VISIT ISLE OF MAN

DEPARTMENT FOR ENTERPRISE
Rheynn Gastid Dellal

Policy on the development of Non-Serviced Accommodation

March 2019

Isle of Man Government

1. **Background**

1.1. In March 2017, the then, Department of Economic Development commissioned a study into the non-serviced accommodation sector by the external consultancy Hotel Solutions[1];

1.2. The study was commissioned in order to shape a future development strategy for the sector, help inform planning policy and to guide the Department as to what support mechanisms may be required to maximise the potential benefits of an expansion on non-serviced accommodation in the Island;

1.3. To date, no specific strategy or policy has been developed subsequent to the final report being issued. The formation of the Visit Isle of Man Executive Agency (the Agency), following the restructure of the Department in 2017/8, has provided fresh focus on this policy area;

1.4. The work was undertaken alongside a further study in respect of Hotels, in order to provide a holistic view of the primary accommodation sectors which make up the Tourism offer in the Island;

1.5. There is current and growing interest in the development of additional non-serviced accommodation units, as such it is now viewed that the Agency, and the Department, should clearly articulate their policy in respect of such developments.

2. **Link to national Government priorities**

2.1. The importance of the Visitor economy is recognised in the Programme for Government;

Outcome	We are an Island where people choose to live and visit;
Policy Statement	We will grow the visitor economy in the Isle of Man;
Actions	Target higher spending visitors and new markets as well as getting more spend from existing visitors;
	Work with industry to improve and enhance our overall proposition for tourists.

3. **Summary of non-serviced study**

3.1. Non-serviced visitor accommodation forms an important part of the Island's overall offer, accounting for around 54% of overall bed spaces[2];

3.2. This stock is dominated by self-catering accommodation, where;

3.2.1. the majority are single units, spread across the Island;
3.2.2. there are gaps in supply of;

[1] Isle of Man Non-Serviced Accommodation Futures, Hotel Solutions, March 2017
[2] Analysis of bedrooms / bed spaces undertaken March 2019 (excluding temporary campsites)

3.2.2.1. complexes, particularly with leisure facilities;
3.2.2.2. units adapted for those with disabilities;
3.2.2.3. large units catering for groups; and
3.2.2.4. luxury, boutique style properties.

3.3. The greatest capacity is provided by camping, with 11 permanent sites and 21 temporary sites in use for the TT and Festival of Motorcycling, of which;

3.3.1. the majority of sites are basic (3 star);
3.3.2. limited provision of;
3.3.2.1. hard standing pitches for motorhomes;
3.3.2.2. electric hook-ups;
3.3.2.3. facilities for children; and
3.3.2.4. seasonal tourer pitches.

3.4. There is a small supply of glamping operations, primarily add-ons to campsites, where;
3.4.1. two are of a high standard, operating all year;
3.4.2. the remainder are seasonal and basic.

3.5. There is a limited supply of youth and group accommodation, which;
3.5.1. is mainly provided for by two outdoor education centres; and
3.5.2. provides fairly basic facilities.

3.6. There are no;
3.6.1. holiday cottages with leisure facilities;
3.6.2. holiday resorts;
3.6.3. holiday parks / holiday lodge parks.

3.7. There is also a ban on towed caravans (conditional permission is granted for certain events);

3.8. In general, the Island was viewed as lagging behind UK rural and other island destinations in terms of the provision of most types of non-serviced accommodation;

3.9. The Island, therefore, is not competing effectively in this market and is potentially missing out on visitors who could be attracted with a wider range and better quality of non-serviced accommodation offering;

3.10. Strategic trends in the tourism sector, together with research undertaken in respect of the Isle of Man as a destination, point to a potential of growth in demand for non-serviced accommodation.

4. Potential barriers

4.1. The study was useful in identifying potential barriers to the growth of the non-serviced market, namely:

4.1.1. population catchment, access and cost of travel;

4.1.2. seasonality;
4.1.3. planning and regulatory frameworks;
4.1.4. site availability.

4.2. It is recognised that several of these issues could be mitigated, for example, by;

4.2.1. developing a weather proofed offering, with on-site leisure facilities and amenities;
4.2.2. provision of financial assistance, or subsidised / reduced travel costs;
4.2.3. reviewing policy in respect of planning and development;
4.2.4. holistic approach to site identification and marketing of opportunities.

5. Value of Tourism to the economy

5.1. The Tourism sector plays a significant role in the economic wellbeing of the Island, both in terms of direct economic contribution (employment and visitor spending) and also in the wider benefits of attractions, facilities, retail and entertainment businesses;

5.2. Benefits of these businesses are many, and the increased visitor numbers also serve to improve the quality of life in the Island for residents by ensuring robust and viable business presence here;

5.3. A strong, resilient visitor economy is, therefore highly important to the Island;

5.4. In 2016 292,328 visitors came to the Island, spending £106.6M on accommodation, food and drink, shopping, entertainment and transport, equating to an average spend of £363 spend per person;

5.5. In terms of employment, 679 were employed in visitor accommodation, with a further 2129 in catering & entertainment. In total this represents approx. 7% of all jobs in the Island.

6. Current Visit economy strategy / Destination Management Plan

6.1. The current strategic framework, as set out in the 2016 Destination Management Plane, is supportive of growing the visitor economy, with a target of 2-4% annual growth to 2020;

6.2. The focus is on attracting the UK short break and family markets together with extending the visitor season;

6.3. It is recognised that attracting these markets, in an increasingly competitive industry, will require investment in new accommodation offers and an upgrading of existing accommodation stock;

6.4. There is an inherent risk, therefore, that if the Island does not evolve its offer within the Visitor economy, not only will these growth targets fail to be realised, but existing levels of visitor numbers will likely decline as the products offered in the Island will fall further out of line with Visitor demands.

7. Visitor Strategy 2019-2023

Vision:	To promote and develop the Isle of Man as a quality visitor destination.
Ambition:	To increase the visitor spend and full-time equivalent employment in the visitor economy by 15% by 2023.
Mission:	Through the implementation of a range of innovative strategies and action programmes targeted at providing a first class visitor experience and enhancing perceptions of the Isle of Man as a great place to visit, live, work and invest.

7.1. To meet these high level principles, it will be necessary for the Visit Isle of Man Executive Agency to develop policies which ensure the evolving demands of the Visitor market continue to be met;

7.2. The Island does not have sufficient quality accommodation to meet our ambitions, as such there is a need to support private sector investment to ensure that the offer is in place to match the needs of the Visitor market.

8. Policy

8.1. In light of the evidence which demonstrates the Island is significantly behind in its development and offering of non-serviced accommodation, Visit Isle of Man and the Department wish to outline its policy and future strategy for this market;

8.2. This policy is designed to provide a balanced approach, supporting growth of the potential market, in terms of scale and quality, whilst not substituting or displacing current provision. As such, focus will be on the types of non-serviced accommodation identified as being in shortage within the study, namely;

- 8.2.1. developments of multiple units;
- 8.2.2. those that cater for families;
- 8.2.3. those that cater for individuals with disabilities;
- 8.2.4. proposals which incorporate leisure and entertainment facilities;
- 8.2.5. high quality, luxury, boutique developments;
- 8.2.6. clusters or separate small scale units which complement existing tourist activities or leisure facilities;
- 8.2.7. glamping units; and
- 8.2.8. those catering for group experiences.

8.3. For the sake of clarity, this policy is intended to support proposals for the development of new, high quality stock. As such, it specifically excludes:

- 8.3.1. Partial conversion of residential properties to provide self-catering units;
- 8.3.2. Re-purposing or sub-letting of individual rooms within existing properties;
- 8.3.3. Refurbishment of existing self-catering units;

8.4. The high level policy position is:

Visit Isle of Man and the Department for Enterprise will actively support the development of non-serviced accommodation which meets agreed high level criteria and serves to complement and enhance the overall proposition for the visitor economy.

8.5. To ensure that the Policy does not lead to substitution or dilution of the existing visitor economy, such support will initially be limited to proposals which, in aggregate, provide for the development of units equating to no more than 5% of the total non-serviced bed spaces as recorded during March 2019;

8.6. The Policy, including the aggregate limit on support for developments, will be reviewed annually;

8.7. In addition to the high level policy position to support such developments, a strategic approach will be adopted, in recognition of the barriers faced by certain propositions.

9. Strategic Approach

9.1.	Short Term	We will actively market to potential developers and accommodation providers with an aim to enhance the Islands non-serviced offer; with the aim of initially supporting the development of additional non-serviced bed spaces; Criteria will be developed which set out, in general terms, proposals which will be supported by Visit Isle of Man, see **Appendix 1**. We will undertake work in respect of identifying suitable sites for the development of non-serviced accommodation;
9.2.	Medium Term	We will engage fully with Cabinet Office during the forthcoming process of developing the area plans for the West and the North, to include the identification of potential development sites; We will regularly review the level of non-serviced accommodation stock in comparison to the size of the potential market and review our policy of support if required;
9.3.	Long Term	We will engage with Cabinet Office on any planned revision to the Isle of Man Strategic Plan, to ensure any process is fully informed in respect of trends within the Visitor economy and changing market requirements

Appendix 1

In accordance with this Policy the development of non-serviced accommodation will be supported where it meets the following high-level components:

Criteria	Description	Policy consideration
Variety	Offer a good choice of high quality, distinctive accommodation units for rental and ownership/rental of varying sizes and different types e.g. holiday lodges, holiday cottages and apartments, glamping units, and a hotel or inn.	*A mixed use development will be of more appeal than a collection of identical units in isolation;*
Facilities	Provide a good range of indoor and outdoor leisure, sports, restaurant, bar and entertainment facilities.	*A proposal that is self-sufficient for visitors in leisure facilities, as well as developing the broader leisure proposition for other visitors and residents will be of more appeal than no leisure facilities;*
Layout	Feature an imaginative layout and landscaping that integrates with and utilises the site's naturally occurring vegetation and topography to afford privacy to guests and achieves a positive environmental impact. It might also be worth specifying car-free resort environments, with segregated guest parking areas, as opposed to parking alongside accommodation units.	*A development that is in keeping with its surroundings, or distinctive but shielded from the main vantage points will be of more appeal than a proposal that is in stark contrast to the surroundings or that interrupts existing scenic views;*
Design	Feature distinctive, Manx-inspired design and the use of sustainable building materials and measures to ensure environmentally sustainable operation.	*A design that has clearly unique attributes will be of more appeal than one which replicates facilities commonly found in other destination markets;*
Market	Encourage environmentally friendly holiday activities by guests; enjoyment and appreciation of the Isle of Man's natural environment and heritage and UNESCO Biosphere status; and exploration on foot, by bike and using public transport.	*A proposal that fits with the Island's Destination Management Plan markets will be of more appeal than one which is looking towards an undefined or generic visitor;*
Accessibility	Provide accommodation units and guest facilities that are fully accessible for people with disabilities.	*A proposal that includes fully accessible accommodation and leisure facilities will be of more appeal than one which has limited or no accessibility;*
Economic	Demonstrate significant economic benefit to the Island, particularly in terms of retained local spend and employment over an extended season, ideally year-round.	*A proposal that carries an independent economic assessment demonstrating long term material economic contribution will be of more appeal than one that shows initial exchequer benefit but is highly speculative and will cause economic harm to the existing market;*
Viability	Demonstrate long term sustainable market growth.	*A proposal that carries an independent economic assessment showing long term viability and overall market growth will be of more appeal than one which is based on a business plan relying on exploiting the current market;*
Displacement	Demonstrate a unique proposition and proven ability to grow the overall visitor profile.	*A proposal that demonstrates an ability to grow the overall visitor profile, season and spend will be of more appeal than one which seeks to operate seasonally within the existing market boundaries;*
Promotion	Demonstrate through owner capability or operator capability a commitment to promote the proposition to new audiences.	*A proposal that demonstrates the ability to reach a new market through the likes of established customers in other facilities, will be of more appeal than a speculative development that requires a significant*

		commitment to promotion as part of the initial business plan;
Transport and Access	Demonstrate how the scheme integrates with the Island's transport network.	*The access and egress to and from the site must meet the standards laid down by the Department of Infrastructure's Highways Services section. An integrated approach to the provision of cycle and pedestrian routes will be encouraged.* *A small scheme is unlikely to need additional public transport considerations however larger schemes that are already accessible from the public transport network will be of more appeal than those that are not currently serviced.*
Location	Integrate the scheme with and enhance the site upon which it is located and the wider landscape	*An application which clearly demonstrates why and how the location has been selected will be of more appeal than a proposal which does not set out the benefits of the proposed location.* *Where existing buildings on the site may have architectural or historic value; they should be retained and re-used.*
Scale	To be appropriate in scale of accommodation considering the proposal for facilities and the location concerned.	*An application which clearly demonstrates the reasons for the scale of the proposed development and how such is required to be successful, will be of more appeal than a proposal where the benefits are unclear.*
Occupancy	Given the inherent risk that holiday facilities could be over time utilised for quasi residential use, conditions to ensure holiday use and rental of owned holiday homes should also be specified. These could include: • *A requirement for holiday home owners to provide evidence of their permanent address;* • *A requirement for owned holiday homes to be made available for rental through the resort operator for a certain number of days per year, and evidence of rental bookings;* • *A restriction on the usage of holiday homes by the owner to a certain number of days per year, and evidence of owner usage.*	*An application which demonstrates processes and control mechanisms to prevent permanent residential occupancy and ensure frequent rental availability will be preferable to those where such consideration is not adequately addressed.*