A new sense of place

Market Development

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The Lincolnshire Coast is a family resort area, oriented to outdoor activity: the beach, pier, gardens, and amusement parks, with a limited 'night time' economy. There are restaurants, pubs, hotels offering entertainment, and a theatre. But 'night life' means primarily a handful of nightclubs catering mainly for young people, in contrast to the varied attractions of say Brighton or Blackpool. On the same theme, there is a relative lack of 'wet weather' attractions.

The casino and associated leisure complex will be a major addition to the night time and wet weather facilities on offer to visitors. The casino will be a significant attractor for a number of visitors; and the leisure facilities, whether cinema or ten-pin bowling, will appeal to a wider audience.

The new facilities will encourage new tourists to visit the Coast, and existing visitors to stay longer. In percentage terms, the addition to the annual six million visitors will be small, but the absolute addition is likely to be several tens of thousands.

The attractions of the casino complex for new visitors, and the clustering of high quality facilities, will offer the economic externalities that the Coast needs for its regeneration, producing a rise in the volume and quality of trade. Rather than activity being diverted from existing accommodation and leisure operators, we anticipate a rise in the volume and improvement in the quality of business for everyone as a result of the new complex. In economic terms, this is about 'market expansion' not about changes in market shares.

We envisage 90 new four-star hotel rooms, ie 180 bed-spaces. There is a proven shortage of this type of accommodation on the Coast, implying (a) continuing high occupancy rates, indicatively 70%; and (b) attraction to the Coast of new visitors with no interest in the casino as well as those who do indeed plan to visit the casino.

On 70% year round occupancy, the new capacity will amount to 46,000 visitor-nights (180X70%x365). We expect 27,000 staying visitors to visit the casino. Assuming that they stay the same number of nights (4.21) as the current average, those visitors will require 114,000 visitor-nights of accommodation.

Whilst not all of these visits will be incremental, we are confident that incremental visitors induced by the casino, and other incremental visitors induced by the better supply of four star accommodation, will more than absorb the 46,000 additional visitor-nights of new capacity. This will lead to a rise in occupancy rates in accommodation outside the casino and also a rise in spend per visitor.

The dynamics of change are complex. Existing accommodation and leisure facilities will lose some customers to the new development, but they will gain even more from net increases in visitor numbers and spend. The critical point is that diversification of facilities, amelioration of the shortage of high quality accommodation, and the beneficial effects of clustering will raise visitor numbers and spend by more than the increase in capacity. As a result, the new facilities will be commercially viable, and existing operators will also see an increase in their activity and revenues.

East Lindsey DISTRICT COUNCIL

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