harrogate's position in national rankings indicates that:

- the town centre has performed well in recent years despite the recession and has improved its position relative to other centres within the UK;
- its retail offer is biased towards fashion which is a positive indicator as this is a critical category of comparison goods for attracting shopper spend;
- Harrogate's offer is much more biased towards tourism than the UK average but is less biased than other Spa Towns and also the local comparator centres of Leeds and York;

- Harrogate's offer is much less biased towards a food and drink service offer than the national average and its comparator centres. This is a potential area of concern;
- the market position of Harrogate is clearly upmarket and is characterised by a more traditional offer which appeals to older people; and
- these characteristics may help to differentiate Harrogate from the competing local centres of Leeds and York.

Visitor and Business Perceptions

4.39 In July 2014, Peter Brett Associates commissioned NEMS Market Research to undertake two surveys of visitors and businesses in Harrogate Town Centre. The objectives of these surveys was to develop a greater understanding of the views of town centre uses and those operating businesses within the town centre in terms of the strengths and weaknesses of Harrogate and preferred options for the improvement of the town centre. In this section, we summarise the findings of the two surveys.

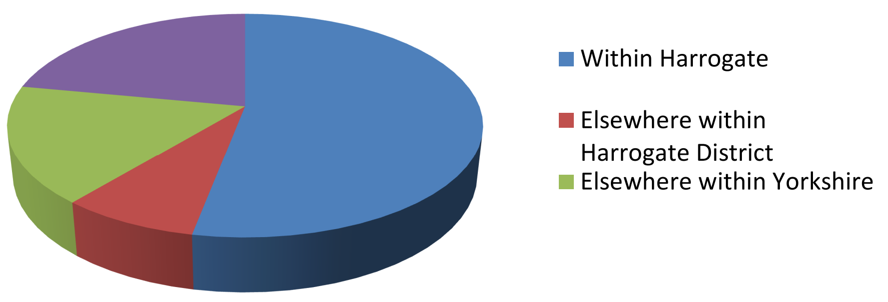
Visitor Survey Results

4.40 A survey of 307 pedestrians at various points within the town centre was undertaken by NEMS over several days (including during the week and at the weekend) in late July 2014. The full survey results are contained at Appendix C and we summarise here the key findings of the visitor survey.

Origin of Town Centre Visitors

4.41 The survey firstly asked people where they lived and found that 53 per cent of those surveyed lived in Harrogate, 8 per cent lived elsewhere within the District, 17 per cent lived elsewhere within Yorkshire and 22 per cent resided outside of Yorkshire. These results are shown graphically at Figure 4.6.

Figure 4.6 Origin of Town Centre Visitors

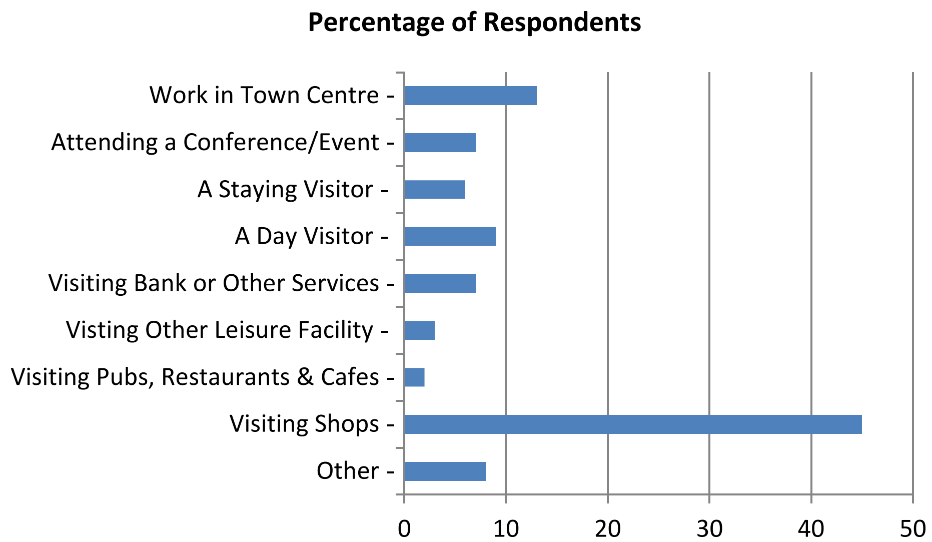


4.42 As Figure 4.6 shows, the majority of town centre visitors live within Harrogate, however, a very significant number are visiting from further afield, reflecting the appeal of Harrogate as a tourist destination for day visitors and staying visitors. The number of visitors from outside of Yorkshire was notably high, although this may reflect the particular timing of the survey during peak season. We note that visitors from outside of Yorkshire tended to be older with a greater number of visitors in the 35-54 and 55 plus categories than in the 18-34 category.

Reasons for Visiting the Town Centre

4.43 Two survey questions asked respondents to name the main and secondary reasons for their visit to the town centre. The main reasons for visits to the town centre are shown in Figure 4.7 below.

Figure 4.7 Main Reasons for Visiting Harrogate Town Centre



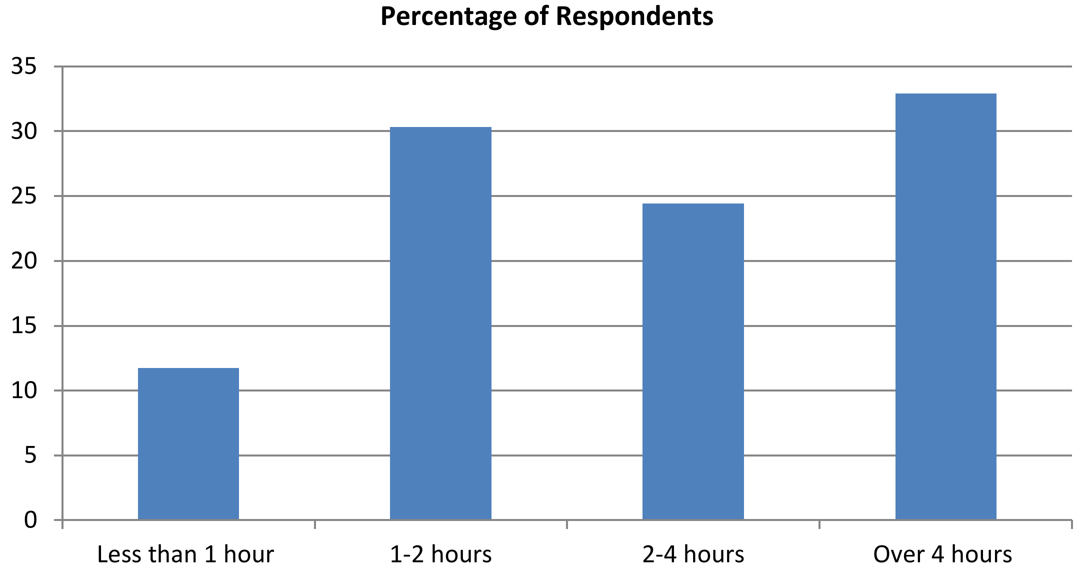
4.44 The results show that by far the most important reason for visiting the town centre was to shop. This was identified as the main reason by 45 per cent of those questioned. Tourist and business visits (day, staying and attending conferences) was the main reason for a sizeable 22 per cent of respondents. Only 5 per cent said the main purpose of their visit was to visit a leisure facility, including a pub, restaurant or café.

4.45 When asked what else they would be doing in the town centre, almost half said nothing else. However, a significant 25 per cent said they would visit pubs, cafes or restaurants in the town centre indicating that these facilities play an important role in supporting other town centre activities.

Length and Frequency of Visits

4.46 Respondents were asked about the length of their stay in the town centre and about how often they visit the town centre. Encouragingly the most popular response in respect of length of stay was more than 4 hours (33 per cent). This will partly reflect the number of respondents who worked in the town centre and were day or staying visitors. Overall the proportion of visitors spending more than two hours in the town centre was 57 per cent, with the remaining 43 per cent of visitors making visits of less than two hours. These results are shown in Figure 4.8 below. The relatively high number of lengthier stays is a positive indicator as it means that visitors are likely to spend more money in the town centre and provides scope to further encourage shoppers to use other, complementary town centre services.

Figure 4.8 Town Centre Visitors by Length of Stay



4.47 In terms of the frequency of visits to the town centre, 49 per cent of respondents said they visit the town centre more than once a week. This indicates that the town centre has an important local catchment of regular town centre users. A further 11 per cent of those questioned said they visited the town centre at least once a week and 12 per cent visited fortnightly or monthly. A significant 30 per cent said they visit Harrogate less than once a month, of which 8 per cent said this was their first visit to the town centre. This again reflects the importance of tourism to the town centre.

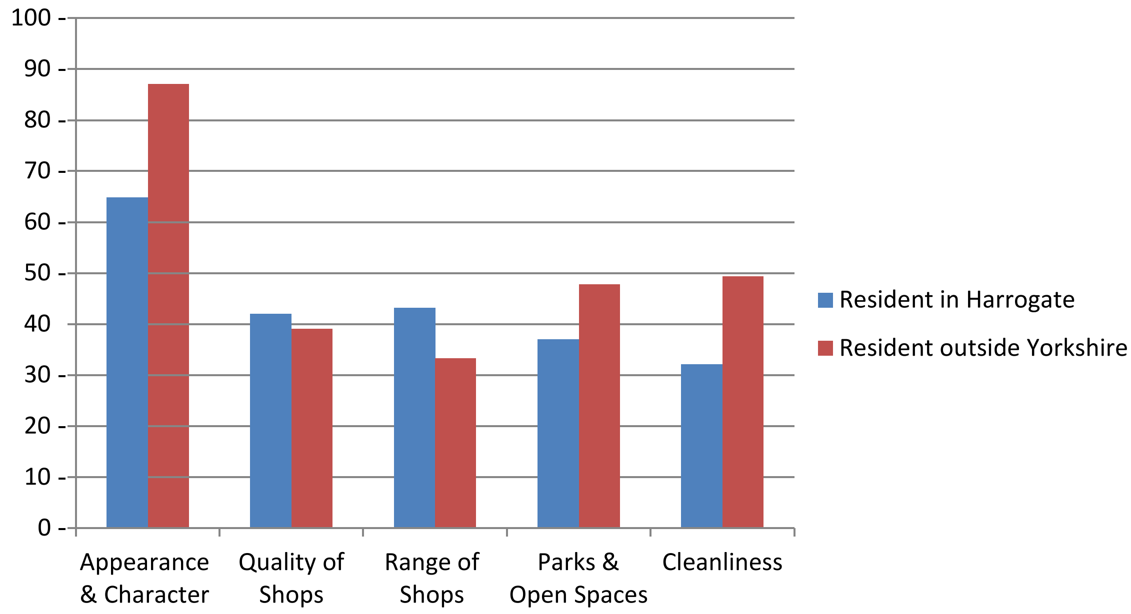
Visitor Likes and Dislikes

4.48 The survey went on to ask visitors about their general likes and dislikes about the town centre. Answers were not prompted and respondents were able to name any issues and as many issues as they liked. The overall results indicate that visitors to the town centre have an overwhelmingly positive view of Harrogate. This is demonstrated by the fact that only 2 per cent of those questioned said there was nothing they liked about the town centre whereas 63 per cent said there was nothing they disliked.

4.49 In terms of what visitors like, the results clearly show the importance of the town centre environment. The most popular response related to the appearance or character of the town centre which was cited by 71 per cent of respondents. The quality of parks and open spaces was also mentioned by 39 per cent of those questioned and 36 per cent mentioned the overall cleanliness of the town centre. These factors were particularly important for long distance visitors from outside of Yorkshire.

4.50 The next most popular responses related to the range and quality of shops and services in the town centre. The quality of shops was mentioned by 45 per cent and the range of shops by 42 per cent. The range or quality of places to eat was mentioned by 35 per cent, the range or quality of pubs and bars by 22 per cent and the range and quality of other leisure facilities by 19 per cent. The top five most popular responses are shown in Figure 4.9 below which shows the responses of residents of Harrogate and long distance visitors for comparative purposes.

Figure 4.9 Top Five Visitor Likes (%)



4.51 These results were reflected when visitors were asked '*What one thing does Harrogate Town Centre do better than other places that you visit?'* A broad range of issues were identified by respondents but the most popular were the town centre's architecture and environment (18 per cent), its floral displays (10 per cent) shopping facilities (9 per cent) and atmosphere/ambience (8 per cent).

4.52 In terms of things that visitors disliked about the town centre, only 34 per cent of respondents named an issue. The top five responses were as follows:

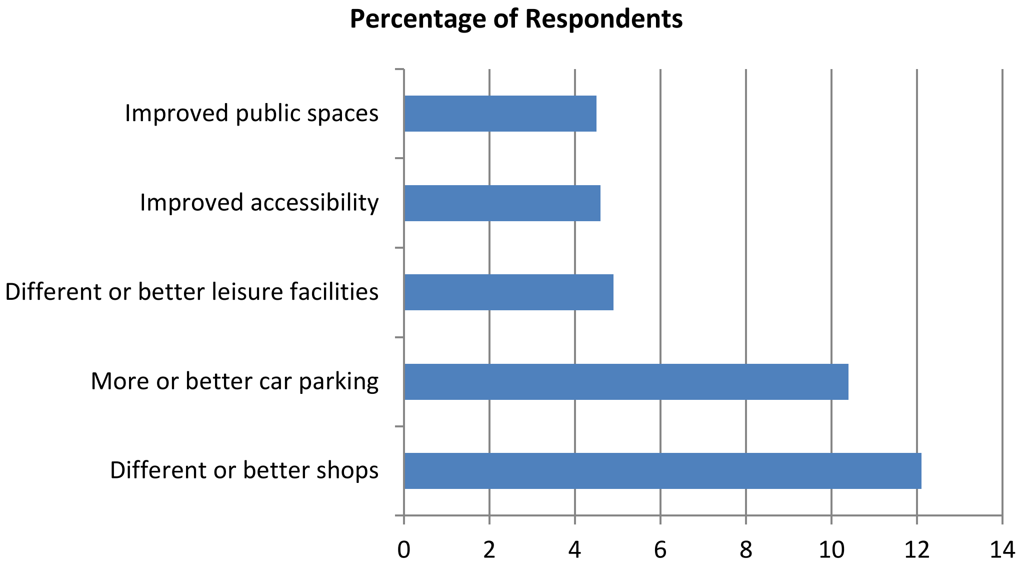
- difficult or expensive car parking (mentioned by 8 per cent of respondents);
- town centre congestion (7 per cent);
- poor range of shops (7 per cent);
- poor range of leisure facilities (4 per cent); and
- the cleanliness of the town centre (3 per cent).

4.53 Younger respondents and those resident within Harrogate were more likely to name things that they disliked about the town centre but as can be seen no one issue is detracting from the town centre visitor experience.

Areas for Improvement

4.54 All those surveyed were asked to suggest how the town centre could be improved and whilst 46 per cent said that nothing in particular needed to be improved and 9 per cent did not know, 45 per cent did respond to this question with suggestions for improvements. A number of different issues were raised but the five most common responses are shown in Figure 4.10 below.

Figure 4.10 Visitors' Top Five Town Centre Improvements



4.55 Different and better shops was the most popular response, followed by more or better car parking. However, these issues were only named by 10 to 15 per cent of respondents, indicating that there is no clear area where town centre visitors would like to see improvements.

4.56 Those respondents who had identified particular areas for improvement were asked a series of supplementary questions about what specifically they would like to see improved. In terms of those who would like to see improvements to the town centre's retail offer, 46 per cent would like to see more independent shops, 42 per cent would like to see more affordable shops and 32 per cent would like to see better quality shops in the town centre.

4.57 Of those who would like to see improvements to town centre car parking, 50 per cent suggested that parking should be cheaper and 35 per cent suggested that there should be more long stay car parking (compared to only 9 per cent who requested more short stay parking).

Summary

4.58 In summary, the town centre visitor survey has found that:

- whilst the town centre has an important local catchment of regular town centre users, a large proportion of town centre visitors are from outside Harrogate;
- the main reason for visiting the town centre is to shop;
- most visitors spend more than 2 hours in the town centre and a significant number spend more than 4 hours;
- visitors generally have a very positive view of the town centre and the quality of the town centre environment is the main reason for these positive views, particularly for more long distance visitors and tourists;
- the range and quality of shops is also an important factor influencing positive views of the town centre;

- the comparative advantages of the town centre are based around its shopping environment – its architecture, floral displays and its ambience;
- where visitors do think the town centre can be improved they point to improved shopping facilities and improved car parking; and
- in particular visitors would like to see more independent shops, more affordable shops, cheaper parking and more long-stay parking.

Business Survey Results

4.59 In July 2014, NEMS Market Research conducted telephone interviews with a representative sample of 100 businesses within Harrogate Town Centre. The purpose of this survey was to determine whether existing accommodation was considered to be suitable by these businesses, whether there were any future business needs that needed to be taken into account by the masterplan, and key areas for improvement of the town centre.

Profile of Respondents

4.60 The main activity of 41 per cent of the businesses surveyed was retail, 22 per cent provided professional services, 15 per cent were food and drink operators, and 16 per cent were other leisure operators, including accommodation providers. Nearly all the respondents were small businesses, with 48 per cent employing less than 5 people and only 3 per cent employing more than 50 people.

4.61 Most businesses surveyed had been based in the town centre for more than 10 years (63 per cent), 23 per cent had been based there for between 5 and 10 years, and only 14 per cent had been operating from the town centre for less than 5 years.

Suitability of Existing Business Accommodation

4.62 The vast majority of town centre businesses reported that they were satisfied with their existing accommodation. A total of 92 per cent were either very or fairly satisfied, and just 5 per cent were dissatisfied (although all of these were very dissatisfied).

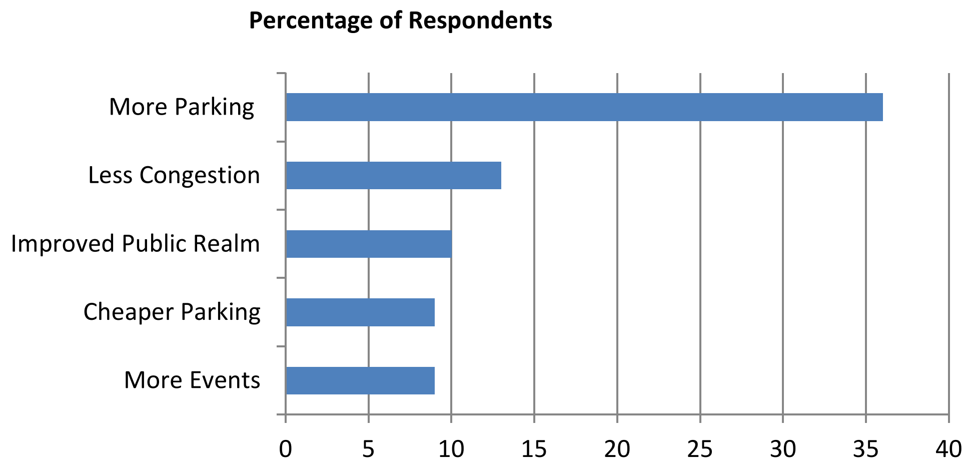
4.63 The main reasons given by businesses for being satisfied with their existing premises was the location and/or the footfall from which they benefit in their existing location. The second most popular reason related to satisfaction with the size or layout of existing business accommodation, and thirdly good car parking. The small number of businesses that were dissatisfied with their existing premises cited a small range of issues, including insufficient car parking.

4.64 When asked whether they had any plans to relocate in the next 5 years, 81 per cent of the businesses surveyed said they did not and 14 per cent said that they did. Of those that wished to relocate, 50 per cent would seek alternative premises within Harrogate Town Centre, 7 per cent would seek premises elsewhere within the District, and 21 per cent would relocate outside of Harrogate District. There were a broad range of reasons given by the small number of businesses who might seek to relocate, including requiring more space and in order to reduce costs.

Town Centre Improvements

4.65 The business survey went on to ask what specific improvements to the town centre might support the growth of respondents' businesses. Those questioned were able to name as many areas for improvement as they liked and the most popular responses are show in Figure 4.11 below.

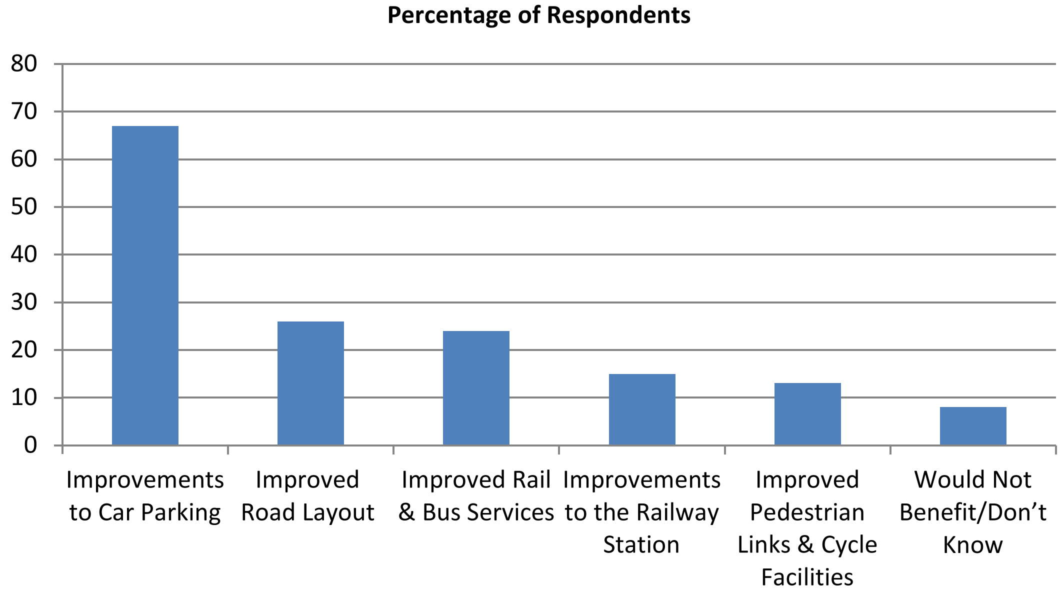
Figure 4.11 Businesses' Top Five Town Centre Improvements



4.66 Parking facilities and congestion are clearly the most important issues for town centre businesses, with the provision of additional car parking the key improvement that would help to support the growth of local businesses. Aside from these issues, improvements to the public realm and more events such as markets and festivals were also cited as areas for improvement.

4.67 Those surveyed were then asked a series of questions on particular issues and asked to select the two main priorities for improvement. When asked to name the two priorities for improved transport facilities, the most popular responses were as shown in Figure 4.12.

Figure 4.12 Business Priorities for Improvement of Transport Facilities

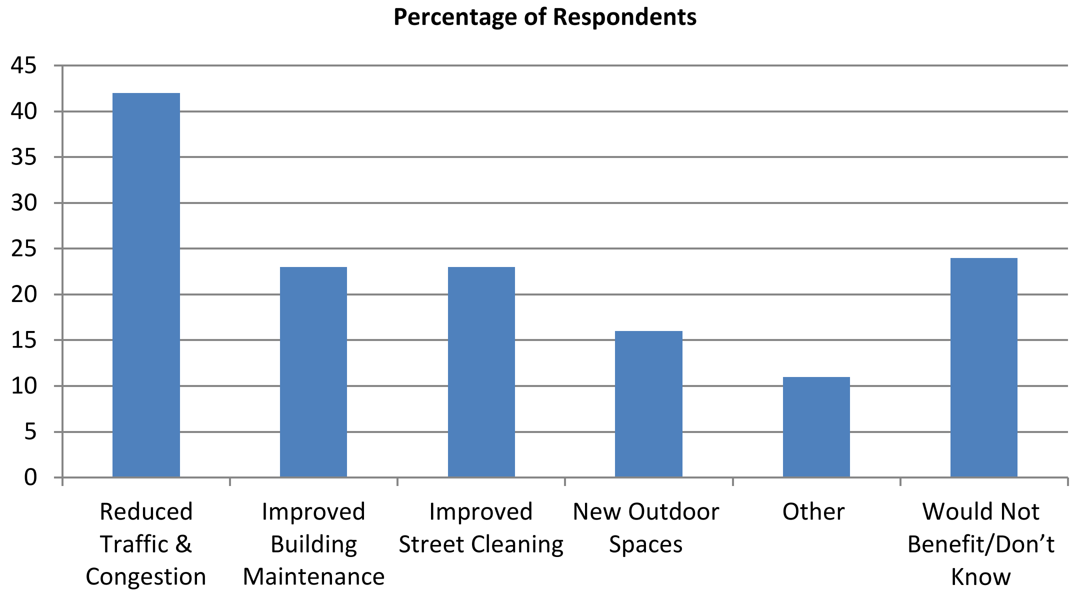


4.68 This shows that most businesses felt that they would benefit from transport improvements and chiefly from improved car parking facilities, improvements to the road layout in the town centre and improved public transport services. Only 5 per cent of businesses felt they would not benefit from transport improvements.

4.69 When asked to select two priorities for the improvement of available commercial property in the town centre the clear priorities were providing accommodation with additional car parking (64 per cent) and providing more affordable commercial premises (30 per cent).

4.70 In terms of improvements to the town centre environment, the most important improvement was the reduction of traffic and congestion in the town centre (42 per cent), followed by the improved maintenance of existing buildings (23 per cent), improved street cleaning (23 per cent) and new outdoor spaces for events and markets (16 per cent). These results are show below in Figure 4.13.

Figure 4.13 Business Priorities for Environmental Improvements



4.71 When asked to select priorities for improved town centre marketing and information for visitors, the main priorities were stronger branding of Harrogate (32 per cent) and more advertising and marketing activity to promote the town (30 per cent). Better maps and literature for visitors and improved signage was supported by 23 per cent and 19 per cent respectively.

4.72 Finally, the business survey asked those questioned to name the most important factor in terms of the growth of their business and future investment plans. A diverse range of answers were given, probably reflecting the different types of businesses that were surveyed. Nevertheless, the top five answers were as follows:

- the number of shoppers in the town centre (15 per cent);
- the number of staying visitors in the town centre (15 per cent);
- the affluence of town centre shoppers (14 per cent);
- the quality of the town centre environment (13 per cent); and
- the quality of business support services (10 per cent).

4.73 The results when businesses were asked to name the second most important factor were very similar, although the number of day visitors within the town centre was a notably more important factor, with 16 per cent of respondents naming this as the second most important factor.

4.74 Conversely when asked to name the main threat to the growth of their business and future investment plans, the majority of businesses did not know (54 per cent). However, those that did know felt that the most important factors that could threaten growth and investment were the quality of the town centre environment (11 per cent), the accessibility of the town centre (11 per cent) and the number of town centre shoppers (9 per cent).

Summary

4.75 In summary, the business survey found that:

- a significant majority of businesses within the town centre are well established small businesses that have been based in Harrogate for more than ten years;
- the vast majority of businesses are satisfied with their existing premises, mainly due to their location. Only a small number of businesses are looking to relocate in the next 5 years; and
- improved car parking and reduced town centre congestion are the priority areas for improvement for town centre businesses.

Summary and Conclusions

4.76 In this section of the Baseline Report we have provided an overview of the current performance of Harrogate Town Centre. Our analysis has considered the scale and nature of trade within the town centre, the performance of the town centre in national rankings and the findings of our surveys of town centre visitors and businesses. We also take account of our findings in Section 3.

4.77 These indicators all paint a similar picture; that of Harrogate Town Centre performing well and being a vibrant and viable destination both for local residents and visitors from further afield. The town centre has a strong local catchment area which it dominates, especially for comparison goods shopping. The town centre's mix of national multiple and quality independent retailers is good and representation from premium comparison goods retailers is a particular strength.

4.78 Despite the economic downturn, Harrogate has managed to improve its standing in national retail rankings. The retail turnover of the town centre is estimated to be just under £300 million and existing floorspace trades well. The town centre has managed to attract a number of premium retailers in recent years that have congregated in the James Street area. The clothing and footwear sub-sector is particularly strong in Harrogate and this is a key determinant of the attractiveness of a town centre.

4.79 The overall market position of the town centre offer is upmarket, traditional and more focussed towards older consumers. Its offer is distinct from Leeds City Centre but similar to York City Centre, except that Harrogate's offer is less tourist orientated and appeals to slightly older people. This is reflected in the profile of the town centre's leisure visitors who tend to be older but who, on average, spend more on a trip to Harrogate than the regional average.

4.80 Visitors to the town centre (including both locals and tourists) have strongly positive views of Harrogate and the main reasons for these positive views are the town centre's architecture and its overall environment. The range and quality of shops in the town centre also strongly influences positive views of the town centre. Where visitors do think improvements can be made, these relate to further expansion of the town centre's retail offer and improved accessibility, particularly additional car parking.

4.81 The vast majority of businesses based in the town centre, which are overwhelmingly small, well established businesses, are satisfied with their existing accommodation and few are seeking to relocate in the short term. The main reasons for this are satisfaction with their location and the size and layout of their premises. The main priorities of local businesses for improvement of the town centre are a reduction in traffic and congestion, and improvements to town centre car parking.

4.82 In conclusion, it is therefore apparent that the town centre is performing well and has many existing strengths. These include its architecture and green spaces, the affluence and loyalty of its catchment area, and its visitor appeal. Preserving and building upon these strengths, whilst organically and intelligently diversifying the offer of the town centre and managing its success, will be a key priority for the development of the HTCSM.

5 NATIONAL TRENDS IN TOWN CENTRE DEVELOPMENT

Introduction

5.1 In this section we consider national trends in town centre development in the UK with reference to macroeconomic conditions, new technology, lifestyle changes and changes to the national policy and legislative framework.

5.2 Town and city centres in the UK are in the midst of a period of significant structural change. Technological advances, changing shopping patterns, and evolutions in retail practices all mean that the role and function of the 'high street' is different now to what it has been at any time in the past. In brief, we consider the key factors which are underpinning the current and future trends in the retail and leisure sector to be:

- the prolonged **downturn in the UK economy**, which resulted in the growth of 'value' retail, a greater reluctance to spend amongst consumers, and investors being more cautious in their financial decisions;
- the '**polarisation trend'**, which has resulted in many retailers concentrating their activity in larger, higher-order shopping destinations;
- the continued growth of **online retailing**, which acts as a 'claim' on the total amount of expenditure available to support new retail floorspace within town and city centres - although the increasing popularity of 'click & collect' services suggests potential for synergy between the two retailing formats;
- the continued **growth of the leisure sector** and changes in the tourist market; and
- **legislative changes** designed to respond to these issues.

5.3 Clearly the specific impacts of these national trends will depend upon local circumstances. In many cases Harrogate Town Centre appears to be withstanding pressures that have caused much greater harm to the vitality and viability of other centres of a similar size. We review below the apparent impacts of wider economic and social developments on Harrogate Town Centre.

The Economic Downturn

5.4 The sustained downturn in the economy between 2008 and 2012 has had a number of clear changes on the retail landscape in the UK, with a number of high-profile retailers entering administration, and a general trend towards discount retailers increasing their representation — both in the comparison goods sector (for example, Poundland, 99p Stores and Wilkinson) and the convenience goods sector (for example, the continued expansion, and strong trading performance of, 'deep discount' retailers such as Aldi and Lidl). The downturn has also affected consumer spending, with a greater reluctance to spend amongst consumers on non-essential goods. As a result, forecast levels of growth in consumer spending remain generally subdued, particularly in the convenience goods sector.

5.5 The economic downturn has also resulted in investors being more cautious. Nationally, many large retail developments have been put on hold until the economy returns to stability — schemes in Nottingham, Sheffield and Guildford remain on hold, but 2013 saw the completion of a major new scheme in Leeds, and the restarting of a retail-led scheme in Bradford, suggesting that investor confidence is beginning to return, especially in larger centres.

Impacts of the Economic Downturn on Harrogate

5.6 Harrogate Town Centre appears to have weathered the economic recession much better than many other centres in the UK. Key indicators of recessionary impacts include a significant increase in vacancy rates and declining public and private sector investment. On either of these measures Harrogate has performed well and has not suffered from a significant increase in vacant floorspace. It has also managed to maintain reasonable levels of private sector investment, particularly in terms of attracting premium retail brands to the centre. We would suggest a number of reasons for Harrogate's resilence:

- the relative affluence of its catchment area and its particular appeal to groups that have been less affected by the recession, such as wealthy older people;
- the strength of the town centre's independent retail sector which means that it has been more resilient to the closure of national multiples; and
- Harrogate's attractiveness to premium retailers that have continued to expand despite the economic downturn.

The Polarisation Trend

5.7 The 'polarisation trend' is a significant and long-term trend which has been taking place in UK retail in recent years, and is expected to continue in the short to medium term. It refers to the preference of retailers to concentrate trading activities in larger schemes, within larger centres. Retailers recognise that greater efficiency can be achieved by having a strategic network of large stores offering a full range of their products, rather than a network of smaller-format stores which are only able to offer a limited range of products. Increasingly therefore retailers are seeking to serve larger population catchments from larger stores.

5.8 The 'polarisation trend' is also driven by customers, who have become more discerning and are increasingly prepared to travel further afield. There is therefore a concentration of comparison goods expenditure in a smaller number of larger centres. This concentration of retailing activity poses challenges for the medium and smaller centres, in many cases requiring them to potentially refocus their role and function away from solely being shopping destinations to incorporate a much broader retail, leisure, culture and residential offer. The three principal impacts of this trend on the retail property market of vulnerable centres is as follows:

- Firstly, increased availability of property as vacancy rates increase;
- Secondly, decreasing prime retail rents; and

- Thirdly, increased flexibility in rental terms, with retailers demanding better terms, including shorter leases, rent-free periods, earlier break clauses, and monthly rental arrangements.

Impacts of the Polarisation Trend on Harrogate

5.9 Harrogate is not a small town centre and enjoys a good level of representation from national multiple retailers. However, its catchment area does overlap with the larger centres of York and Leeds and it may therefore be vulnerable, in theory, to the polarisation trend. Nevertheless, we consider that Harrogate's catchment area is both sufficiently affluent and contained to insulate the town centre from any significant impacts. Furthermore, the vitality of Harrogate's independent retail offer and good representation of premium retailers (who follow different locational strategies to national multiples) is likely to ensure a solid representation of key high street names within the town centre.

The Continued Growth of Online Retailing

5.10 There is extensive evidence which suggests that online shopping has increased at a rapid pace in recent years - particularly in the comparison goods sector. Online shopping is perceived to offer a number of significant advantages over 'traditional', high street-format shopping - including lower prices (as there are lower operating 'overheads' for online retailers compared with those in a town centre), a wider variety of choice, and the ability for customers to easily search out bargains — including second hand goods. While unfavourable economic conditions are forcing many retailers to scale back on physical retail space, their online operations allow them to reach a much wider customer base. Internet sales have been rising much more rapidly than general retail sales in recent years.

5.11 The ONS forecast that online sales accounted for 9.4% of all retail sales in October 2012, which increased to 10.5% in October 2013 (equivalent to a year-on-year increase of 1.1 percentage points). Experian consider that this pattern is likely to remain the case for the foreseeable future, commenting in their Retail Planner Briefing Note (October 2013) that:

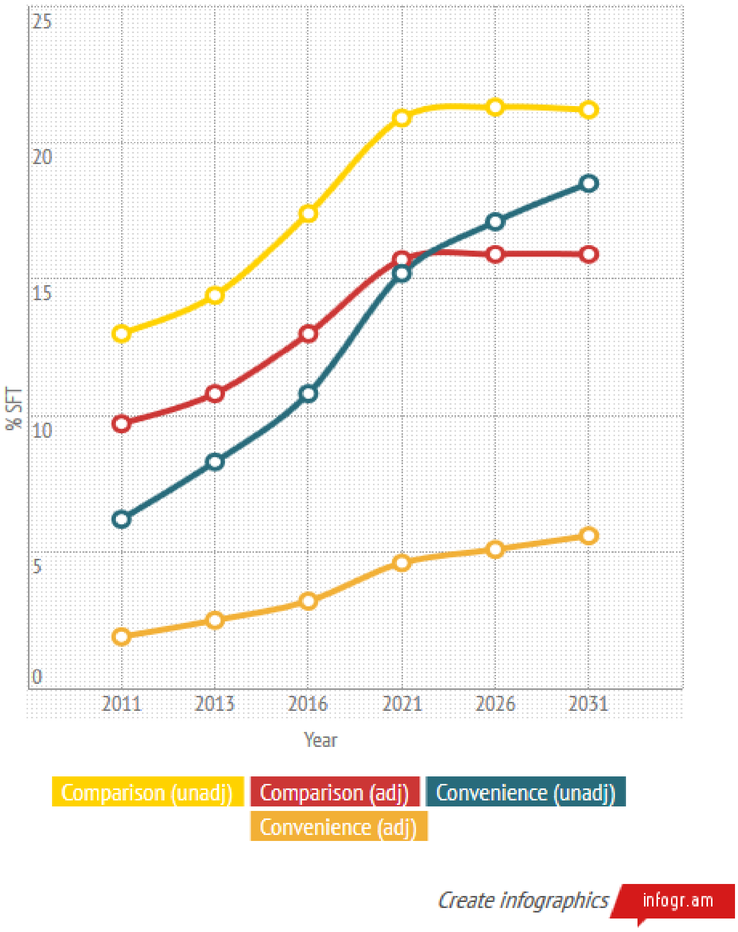
> 'We retain our assumption that non-store retailing will increase at a faster pace than total retail sales well into the long term. There were 52.7 million internet users in the UK (representing 84.1% of the population) in mid-year 2012… growth momentum will be sustained as new technology such as browsing and purchasing through mobile phones and the development of interactive TV shopping boost internet retailing'.

5.12 However, Experian consider that at the turn of the next decade, growth in online shopping is expected to begins to plateau:

> 'We expect that the SFT (special forms of trading) market share will continue to increase over the forecast period although the pace of e-commerce growth will moderate markedly after about 2020'.

5.13 Experian publishes 'adjusted' forecasts for SFT sales which make a deduction on its 'baseline' figures in order to take account of internet goods sales from store space (such as through 'Click & Collect', as discussed below). For comparison goods, Experian apply a discount of 25 per cent to calculate the 'adjusted' figure, and for convenience goods this figure is 70 per cent. The latter figure is particularly high because many online food shopping transactions placed with Sainsbury's, Tesco, Asda and Waitrose are 'picked' from the shelves of the nearest large store of the retailer. In Figure 5.1 we show the projected growth in online comparison and convenience goods shopping to 2030 based on forecasts provided by Experian. For reference, both the 'unadjusted' and the 'adjusted' figures are shown.

Figure 5.1 Forecast Expenditure by Special Forms of Trading (SFT)



Source: Experian Retail Planner Briefing Note 11, October 2013, Appendix 3.

5.14 The growth in online retail does not equate to a redundant future for 'bricks and mortar' stores. There is a role for physical outlets to act as 'showrooms' for online retailers. A physical presence on the high street improves the visibility of businesses, and it is noteworthy that 12 out of the top 20 e-commerce businesses in the UK have a physical presence on the high street (see Figure 5.2 below). However, it does mean that the role and function of high streets are likely to need to consider uses beyond that of traditional retail activity in order to remain vital and viable.

Figure 5.2 Top 20 UK E-Commerce Sites (2013)

Source: IMRG Experian Hitwise Hot Shops List, 2013

5.15 There has been considerable discussion of the concept of High Street retail stores increasingly acting as ‘showrooms’ where customers visit ‘bricks and mortar’ stores to look at / try on a product, before using technology such as smartphones to check whether the product is available elsewhere (in another store, or online) for a cheaper price. ‘Showrooming’ has, until relatively recently, been seen as a threat to traditional High Street retailers, and when considered as part of the wider move towards internet shopping it can arguably be considered as such. However recent trends indicate that major retailers are becoming more willing to embrace the challenge, putting into place technology where a customer can order a product online which may be sold out or not available within the store. This may be particularly applicable for centres such as Harrogate, where many retailers’ stores are quite small and may not carry the full range of products available.

5.16 The growth in the ‘Click & Collect’ method of online shopping is a further relatively new trend, but one which looks set to play an increasing role over future years. Like ‘showrooming’, it is also one where the physical outlet of the store can still be used to drive footfall. The ‘click & collect’ concept is such that a customer orders and pays for the desired product online, and then collects the product from the nearest large branch of the retailer in question. This approach is being rolled out by an increasing number of retailers. Experian consider that ‘Click & Collect’ will be ‘*the key driver of current and future internet growth*’, but notes that ‘*since this requires a bricks-and-mortar presence in easily accessible locations, this is largely space demand neutral*’.

Impacts of Online Retailing on Harrogate

5.17 Harrogate is not immune to the impacts of online retailing and the predicted growth of this market which will continue to limit the amount of retail expenditure that is available to support physical retail floorspace within the town centre. Harrogate’s affluent catchment area will have good access to new technology which will encourage online shopping. However, there are a number of reasons to believe that Harrogate will be resilient to the continuing growth of internet retailing.

5.18 Firstly, Harrogate's multiple strengths as a 'destination' both for local people and tourists. Harrogate is not a 'clone town' and has a number of special attributes that mean that it offers a visitor experience that distinguishes it from other places. These include the shops and services available within the town centre and its physical environment. As a result, a visit to the town centre is a distinctive experience and, as such, is less vulnerable to the competitive advantages of online retailing, particularly convenience and price.

5.19 Secondly, the strength of the town centre's independent retail offer and the quality of its existing leisure offer. Independent retailers may be less likely to have an online presence and the high quality of Harrogate's offer, including the attractive layout and display of goods within independent stores, will encourage visits into the town centre. Indeed Harrogate's ability to frame shopping trips as a leisure experience will be an important part of its ability to compete with other retailing formats. The presence of good quality food and drink outlets within the town centre complements this and will help to extend dwell time.

5.20 Thirdly, Harrogate has particular appeal to older shoppers and visitors who are generally less likely to shop online due to more limited access to new technology and more leisure time in which to undertake shopping and other visits. However, we would caution that any existing advantages of this may be temporary and limited.

The Changing Leisure Market

5.21 The current Mintel Leisure Review (October 2013) estimates the overall value of the UK leisure industry at just over £73.4 billion. This represents growth of 2.2 per cent for the year and 6.8 per cent overall since 2008 (although in real terms during this period, market value has contracted by 14 per cent, reflecting the impact of increased prices of food, drink and utilities have had on leisure operators).

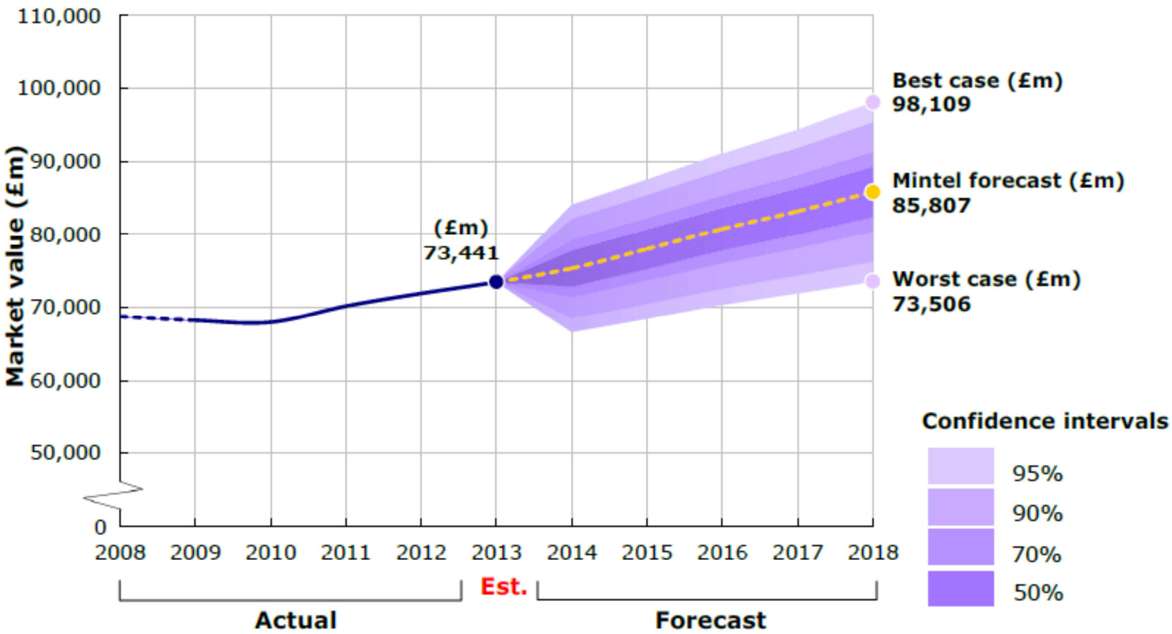
5.22 Nonetheless, the overall value of the sector of £73.4 billion means the pre-recessionary high watermark of £70 billion achieved in 2007 has finally been breached, in the face of more the negative outlook for the sector in 2011/12 espoused by many commentators, including Mintel. The reasons for this are ascribed by Mintel as follows;

> 'Against all odds, the leisure industry has managed to increase revenue in 2013, despite consumers being less well off than they were a year ago. This underlines that leisure is seen by consumers as an important area to spend on, despite not being an 'essential' area of expenditure, in order to maintain their work/life balance. Sectors such as cinema, music concerts and theatre all offer the appeal of escapism, which is one of the reasons why they have done well during tough economic times.'

5.23 The return of the UK leisure industry to its pre-recessionary value, after several years in the economic doldrums is a significant milestone for the sector. However, this achievement paints a rosier picture than is possibly the case, because market value has been inflated by two successive years of VAT increases (in 2010 and 2011), combined with rampant food price and utility price inflation and punitive tax and duty rises on alcohol. Therefore, it is highly possible a substantial proportion of the increase in market value has arisen from rising prices, rather than rising demand.

5.24 Against this subtly shifting backdrop, it is becoming increasingly difficult for forecasters to accurately predict the overall trend within the leisure market over the next five years. Nonetheless, Mintel remain bullish in terms of overall prospects for the UK leisure market, as illustrated below in Figure 5.3.

Figure 5.3 Value Forecast for UK Leisure Industry, 2013-18



Source: Mintel Leisure Review (December 2013)

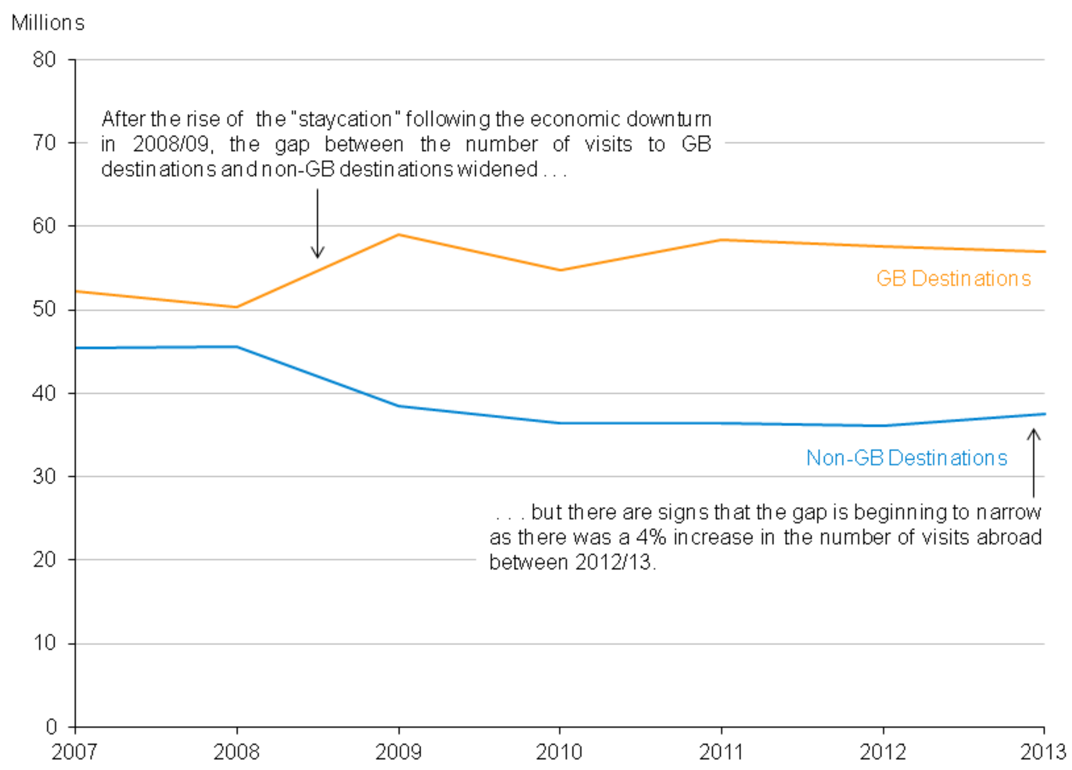
5.25 As the above graphic underlines, confidence is clearly growing in the market with significant growth predicted in all but the most pessimistic scenarios, which excluding inflation, would account for a standstill position. Overall, whilst some operators are still finding trading conditions extremely challenging, there are plenty of examples of businesses which are prospering, demonstrating that, when the offer is right, consumers are still prepared to spend.

5.26 Tourism is a major part of the United Kingdom economy. Data from Visit Britain indicated that in 2012, the UK welcomed 31 million visitors from across the world, representing a 1 per cent increase over 2011. This represented the best year to date for overseas visitors since the onset of the 2008 recession and underlined the significant boost to the sector provided by the London 2012 Olympics.

5.27 One trend of relevance to Harrogate, given the predominantly domestic nature of its customer base (discussed later in this report) is the growth in domestic tourism – colloquially dubbed ‘staycationing’; a trend largely attributed to the recession. Between 2008 and 2009, the data would suggest that there was a major change in the pattern of holiday consumption by UK residents, with a 16 per cent fall in visits abroad according to the International Passenger Survey. At the same time the Great Britain Tourism Survey (which looks at GB residents only) found a 17 per cent increase in holiday visits to destinations in Great Britain. These figures widened the gap between visits to GB and non-GB destinations.

5.28 However, as the economy strengthens, there are signs this trend may be slowing. The most recent figures show that this gap may be starting to narrow, with a 4 per cent increase in the number of UK residents holidaying abroad between 2012 and 2013, alongside a 1.3 per cent decrease in visits to destinations in Great Britain. When more data becomes available for 2014 it may become clearer if tourists are once again travelling abroad or if the staycation is here to stay.

Figure 5.4 Number of Holidays to GB & Non-GB Destinations (2007-2013)



Source: ONS (August 2014)

Impacts of the Changing Leisure Market for Harrogate

5.29 The recent turnaround in the fortunes of the leisure market is surprising, given the continued pressure on incomes and costs (although the counter-argument for affordable escapism is not without merit in times of economic slowdown). Nonetheless, this platform for growth built on rising consumer confidence augurs well for new leisure development in the coming five years. The recent success of le Tour's visit to Yorkshire, coupled with some already strong tourism figures show that Yorkshire is well 'on the map' as a tourism destination at present. This, coupled with the continued popularity of staycationing in the UK, present a positive backdrop which could be exploited by Harrogate.

5.30 The review of market trends underscores the turnaround in fortunes across the board, with leisure returning to (and exceeding, if inflation is removed from the equation) pre-recessionary market values. Similarly, tourism remains vibrant, especially within the Yorkshire context and the challenge will be to provide Harrogate with the right platform to build upon its undoubted strengths.

New National Policy and Legislative Changes

5.31 We have set out in Section 2 of this document a summary of the relevant provisions of the National Planning Policy Framework which was published in March 2012 and National Planning Policy Guidance, which was published more recently in March 2014. Policy in respect of town centres and main town centre uses (such as retail, leisure and office uses) is largely unchanged from earlier planning policy that has adopted a 'town centre first' approach since the late 1980s/early 1990s.

5.32 However, since the publication of the NPPF, a number of Court decisions have clarified the interpretation of longstanding policy tests, and particularly the application of the sequential test (currently set out at paragraph 24 of the NPPF) in decision-making. The Supreme Court decision in the case of Tesco v Dundee and the decision of the Administrative Court in the case of Zurich v North Lincolnshire have confirmed that the assessment of sequentially preferable sites must attach significant weight to the requirements of the applicant.

5.33 Key planning appeal decisions since these judgments have confirmed that application of the term 'suitable' in the sequential test should be construed in its context, that as a question of law suitability refers to the development proposed by the applicant, and that the term should be applied in the real world of real development, where, for example, disaggregation of application schemes would not be a realistic proposition. This has made it harder for local planning authorities to resist proposals for out-of-centre development where applicants are able to demonstrate that the development of sequentially preferable sites in town centres would not meet their requirements and would be commercially unviable.

5.34 A number of legislative changes have also been introduced by the Coalition Government in order to respond to the other 'trends' that we have outlined in this section of the Baseline Report. These have mainly comprised changes to the General Permitted Development Order (GPDO) and the Use Classes Order to remove certain changes of use from the scope of development requiring planning permission. The main objective of these changes is to provide greater flexibility and encourage a more diverse range of uses within town centres, and particularly vulnerable centres that were exhibiting high vacancy rates.

5.35 In May 2013, changes to the GPDO were introduced to:

- allow premises in use as offices (B1), hotels (C1), residential institutions (C2 & C2a) or in the D2 assembly and leisure use class to a state-funded school, subject to prior approval;
- allow premises in office use (B1a) to change to residential use (C3) subject to prior approval for a three year period; and

- allow premises in A1 (shops), A2 (financial and professional services), A3 (restaurants and cafes), A4 (drinking establishments), A5 (hot food takeaways), B1 (office), D1 (non-residential institutions) and D2 (assembly and leisure) uses to change use for a single period of up to two years to A1, A2, A3 and B1 uses.

5.36 The first of these changes was principally intended to support the Coalition Government's free school programme but is relevant to Harrogate as it allows for the change of use of hotels, subject to prior approval. The Borough Council responded to the introduction of permitted use from B1a to C3 in December 2013 by issuing an Article 4 Direction preventing such change of use within the Victoria Avenue area of the town centre. The provisions relating to temporary change of use were significant as, for the first time, they permitted change of use from A1 without the need for planning permission.

5.37 Further changes to the GPDO were introduced in April 2014 allowing for the following:

- change of use from A1 and A2 use to C3 use where the change of use applies to floorspace of less than 150 sq. m and subject to prior approval;
- change of use from retail (A1) to banks and buildings societies; and
- change of use from B1, C1, C2, C2a, D1 and D2 to nurseries providing childcare, subject to prior approval.

5.38 None of these changes, except that allowing change of use from retail to banks and building societies, apply to listed buildings. Of these most recent changes the permitted change of use from A1 and A2 uses to C3 uses could potentially have the greatest impact on Harrogate Town Centre where many existing commercial units are small. However, we note the low vacancy rate for ground level commercial premises within the town centre and that demand for such premises remains high, limiting the prospect that residential use would be a viable alternative.

5.39 In July 2014 the Department for Communities and Local Government (DCLG) published the 'Technical Consultation on Planning', a substantial consultation on additional reforms to the planning system. The consultation proposes the following:

- the extension of the right to convert offices into dwellings without applying for planning permission beyond 2016, with the removal of current exemptions;
- to allow the change of use of A1 and A2 premises, launderettes, amusement arcades, casinos and nightclubs to A3 or D2 uses;
- the broadening of the A1 use class to include uses currently in class A2; and
- the creation of a new A2 class comprising betting shops and pay day loan shops to which change of use would require planning permission.

5.40 If these proposals do result in legislative changes then clearly the extension of the right for change of use from B1a to C3 will have implications for the Borough Council's policy in the Victoria Avenue area of the town centre. The permitted change of use from A1 and A2 to A3 and D2 would also have implications for planning policies that seek to protect primary and secondary retail frontages in the town centre.

Impacts of Policy and Legislative Changes on Harrogate

5.41 At a national level there has been little change in town centre policy, although the interpretation of this policy has evolved with the issuing of new practice guidance and a number of recent Court decisions. The National Planning Policy Framework retains the 'town centre first' approach of earlier national policy. The potential threat posed by the expansion of out-of-centre retail facilities to Harrogate Town Centre currently appears to be limited. Data from the Harrogate Retail Study suggests that the town centre dominates retail provision within the town.

5.42 Existing retail park provision within the Harrogate urban area is focused on bulky goods and largely complements the town centre. The largest unimplemented out-of-centre scheme is the proposed Tesco superstore on Ripon Road and doubts remain as to whether this permission will be implemented. Nevertheless, the recent case law that relates to the interpretation of the NPPF sequential test and which places greater emphasis on the requirements of the applicant may mean that it is more difficult to resist out-of-centre development, particularly in places like Harrogate where the availability of sequentially preferable town centre sites may be limited.

5.43 Changes to the use class order and permitted changes of use have been designed to reduce vacancy rates in struggling centres and to underpin the functioning of these centres by offering a wider mix of uses. For Harrogate these changes present a dilemma. The town centre's vacancy rate is relatively low and in some parts of the town centre there will be competition between retail and non-retail uses for premises. Given the physical constraints on new retail development within the town centre the presumption may be that retail uses should be prioritised and protected. However, it is important to also recognise that non-retail uses and particularly leisure uses are a critical part of the town centre offer and that there are some indications that Harrogate may be under-represented in some leisure categories.

Summary and Conclusions

5.44 In this section we have provided a summary of the key trends that have emerged in recent years and that are likely to impact on future development in town centres. With the exception of the changing leisure market, these trends have largely had a negative effect on town centres, many of which have seen declining demand for retail floorspace, especially in smaller centres that serve less affluent catchment areas.

5.45 However, Harrogate Town Centre appears to have been remarkably resilient to the impacts of many of these changes, reflecting its overall strength not only as a shopping centre but also as a tourist destination. Both its key local and visitor markets are relatively affluent. It is also important to note that there are some indications that the trends described in this section will continue to change, evolve or even go into reverse, for example as a result of the economic recovery, or as multi-channel retailing becomes more complicated with developments such as 'click and collect' that require retailers to have both an online and physical presence. Changes in the leisure and tourism markets also offer considerable opportunities for Harrogate.

5.46 It is notable that of the developments described in this section, legislative changes intended to support vulnerable town centres that have suffered from the impacts of other trends, could pose the greatest threat to the vitality and viability of Harrogate Town Centre. The relaxation of permitted development rights to allow the change of use of offices, shops and hotels to other uses without the need for planning permission could adversely impact on any strategy to support the town centre's retail core, its professional services sector and the provision of serviced visitor accommodation within the town centre.

6 TOURISM AND LEISURE REVIEW

Introduction

6.1 It has been estimated by regional agencies that the Yorkshire and Humber visitor economy employs around 250,000 people and is worth around £7 billion. The value of destination brands across the region is critical to local employment, particularly in the tourism sector, but also in terms of wider economic growth, infrastructure, arts and cultural provision, and in helping to create a local environment where people wish to live, work, invest and spend leisure time.

6.2 Recognising the importance of tourism, leisure and culture to Harrogate's Town Centre and the town's identity, a detailed appraisal of current provision and contextual factors has been undertaken. This has encompassed a thorough destination audit, considering all elements of the current visitor offer, including serviced accommodation, visitor attractions, conference and exhibition facilities, commercial leisure and culture, events and food and beverage.

6.3 Where appropriate, comparisons have been made with other tourist destinations in Yorkshire and with other locations further afield with well-developed conference and exhibition products (e.g. Manchester, Liverpool, and Glasgow). A Mosaic place-making analysis has also been undertaken for each sector of the product, allowing us to place into context the current offer from a market perspective.

6.4 An analysis has been undertaken of a number of key variables (based on available data), including the quantum, type, quality, cost and number of visits. This analysis has been informed by comparison with the product of competing locations and a number of best practice case studies, considering alternative approaches and new products within the marketplace.

6.5 In support of the audit of physical destination assets, we have undertaken an assessment of the current visitor market for both the region and Harrogate, supported by a consideration of key strategies and market trends of relevance. In addition, the analysis has also encompassed the results of a bespoke business and pedestrian survey in Harrogate, undertaken by NEMS Market Research during July 2014.

Tourism and Leisure Product Appraisal

6.6 In the following section we consider the current supply of competitive and comparative facilities (where appropriate), encompassing both local and wider than local provision of relevance.

6.7 Venues have been audited on an observation and desk-based research basis, supported by targeted consultation. It is sub-divided on the basis of activity, encompassing:

- Serviced Accommodation
- Visitor Attractions

- Conference and Exhibition
- Commercial Leisure, Entertainment and Culture
- Food and Beverage

6.8 This section considers any proposed developments of interest and the broad cultural calendar of relevance to the town centre.

Serviced Accommodation

6.9 A summary of key, larger serviced accommodation providers within the town centre is presented below.

Figure 6.1 Location of Key Serviced Accommodation

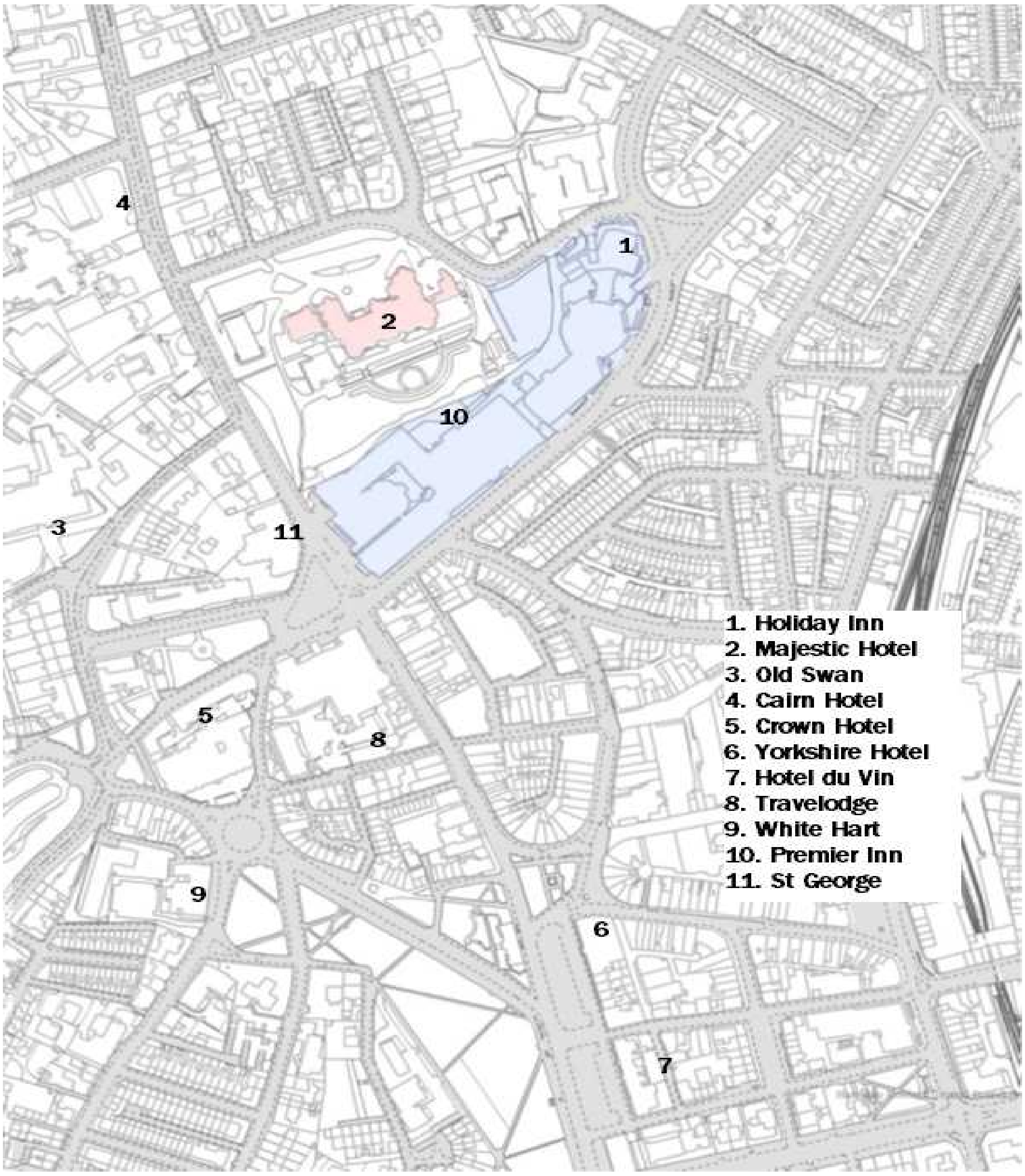


Table 6.1 Details of Key Serviced Accommodation

Map Ref.	Facility	Star Rating	Bed Spaces*	Indicative Rack Rate (£)*	Trip Advisor Ranking (of 29 hotels in Harrogate)
1	Holiday Inn (HIC)	4	428	99.00	71% Ranked #10
2	Majestic Hotel	4	340	109.00	66% Ranked #13
3	Old Swan	4	272	97.00	63% Ranked #14
4	Cairn Hotel	3	270	78.85	71% Ranked #9
5	The Crown Hotel	3	228	71.00	68% Ranked #15
6	Yorkshire Hotel	3	160	100.00	58% Ranked #18
7	Hotel du Vin	4	96	99.00	69% Ranked #11
8	Travelodge	2	92	43.00	41% Ranked #21
9	The White Hart	4	106	51.92	57% Ranked #16
10	Premier Inn (HIC)	2	107	117.00	80% Ranked #8
11	St George Hotel	3	83	49.00	57% Ranked #19
			2,182 (Total)		

Sources: Laterooms.com & tripadvisor.co.uk (August 2014) ** assumed double/twin occupancy for all rooms (inc. VAT), based on number of rooms*

6.10 In addition to the provision detailed in Table 6.1, approximately 237 bed spaces are provided by smaller hotels and B&Bs (including two new boutique hotels, the Balmoral and the West Park Hotel) making an overall total of 2,123 bed spaces within a 1 mile radius of Harrogate Town Centre. There is also a Premier Inn located on the periphery of the town centre, at Hornbeam Business Park, supplementing the limited budget hotel product currently in the town centre, and an additional four star property (Cedar Court) providing 200 four star bedspaces.

6.11 Capacity issues were raised by a number of consultees and, although generally sufficient for most of the year, it was observed that the town can struggle for bedspaces at key times of the year, with the HIC attracting an estimated 300,000 business visitors per annum on top of a number of substantial consumer shows with demands from both attendees and exhibitors. Nonetheless, it was generally agreed that the impending opening of two branded budget hotels (for which the town is distinctly undersupplied at present) in the town centre would ease this to a degree.

6.12 Analysing current supply, it was a surprise to note that given the rich spa heritage of the town, only one hotel (the St. George) had dedicated spa facilities, and these are limited in scale . This was a factor also raised by a number of consultees and the observation that 'little is made of our spa heritage' was a common one.

6.13 The issue of calendar clashes and the need for careful planning to minimise strains on the accommodation infrastructure of the town was also noted by a number of consultees. The unfortunate overlap between the Crime Writers Festival and the Gift and Fair consumer show in 2015, was cited as a prime example with hotel operators reckoned to be achieving up to a third less for the Crime Writers Festival as opposed to Home and Gift.

6.14 Capacity-aside, it is interesting to note that the significant majority of serviced accommodation facilities are traditional properties (a mix of independent and smaller chains) and whilst this imbues a huge degree of character on them, it also presents difficulties in adapting the spaces and bed stock to keep pace with changes in the marketplace.

Proposed Development

6.15 Analysis of planning permissions (both determined and pending) reveals a number of recent permissions for change of use to existing accommodation providers which will result in a loss of provision:

- Conversion of hotel to form 9 flats – Aston Hotel, 7-9 Franklin Mount (pending decision).
- Conversion of hotel to form 3 dwellings – Ashley House Hotel, 36-40 Franklin Road (permission granted, May 2014).
- Conversion of hotel to form 4 dwellings – Grants Hotel, 3-9 Swan Road (permission granted, December 2013).
- Change of use from hotel to dwelling house – Cavendish Hotel, 3 Valley Drive (permission granted, July 2013).
- Conversion of existing hotel to 2 self-contained apartments with single storey rear extension – Ashbrooke Hotel, 140 Valley Drive (permission granted, April 2013).

6.16 This trend of conversion of smaller hotels and guest houses is not new, (but has been accelerating in recent years), although as the Harrogate Destination Management Plan (2013-2018) notes, the trend up until now has been overall one of growth:

> *'Between May 2004 and May 2011, 9 planning permissions were granted for new establishments – 1 new hotel, 2 new guesthouses, 1 B&B and 5 associated with existing pubs. A further 20 planning permissions were granted to extend establishments. Taken altogether some 402 additional bedrooms were provided. During the same period, 9 planning permissions were granted that resulted in the loss of accommodation – 62 rooms'.*

6.17 Reflecting this trend, analysis of the online Planning Portal for Harrogate reveals a number of permissions being sought for additional hotel provision in the town centre. These include:

- Conversion of upper floor office space to form a hotel – Parliament House; Parliament Terrace (pending decision).
- Conversion of a nightclub to form 16 bedroom apartment-hotel with either use class A1, A2, A3 or A4 use to ground floor - 14-18 Kings Road, Harrogate (pending decision)

- Majestic Hotel – Erection of 5 storey plus basement lodge hotel, with foyer linking to the Harrogate International Centre associated works (permission renewed, December 2012).

6.18 In addition to the schemes which have received (or are seeking) planning consent, the following approved hotel schemes are currently under construction:

- Travelodge – Erection of 70 bed hotel with either Use Class D2 or A1, A2, A3 use to basement and ground floor - UK Superbowl, 24 Tower Street (permission granted, December 2012). The 70-room hotel is located on Tower Street just off the A61 town centre inner ring road and is just 400 metres from the town centre shopping area and railway station. The hotel will be part of a mixed use site, occupying the three upper floors above other units. Scheduled to open late 2014/early 2015.

6.19 Further afield, construction work is underway on a £100 million development to create the Flaxby Country Resort which will feature a 303-bedroom hotel and spa, located approximately 7 miles from Harrogate. The hotel will sit alongside the existing 27-hole golf course and aims to be one of the North of England's premier hotels and resorts. The resort is scheduled to open in the autumn of 2015.

6.20 Looking forward, the current Harrogate Destination Management Plan (2013-2018) notes the following in terms of potential new hotel development in the town centre;

> *'With regard to identifying sites suitable for leisure, hotel development, it is generally considered there are no obvious sites that could be allocated within or around Harrogate town centre (the centre of the search due to the need to support the HIC and tourism in the Borough's main settlement) that would stand up to scrutiny at examination. However, the Council's recent announcement of a likely relocation and consolidation of its offices provides the opportunity to explore the potential re-use of its Crescent Gardens offices as a boutique hotel'.*

6.21 The Crescent Gardens site was cited by a number of consultees as a key opportunity site and its future use should be carefully considered, ideally in conjunction with the nearby HIC.

Regional Context

6.22 Due to their proximity to Harrogate, consideration has been given to the hotel supply in both York and Leeds, encompassing serviced accommodation within a mile of each city centre. The results of this research are shown in Table 6.2 below.

Table 6.2 Serviced Accommodation in York and Leeds

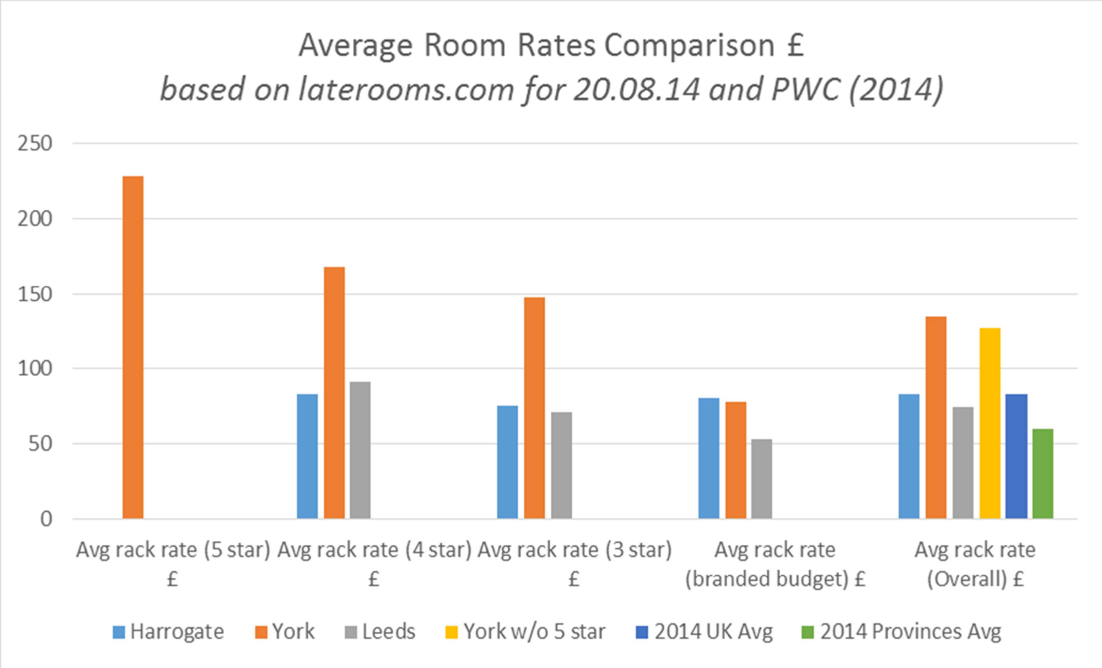
York				Leeds			
Facility	Star Rating	Bed Spaces*	Indicative Rack Rate*	Facility	Star Rating	Bed Spaces*	Indicative Rack Rate*
Cedar Court Grand Hotel & Spa	5	214	£229.00	Park Plaza	4	374	£76.50
Royal York Hotel & Events Centre	4	334	£199.00	Queens Hotel	4	430	£89.00
Hilton	4	120	£169.00	The Met Hotel	4	240	£79.00
Hotel du Vin	4	88	£199.00	Cosmopolitan Hotel	3	188	£59.00
Ibis	2	182	£52.25	New Ellington	4	68	£85.00
Hampton by Hilton	3	36	£144.00	Hilton Leeds City	4	72	£109.00
Travelodge (York Central Micklegate)	2	208	£75.00	Doubletree Hilton	4	120	£109.00
The Queens Hotel	2	156	£115.00	Jurys Inn	3	498	£84.00
Novotel	4	248	£129.00	Ibis	2	336	£58.00
Travelodge (York Central)	2	N/A (assume 80)	£75.00	Bewleys	3	668	£68.00
Premier Inn (York City Centre)	2	N/A (assume 80)	£73.00	Holiday Inn Express	3	260	£72.00
Hotel 53	3	200	£151.50	Premier Inn Leeds City Centre	2	N/A (assume 80)	£46.00
Park Inn by Radisson	4	400	£143.00	Travelodge (Leeds Central)	2	196	£59.00
				Travelodge (Vicar Lane)	2	N/A (assume 80)	£49.00
		2346 (Total)				**3610 (Total)**	

Source: Laterooms.com (August 2014) **double/twin occupancy room (inc. VAT)*

6.23 As the foregoing demonstrates, both Leeds and York enjoy a far more developed stock of branded budget rooms. York enjoys the only five star hotel out of the three at present, whilst Leeds has a solid stock of quality four star hotels reflecting the strong commercial base of the city.

6.24 Analysis of achieved daily rates, however, shows a number of marked contrasts as highlighted below in Figure 6.2 below.

Figure 6.2 Average Room Rates in Comparator Centres

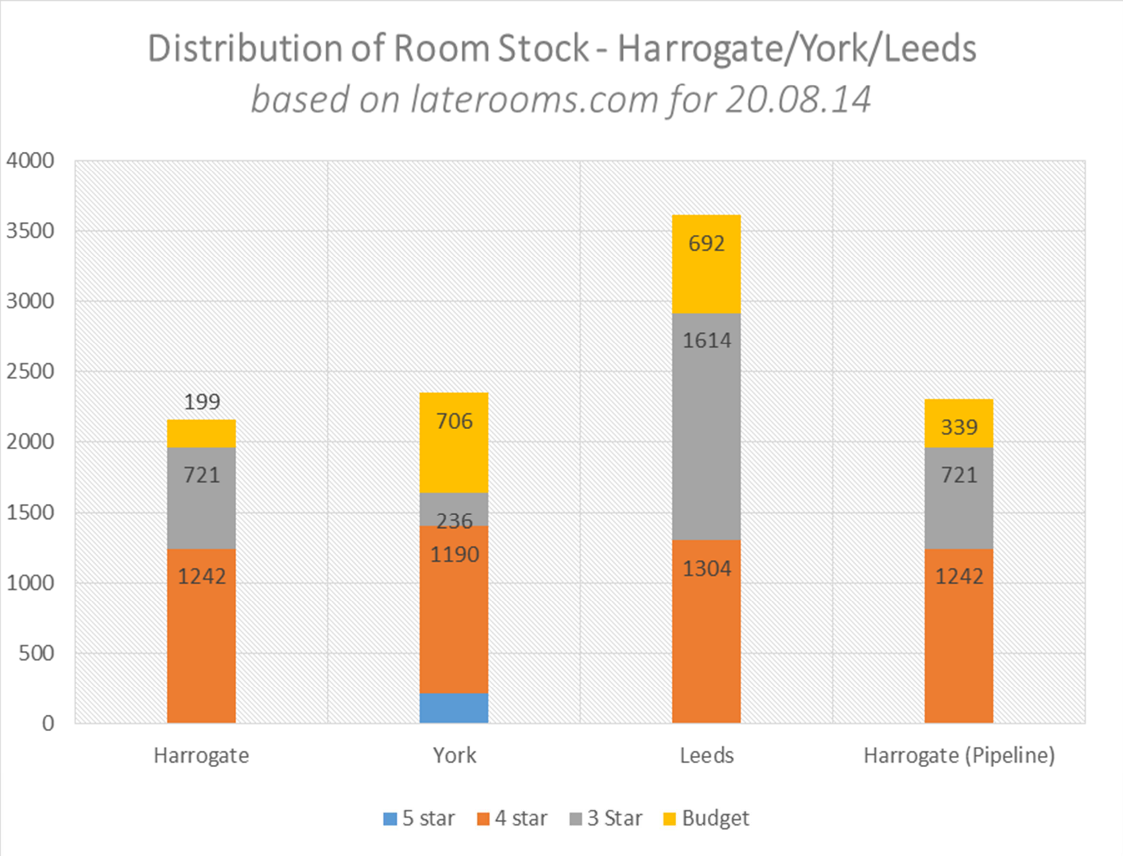


6.25 In all categories, bar branded budget (which exclusively reflects the significant prices when surveyed of the new Premier Inn at HIC), York is achieving room rates significantly higher than both Leeds and Harrogate (even when York's 5 star hotel is excluded from the calculation). The reasons for this may lie in a combination of supply (with more price led competition in Leeds) and demand (York enjoys a strong tourist economy driving demand year round, as well as a vibrant university). Certainly, it would appear to fly in the face of the oft reported truism picked up in consultations and in desk research that Harrogate hotels charge 'London rates'.

6.26 Nonetheless, the overall health of all three destinations is indicated by the extent to which they are comfortably above both provincial average daily rates calculated by PWC in their 2014 Hotel Report (see below market trends) and on a par with UK averages.

6.27 A consideration of the distribution of room stock within Harrogate, York and Leeds is presented below at Figure 6.3.

Figure 6.3 Distribution of Room Stock in Comparator Centres



6.28 Looking at the graphic, it is clear that whilst Harrogate appears to have an existing undersupply of budget rooms, the pipeline supply may help to address this apparent imbalance in comparison with Leeds and York. Other disparities can be noted in terms of 3 star accommodation, although there is very little to choose between the three in terms of the quantum of 4 star accommodation (although Harrogate's stock is of a more 'vintage' variety).

Market Trends

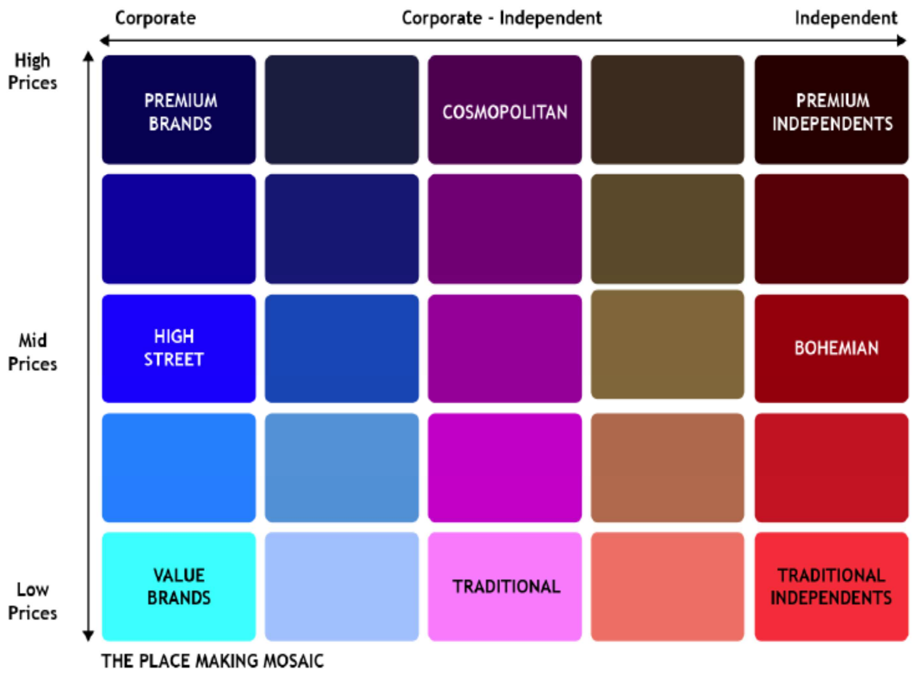
6.29 A picture of the current hotel market in the UK is provided by the September 2014 PWC UK Hotels Forecast. Overall, the research suggests that UK occupancy rates should remain high in 2013 and 2014, at 74 per cent. Average daily rates (ADR) is expected to have declined by 1.5 per cent in 2013 but a 1.4 per cent gain in 2014 is predicted, taking the average price for a hotel room in the UK to £83.

6.30 The report also anticipates no UK RevPAR growth (Revenue per Available Room, a measure that divides revenue by the number of available rooms, not the number of occupied rooms) in 2013, but 2 per cent growth in 2014. This would take RevPAR to £61.75 and represent *'the highest, in nominal terms, for the past 13 years'* (excluding inflation). Looking at a provincial level (which would include Harrogate for the purposes of definition), PWC report that occupancy remains '*high by historical standards'* at 71 per cent with ADR expected to reach almost £60 in 2014, albeit still below the 2008 peak, but the best result since 2009.

MOSAIC Analysis

6.31 A useful shorthand for considering the overall supply of a destination is the Place Making Mosaic which is about the physical experiences that attract people to places. This is shown in Figure 6.4 below. Towards the left of the model are experiences that are dominated by corporations. The commercial offer (e.g. bars, restaurants, shops) is often owned by larger property companies and financial institutions.

Figure 6.4 Place Making Mosaic

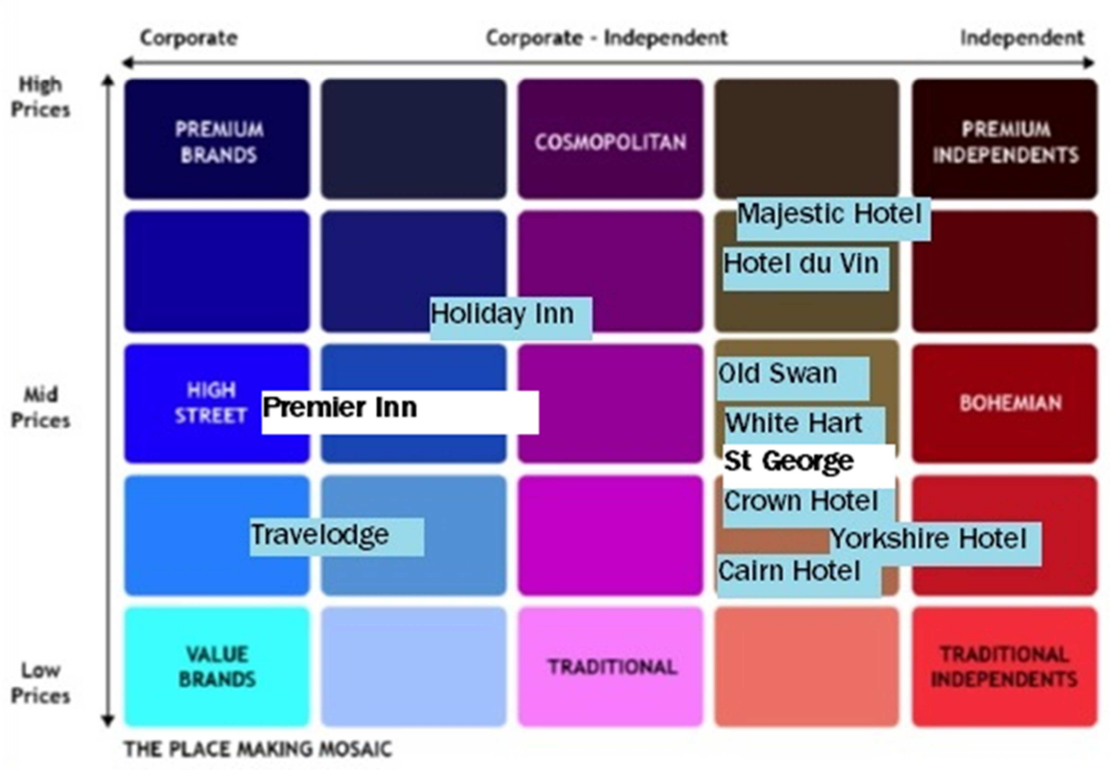


6.32 Towards the right of the model are experiences that are dominated by independents – the commercial offer is largely locally owned businesses and the property tends to be in multiple ownership by relatively small companies, many of which are local.

6.33 Towards the top of the model are experiences dominated by up-market businesses. Businesses there tend to compete on quality, rather than price. Towards the bottom of the model are experiences dominated by value-oriented businesses. Price is a big factor in the way that they position themselves.

6.34 A MOSAIC analysis for the Harrogate accommodation product is presented below at Figure 6.5.

Figure 6.5 Mosaic Analysis – Serviced Accommodation



Research Digest

6.35 At a local level, both the Harrogate Destination Plan and Visit Harrogate acknowledge a lack of up to date information in this sector. The 2013 Destination Management Plan reported that:

> ‘the latest regional serviced occupancy survey in 2011 suggests that Harrogate Borough maintained a slightly higher room occupancy (64.8%) than the regional average (63.4%). The average length of stay was 1.9 nights and 19.5% of stays were on business. In Harrogate alone this rose to 33.2% of stays reinforcing the importance of business tourism. Self-catering units across the Borough had a 49.08% unit occupancy”.

6.36 No Harrogate data was available (even historic data on RevPAR or achieved daily rate) at time of writing. However, the Harrogate Business Survey conducted in 2014 in support of the HTCSM found strong levels of support for additional hotel development in the town centre. Some 37 per cent of surveyed businesses indicated that an increase in hotel facilities in the town would directly support their own trading.

Best Practice

6.37 Reflecting the strong spa heritage of the town and conference product, case studies have been prepared in respect of Danubius Hotels (rebranding hotels as spas) and Manchester Central (diversification of hotel supply to support development of the conference product). These are contained at Appendix E Part 1 of Volume 2.

Summary Comment - Serviced Accommodation

6.38 Analysis of serviced accommodation in Harrogate suggests the following:

- Harrogate enjoys a solid, traditional bed stock in the town centre built around a core of independent (and independent feeling) four star properties.
- Although York and Harrogate enjoy a largely comparable stock of bed spaces, the difference in achieved daily rate is marked, with York nudging London in terms of achieved rates. Leeds offers by far the largest stock of bed spaces, although day rates are amongst the lowest, suggesting that competition factors are more marked than in either York or Harrogate.
- Harrogate appears under bedded in terms of branded budget hotel bedspaces in comparison with York and Leeds, although the imminent additional pipeline supply will alleviate this to a degree.
- Nonetheless, the comparatively lower achieved rates in Harrogate is surprising given the low levels of branded budget accommodation which would ordinarily drag the achieved rates down and within the context of the HIC, attracting over significant numbers of business, exhibitor and consumer visits to the town. This suggests a weaker tourism demand and/or business demand in comparison with Leeds and York and is perhaps reflective of the strong regional user base with very limited international visitors at present.
- Very few significant changes to supply appear likely, once the two branded budget hotels open. It is clear there has been an acceleration in the trend to convert smaller hotels to accommodation in recent years and the remaining schemes proposing additional capacity appear small in scale.
- An apparent lack of major hotel development may also reflect the fact that there are very few sites available to facilitate such a development. Nonetheless, the Council offices at Crescent Gardens and, potentially, the car park behind the Royal Baths may merit further consideration for a modern spa hotel, potentially of 5 star quality – both of which are absent from the mix in Harrogate. This could be beneficial to both leisure and business tourism (as illustrated in the Manchester case study).

Visitor Attractions

6.39 Three visitor attractions, all operated by Harrogate Borough Council, are located in the town centre study area. Details are presented below in Figure 6.6 and Table 6.3.

Figure 6.6 Harrogate Town Centre Visitor Attractions

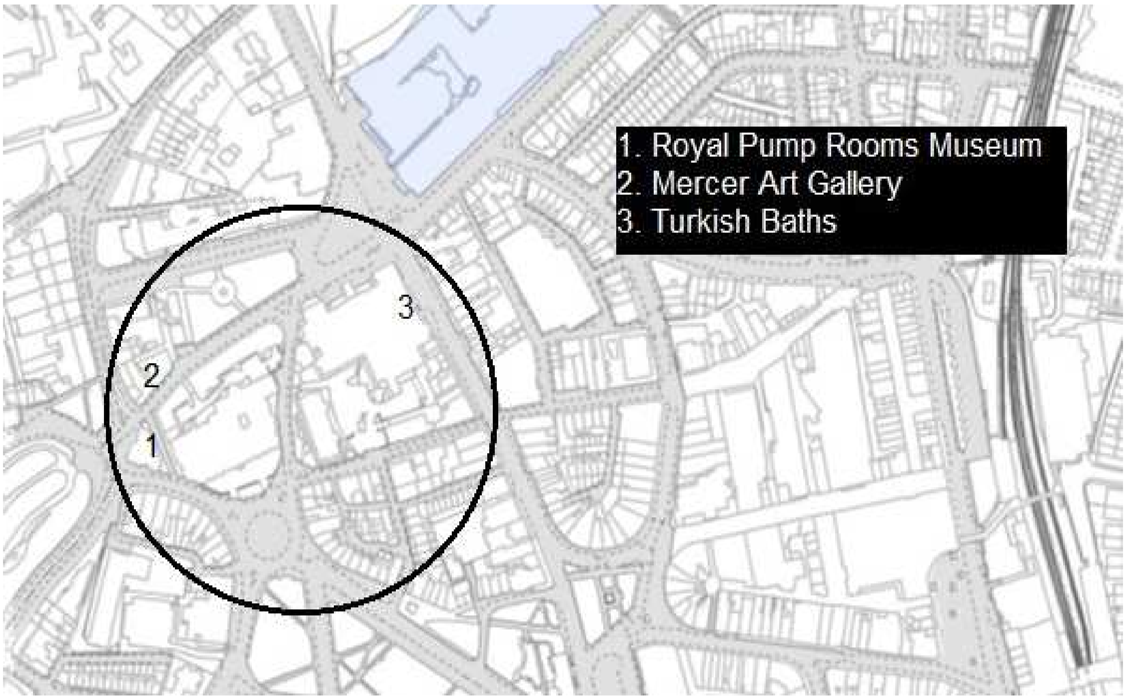


Table 6.3 Details of Town Centre Visitor Attractions

Map Ref.	Facility	Indicative Adult Entry £	Visits per year	Notes
1	**Royal Pump Rooms Museum**	3.95	30,000*	A museum "*about England's premier spa town and visit the strongest sulphur well in Europe. See the old spa treatments for yourself, and find out about peat baths, nasal douches and electric therapies*".
2	**Mercer Gallery**	Free	72,235**	Home to Harrogate district's fine art collection which consists of some 2000 works of art, mainly from the 19th and 20th centuries
3	**Turkish Baths**	17.00	44,000* (comprising 30,000 admissions and 14,000 treatments)	"*Set in the UK's most popular Spa Town, visit the Turkish Baths and Spa to unwind your mind and invigorate your body. Choose from any number of luxury treatments or just spend time unwinding in the beautiful steam rooms and feel the stresses and strains of life just melt away*"

**based on current Harrogate BC budgeted projections for 2014*

***Source: VisitEngland*

6.40 All three of Harrogate's visitor attractions are closely located within walking distance of each other and cover an eclectic (and niche) range of activities, including fine art, the history of Harrogate and the spa experience, and a traditional Turkish baths offering treatments.

6.41 Whilst all three perform their tasks well from their own perspective, it is nonetheless clear that Harrogate lacks a key attraction, particularly from the perspective of a family friendly, wet weather venue. Certainly in comparison with Leeds and York, Harrogate has nothing to rival Jorvik, the Chocolate Stories or the Royal Armouries.

6.42 What the Pump Rooms and Turkish Baths both have in common, however, is their shared celebration of Harrogate's spa heritage – the driving force behind Harrogate's rise to prominence in the 19th Century. This potentially could provide the platform for building on this otherwise curiously understated aspect of Harrogate's current offer and strengthening it within Harrogate's identity as an important aspect of differentiation.

6.43 This is not to say that the town lacks attractions – both Valley Gardens (estimated to have attracted over 2.9 million visits in 2013 by Harrogate Borough Council, although a further breakdown is not available) which borders the town centre study area and RHS Harlow Carr (attracting 320,000 visits per annum) are significant attractors, underlining the importance of outdoor attractions to the appeal of Harrogate. However, they are both peripheral to the town centre and are at a disadvantage in wet weather. There is currently no town centre attraction to rival Jorvik Viking Centre in York or the Leeds Royal Armouries in Harrogate.

Proposed Development

6.44 The current Harrogate Borough Council Economic Development Strategy calls for **'***Invest(*ment*) in Royal Pump Room Museum to improve the interpretation of the Spa History for visitors*', although to the best of our knowledge this recommendation has not yet been acted upon.

6.45 In addition, we understand that interest has been noted from the Gilbert and Sullivan Society for the development of a dedicated attraction showcasing their extensive collection of artefacts in the town, to tie in with the recent attraction of the annual Gilbert and Sullivan Festival to the Royal Hall. However, as far as we are aware, these discussions have not been taken any further at present.

6.46 Consultations with the HIC management have indicated the potential for an attraction within the existing complex. In particular, it was felt that Hall Q has potential for alternative leisure/catering uses, as it is self-contained (former Morrison's Supermarket). Uses being considered include a cinema or a large scale restaurant, but it may also lend itself towards an attraction or heritage centre.

Regional Context

6.47 A consideration of the key attractions within North Yorkshire is presented below, based on latest available VisitEngland data (2013).

Table 6.4 Regional Visitor Attractions

#	Attraction	Category	2009 visitors	2010 visitors	2011 visitors	2012 visitors
1	Flamingo Land Theme Park and Zoo	Leisure / Theme Parks	1418224	1268619	1427193	1512824
2	National Railway Museum	Museums & Art Galleries	767863	620959	712000	716000
3	JORVIK Viking Centre	Museums & Art Galleries	350000	345017	403308	388148
4	Fountains Abbey	Historic Properties	348749	342499	350562	330096
5	RHS Garden Harlow Carr	Gardens	261581	246563	296670	320045
6	North Yorkshire Moors Railway	Railways				340000
7	York Glass home of York Lucky Cats	Other			200000	250000
8	Castle Howard	Historic Properties	232871	216566	243274	222371
9	Whitby Lifeboat Museum (RNLI)	Museums & Art Galleries	150000		200000	200000
10	Beningbrough Hall	Historic Properties	121033	125161	130988	120406
11	Skipton Castle	Historic Properties	97626	93506	98461	98130
12	Sutton Bank National Park Centre	Visitor Centres	128000	103468	95582	87126
13	The Moors National Park Centre	Visitor Centres		111352	107304	93772
14	Mercer Art Gallery	Museums & Art Galleries	22664	23336	87263	74066

6.48 Although not all of Harrogate's attractions are noted within the data, the fact remains that none of the existing facilities within the town centre would rank in the top ten for North Yorkshire, with places 1 to 9 all drawing over 200,000 visitors per annum (including RHS Harlow Carr on the edges of the town). Harrogate's town centre attractions are also dwarfed by those in and around neighbouring Leeds, including Leeds Art Gallery (453,088) Leeds City Museum (321,529) and the Royal Armouries (218,834).

Market Trends

6.49 The Mintel 2013 Visitor Attractions report suggests that visits to attractions in the UK bounced back in 2013 after a lacklustre year in 2012, which was held back by poor weather, a weak UK economy and competition from the Olympics.

6.50 The disappointing 2012 performance of the sector is underlined by data from within the 2012 Visit England Survey of Visitor Attractions (the most recent available at time of writing), published in 2013 which indicated that attractions reported a 1 per cent annual decrease in total visits in 2012 (adults and children). This was driven by attractions charging for admission, where there was a 3 per cent decline in visits, contrasting to a 2 per cent increase amongst sites with free entry. At a regional level, attractions in the North West performed most positively in 2012, with Yorkshire also showing growth, as highlighted below in Figure 6.7.

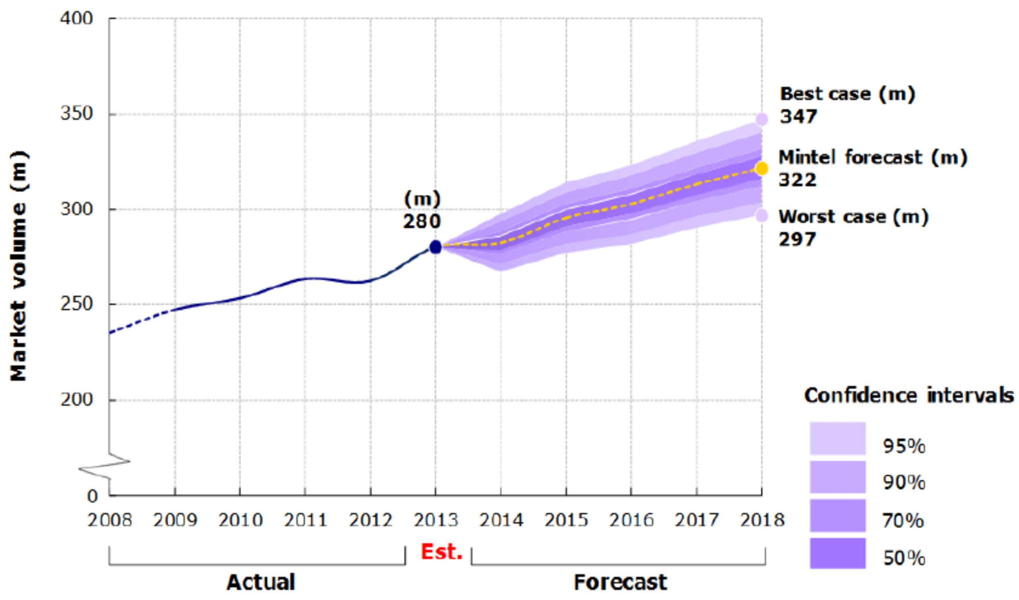
Figure 6.7 Attraction Visitor Growth by English Region

Source: Visit England, 2013

6.51 The visitor growth numbers in Figure 6.7 arguably reflects the strength of the prevailing Yorkshire tourism product alluded to earlier in this section. The role of attractions in destination-building should not be underestimated though.

6.52 Within the visitor attractions sector, overall, the prospects for the next five years look good. This is tempered, though, by the likelihood that, as the economy and consumer confidence recovers, consumers will begin to revert to more short breaks abroad. The 2013-2018 market projection is presented below in Figure 6.8.

Figure 6.8 Forecast Growth for UK Visitor Attractions Market



SOURCE: MINTEL

6.53 As the foregoing illustrates, Mintel projects on a best- and worst-case scenario. This would take the volume of the UK visitor attractions market (see above) from 280 million visits in 2013 to 347 million visits (best case) and 297 million visits (worst case) in 2018. Mintel expects the market to grow in volume, reaching a total of 322 million visits by 2018.

6.54 Following a difficult year in 2012, the sector appears to have rallied in 2013 and resumed the previously unbroken curve of growth that had set the sector apart from others in the leisure market. Within the context of Harrogate, this growth together with the continued popularity of staycationing, strength of the Yorkshire product and resilience of the heritage sector should all augur well for the town.

MOSAIC Analysis

6.55 A Mosaic place-making analysis of the three town centre attractions has been undertaken, as shown in Figure 6.9.

Figure 6.9 Mosaic Analysis – Visitor Attractions

Research Digest

6.56 Analysis of the Harrogate Visitor Survey reproduced in the 2011 Tourism in Harrogate digest, indicates that 44 per cent of surveyed visitors had used attractions/museums, with high standards of satisfaction noted;

- 91 per cent rated the range of attractions as good or very good;
- 96 per cent rated the level of interest as good or very good;
- 92 per cent rated the quality of service as good or very good; and
- 73 per cent rated value-for-money as good or very good.

Best Practice

6.57 Reflecting the strong built and spa heritage of Harrogate, case studies have been prepared in respect of Horrible Histories (an example of innovative brand partnerships at attractions) and the increasing potential for smartphone apps and virtual reality to create virtual attractions. These are contained at Appendix E Part 2 of Volume 2.

Summary Comment: Visitor Attractions

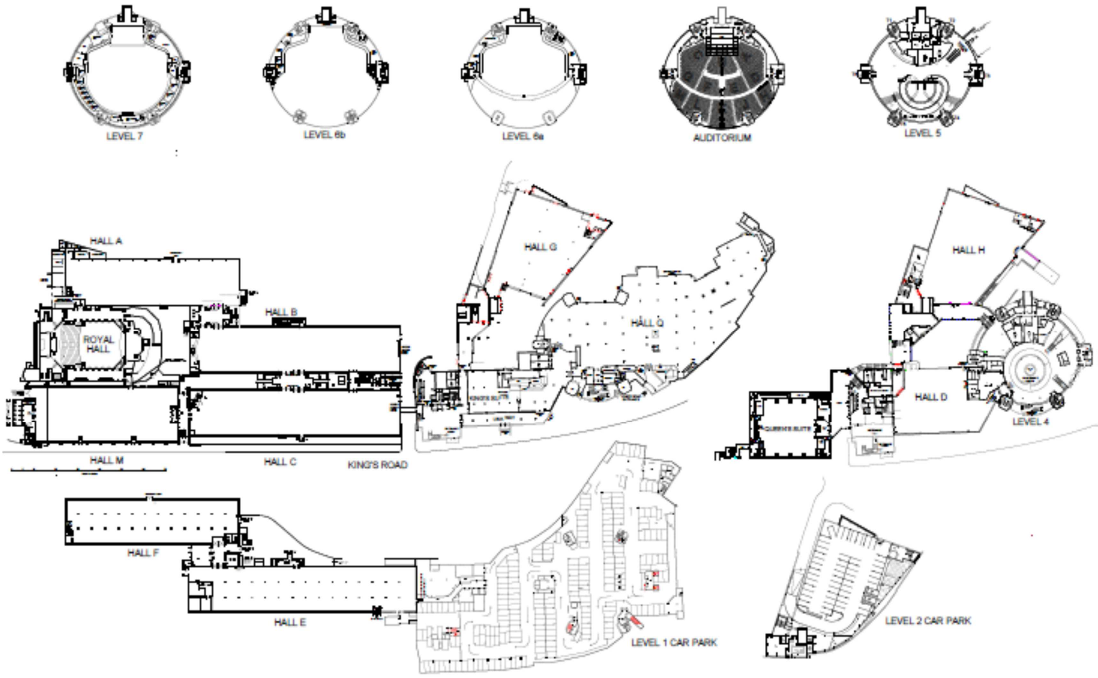
6.58 Analysis of visitor attractions in Harrogate suggests the following:

- Existing attractions are fairly small in scale and have a niche focus. There is no 'big beast' with draw outside of the immediate catchment or strong family appeal in any of the current facilities.
- Harrogate is significantly weaker than the comparable offer in Leeds and York.
- A new facility, or use of the relevant Intellectual Property, with wide appeal (as illustrated in the Horrible Histories case study) to refresh or broaden the appeal of an existing facility is worth considering.
- Consistent growth in the attractions market and high levels of satisfaction noted amongst existing attractions users providing a strong basis for further development.
- The spa theme is nonetheless relevant and interesting, providing both differentiation and a strong link with the past. Ways in which to strengthen this link in other applications (be it virtual as in the case study, or by new facilities), should be actively considered.
- Very few sites present an immediate solution for the provision of additional capacity and the Royal Pump Rooms, in particular is greatly constrained by space. Nonetheless, consideration should be given to the opportunity for a temporary gallery or new attraction in the under-utilised Hall Q at the HIC.

Conference and Exhibition Facilities

6.59 The mainstay of Harrogate's conference and exhibitions product is the Harrogate International Centre (HIC). Developed incrementally over time, current facilities include a 2,000 seat conference auditorium and eight exhibition halls, as well as ancillary facilities including a Holiday Inn hotel. The current layout of facilities is presented below at Figure 6.10.

Figure 6.10 Layout of Harrogate International Centre



6.60 The main conference spaces within the HIC are show in Table 6.5.

Table 6.5 Details of HIC Main Conference Spaces

Facility	Capacity	Notes
Main Auditorium	2,000	Dedicated, purpose-built auditorium opened in 1982.
Royal Hall	1,000	Characterful, traditional space. Reopened in 2008 following a £10.7m restoration which adjoins Hall A of the HIC.
Queens Suite	600	Flexible, modern space, upgraded in recent years. It can be used as a single space or subdivided into up to ten differing size conference rooms to provide breakout space.

6.61 The HIC also manage the Sun Pavilion, a restored Victorian pagoda in nearby Valley Gardens. The venue has a capacity of 150 and is a popular wedding venue.

6.62 Exhibition business is a particular strength of the HIC. There are currently eight interlinked exhibition halls at the HIC, details of which are presented below at Table 6.6. Although the exhibition halls are all interlinked it is possible to hold two or more separate exhibitions concurrently.

Table 6.6 Exhibition Facilities at HIC

Facility	Size m2	Notes
Hall A	1,600	Adjoins the Royal Hall.
Hall B	1,835	
Hall C	1,853	
Hall D	1,050	Often used for clients holding a conference with associated exhibition utilising the main Auditorium for their conference sessions. This hall can also be converted into a banqueting lounge that can cater for 900 guests.
Hall G	1,436	
Hall H	1,592	
Hall M	1,560	New facility, opened 2011.
Hall Q	1,817	Formerly a metro-sized supermarket, with the exit of the operator the HIC has taken this space back to form Hall Q. As legacy of this former use, the space is uniquely self-contained in terms of utilities. This Hall has its own entrance, registration and reception areas, organisers offices and hospitality suite, making Hall Q a 'walk in - walk out' exhibition facility
Kings Suite	425	
Total Space	**13,168**	

Source: harrogateinternationalcentre.com

6.63 Discussion with the existing management of the HIC, underlines the importance of a strong conference and exhibitions business to the economic health of the town, with the HIC attracting in excess of 300,000 business visitors per annum. Additional points raised included:

- Management is still looking to expand the site. New halls are in place but are of limited application as the market has changed. Halls A, B, C and M are the most popular.
- Smaller rooms, with breakout spaces is where the greatest demand is at present. Smaller auditoriums and breakouts for 200 are ideal.
- Harrogate needs to become more pedestrian friendly. There is continued support for the proposals in the original HIC masterplan (discussed below) for wider pavements and the creation of a tree-lined boulevard.
- Great Yorkshire Show uses HIC car park as a park and ride, so there may be opportunities to reverse the arrangement for large events at the HIC.
- There is a reasonable stock of restaurants close to the HIC that is popular with delegates.
- The compactness of the town centre works well for the HIC and for delegates.

6.64 In addition to the HIC, which dominates the conference and events sector in Harrogate, there are also a number of significant hotel based spaces within two miles of the town centre – detailed below in Table 6.7.

Table 6.7 Hotel-based Conference Facilities

Facility	Max Capacity	Notes
Majestic Hotel	500	
Crown Hotel	400	
The Old Swan	450	A significant venue in the Crime Writers Festival, held annually.
The Cairn Hotel	400	

Source: Venuefunder.com

6.65 These facilities are supplemented by the Pavilions of Harrogate – a significant conference (max capacity 640), banqueting (max capacity 1000) and exhibition venue on the outskirts of the town centre.

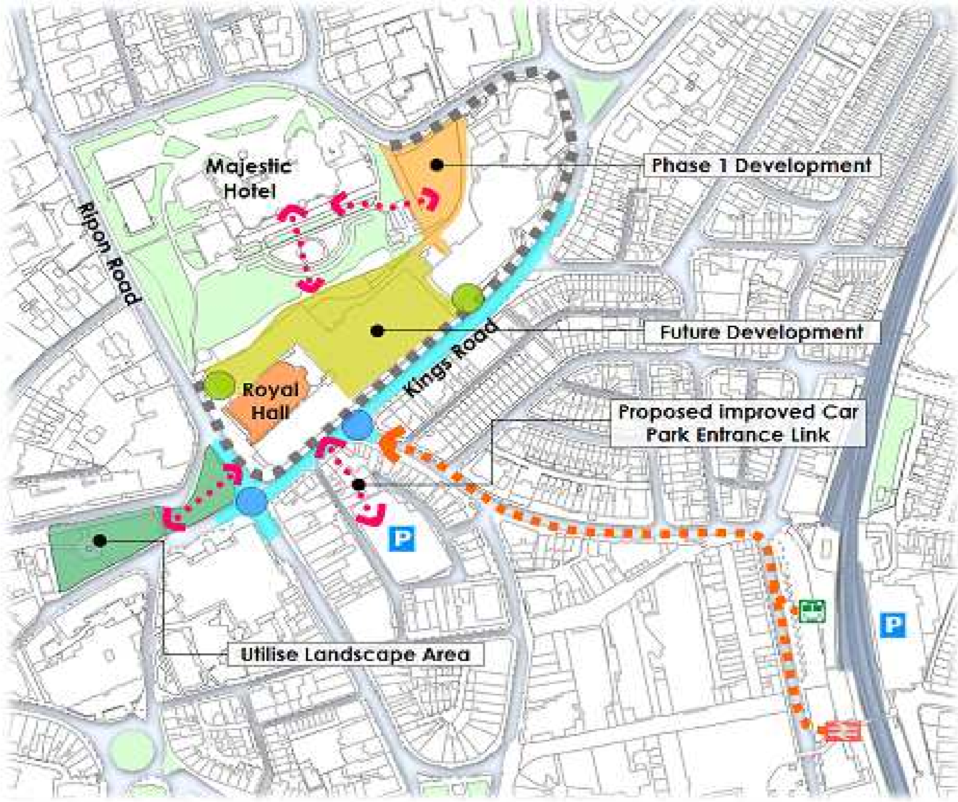
Proposed Development

6.66 A number of measures were proposed in the 2006 HIC Masterplan. Although, given the passage of time and subsequent developments on site these are now highly unlikely to proceed in their current form, it is nonetheless of relevance to consider key elements of the proposals for the purposes of context:

- Improvements to pedestrian flow from the railway station and bus station including branded signage.
- Improvements to pedestrian crossings at Ripon Road and Kings Road.
- Improvements to the environment around public car parks and routes and signage to HIC.
- Improvements to, and integration with, the Majestic Hotel and Gardens.
- Improvements to the environment and setting of the Royal Hall with potential external Piazza.
- Improvements and better linkage with Crescent Gardens and Valley Gardens beyond.
- Creation of recognisable *'iconic'* entrances with identified potential along Kings Road and Ripon Road (adjacent to the Royal Hall). These locations have been identified through interaction with the exhibitors
- Public realm improvements along Kings Road which could include footway widening and tree planting to create a *'boulevard'.*
- Redevelopment of the former Holiday Inn car park to provide new 'decant' exhibition halls to facilitate larger scale redevelopments of the site.
- Redevelopment of Halls A,B,C,E,F to provide new wide span, full height exhibition halls.

- Improvements to internal site circulation to enable flexible use and multiple use of the HIC.
- Improvements to internal vehicular site circulation to improve efficiency of site set up and set down, improve health and safety on site and to enable on site holding of delivery vehicles.

Figure 6.11 Harrogate International Centre Masterplan Proposals



Source: HIC Masterplan, 2006

6.67 The Masterplan also recognised the latent potential of the southerly aspect of one side of Kings Road, with options for the development of tree-lined boulevard and pavement cafes and other uses, bringing vibrancy to the site and reducing the impression of the HIC as a closed site. Linkages to Crescent Gardens and Valley Gardens are also emphasised, creating pedestrian friendly zones and quiet breakout spaces for conference users.

6.68 Discussions with the HIC management has revealed the HIC own a car park adjacent to ASDA (on which ASDA have first refusal). If disposed of, it is anticipated that the receipt could help fund further capital works at the HIC.

Regional/National Context

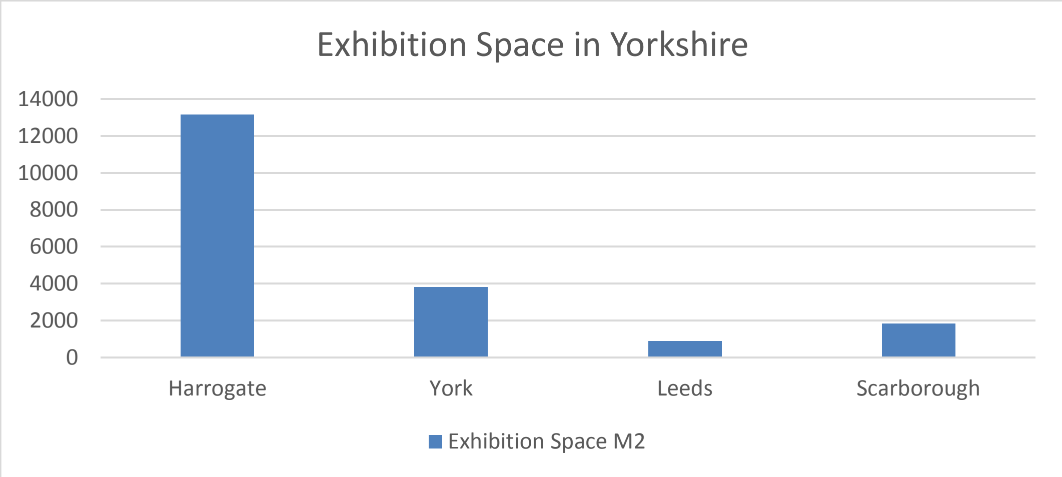
6.69 Within the immediate catchment, Leeds, Scarborough and York are the nearest competitors of scale, with key venues highlighted below in Table 6.8 and Figure 6.12.

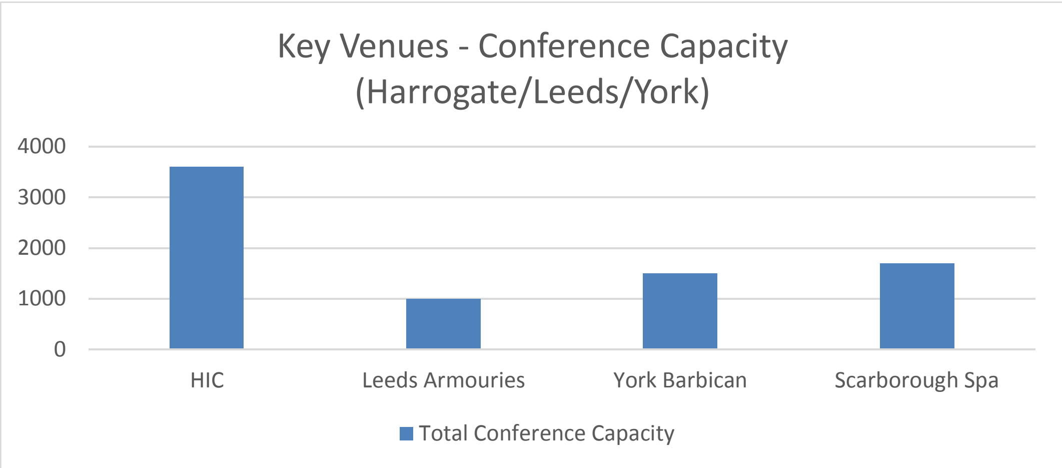
Table 6.8 Regional Conference Facilities

Facility	Exhibition Size (m2)	Conference Capacity
Leeds Armouries	886	1000
York Barbican	3812	1500
Scarborough Spa Complex	1700	1825

Source: Venuefunder.com

Figure 6.12 Regional Comparison of Conference Facilities





6.70 In terms of both exhibition and conference space, Harrogate is head and shoulders above its geographic rivals, operating essentially in a market of one for the whole of Yorkshire. This unique competitive advantage is one that needs guarding and building upon in all aspects of the offer, including accommodation, attractions and the town centre offer.

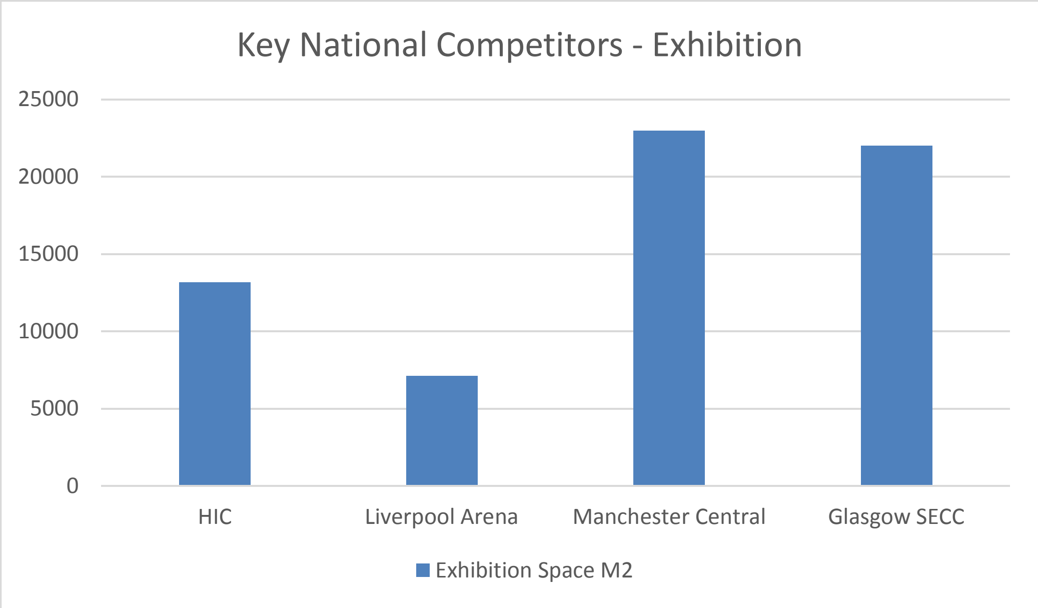
6.71 Further afield, it is also of relevance to consider the competitive exhibition offer from outside the region (excluding London and NEC Birmingham, encompassing 186,000m2 of space which puts it in a class all of its own) which lie within the HIC's 'weight division', encompassing Liverpool, Manchester and Glasgow. Details of the offer of these competing destinations are shown in Table 6.9 and Figure 6.13 below.

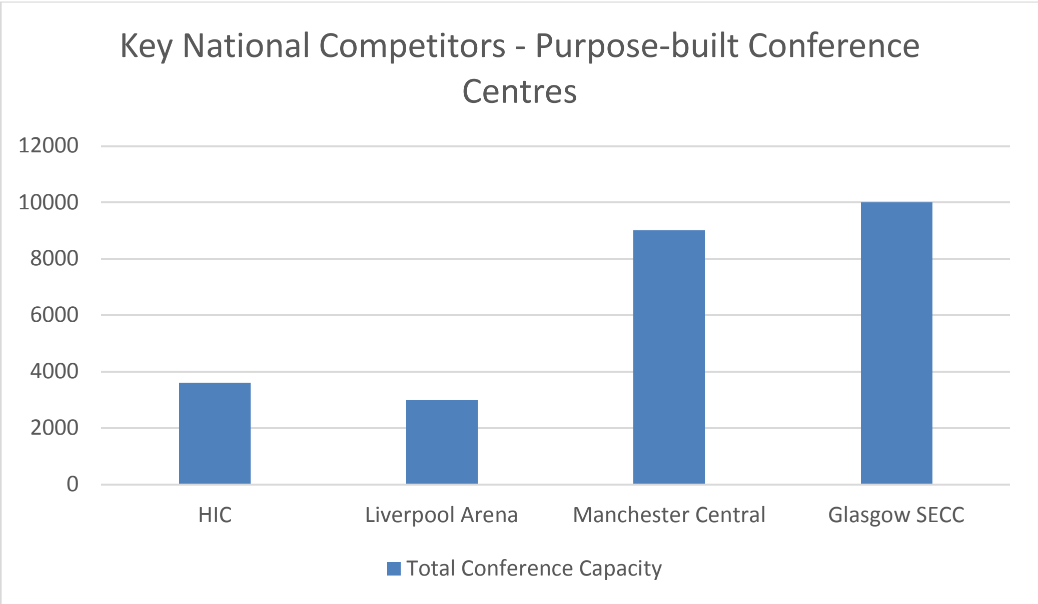
Table 6.9 National Conference Facilities

Facility	Exhibition Size	Conference Capacity
Arena and Convention Centre, Liverpool	7125	2992
Manchester Central	23000	9000
Glasgow SECC	22000	10000

Source: Venuefunder.com

Figure 6.13 National Comparison of Conference Facilities





6.72 Although Harrogate is notionally in touching distance of Manchester and Glasgow in terms of exhibition capacity, the reality is that in terms of hotel capacity and a city scale offer they are significantly ahead. The gap is also notably larger in terms of conference capacity, reflecting the ‘big shed’ nature of the SECC and Manchester

Central as opposed to the multi-venue approach at Harrogate – a legacy of the piecemeal development approach employed over the last five decades.

6.73 It is curious to note the relatively low capacity of Liverpool, although as a relatively new entrant to the market (and historically under bedded until recent years) their position can only be expected to grow as capacity is extended and awareness grows of the city as a conference destination.

Market Trends

6.74 An indication of the size, health and trends within the conference sector is provided by the United Kingdom Events Market Trends Survey (UKEMTS – previously the British Conference Venues Survey). For 2014, UKEMTS used a sample of 413 venue responses. Key trends are summarised below.

- There was an average of 356 events per venue in 2013 – slightly down on 2012 (when there was an average of 373 events).
- The majority (65 per cent) of events were held in hotels, with a further 18 per cent held in unusual/multi-purpose venues.
- The average event duration was 1.6 days. Most events (61 per cent) lasted a day or less. This was the same as in the previous year's survey responses.
- In 2013 there were an estimated 1.25 million business events in the UK. This was slightly down on 2012.
- The average daily delegate rate achieved by venues for events was £42 (inc VAT). Rates were on a par with 2011 and 2012.
- The average 24 hour/residential rate was £136 – slightly up on 2012.
- About a fifth (22 per cent) of event business was residential at the event venue – this was slightly lower than 2012 (28 per cent).
- A further 12 per cent of business was estimated to be staying in the wider destination. The remaining 66 per cent was day visiting (i.e. non-staying) business.
- The corporate sector accounted for over half of events (56 per cent) the same as in 2012.
- The 2013 figures show a continuation of the post-recessionary pattern with levels of public sector and government business still remaining below 2008 and 2009 levels.
- The majority (68 per cent) of event business was generated from the region in which a venue is located.
- About a quarter (27 per cent) was from the rest of the UK, with a small proportion (5 per cent) from overseas.
- On balance, venues were indicating that their business performance in 2013 was up on 2012 – 55 per cent indicated they were up compared to 14 per cent indicating business was down.

- In general, venues were optimistic about prospects for 2014 – 64 per cent anticipated business would be up and 30 per cent felt it would be about the same.

6.75 The PWC UK Hotels Forecast (Sept 2014) is more pessimistic, suggesting that the conference and meetings market remains '*troubled, despite a more optimistic outlook from some of the largest operators in this sector*'. Their views are described as polarised, but included the following observations reproduced below:

- pressure on rates and clients wanting '*more for less, in less time'*;
- shorter lead times;
- shorter meetings (more day and half day events);
- less residential meetings and lower delegate numbers;
- the return of some annual events; and
- the need for investment in new technology.

6.76 Looking at the exhibitions sector specifically, Facetime estimate that the UK exhibitions sector generated £11 billion in spending and contributed £5.6 billion in value added to the UK economy in 2011, equivalent to 0.4% of UK GDP.

Research Digest

6.77 At a local level, both the Harrogate Destination Plan and Visit Harrogate acknowledge a lack of up to date information in this sector. Similarly, HIC have very little user data at present, beyond a headline figure of 300,000 business visitors per annum, although have recently commissioned a significant programme of user research which will undoubtedly better inform decisions in the future.

6.78 Nonetheless, Visit Harrogate describe business tourism as '*very significant*' accounting for 400,000 trips, generating £282 million in visitor spend and creating 9,500 FTE jobs, with the HIC accounting for a significant part of this market. Similarly, the Harrogate Economic Development Strategy describes the HIC as;

> *'one of the key economic drivers in the District, (delivering) in the region of £180 million per annum of economic impact and attracting circa 250,000 visitors every year'.*

Best Practice

6.79 Reflecting the tangible significance of the conference and exhibition market to Harrogate, Appendix E Part 3 of Volume 2 contains a case study of Manchester Central, which is an example of the successful rebranding and repositioning of the conference offer within a competing destination.

Summary Comment: Conference and Exhibition Facilities

6.80 Analysis of conference and exhibitions in Harrogate suggests the following:

- Harrogate is the standout destination in the regional conference and exhibition sector. Nothing can match it in terms of capacity, flexibility or overall quality.

- This is a major point of differentiation and strong competitive attribute that should be supported and actively developed to keep pace with change, new market entrants and the evolving priorities of consumers. This includes ancillary provision such as hotel accommodation, with a case for additional modern budget and potentially up to five star hotel provision which would keep pace with changes elsewhere in the marketplace (e.g. Manchester Central) without diluting the unique appeal of Harrogate.
- All aspects of Harrogate's offer need to be considered in terms of their ability to add value to the overall conference and exhibition offer. The compact and unique qualities of Harrogate as opposed to city destinations appears to be a unique aspect of its appeal and it needs to be considered as a whole (similar to the successful packaging of a number of seemingly disparate assets as Manchester Central, illustrated in the case study).
- The market remains in a period of transition, with achieved rates still supressed despite the economy emerging from recession. In essence, customers are continuing to demand more for less.
- Although largely overtaken by events, a number of the proposals within the 2006 HIC remain of merit – notably the development of pavement activity along the south facing aspect of Kings Road, enhanced pedestrian friendly measures around the site, improved connections to the Majestic Hotel, the provision of a service road (considered vital to the continued success of the HIC by management) and enhanced linkages to Crescent Gardens and Valley Gardens.
- Opportunities to diversify the offer should also be considered if they present a value added proposition to either core delegate business or increasing visitor footfall. In this sense, the proposals for the redevelopment of Hall Q should be given careful and due consideration.

Commercial Leisure, Entertainment and Culture

6.81 An overview of current commercial leisure and culture provision within the town centre is shown below in Figure 6.14 and Table 6.10.

Figure 6.14 Commercial Leisure and Cultural Facilities

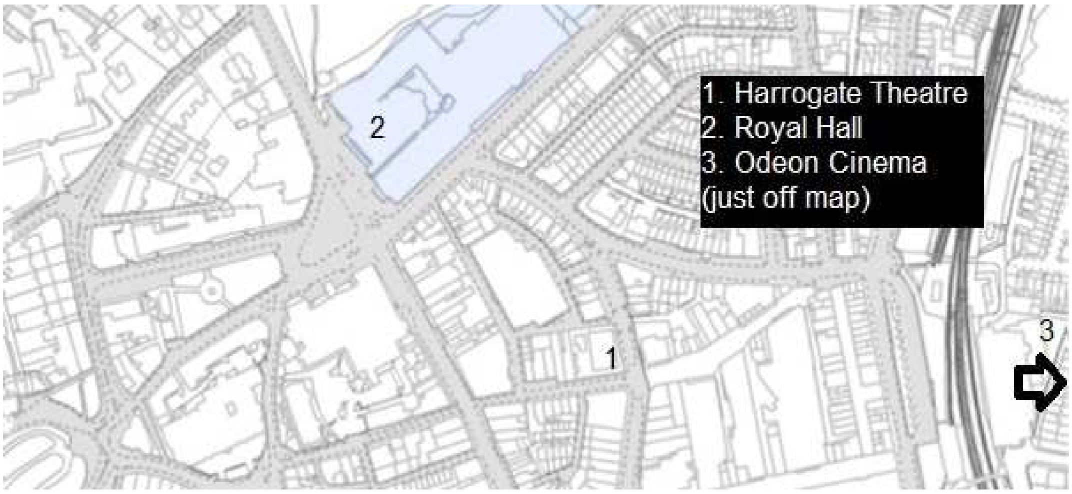


Table 6.10 Details of Commercial Leisure and Cultural Facilities

Map Ref	Facility	Quantum	Capacity	Notes
1	**Harrogate Theatre**	Main house seating 500 over three layers with proscenium arch stage, and Studio theatre.	500	Traditional, ornate late Victorian theatre, opened in 1900. Refurbished in 2007. Grade II listed. Key venue within the Harrogate Comedy and Gilbert and Sullivan Festivals.
2	**Royal Hall**	Traditional proscenium arch stage, with grand hall, grand circle, dress circle and boxes.	976	An ornate Edwardian Theatre built in 1903, the Royal Hall refurbished extensively and reopened in 2008 to act as a venue for events, arts and entertainment. Owned and operated by Harrogate International Centre (which it adjoins), the Royal Hall is the only surviving Kursaal in mainland UK. Key venue for the Gilbert and Sullivan Festival.
3	**Odeon Cinema**	5 screens	76-329	Classic deco town centre cinema, described by Modernist Britain as "*arguably one of Britain's finest Modernist cinema buildings*". Part of the Odeon cinema chain after eight decades of continuous use as a working cinema. The building was awarded Grade-II listed status on 24 May 1988. No on-site parking is provided, although the pay and display car park adjacent is free of charge after 6pm.

6.82 There are currently no casinos or bingo clubs in the town centre, whilst the town's ten pin bowling alley closed in 2009 and has subsequently been demolished to make way for the Tower Street branded budget hotel and retail development.

6.83 Live music and comedy venues are less common in the town centre, although the mainstays include the Blues Bar (strong live music programme), Harrogate Theatre (home to Hyena Lounge, monthly comedy night) and the St. Georges' Hotel (home to Sitting Room Comedy, monthly comedy night), with occasional activity noted at the Brasserie (jazz nights) and Hale's Bar (live music).

6.84 In addition, Harrogate and the District also benefits from an extremely well-resourced and managed events programme that takes in a number of venues throughout the town centre throughout the year and play a significant role in attracting regional and national audiences.

6.85 Harrogate International Festivals (HIF) is the umbrella brand for a year-round diary of events but also recognises the original music and literature programming of the original festival established in 1966. This long running thread of activity is a significant asset for the town, with HIF celebrating its 50th Festival and 50th Anniversary in 2015 and 2016 respectively. Key HIF headlines include:

- 6,000 tickets sold in 2014.
- Attracting one-off international ensembles or commissions (e.g. Wynton Marsalis with the Jazz at Lincoln Centre Orchestra filmed 'live from the Harrogate International Festivals in 2014') to creating unique events (e.g. James Rhodes, performing live and for free at Revolution).
- Audience is 80 per cent regional, 20 per cent national and HIF estimate that they have grown their ticket purchasers by 'spreading what was a 2 week festival with daily events to over four long weekends maximising the opportunity for leisure time and leisure spend'.
- Significant press coverage achieved again from nationals and locals to media partnerships to grow new audiences with Stray FM (3 slots weekly during the build and during festival) and Harrogate Advertiser series, with spreads bi-weekly.

6.86 Notable events include the Great Yorkshire Show, Harrogate International Festival (which uses, amongst other facilities a Spiegeltent – a temporary performance venue located for a month at Crescent Gardens) and the Crime Writing Festival. The addition this year of 60 new events to be held at Harrogate Theatre and Royal Hall together with the opening of Gilbert and Sullivan concerts will make a significant impact on the cultural offering to both residents and visitors.

6.87 Perhaps the standout success, however, in recent years has been the Crime Writing Festival. Launched in 2003, the event was created and produced by HIF in Harrogate creating local jobs with national impact. Key results include:

- 14,000 tickets sold in 2014 (90 per cent of events at capacity).
- 70 per cent of ticket buyers spend one or more nights in Harrogate during the 3 night/4 day Festival.
- 300 package bookers buy directly from the Festivals at the major hotels whilst others buy their tickets individually and stay with B&Bs locally. HIF buy over 2,000 bed nights through the Festivals office.
- 79 per of the audience come from outside the region, 5 per cent now travel internationally specifically to attend the Festival. HIF surveys indicate that in addition to a package purchased through the Festivals at c £1,000 for two people, visitors spent the following:
- 16 per cent of ticket buyers were local – spend of £177 per person;
- 79 per cent of ticket buyers were national – spend of £343 per person; and
- 5 per cent of ticket buyers were international spending £583 per person.
- Attracting unique one-off events, such as the first showing of *Before I Go To Sleep*, JK Rowling's only worldwide event in 2014, and attracting the creators and writers of the TV hit *The Wire*.
- National partnerships (qualified as '*they don't bring in financial income to the bottom line but do bring significant value in profile*') this year agreed with

WHSmith (600 shops with POS, branding and coverage) in addition to a media partnership for the Crime Awards with the Radio Times.

- National press coverage valued at £2 million, excluding broadcast and new media which pushes the total significantly higher. Coverage achieved in multiple print and online editions of national and regional newspapers**.** Broadcast media coverage was also strong with BBC Radio 2's Arts Show, BBC Radio 4's Front Row and BBC Breakfast all covering the Festival and its authors**.**
- The biggest challenge was seen as coming from Brighton, Norwich and Stirling which all have new crime writing festivals but with a significant financial investment from their host local authorities to compete with Harrogate.

6.88 HIF is also focused on new developments, including;

- Salon North – quarterly events for a 25-40 demographic, nights for the post-clubbing generation in arts, science and psychology with a lively bar and great speakers;
- Harrogate History Festival – HIF were approached by the Historical Writers Association and asked to replicate the success of the crime writing festival, with the second year scheduled in October 2014;
- Spiegeltent and Children's Festival – using a unique, high profile venue to attract artists and audiences that can't/won't go to a 'chintzy hotel' or larger venue; and
- Spring Series – not a new development but one which maintains HIF's 'core audience of classical bookers, usually 70+ age profile, for a series of the best international chamber musicians across Sunday mornings'. Audiences of c 400 per event.

6.89 Overall, HIF argue that they '*would like to do more outdoor work*' but that at present, it is '*prohibitively expensive*' and at risk of damaging other areas of the business financially, arguing; '*we are keen to grow but we are competing with national festivals who receive significantly more public funding to achieve their goals, increasing competition*'. In addition, special interest travel is still growing, and as HIF put it '*we have significant unique products that we need to develop and promote further*'.

6.90 Nonetheless, careful planning is required to minimise clashes. For example, in 2015 the Crime Writer Festival currently overlaps with the Home and Gift Fair – a major consumer event at the HIC. These overlaps can create strains on the infrastructure of the town, most notably accommodation with anecdotal evidence suggesting achievable day rates for hotel operators can be up to a third less for the Crime Writers Festival, as opposed to the more lucrative Home and Gift.

6.91 Valley Gardens was described in consultations as '*a real asset with good events programme*' and it is difficult to argue with this analysis. Events undertaken include a 40s Day (considered by one consultee with potential to expand to a weekend), Picnic in the Park, Council Fun Day, regular Sunday band concerts and use of the Sun Pavilion for events (mostly weddings). The proximity to Crescent Gardens in particular makes for a real activity centre, especially during the Harrogate International Festival.

6.92 In recent years, the Chamber of Trade has also become involved in event staging, with growing success. The Christmas Fair, with 200 stalls largely focusing on Yorkshire Food and Drink, has successfully grown to attract over 200,000 visitors over a weekend. Now in its third year, the event is self-financing and uses a section of the Stray opposite the Montpellier Quarter. Despite the numerous challenges in staging it on this site, due to restrictions on the use of the Stray (both those enshrined in a Parliamentary Act and a vocal local lobby), an absence of toilets, drainage and electrical hook-ups (although work is proposed by the Chamber of Trade to local lighting columns to enable easier electrical hook-ups), the event has continued to grow and has become an established point in the calendar, complementing larger, more commercial operations in nearby Leeds.

6.93 In the absence of a central square or piazza (which Harrogate currenlty lacks), use of these type of spaces has grown in recent years, but continues to be constrained by space, availability and a lack of infrastructure in many cases. The space outside the Victoria Centre, for example offers little event application at present due to its size and location. Other consultees noted the potential of Oxford Street for activity as a broad, pedestrianized space at the heart of the town centre.

Proposed Development

6.94 We understand that discussions have been undertaken with Curzon Cinemas to facilitate the development of a new arts cinema and café, alongside up to three restaurant units in the former Beales Department store in the town centre (though it is understood that a flexible permission is sought allowing for a range of retail and leisure uses in these units. This scheme is currently being considered by the Council.

York/Leeds Context

6.95 A summary of key city centre entertainment in Leeds and York city centres, encompassing cinema, bowling, casino, bingo and theatre, is presented below.

Table 6.11 Entertainment Facilities in Leeds City Centre

Facility	Quantum	Capacity
Vue Cinema The Light	14 screens	310
MFA Bowl	n/a	n/a
Roxy Lanes	Small ‘metro’ 5 lane facility, primarily there to service an upmarket cocktail bar.	n/a
Grosvenor Casino	Casino, two bars and restaurant.	n/a
Napoleons Casino	Casino and restaurant	n/a
Mecca Bingo	n/a	n/a
First Direct Arena	Commercial arena for Leeds and major concert/event venue for Yorkshire.	13,500
West Yorkshire Playhouse	Highly regarded producing house comprising a main space (750) and a smaller space (350).	1,100
City Varieties Music Hall	Restored heritage theatre.	467
Grand Theatre & Opera House	Commercial receiving theatre and home to Opera North.	1,550

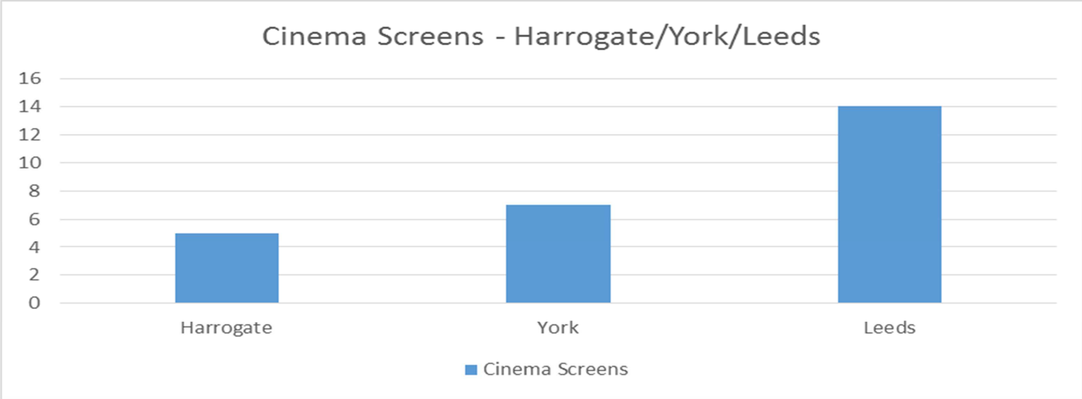
6.96 Unsurprisingly, given the size and infrastructure of Leeds with two universities and a vibrant city centre population, the whole spectrum of town centre leisure uses is present, with performing arts a particular strength. It is more surprising to note just one large cinema in the city centre, although this is supplemented by a number of facilities at the city edge which are better placed to serve the more densely populated suburbs.

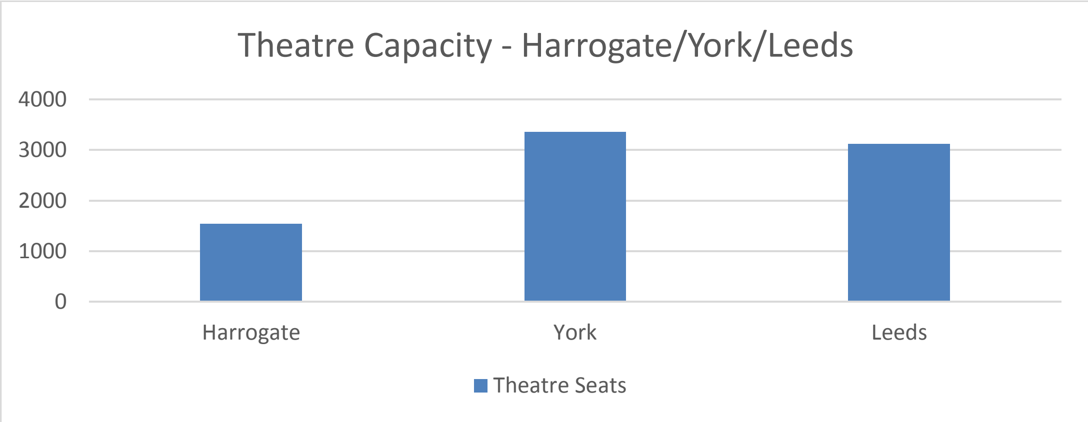
6.97 In common with Harrogate, York has no casino provision in the town centre but all other aspects are reflected, with again a strong theatre product, albeit more commercially focused. The cinema supply is different to that of Leeds, in that the city centre has two smaller independent/arts cinemas, to complement a larger Vue commercial facility.

Table 6.12 Entertainment Facilities in York City Centre

Facility	Quantum	Capacity
Reel Cinema	4 screens	300
City Screen	3 screens	232
Clifton Bingo Club	n/a	n/a
Mecca Bingo	n/a	n/a
Grand Opera House	Commercial receiving theatre run by ATG.	1,000
York Theatre Royal	Comprises main house, Studio and De Grey Rooms	863
York Barbican	Modern, purpose-built indoor entertainment venue	1,500

Figure 6.15 Comparison of Cinema and Theatre Offer





Note: Leeds figures exclude the Arena, Harrogate figures exclude the HIC main auditorium for purposes of definition.

Market Trends

6.98 An insight into the **Cinema** market, which is provided by data released in May 2014 by the European Audiovisual Observatory, indicates that EU gross box office growth '*ground to a halt'* in 2013, with a decline of 4.3 per cent year-on-year although Q1 figures for 2014 were reported as showing '*promising signs'* for 2014. The overall drop in EU admissions was primarily caused by declining markets in Spain (-15.4 million), France (-10.0 million), the UK (-7 million) and Germany (-5.4 million). This recent trend is partially supported by Mintel in their 2013 Leisure Review, with a 2.1 per cent decline noted 2012-13, although this remains within the overall context of substantive growth (+20.3 per cent) in the UK cinema market since 2008.

6.99 An insight into the **Theatre** sector is provided within the September 2013 report '*State of Play: Theatre UK*' undertaken by Ticketmaster. The report underscores the extent to which theatregoing is no longer a niche, elitist pastime. A large majority (76 per cent) of the UK population has been to at least one theatre show (including plays, musicals, opera and dance performances) in the past three years, with 63 per cent attending once in the past year – more than music concerts (53 per cent) and sporting events (47 per cent).

6.100 Other trends noted include:

- 16-19 year olds are more likely to attend than any age group.
- The majority of theatre attendees are 25-44 years old.

- Theatre attendees are most likely to also attend the cinema, followed by arts (gallery & museums events).
- The cost of attending the theatre (too expensive) is the main barrier to entry amongst non-attendees (27 per cent).
- Theatre is a significant tourist draw for the UK. For those who have been to the theatre in the UK from abroad, 62 per cent said their visit was influenced by the cultural scene in the UK.
- Two in three (66 per cent) want to maintain or increase the number of musicals and plays they attend this year.

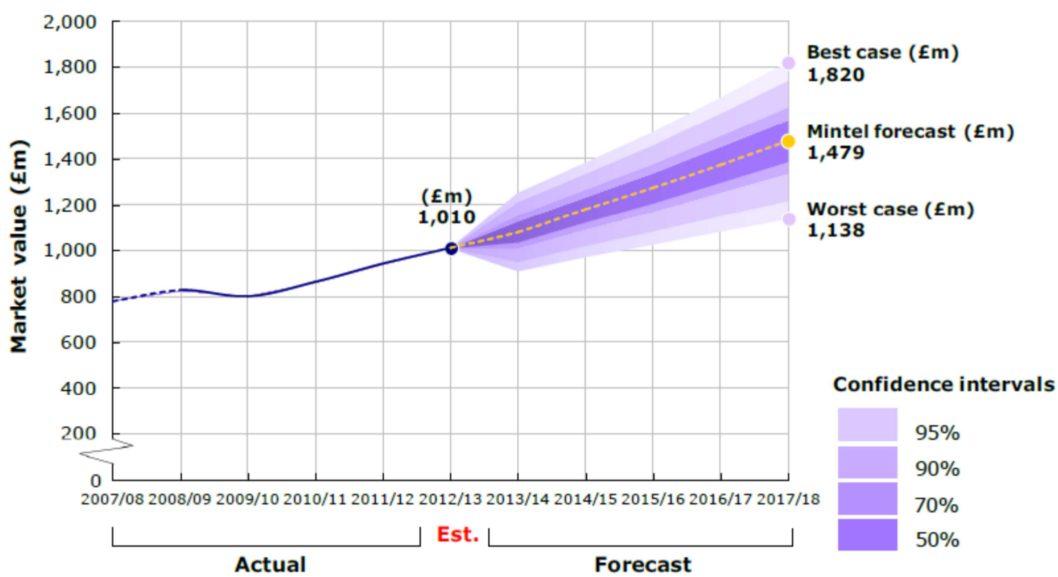
6.101 Again, Mintel (2013) concur with the positive outlook for theatre, with the sector recording growth of 3.1 per cent during 2012-13 and overall growth of 26.3 per cent in the sector noted since 2008.

6.102 Although not currently provided in the town centre, **Casinos** and **Bingo** are two traditional leisure pastimes currently undergoing changes in fortunes. The December 2013 Mintel Casinos and Bingo report indicates that while casinos are accustomed to being seen as venues for occasional visiting, but bingo clubs are now slipping into the same status, as they watch frequency of customer attendance continue to decline.

6.103 New casinos are responding by locating within 'destination' developments that maximise the occasional visiting pool; but bingo clubs may need to take '*a different path to revive the local and social nature of their offer beyond the game itself, and regain the regular habits which are being lost*'. Consequently, continued growth in casino expenditure is anticipated by Mintel, whereas for Bingo, the outlook is far less certain – as illustrated below in Figure 6.16.

Figure 6.16 Forecast Growth in Casino and Bingo Sectors

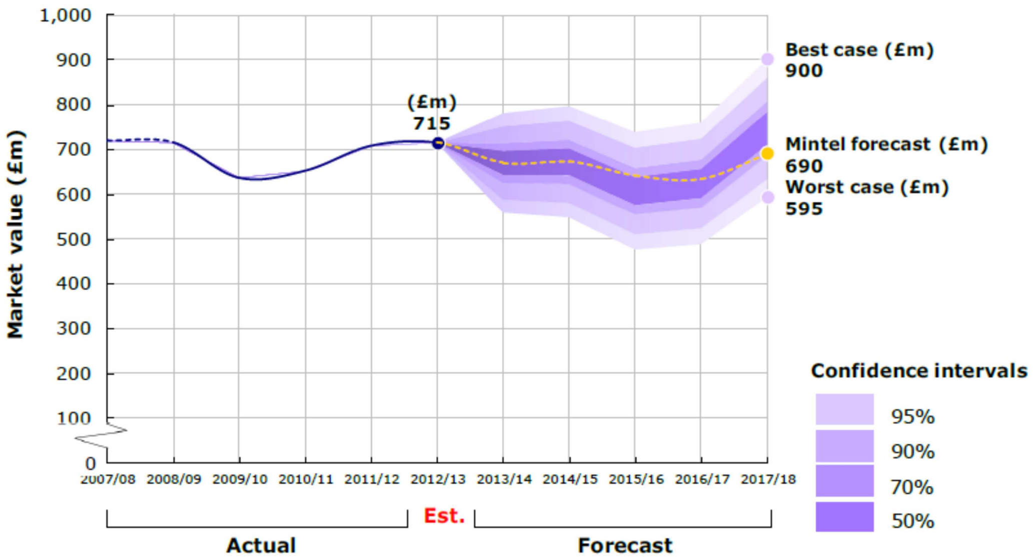
FIGURE 1: FORECAST OF CONSUMER EXPENDITURE* IN CASINOS, 2007/08-17/18



* Comprising GGY, gaming machine gross win and spending on food and beverages

SOURCE: GAMBLING COMMISSION/MINTEL

FIGURE 2: FORECAST OF CONSUMER EXPENDITURE* IN BINGO CLUBS, 2007/08-17/18



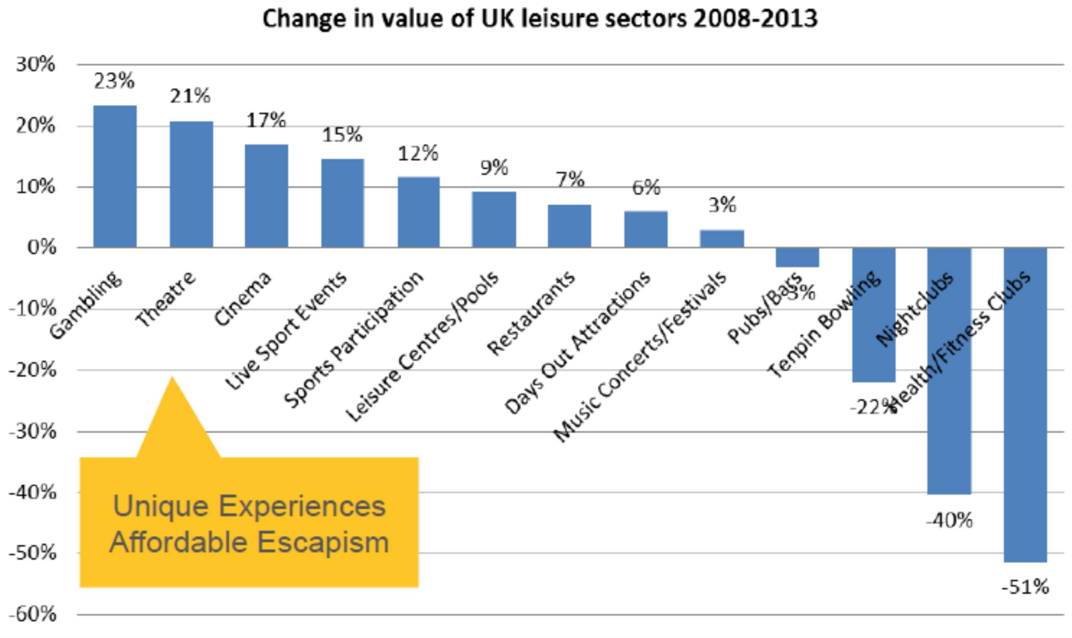
* Comprising bingo games, gaming machines, food and beverages

SOURCE: HMRC/GAMBLING COMMISSION/BINGO ASSOCIATION/MINTEL

6.104 Another sector facing an uncertain future is **tenpin bowling**, which Mintel (2013) estimates contracted by 0.9 per cent in 2012-13, and overall the market is estimated to have declined by 18 per cent since 2008. However, Mintel also note that Tenpin is another sector which appears to be over the worst, with '*several operators reporting modest growth in 2012 and this is expected to gather momentum during 2013*'.

6.105 A summary of the overall fortune of many of these sectors, with growth driven by affordable escapism (a key aspect historically of the recession and post-recessionary leisure market), is presented below in Figure 6.17.

Figure 6.17 Change in Value of UK Leisure Sectors (2008-13)

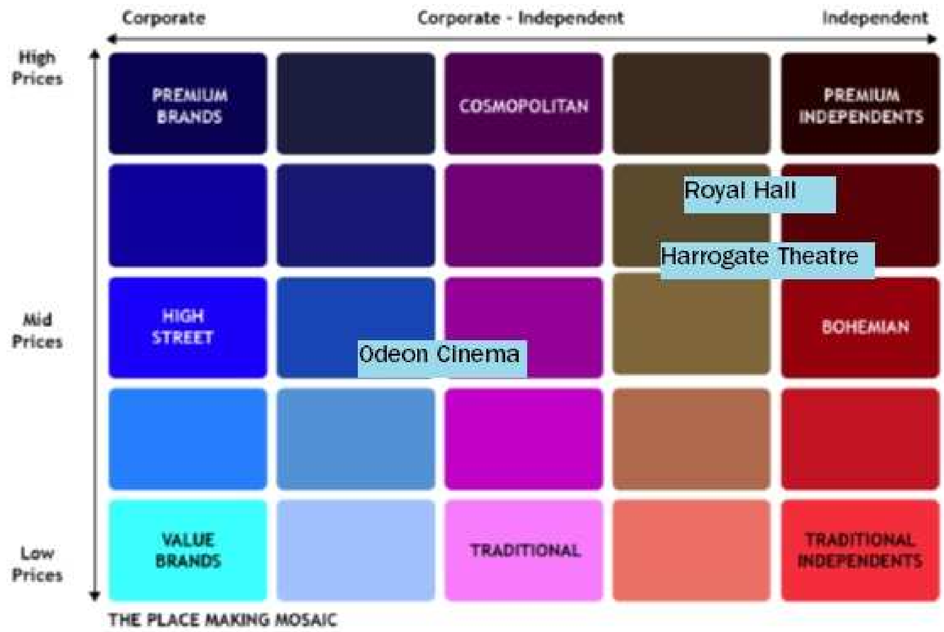


Source: Mintel Leisure Review, July 2013

MOSAIC Analysis

6.106 A Mosaic analysis of current entertainment facility provision in Harrogate is presented below.

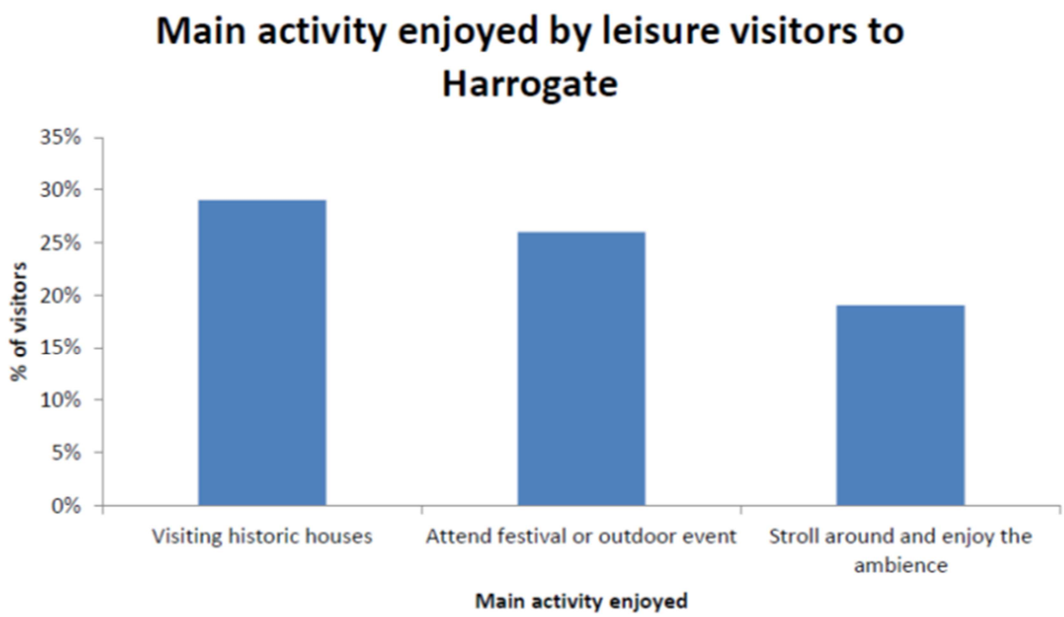
Figure 6.18 Mosaic Analysis – Commercial Leisure and Entertainment



Research Digest

6.107 The importance of the event programme to Harrogate is underlined by research reproduced in the 2011 Tourism in Harrogate digest which suggested that festivals or outdoor events were the main activity enjoyed by 25 per cent of surveyed leisure visitors to Harrogate.

Figure 6.19 Main Activities of Harrogate Leisure Visitors



6.108 The 2014 Business Survey, undertaken in support of the HTCSM, indicates limited support amongst local businesses for more events/markets/festivals (9 per cent), although this section of the survey was dwarfed by requests for more/better parking and other transport issues, which made up over half of all responses.

6.109 Taking traffic and parking issues 'off the table', an increase in festivals and events was the most popular response. Nonetheless, it is interesting to note that 44 per cent of surveyed businesses indicated that an increase in cultural/events facilities in the town would be beneficial to their trading.

Best Practice

6.110 We have researched examples of best practice, encompassing A Play, a Pie and a Pint (connecting new audiences in unusual venues with theatre) and All Star Lanes (re-inventing the bowling alley for discerning urban audiences). Details of these case studies are contained at Appendix E Part 4 of Volume 2.

Summary Comment: Commercial Leisure, Entertainment and Culture

6.111 Analysis of current commercial leisure, entertainment and culture provision in Harrogate suggests the following:

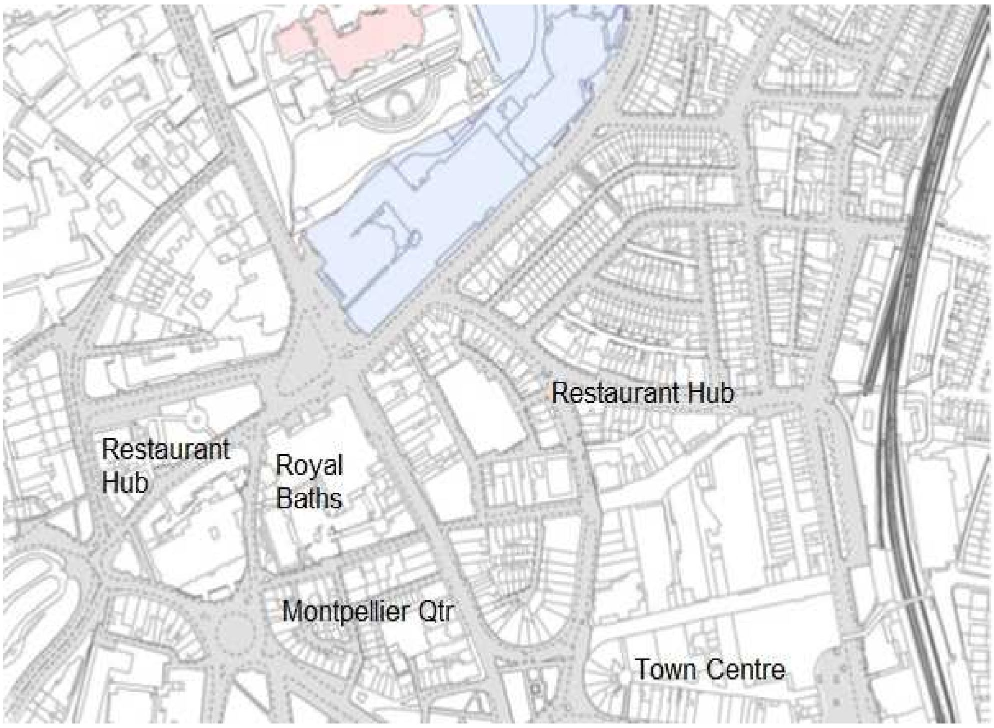
- Current facility provision remains patchy, although theatre provision appears adequate, with two well-equipped venues and a smaller studio. However, outside of these facilities the entertainment and culture product becomes far thinner, with little activity (e.g. comedy, fringe drama, live music) occurring. The Play, a Pie and a Pint case study underlines the potential that can be derived from exporting content to non-conventional venues and the potential should be explored within the context of Harrogate and a growing market.
- Analysis of cinema provision would suggest a degree of under-provision within Harrogate (particularly in comparison with Leeds and York, if the out of town 12 screen Vue cinema at Clifton Moor is taken into consideration, notwithstanding their larger population base and Universities in-situ). However, the development of a proposed Curzon facility in Harrogate (on the site of the former Beales department store) would help bring provision more in line with current provision in York and broaden the base of current provision.
- There are no bingo or ten-pin bowling facilties in the town centre, in contrast to both Leeds and York. Whilst both of these markets have been in decline in recent years, the example of All Star Lanes suggests that new forms of bowling can be popular (and would potentially be a good fit for Harrogate) and add much to the evening economy.
- Casino provision is currently restricted to Leeds, which is not altogether unexpected given the city's larger population base. Nonetheless, it is interesting to note proposals were made originally as part of the Royal Baths and it may be worth considering alongside modern hotel provision as a potential good fit with both business tourism and Harrogate's older, relatively more prosperous customer base.

- Events remain one of Harrogate's big success stories, attracting significant volumes of visitors throughout the year and contributing towards Harrogate's distinctive appeal. Challenges remain in terms of finding suitable spaces within the town centre for the safe and effective staging of events of all scales. Addressing this issue needs to be a key priority of the Masterplan if the town is to continue to operate at a high level in this competitive market in the long term.

Food and Beverage

6.112 Food and beverage is a strong element of the town centre offer, with activity largely concentrated in a number of geographic areas as highlighted below in Figure 6.20.

Figure 6.20 Main Town Centre Food and Beverage Locations



Town Centre – Core Area

6.113 With retail uses dominating the main pedestrianised area of the town centre there is a limited food and beverage offer, the majority of which are branded takeaways (e.g. Greggs, McDonalds). As a consequence, these streets can lack character and animation after the shops have closed, although the streetscapes remain well lit and characterful.

6.114 Nonetheless, the recent conversion of retail units into bars and restaurants (e.g. Zizzi's and Carluccios, James Street) and entry of new independent operators (e.g. Balterzen's, Oxford Street, part of an emerging south facing cluster of interesting cafes and bars around the Theatre) has expanded the offer. There is also an interesting cluster of bars with a strong alfresco element on them at John Street (with a mix of branded operators, like La Tasca and independents) anchored by the nearby upmarket presence of Hotel Du Vin (1 AA Rosette) on Prospect Place, and a number of restaurants in close proximity on Albert Street, including Prezzo and Pizza Express.

6.115 Overall, the approach is one of clusters, albeit largely undefined at present with only limited alfresco and street-side eating and drinking. In some areas, such as James Street, this is down to the limited public realm, although other areas (notably Oxford Street) have significant latent potential, albeit that they are in need of 'a bit of love'.

Montpellier Quarter

6.116 The Montpellier Quarter is a quadrant bordered by Montpellier Hill, the Ginnel and Parliament Street, bisected by the pedestrianised Montpellier Street. The mix is eclectic, encompassing the internationally renowned Betty's Tearooms (plus a significant number of independent tea rooms and cafes down Montpellier Hill and along Montpellier Street), small independent retailers (with a particular strength in antiques), a limited chain presence from regional brewers and national operators (e.g. Thwaites and the Slug and Lettuce), the Blues Bar (the standout live music venue in the town) and a 2AA Rosette restaurant in Van Zeller. It is the archetypal tourist honeypot, characterful, perfect for exploring and packed with independents.

6.117 The Quarter has seen a number of new openings in recent years, particularly along the Ginnel with the Pit (a small emerging chain managed from Leeds) and fast growing chain Jamie's Italian, complementing the quirky Space (a multi-occupant vintage retail space, including Major Tom's Social (a bohemian bar and modern vintage antique centre evoking the best of the independent spirit of competitive destinations like Manchester's Northern Quarter). With the Ginnel essentially backing on to the Royal Baths development (see below), these facilities are likely to form a vibrant critical mass and cement the area as the main activity node in the evening economy. However, we understand that this has led to a degree of conflict between patrons of these facilities and other commercial and residential uses within the area.

Royal Baths

6.118 This is a relatively new development in and around the former spa buildings (with only the Turkish Baths retained), providing Harrogate's most obviously concentrated cluster of branded bars (notably a large capacity Wetherspoons and Revolution), alongside a large scale Chinese restaurant, the Restaurant Bar and Grill (a quality, micro-chain independent operator) and the Viper Rooms (a modern club and cocktail bar).

6.119 Largely as a consequence of the mix and scale of operators, this area has become one of the main focal points for the evening economy of Harrogate, particularly amongst the 18-25 crowd.

Restaurant Hubs

6.120 Well placed for delegates of the HIC, a cluster of restaurants has developed over the years along sections of Kings Road and along Cheltenham Parade. Unfortunately, by luck or design the majority are located on the north facing side of Cheltenham Parade, affording limited opportunity for al-fresco dining. Nonetheless, innovative operators include Chez la Vie, encompassing a significant 1st floor balcony affording space for 30 diners, and Hoxton North Coffee Shop, an independent venue currently ranked no. 1 on Trip Advisor for restaurants in Harrogate.

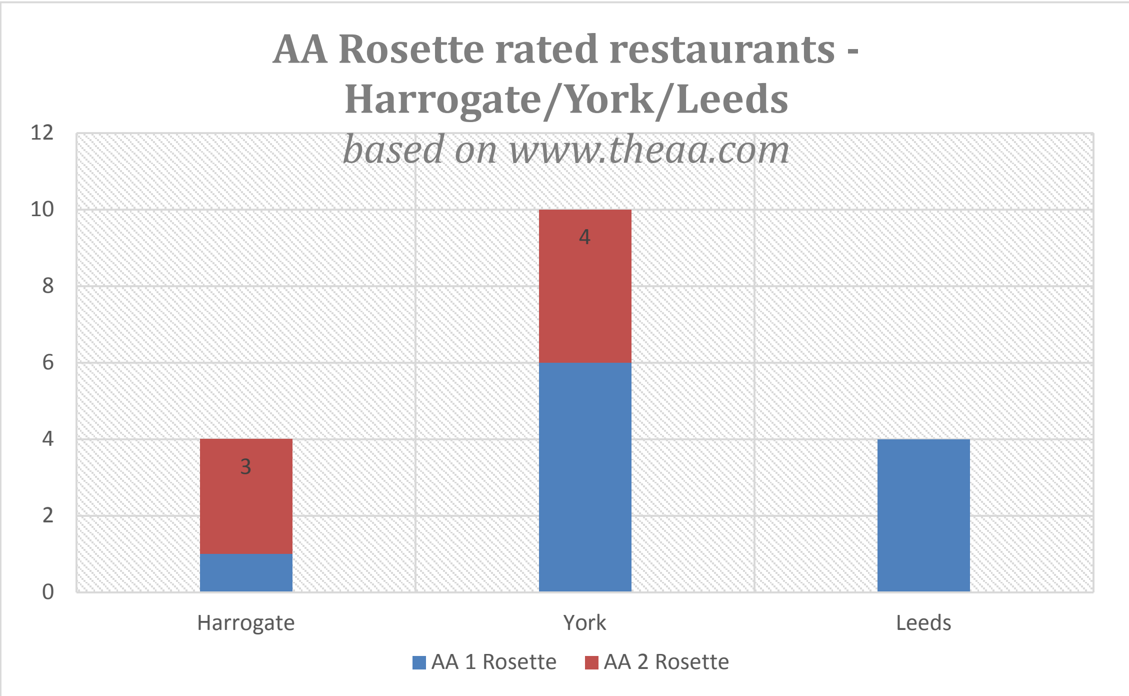
6.121 Other key venues are clustered around Swan Road, Crescent Road and the approach to Valley Gardens. Key venues include the Orchid+ Restaurant (an Asian fusion restaurant ranked highly in terms of peer reviews on Google and Trip Advisor), the Studley Hotel (2 AA Rosettes) and the White Hart Hotel (2 AA Rosettes).

6.122 Overall, the impression is of relatively few high street brands, few traditional pubs (one consultee described Harrogate as all about bars, cocktails and wine bars – not pubs) and a good stock of independent restaurants.

York/Leeds Context

6.123 For context, a comparison of AA Rosette graded restaurants in Harrogate, York and Leeds has been undertaken, as show in Figure 6.21.

Figure 6.21 AA Rosette Restaurants in Comparator Centres



6.124 Considering the relative size of the urban areas, Harrogate punches above its weight in terms of Rosettes, with just one fewer 2 Rosette restaurant than York with Leeds having none. This offer is exceptionally helpful in relation to the conference and exhibitions sector which is arguably the lifeblood of Harrogate.

Proposed Development

6.125 As highlighted previously, the proposed Curzon Cinema scheme in the former Beales Department store contains provision for three restaurant units. This scheme (which would involve demolition of the current building) is currently being considered by the Council.

6.126 In addition, a small number of conversions from retail (class A1) to restaurant use (class A3/A4) have been taken place in Parliament Street (granted December 2013) and Mayfield Grove (under consideration), together with the construction of a three storey extension on Parliament Street (granted March 2014) to encompass a restaurant unit plus an additional two flexible units with potential A3 use.

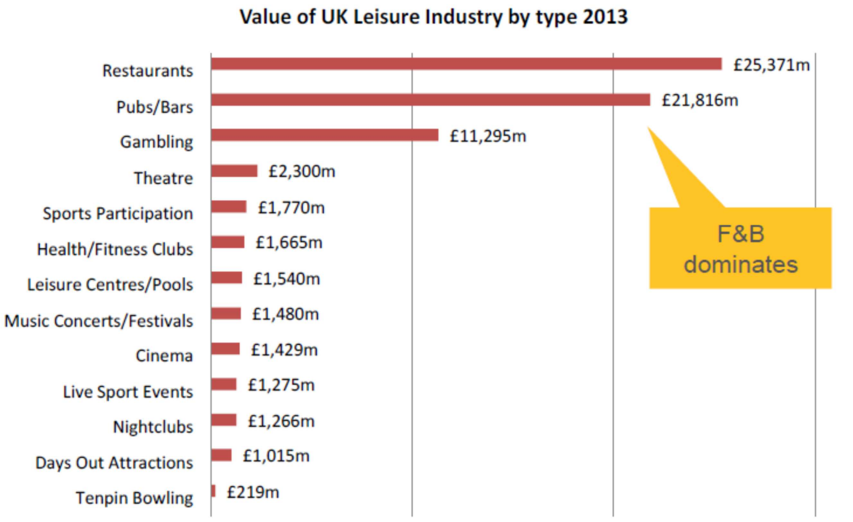
Market Trends

6.127 As the previous summary of general leisure trends underscores, eating out and drinking dominates the leisure industry, accounting for two thirds of total spend, with eating out performing significantly better during the past five years than the under-pressure pubs sector.

6.128 This dominance is graphically illustrated by Figures 6.22 and 6.23 below, extracted from the October 2013 Mintel Leisure Review.

Figure 6.22 Frequency of Participation in Leisure Activities

Figure 6.23 Value of UK Leisure Sectors



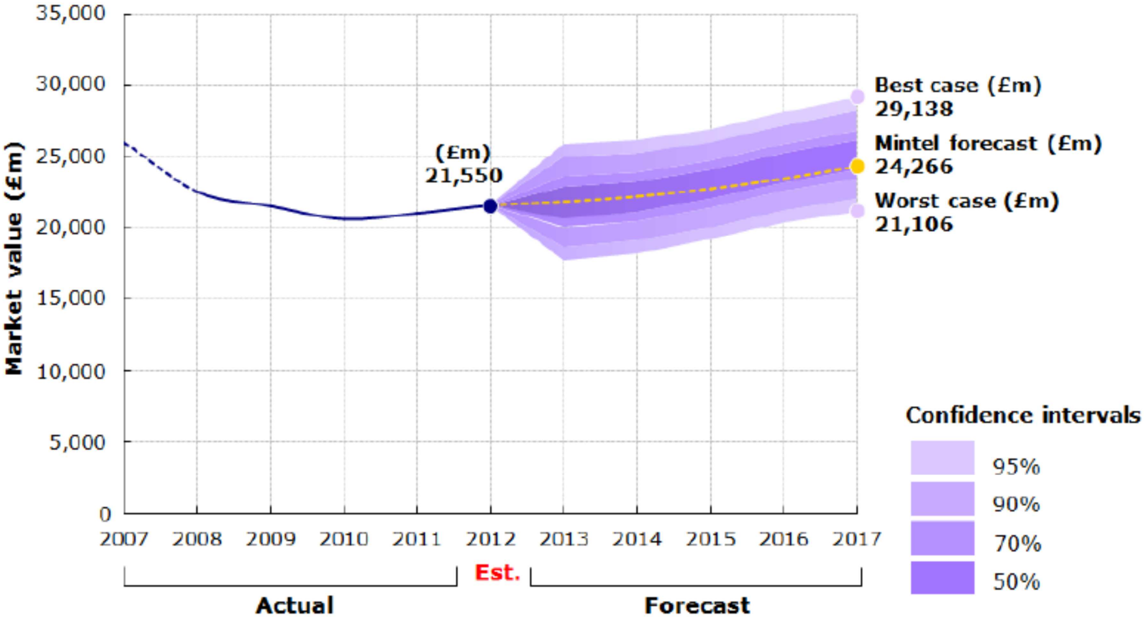
Source: Mintel Leisure Review, July 2013

6.129 Despite the bar and pub industry continuing to shrink in terms of pub numbers, this trend is slowing down, with around 50,000 venues now remaining. There may even be cause for optimism that the industry may in fact be showing signs of growth in terms of venue numbers.

6.130 As licensed premises numbers dropped dramatically in the immediate aftermath of the 2008 recession, so too did turnover, which fell from £26 billion in 2007 to a low point of £20.6 billion in 2010. Following modest growth in 2011, the market maintained steady growth in 2012 to reach £21.6 billion. However it is worth noting that much of this growth has been driven mainly by rising VAT, alcohol duties and cost increases being passed onto consumer prices, with negative market growth in real terms.

6.131 With many consumers switching their drinking to the home and often looking to replicate dining experiences at home, Mintel does not anticipate an upturn in pub footfall despite the Government's recent removal of the beer tax escalator. Nevertheless, modest annual growth is forecast in the coming years driven by increasing prices and the recovery of the UK economy encouraging more consumers to relax their budgets a little. Based on these factors, the market is expected to reach £24.3 billion by 2017, 13 per cent higher than the current level.

Figure 6.24 Forecast Value of Food and Beverage Sector

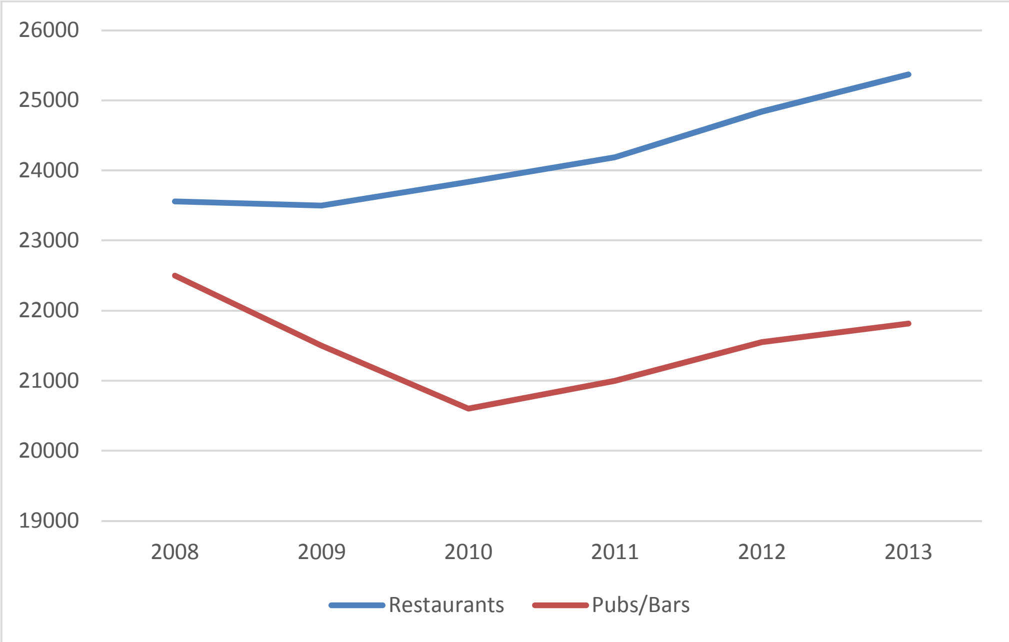


Forecast for UK Pub Industry Revenues, 2007-2017

Source: Mintel, 2013

6.132 By comparison, the UK restaurant sector continues to be buoyed by growth in eating out which has been a staple of the market since the late 90s, having eclipsed pubs in terms of value by 2004, growing 2.1 per cent in the period 2012-13 and 7.7 per cent overall in the past five years (see Figure 6.25).

Figure 6.25 Value of the UK Restaurant & Pub/Bar Sectors (£m)

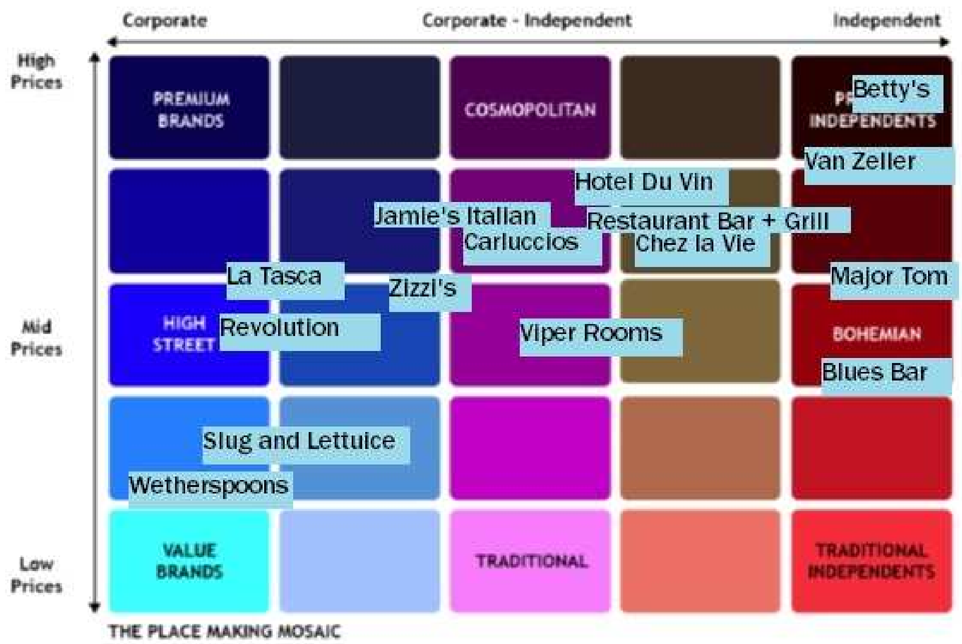


Source: Mintel, 2013

MOSAIC Analysis

6.133 A Mosaic analysis of current food and beverage provision in Harrogate Town Centre is presented below.

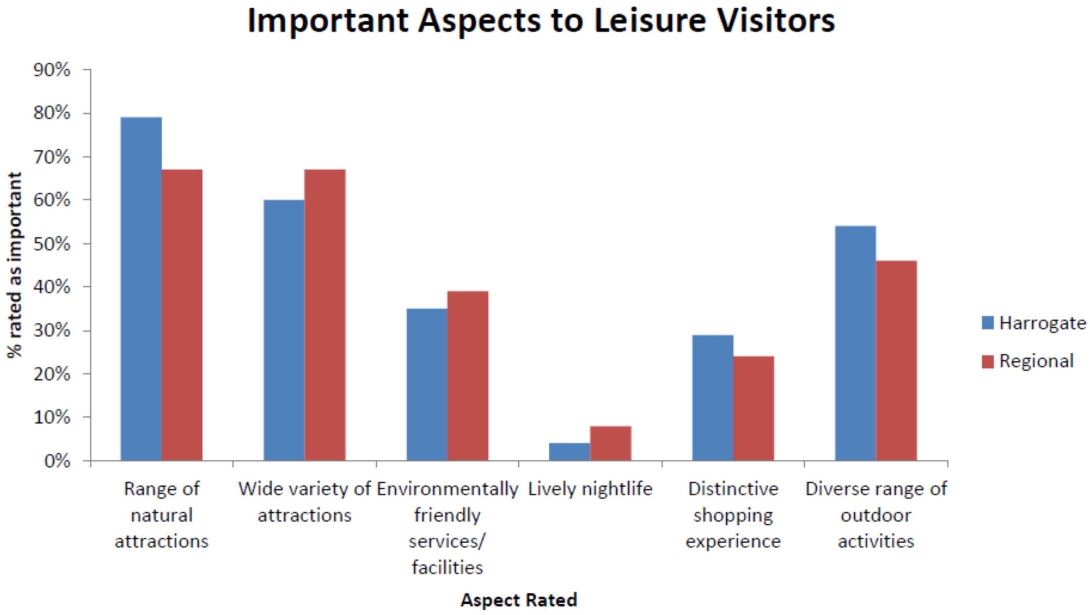
Figure 6.26 Mosaic Analysis – Food and Beverage Offer



Research Digest

6.134 The 2011 Tourism in Harrogate digest reveals that 'lively nightlife' features very low in terms of priorities for surveyed visitors, perhaps reflecting the older age profile of visitors to the town (see Figure 6.27 below).

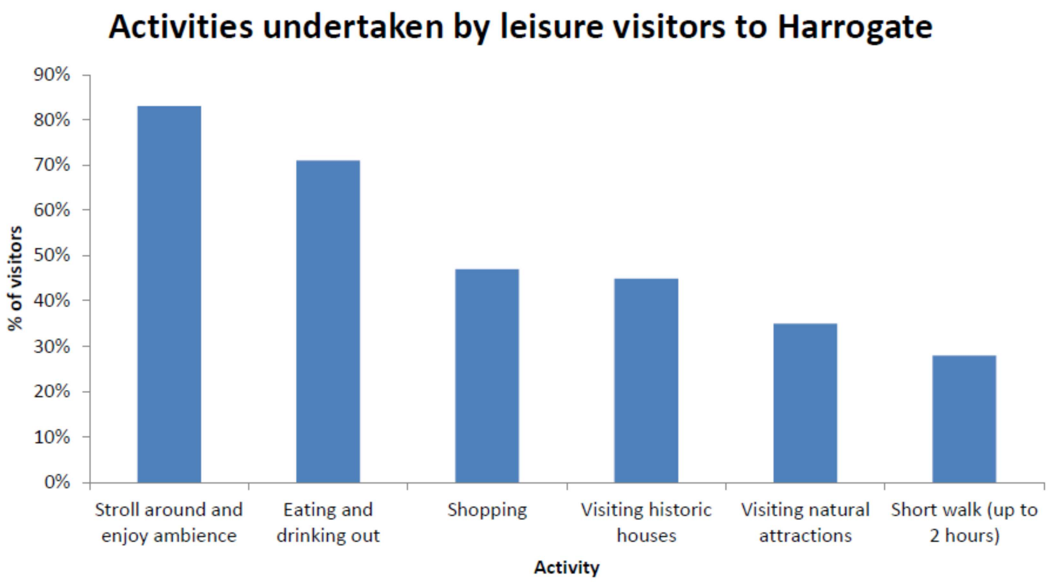
Figure 6.27 Important Aspects to Leisure Visitors



Source: Tourism in Harrogate, 2011

6.135 Nonetheless, eating and drinking remains amongst the most popular activities amongst surveyed visitors, as highlighted below.

Figure 6.28 Main Activities undertaken by Leisure Visitors



6.136 The 2014 Business Survey, undertaken in support of the HTCSM, indicates a strong degree of support amongst local businesses for an increase in food and drink businesses. A total of 27 per cent of surveyed businesses named additional food and drink provision in the town centre as something that would be directly beneficial to their own trade.

Best Practice

6.137 Appendix E Part 5 of Volume 2 presents best practice case studies in relation to the North Laine Brewery (revitalising the brewpub concept), the beer gardens of Berlin (seasonal outdoor eating and drinking, with culture) and Hindley Street, Adelaide (using arts and culture to drive destination development).

Summary Comment: Food and Beverage

6.138 The foregoing analysis of current provision, comparators, market trends and best practice suggests the following:

- Activity in the town centre is limited, but growing. Whilst this may be symptomatic of a healthy and strong retail core, it does mean activity is limited in these areas in the evening.
- There is real potential to develop more activity on Oxford Street in and around the theatre, making the most of a largely unloved, south facing street at the heart of the town centre.
- Every effort should be made to increase the amount of al-fresco eating and drinking areas throughout the town centre, particularly in areas with a southerly aspect. This could also extend to temporary beer gardens (ideally as part of, or in close proximity to key cultural facilities like the spiegeltent).
- There is an interesting mix of provision with a strong, majority presence of independent operators in all sectors. Operators like Betty's are undoubted assets in terms of overall distinctiveness and should be supported wherever possible.
- The pub offer seems curiously small, in comparison to the bar and restaurant provision. New products in the marketplace (such as the North Laine Brewery or Brewdog) which combine both traditional and contemporary qualities and which would fit the character of Harrogate should be actively considered.
- The location of the main restaurant cluster is extremely useful for delegates to the nearby HIC and provides a useful gateway to exploring the town centre.
- The Montpellier quarter offers Harrogate a distinctive setting of potentially national renown. The streetscape, together with mix and scale of offer is appealing from a tourism perspective and perfect for the visitor experience. Every effort should be made to maintain the balance between independent and branded operators and ensure a cultural presence (as with Hindley Street, Adelaide).

Town Centre Marketing Appraisal

Introduction and Strategic Context

6.139 In the following section we provide an overview of the current town centre brand (both perceived and actual), encompassing a review of the regional context, a consideration of key target analysis, information channels, a thematic text analysis and a marketing mix summary based on key target markets.

6.140 As noted previously, regional promotion and branding is spearheaded by Welcome to Yorkshire – with activities detailed in its 5 Year Plan (2012-2017). Reflecting changes at regional level with the emergence of Local Enterprise Partnerships (LEPs) and Destination Management Organisations (DMOs), the plan is fairly loose in structure and is not a detailed document in the way that the former Yorkshire Forward Strategy was. For instance, it contains few specific performance or economic growth targets, and it instead takes the form of a high level vision statement for the further development of the 'Yorkshire Brand' over the next five years.

6.141 Accordingly, it sets out five ways that Welcome to Yorkshire will work to grow the Yorkshire brand, as follows:

- Keeping Yorkshire 'front of mind' – e.g. via continuing high profile advertising campaigns.
- Developing Yorkshire Pride – including through a Yorkshire Champions Campaign and other ways to promote pride in Yorkshire amongst big business, individuals and schools.
- Growing inward investment – looking beyond purely 'tourism' and working with LEPs on international trade missions and coordinating trade visits to the region.
- Ensuring Yorkshire's voice is heard – by exploiting relationships with key national, regional and local media players and the region's MPs.
- Speaking with one voice – raising concerns over the possible impact of localism on diminishing the Yorkshire brand and supporting a joined-up voice across councils, businesses, LEPs and the people of Yorkshire.

6.142 Key themes of relevance include the need for maintaining a high profile and brand awareness, together with the concept of Yorkshire Pride – particularly pertinent given the strong market for tourism within Yorkshire that stays within the region.

6.143 A more focused vision of tourism in Harrogate is provided within the Harrrogate Destination Management Plan. Albeit incomplete and assumed as unadopted, the vision for Harrogate as a visitor destination is as follows:

> *'Harrogate is a vibrant, historical and cultural destination full of history and royal connections. With a World Heritage Site as well as its nationally and internationally recognised fine landscapes, Harrogate promotes itself as a destination with an abundance of attractions, history, heritage, distinctive shopping and outdoor and active activities.'*

6.144 Overall the impression sought is of tradition and history with a touch of luxury.

Visitor Information Channels

6.145 Some insight into preferred information channels amongst visitors to the Yorkshire Dales and Harrogate is contained within 2011 research published by Welcome to Yorkshire, highlighted below in Table 6.13.

Table 6.13 Visitor Information Channels

Information Sources (Pre Visit)	Total 2009	Total 2010	Total 2011	Dales & Harrogate
Previous experience/local knowledge	56%	62%	67%	**73%**
Recommendation/word of mouth	23%	25%	22%	**16%**
By chance	13%	12%	12%	**10%**
Other internet website	10%	8%	8%	5%
Leaflets	4%	6%	6%	4%
Newspaper/magazine article/advert	4%	6%	6%	4%
Guidebook/directory	2%	2%	2%	4%
TV/Radio programme	2%	2%	2%	2%
www.yorkshire.com website	2%	2%	1%	2%
Special offer	1%	2%	1%	2%
Specialist activity magazines	1%	1%	1%	2%
Tourist information Centre	2%	1%	1%	2%
Tour operator/package/travel agent	1%	1%	1%	2%
Other	12%	13%	10%	13%

Source: Welcome to Yorkshire, 2011

6.146 As the data indicates, personal knowledge and recommendations are key for Harrogate. This reflects the strong Yorkshire base for tourism together with an older bias amongst visitors. Nonetheless, the low priority ascribed to both online and traditional forms of promotion is striking. These results were largely echoed in the 2014 Pedestrian Survey undertaken specifically in support of the HTCSM, which indicated that a solid core of visitors were repeat visitors, with as many as 49 per cent of those surveyed visiting the town centre more than once a week.

Target Markets

6.147 The Destination Management Plan identifies the following as Harrogate's existing markets:

- Mature and loyal regulars and Active Elders – both of whom are 50+ and enjoy sightseeing, natural attractions and the latter prefers the months of June and September; and

- Down to Earth Families – 40 to 50yrs with teenage families and enjoy outdoor activities cycling, walking historic houses and museums.

6.148 In addition, it is indicated that Harrogate aspires to attract the following target markets:

- Affluent Weekenders - seeking high end luxury offer competing with international destinations; and
- Fun Seeking Families - with the outdoor adventure offer

6.149 Unfortunately, further information is not available on the characteristics or methodology used to generate these market segments (the Destination Management Plan remains incomplete at time of writing and the deployed typologies appear nowhere else at local or regional level). In addition, we understand there is no Town Centre Manager in position in Harrogate to develop initiatives aimed at these target and current markets. Nonetheless, an alternative (and quantifiable) picture of key markets for Harrogate's tourist product is contained within a Mosaic Analysis for Yorkshire and DMO regions undertaken by Welcome to Yorkshire in 2011.

6.150 Experian's Mosaic UK consumer classification provides an accurate understanding of the demographics, lifestyles and behaviour of all individuals and households in the UK. This current version of Mosaic UK classifies all individuals, households or postcodes in the United Kingdom into a set of homogeneous lifestyle types. 141 Mosaic person types aggregate into 67 household types and 15 groups, to create a three-tier classification.

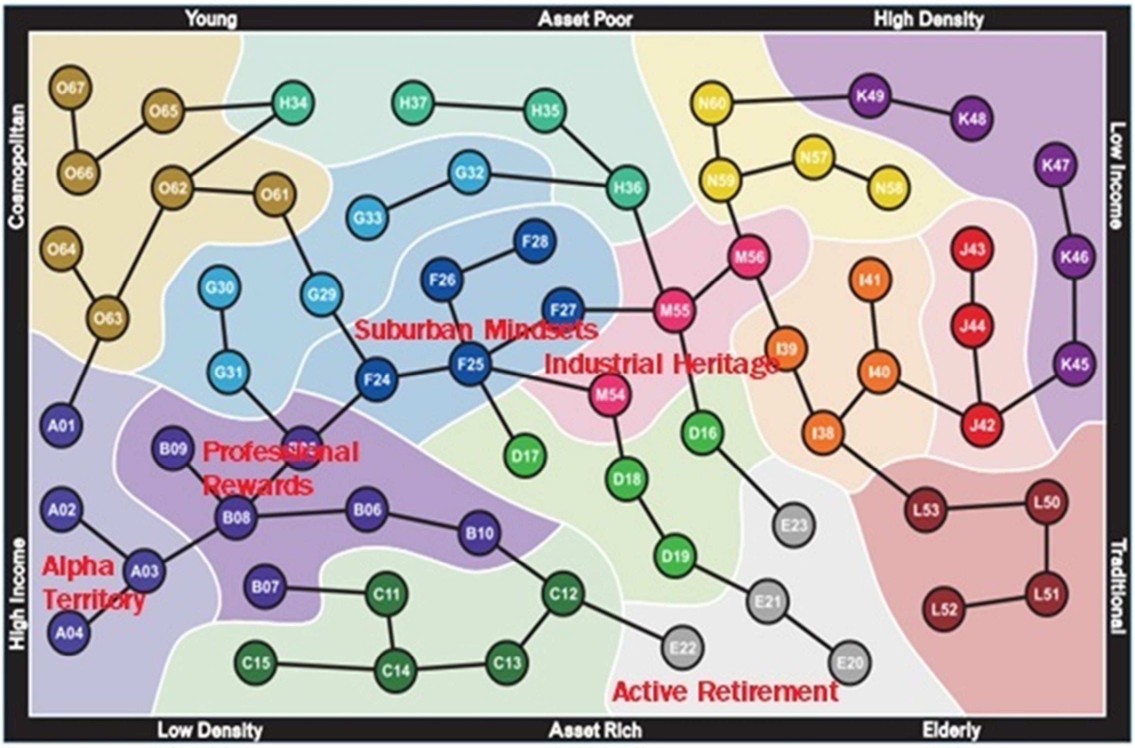
6.151 A summary overview of the frequency of these typologies within the UK, Yorkshire and Dales and Harrogate is presented below.

Table 6.14 Mosaic Typologies by Frequency

	Mosaic Group	Yorkshire 2010	UK	Dales and Harrogate
F	**Suburban Mindsets**	11%	11%	**15%**
B	**Professional Rewards**	7%	8%	**14%**
M	**Industrial Heritage**	11%	8%	**11%**
D	Small Town Diversity	9%	12%	12%
I	Ex-Council Community	11%	9%	7%
G	Careers and Kids	5%	7%	7%
N	Terraced Melting Pot	10%	6%	4%
J	Claimant Cultures	8%	4%	3%
C	Rural Solitude	3%	5%	6%
H	New Homemakers	4%	3%	3%
O	Liberal Opinions	6%	5%	3%
A	**Alpha Territory**	1%	3%	**4%**
E	**Active Retirement**	4%	3%	**6%**
L	Elderly Needs	7%	3%	3%
K	Upper Floor Living	3%	2%	1%

6.152 As the foregoing illustrates, Harrogate's visitor profile differs from national and/or Yorkshire averages in a number of key categories, as highlighted. Further insight into the consumer behaviour and characteristics of these five broad typologies is presented at Appendix F and a visual depiction of these key typologies (and subgroups, not detailed) and how they relate to income/assets and each other is presented below at Figure 6.29.

Figure 6.29 Mosaic Typologies by Characteristics



6.153 As the graphic demonstrates, Harrogate enjoys above average proportions of some of the highest income groups within the Mosaic classification, although a significant proportion are more likely to be asset rich which will inevitably mean lower levels of disposable income within these households.

Wordle Analysis

6.154 Wordle is a technique for generating 'word clouds' from text. The clouds give greater prominence to words that appear more frequently in the source text. This process provides a useful shorthand for identifying key words and phrases as part of a broad brush thematic analysis. Within the context of Harrogate, this process has been applied to relevant forum and blog postings dealing with different aspects of the tourist experience, together with an analysis of key extracts from the current Visit Harrogate Brochure. The results, encompassing the top 50 words mentioned in each analysed passage, are presented below.