# WALSALL LEISURE DEMAND STUDY

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**On behalf of Walsall District Council**

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**EXECUTIVE SUMMARY**

- The Regional Spatial Strategy set out the vision and strategy for the Black Country sub-region with its key objectives to reverse out-migration, raise income level, change socio-economic mix and transform the environment.
- The importance of the inter-relationship between employment, housing, transport, retail, leisure and the physical environment has been recognised and is seen as pivotal to the Black Country's economic renaissance.
- The Black Country Study states that at present the provision of retail, leisure and office development within Walsall is inadequate to deliver the vision for the Black Country.
- Future provision of office space in Walsall is likely to receive a significant boost with an imminent planning application of circa 1.55 million sq ft of office space in the town centre.
- The future provision of leisure space is low with very little confirmed and ultimately inadequate in terms of floorspace and diversity to serve both current and future residents and business occupiers.
- There is no provision at present for a major leisure attraction such as a cinema which is likely to prove critical in creating a critical mass of leisure space in the town.
- Without much improved leisure (and other commercial/residential property) provision the Black Country Study states that the strategic centres will decline even further in relative terms.
- However, an opportunity does exist through policy intervention to avoid such a scenario and as such sites should be secured to create appropriate leisure provision in the town.
- The bingo market has shrunk in recent years and is set for further consolidation following the smoking ban.
- Bingo is still largely a working class pastime, although there has been a shift towards more affluent socio-economic groups as well as younger age groups.
- The supply of bingo clubs in and around Walsall including a modern purpose-built Gala facility at Jerome Retail Park suggests there is no need for further provision in the local area.
- The casino sector is about to enter the mainstream leisure market as a result of de-regulation set out in the 2005 Gambling Act.

- There has already been a significant increase in casino provision nationally in recent times with this scheduled to increase further as 17 larger scale casinos come on-line UK-wide.
- Whilst the market has been dominated by diehard gamblers to date, it is likely that it will be incorporated into the mainstream, with the more affluent 20-34 year olds seen as the main target audience.
- The Black Country area is already home to a number of casinos with venues operational in Walsall, Dudley and Wolverhampton (x2)
- Wolverhampton is one of the locations to benefit from the new wave of 17 casinos nationwide with the venue in Wolverhampton likely to be a smaller 30,000 sq ft facility.
- Given the current level of provision and the likely opening of a major facility in Wolverhampton it is unlikely that further casino provision is needed in Walsall at this time.
- The cinema market in general is now relatively mature following the advent of the multiplex cinema in the 1990s.
- Whilst the number of cinemas has remained stable in recent years the number of screens continues to grow, indicative of the continued popularity of multiplexes due to choice such facilities offer.
- Cinema attendance is largely driven by choice of film and by convenience whether that is proximity to place of residence, access to car parking or access to public transport.
- The most regular cinema attendees tend to be the young whilst those from socio-economic groups ABC1 also tend to be the most regular film goers.
- There is currently no cinema provision to the east of the M6 in the vicinity of Walsall and whilst there is an older multiplex cinema at Junction 10 there may be an opportunity for greater provision.
- A cinema in Walsall town centre may prove attractive due to proximity to public transport. Adequate car parking is also necessary, as convenience is a major factor in the success of individual venues.
- If Walsall was able to secure a cinema in the town centre it would certainly prove an attractive proposition to other potential leisure operators, as many such occupiers actively seek representation near to such facilities.
- The burgeoning supply of coffee shops has slowed but the sector continues to grow at a substantial rate.

- The sector is currently dominated by a number of key players including Starbucks, Costa and Café Nero, which account for a high proportion of all coffee shop outlets.
- A high proportion of coffee shop customers come from more affluent socio-economic groups.
- Coffee shops are particularly popular with women due to the non threatening lounge type environment they offer, which contrasts with the type of environment offered by many licensed premises
- There is currently only one chain of coffee shop operational in Walsall, a Costa Coffee concession in the art gallery which has just opened.
- The lack of provision of coffee shops in the town centre suggests that there is a definite opportunity for perhaps another outlet in the core retail area.
- The eating out market is now worth in excess of £27.5 billion per annum, a 20% increase since 2000.
- The general population has become increasingly aware of food and diet over the past decade, which has largely been to the detriment of the fast food sector with brands such as McDonalds now trying to reposition themselves to address this change.
- The leisure dining experience has seen the greatest growth in recent years, a sector typified by a turn up and dine restaurant with a relaxed approach to service such as Nando's and Frankie and Benny's, which in some ways bridge the gap between a formal restaurant and a fast food outlet.
- The pub or bar/restaurant remains the most popular venue for eating out, a sector which has seen the growth of a number of brands in recent years including All Bar One, Bar Ha! Ha! and Est Est.
- The more affluent socio-economic groups tend to dine out most regularly, with the older age groups preferring the more formal restaurant and pub environment and the younger age groups in general preferring fast food and informal dining environments.
- The provision of eateries in Walsall is currently very poor with the sector at present dominated by fast food outlets and traditional ethnic cuisine, particularly curry houses.
- There is also poor provision of pub and bar/restaurants, with many of those so classified in Walsall equally well defined as Young Persons Venues (YPVs). These are largely unappealing to older age groups, particularly

during core drinking times, which tend to coincide with the time when the majority of people want to dine out.

- There is certainly a need to diversify the current restaurant offer of Walsall if the town is to become a more appealing leisure destination for both the resident population and potential business occupiers.
- The Waterfront and St Matthews Quarter have ground floor leisure provision which would prove ideal for the diversification of Walsall's restaurant offer.
- The Waterfront and perhaps St Matthews Quarter would seem to be ideal environments for additional restaurant provision given the types of environments which are likely to be created in attractive settings away from the core drinking areas of the town.
- The health and fitness sectors has seen more problematic times recently due to increasing fixed costs largely due to the rise in energy costs. At the same time margins have been reduced as competition between operators has increased and membership discounting has occurred.
- There is an increasing shift towards the social aspect of the health and fitness club, with customers expecting an increasing range of services.
- The key target groups are 25-34 year olds and ABC1s although operators such as Virgin Active claim that their customers are from a broad demographic base.
- It is estimated that circa 11% of the population now use a private health and fitness club, although the use of publicly run facilities is still ahead of privately run clubs at 18%.
- The level of provision in Walsall is limited with just a few small privately run clubs in addition to the local authority sports centre.
- None of the major operators such as Fitness First, LA Fitness and Virgin Active are represented in the town with the nearest such facility run by Fitness First found at Walsall Wood.
- It would appear that there is a definite gap in the market for the provision of improved facilities in the town particularly in the light of extensive proposed residential and office developments.
- The provision of hotel space in Walsall town centre is currently poor with just two small privately run hotels operational in the town centre one of which is in particularly poor condition.

- There are a number of hotels on the periphery of the town, largely in close proximity to the M6, with an additional hotel currently under construction at Junction 10.
- Urban Splash's Waterfront development could include hotel space and it is important that this site or other sites are brought forward for hotel use, as it is now seen as very much complementary to office space.
- Early proposals for the Office Corridor also include a hotel close to Arboretum.
- The pub/bar market saw just a 9% increase in turnover from 2000 to 2006, a decline in real terms.
- The sector has seen increased competition from the supermarkets as more and more people have increased their consumption of alcohol at home.
- Despite this there are sectors of the market which are performing well with those diversifying into the dry sector of the market, namely food, generally faring well.
- Even the much maligned YPV is in general struggling due to intense competition and hence discounting.
- The choice of drinking establishments in Walsall is very limited with large numbers of YPVs and traditional pubs and very little in between.
- The provision of Bar/restaurants in the town is very poor, with many of those classified as such perhaps better described as YPVs and therefore unappealing as eateries.
- Residential and office proposals in the town certainly justify diversifying the current leisure offer of Walsall, which is likely in its current guise to prove fairly unappealing to many of the town's potential new residents and business occupiers.
- Again the Waterfront area which has leisure provision at a ground floor level and longer term the St Matthews Quarter, offers the opportunity to improve leisure provision in a high quality environment away from the core drinking area and in close proximity to residential and office development to which leisure space would be seen as very much complementary.
- Tenpin bowling has undergone somewhat of a resurgence in recent times with the completion of a number of new venues and the refurbishment of many others.

- Some operators have sought to make tenpin bowling a more adult experience that can be incorporated into a night out, although it should not be forgotten that many players are from the younger age groups.
- Socio-economic groups ABC1s are the most regular players of tenpin bowling whilst those aged 15-24 also tend to be the most regular players of the game.
- Those that play tenpin bowling are often also regular film goers and as such the two uses are very much complementary.
- Walsall town centre does not have a tenpin bowling centre although there is one in Bloxwich circa 2 miles to the north of the town.
- Aside from the Bloxwich bowling centre there are no other tenpin bowling facilities in the local area with the next nearest centres found at Star City, Wolverhampton and Dudley.
- There may be an opportunity for further provision in Walsall given the lack of facilities to the east of the M6 and the fact that a bowling facility found in the town centre may prove attractive due to proximity to public transport.
- There are a number of developments in the town centre which are likely to include a leisure element including Waterfront South, Waterfront North and longer term St Matthews Quarter.
- The Waterfront developments are likely to prove particularly attractive to potential leisure occupiers due to the attractive environments that will be created as well as proximity to new office and residential space, which will prove complementary to any leisure use.
- Whilst there are developments which will include leisure space elsewhere in the Black Country such as the Blue Brick scheme currently under construction in Wolverhampton, these are unlikely to prove particular competition to leisure space proposed in Walsall due to the type of offer which largely comprises bar and restaurant space and is at distance from Walsall.
- The residential and office space development proposed in Walsall is likely to prove attractive to potential leisure occupiers and is likely to prove a key factor in persuading them to take space in the town.
- There are just short of 340,000 people living within a 15 minute drive time of Walsall town centre, indicative of the urban nature of much of the catchment area.
- The penetration of the most affluent ACORN groups in the resident population is low reflecting both the poor performance of the local economy and the lack of housing options in the local area.

- Whilst the penetration of these most affluent groups is low in terms of absolute numbers there is adequate representation of these groups to warrant a superior leisure offer to that currently found in the town.
- The workforce profile of the catchment area is still skewed toward blue collar workers, unsurprising given the area's strong association with industry.
- Whilst the proportion of people working in the industrial sector is well above the national average, at the time of the last census almost 50% of workers were classified as having white collar jobs, a figure which is likely to have increased in the intervening years.
- Proposed residential and office development in the town is likely to result in a demographic shift as new housing makes Walsall a more attractive proposition to new residents and office space developed in the town attracts new occupiers and hence employment shifts towards the service sector.
- This potential demographic shift is likely to prove a crucial factor in enticing new leisure operators to the town.
- Comparison with the best practice location Wakefield which has similar demographics to Walsall clearly shows how much scope for improvement there is in the current leisure offer of Walsall.
- Wakefield has a far superior offer of bars and restaurants whilst there are also more hotels and coffee shops in the town centre.
- The similarity in the demography of the two centres suggests that the quality of the environment is a crucial factor in the decision to locate to a given centre with Walsall's currently blighted by industrial decay.
- The presence of other leisure occupiers can also be a factor in a potential operator's decision to locate to a given centre, with the presence of major leisure attractions such as cinemas and theatres seen as crucial by some in creating adequate footfall.
- Other occupiers are attracted to locations such as office parks and retail parks as operators such as health and fitness clubs benefit from the added trade such alternative commercial uses generate.
- It is crucial that planned development particularly around the Waterfront area is brought forward as not only will this create a more appropriate environment for potential leisure operators, it will also result in a source of trade for leisure occupiers as the housing and office elements of these developments are brought forward.

- As such it would seem appropriate that further land in this vicinity is safeguarded for leisure development with the aim of securing a major leisure facility such as a cinema with the aim of creating additional draw to other leisure occupiers and a critical mass of leisure space.

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## INTRODUCTION

The following report has been prepared by Lambert Smith Hampton's Research Team on behalf of Walsall Council. The aim of the report is to assess the current level of leisure provision in Walsall town centre and if required make recommendations as to how the offer could be enhanced.

In many ways this report is very much complementary to the office report previously undertaken. Walsall's economy has to an extent been left behind due to a failure to capitalise on the expansion of the service sector by not offering the type of office space desired by such occupiers. It has now been recognised that there is an urgent need to develop office space to entice new employment to the town resulting in economic growth to the benefit of all. It is now widely known that many of the most successful office schemes incorporate or are in close proximity to retail, leisure and residential uses. Such alternative uses often bring vitality to what would otherwise be construed as a rather sterile environment.

The majority of new commercial developments now incorporate a number of uses in order to create environments which remain vibrant outside normal working hours and serve both the business and residential occupiers of the area. This report aims to give an overview of the present market conditions in the leisure sector at a national level and then assess how these conditions are reflected at a local level. Ultimately the report will make recommendations as to how best to enhance the current leisure offer of the town.

The study provides:

- An overview of current market conditions for a number of different sectors of the leisure market at a national level.
- An overview of said same sectors at a local level
- Overview of proposed leisure development in Walsall and the surrounding area.
- Assessment of the socio-economic and demographic composition of the local population and its impact on the leisure market.
- An assessment of best practice by providing a brief overview of a comparable 'Best Practice' location.

- An overview of the location needs of two leisure operators and an assessment of the criteria which would need to be in place for Walsall to be considered a target location
- A series of options/recommendations, which in our view would help the council to meet its aspirational objectives.

## BLACK COUNTRY LEISURE STRATEGY

The Regional Spatial Strategy (RSS) sets out the vision and approach for sustainable development in the West Midlands Region. The four key objectives of the RSS are to:

- Reverse out-migration
- Raise income levels
- Change socio-economic mix
- Transform the environment

For the Black Country which makes up a significant part of the region and is home to more than 1 million people this means continued economic, physical and environmental renewal. Ultimately the Black Country must become part of the region where people want to live, work invest and enjoy themselves. At present significant steps need to be taken in order that the Black Country can achieve sustainable population and economic growth. In order to achieve this, the following have been set out in the Black Country Strategy:

- Create high skilled, well paid economy
- Technology led change
- Centres led growth
- Integrated education and skills provision
- Increase in knowledge creation
- Improvements to physical environment
- Greater choice in housing
- Improved integrated transport provision

Ultimately the importance of the inter-relationship between employment, housing, transport, retail, leisure and the physical environment has been recognised as being pivotal to the Black Country achieving the goals set out in the RSS.

The focus of land use and transport restructuring will centre on four strategic centres, West Bromwich, Walsall, Wolverhampton and Brierley Hill/Merry Hill which will play vital roles as centres for investment and growth. In addition to these strategic centres, will be local centres which will continue to serve their respective local communities.

Leisure provision is of course a vital factor in the regeneration of town centres as recognised in the Black Country Study. It is understood that in order for towns to become truly attractive as places to live and work they have to offer a full range of housing, retail, leisure and work opportunities. The new paradigm that is City Living has helped rejuvenate the centres of towns and cities across the UK with the renaissance of the Black Country's Strategic centres as places to live seen as crucial to future economic well-being of the whole area.

The Black Country's four strategic centres are now starting to see the initial signs of town centre residential development, allied to commercial uses, as has been seen for some time just down the road in Birmingham. Wolverhampton has seen the greatest level of activity on this front. In Walsall, the city living market is less well developed although there is increased interest as demonstrated by the conversion of the former Smiths Flour Mill and the planning consents at Waterfront North and South which both contain substantial residential elements. That said, the market is at a very early stage in Walsall and at present there are insufficient quality housing, retail, leisure and job opportunities to make the town centre a particularly attractive proposition. Furthermore the poor quality of the environment in the town centre which continues to be blighted by industrial decay is another factor in retarding the growth of city living in Walsall.

The culture, sport and leisure offer of Walsall town centre and the other strategic centres does not meet the needs of local people, a fact clearly stated in the Black Country Study. At present there are few options for those wanting to visit a restaurant, go to the theatre or cinema with the current emphasis certainly skewed towards young people in the form of bars and nightclubs which certainly do not meet the needs to the majority and also contrive to make the night time environments of these centres unattractive to many.

The Black Country Study states that at the present time the provision of retail, leisure and office development within the four strategic centres is inadequate to deliver the vision for the Black Country. Whilst the situation within Walsall in terms of office space may be about to be resolved with an imminent planning application of circa 1.5 million sq ft of office space in the town centre, there is still inadequate provision of leisure space with very little confirmed and that with planning consent only on a small scale. There is certainly no provision as yet for a major facility such as a cinema which will prove crucial in creating a critical mass of leisure space in the town. Without much improved leisure (retail, office and residential) provision the Black Country Study states that the strategic centres will decline even further in relative terms although the opportunity does exist through policy intervention to avoid such a scenario. There is also likely to be a need to expand beyond current town centre boundaries to facilitate the level of development required.

Whilst there are a number of cultural and leisure attractions in Walsall and the Black Country such as Walsall Art Gallery, Dudley Castle and Zoo etc, the overall range of culture/leisure facilities available to the area's residents and workforce is limited. In terms of commercial leisure in addition to improved eating out and bar provision, it has been stated that there is a need for improved cinema and casino provision. GVA Grimley's Centres Study suggests that there will be a need for an extra 50 cinema screens by 2021 in addition to the currently operational 56. Whilst this figure seems very high, it should be stated that current provision is largely out of centre and thus of little benefit to the strategic centres. The provision of a cinema within Walsall is likely to prove a major factor in creating a critical mass of leisure space within the town. Indeed the Regional Centres Study clearly names Walsall as a location where a cinema is most urgently needed and that sites should be identified which integrate with other uses and public transport.

In terms of Casino provision there are currently facilities in Walsall, Dudley and Wolverhampton. The latter has been identified as a location for one of the new casinos to be built further to the 2005 Gambling Act. Given the likely presence of this major facility in Wolverhampton and current levels of provision in the Black Country, it is difficult to see why more casino space would be required within Walsall.

Lastly is it recognised that a step change in the Black Country's economy resulting from the switch towards a more service based economy will result in an increase in business tourism. This will require greater provision of hotels in accessible locations such as Walsall town centre where visitors can make use of local services and leisure attractions. This sector of the market as well the other sectors highlighted in this section will be discussed in greater detail later in this report.

## BINGO NATIONAL PICTURE

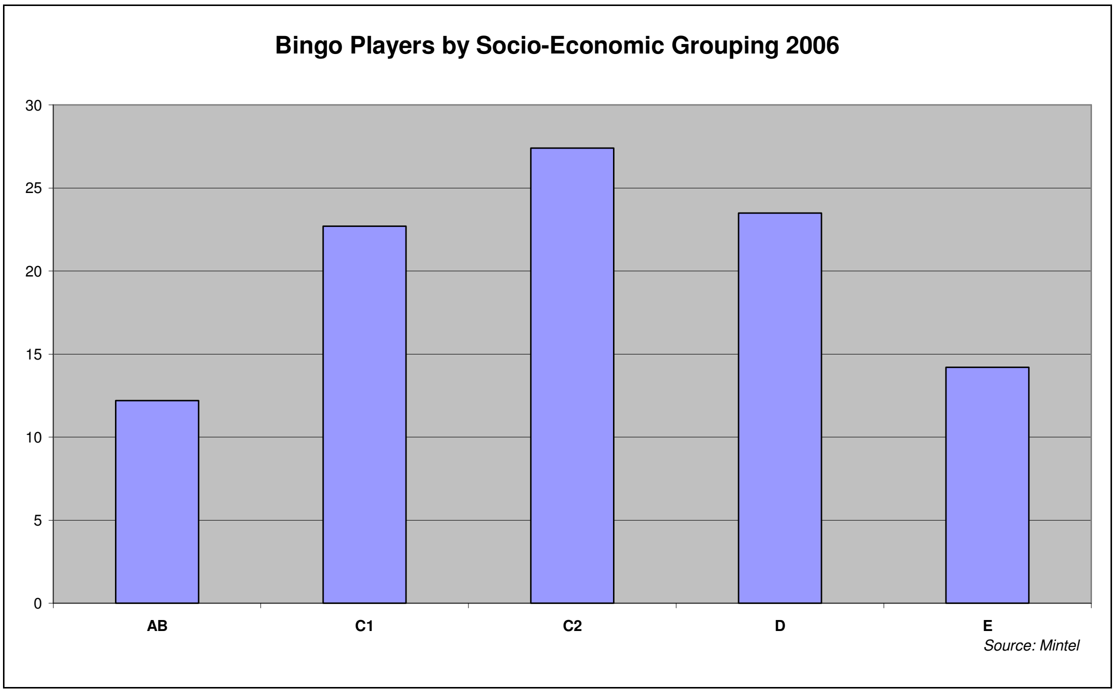
Bingo has its roots in northern working class England where it remains the most popular. In many ways bingo clubs have a valuable social role to play in a community being for one thing somewhere women can go on their own or in groups and feel safe and comfortable. Circa 20% of bingo attendees cite the social side of the game the main reason for going. There continues to be criticism of bingo establishments due to the negative aspects of gambling although it is likely that this will now focus on the proposed new generation of casinos due to be rolled out across the country.

Traditionally the typical bingo goer has been seen as the older woman, but in more recent times there has been a trend towards younger players. Indeed in 2006 circa six in ten bingo players were under 45 years of age, whilst in 1996 this figure was less than 50%. What has not changed is the gender bias of the game which continues to be dominated by women. This is certainly an anomaly within the gambling world which aside from bingo is decidedly male dominated.

The market is currently dominated by two major operators, Gala and Mecca with 43% of outlets and 60% of admission between them. Overall, there has been a reduction in the number of bingo outlets. These fell from 678 in March 2005 to 657 in March 2006. Mintel estimates that this figure has further shrunk to around 625 in 2007.

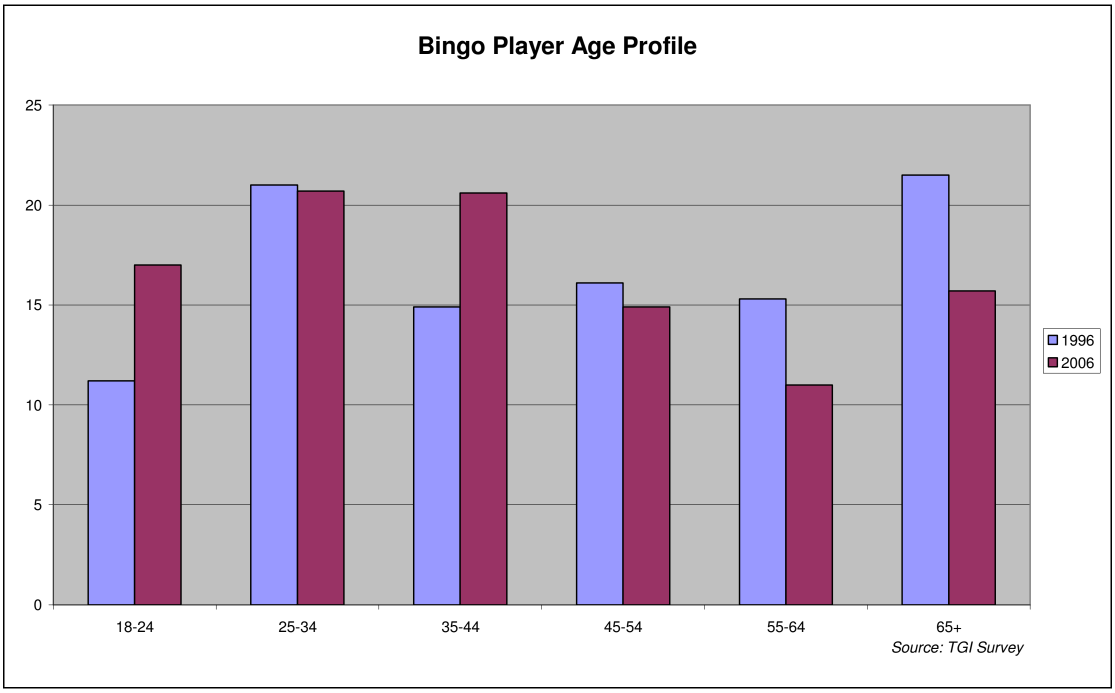
The current major concern within the sector is the effect of the smoking ban. In Scotland where the ban has been in place for some time it is estimated that bingo clubs saw revenues dip by between 17% and 27% during the first six months after its introduction. The effect was so dramatic due to the fact that in the order of 50% of bingo players smoke, almost double the national average. In a recent survey circa 10% of respondents indicated that they would no longer visit bingo clubs when the ban came into force. There have been moves to counter the effect of the ban including the introduction of outdoor gaming and the introduction of on-line gaming, which is now seeing a major push in the form of television advertising. There is also the potential threat of loss of revenue to the new wave of casinos being brought forward which may well appeal more to a younger audience. On a more positive note, the Gambling Act 2005 which comes into full effect in September 2007 will allow bingo clubs to offer a broader range of games and potentially introduce higher jackpots which may counter-act some of the more negative aspects of the bingo scene already discussed. Another benefit of the Act for Bingo establishments may be the removal of the requirement to be a member of the club for at least 24 hours before being able to play which may well encourage casual or inquisitive individuals to try bingo.

Licensing costs are likely to increase substantially and coupled with the smoking ban it is estimated that a further 200 bingo clubs could be lost with the smallest clubs being the hardest hit. Furthermore, bingo operators continue to argue they are unfairly treated in the gambling sector as bingo is the only form of gambling on which VAT is charged. Despite a campaign to reverse the VAT situation, which is estimated to only bring £15 million to the government purse, the government has so far refused to do so, despite the sector's charge that this could, coupled with higher licensing costs and the smoking ban, result in 4,000 job losses.




In terms of potential customers, the traditional bingo player has come from socio-economic groups C2 and D. There has been a change on this front and where once Ds were the group into which the largest quantity of bingo players fell, during the last few years C2s have made up the largest proportion of bingo players numerically. There has also been a change in the proportion of ABC1s playing the game. As at

2006 it is estimated that these socio-economic groups accounted for 35% of bingo players whereas ten years previously this group accounted for just 27% of players. This has mirrored the growth of these groups nationwide and the continued attraction of these groups to the game of bingo over the coming years will be important, as players from C2DE are likely to be the most affected by the smoking ban, whilst the ABC1 group is again forecast to show the highest rate of growth in coming years.




The chart above shows the age bias of bingo players as at 1996 and 2006. This confirms the trend towards a younger audience with a greater proportion of players now aged under 45 whereas in 1996 the greater proportion of bingo players were aged over 45. The continued growth in the younger audience will be important if the sector is to overcome the problems associated with the smoking ban, as these players are most likely to accept the ban and continue playing. Whilst it would be foolhardy to ignore the needs of the older demographic, increasing the frequency of visits of the younger age groups will be crucial to the success of the sector. The introduction of a wider range of entertainment perhaps including casino style gaming and other promotions may encourage younger age groups to incorporate bingo into their night out.

**BINGO LOCAL PICTURE**

At present there is just one Bingo facility in Walsall town centre. The facility is run by Gala and is found on the Jerome Retail Park close to the town centre. It is a purpose built facility which includes bar and catering facilities as well as gaming machines. Whilst this is the only facility in the town centre, there are a number of other bingo clubs in the local area including another facility operated by Gala in Aldridge, another again operated by Gala in Wednesbury where Gala's main rival Mecca also has a club. There are also clubs in Wednesfield, Wolverhampton, Bilston, West Bromwich and Kingstanding indicating that bingo as a leisure pursuit is ever popular in this part of the West Midlands.


As previously mentioned, bingo is particularly popular amongst socio-economic groupings C2 and D. This accounts for the number of facilities in this area given the penetration of these groups in the local population. Given the provision of bingo facilities in the local area and the presence of a major facility in the town centre is seems that the inclusion of a further facility in any future town centre leisure development would be surplus to requirement.

## CASINOS NATIONAL PICTURE

The introduction of the 2005 Gambling Act should act as a major catalyst for the market as the supply of new casinos is set to increase significantly. For many years previous to this act, the industry operated in a very restrictive environment which very much limited the growth of the sector. As such, the market remained static with the sector in the main appealing to the serious gambling fraternity, whilst other sorts of gambling such as betting enjoying considerable success, buoyed by tax incentives, increased sports coverage and the Internet.

This is a situation which is likely to change considerably in the coming months and years as casinos enter the mainstream leisure sector. However, whilst there has been a push towards deregulation by the industry and the government, the great unknown is the attitude of the general public towards visiting casinos and as such the large quantity of investment which is likely to occur in the near future is in itself a gamble.

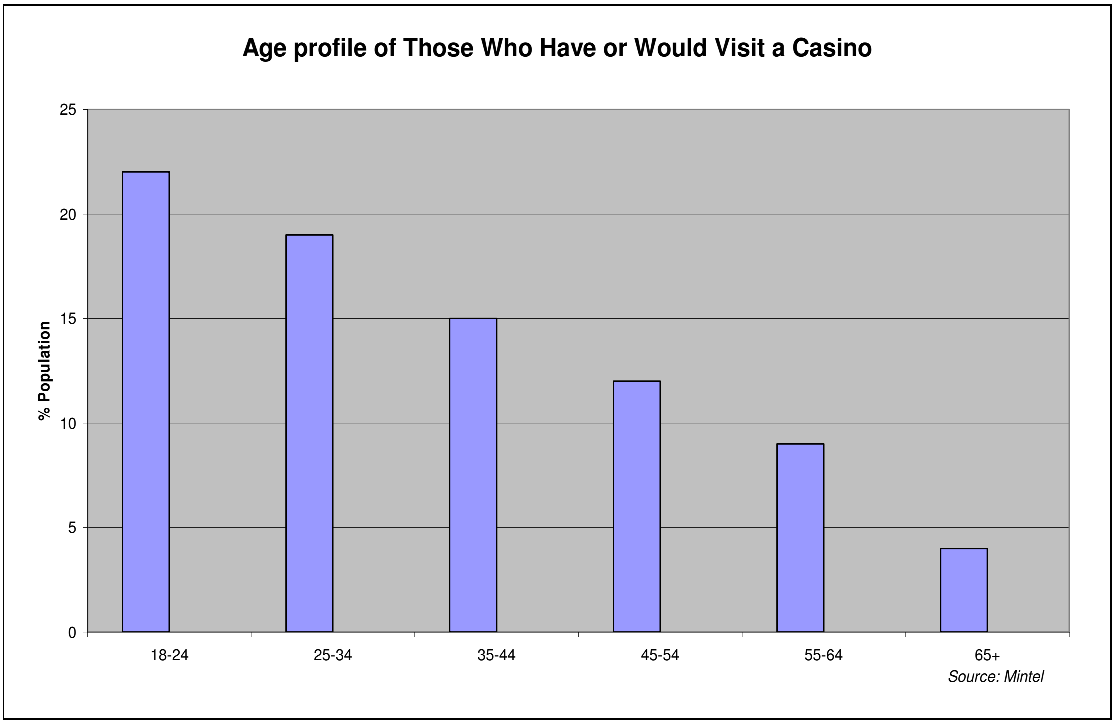
Deregulation and the abolition of the 24 hour membership rule resulted in a 13% increase in attendance during 2005 over the previous year, rapid growth by any standards. However, the growth in revenue did not keep pace with this footfall increase, since before these restrictions were lifted, a high proportion of casino punters were willing to accept big wagers, whilst the new casino customer is definitely a more cautious punter generally avoiding big wagers and ultimately spending less.

New casino development nationwide is likely to be less ambitious in scope than originally expected but should still result in a substantial increase in supply. The final wave of expansion under the 1968 Gambling Act is likely to lead to a 62% increase in the number of casinos to a total of 210. The 2005 Act which has just come into force will result in the development of an additional 17 casinos (1 regional, 8 large and 8 smaller casinos), with these new casinos substantially larger than almost all of those currently operational in the UK

The 2005 Act also means that casinos are now able to advertise. This should have a strong stimulatory effect on the sector as going to the casino is currently largely overlooked by many as an option for a night out. Already advertisements for casinos are being seen in a wide range of media, which should persuade some of the general population to take an initial step into gambling with a night at the casino. Accounting for the anticipated effect of the introduction of the Super Casino to the UK, it is estimated that market penetration (in terms of regular casino visitors) which has been stuck at 3% for many years could realistically grow five-fold so that penetration is in line with the French market which is currently the largest in Europe.

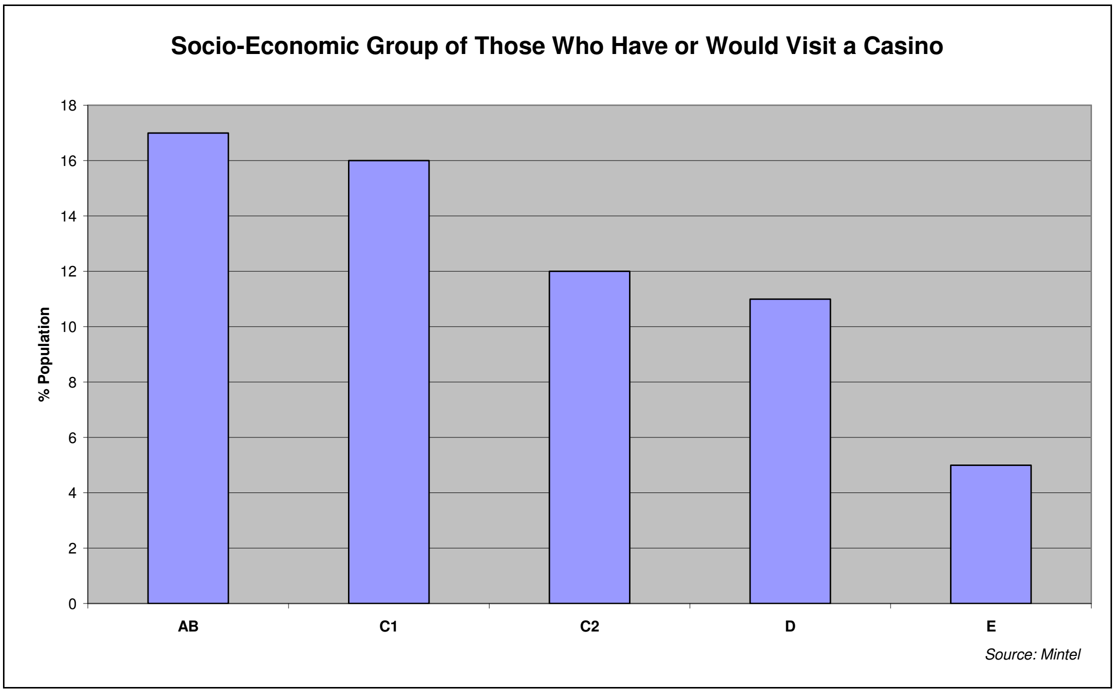
This level of growth should be comfortably achievable with 14% of the population saying that they have never visited a casino but would like to, as well as a significant number who have visited on a casual basis whether in the UK or abroad. That said, there is still evidence that a large proportion of the population remain anti-casino an issue that will need to be addressed it the sector is to reach its true potential.

The casino industry is shifting towards the idea of the casino as an all-round leisure destination with a strong focus on other revenue streams such as food, drink and entertainment. The regional casino, which will total in the order of 150,000 sq ft, is likely to provide the template for the casino as a resort-style attraction although further licences are unlikely to be issued before 2012.



Whilst antipathy to casino visiting is unlikely to be a problem, more of a worry to the sector will be the perception by one third of consumers that casinos cause problem gambling with sections of the media, politicians and religious faith groups voicing opposition to the expansion plans. On a more positive note, one in eight of a recent sample undertaken by Mintel said that they would be willing to visit a leisure destination style casino, which is likely to become the new industry paradigm.

According to Mintel's research, the new leisure destination casino concept appeals particularly to the 18-34 age groups weighted towards the upper end of the socio-economic spectrum with above average household incomes. However, whilst peaking in popularity in these younger age groups, there is also above average support amongst the more affluent 35-54 year olds.




The casino industry's major players are currently Stanley Leisure and Rank which between them control circa 50% of the market, whilst Gala and London Clubs International are also major players. However, major overseas investors are now arriving in the UK in the hope of securing the UK's first regional casino licence or to team up with the UK's existing operators.

**CASINOS LOCAL PICTURE**

The casino market is likely to undergo a huge expansion in the coming years due to the deregulation of the market resulting from the 2005 Gambling Act. There has already been a number of new casino openings under the old 1968 Gambling Act with a further 17 expected to open under the 2005 Gambling Act. The fact that a person no longer has to be a member of a casino to play has already seen a substantial increase in attendance with further increases expected.


The provision of casino in Walsall and the surrounding area is already quite high with one casino operational at Junction 10 of the M6. Elsewhere in the Black Country there are casinos operating in Wolverhampton and Dudley. In fact there are two casinos trading in Wolverhampton at present, one operated by Gala and the other by Blue Chip Casinos. However, perhaps more importantly, Wolverhampton has been chosen as one of the locations for the next wave of 17 casinos due to open nationwide. The casino planned for Wolverhampton is described as a small venue, although this is still likely to have a 30,000 sq ft floor area which represents a substantial increase in Black Country casino provision.

Given the current level of provision in Walsall itself and the surrounding area, it would be difficult to justify another casino in the town. However, with the likely opening of a major venue in Wolverhampton it is unlikely that a new casino in Walsall would be a particularly viable proposition, as in all likelihood casino users would gravitate to the Wolverhampton area where three casinos would be operational. Furthermore, given the opposition to casinos from a large proportion of the population it is fair to say that other leisure uses are likely to prove more beneficial to the local area.

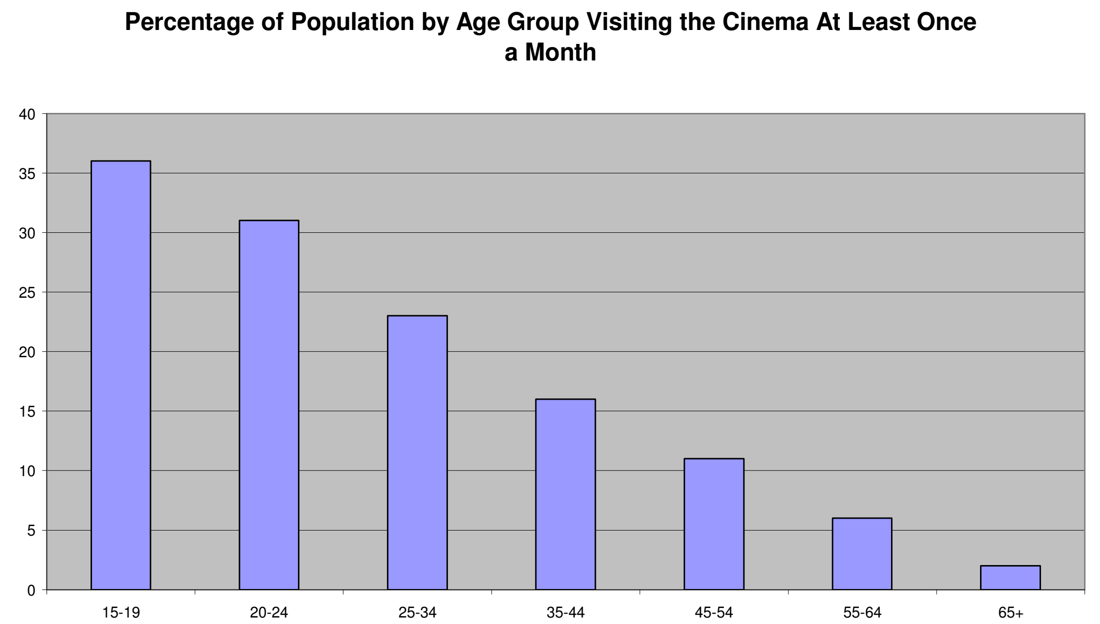
## CINEMA NATIONAL PICTURE

The cinema industry continues to evolve as it fights off competition from an ever larger range of alternative leisure activities. To an extent the industry is dependent on the quality of films on offer. Recent offerings including the Lord of the Rings and Harry Potter franchises have boosted attendance numbers, although in other years inevitably attendances have dipped. That said, the cinema appeals to a broad range of demographic groups and as such it is estimated that two thirds of adults visit the cinema at least once a year and almost all 7-14 year olds have been to the cinema during the last 12 months.

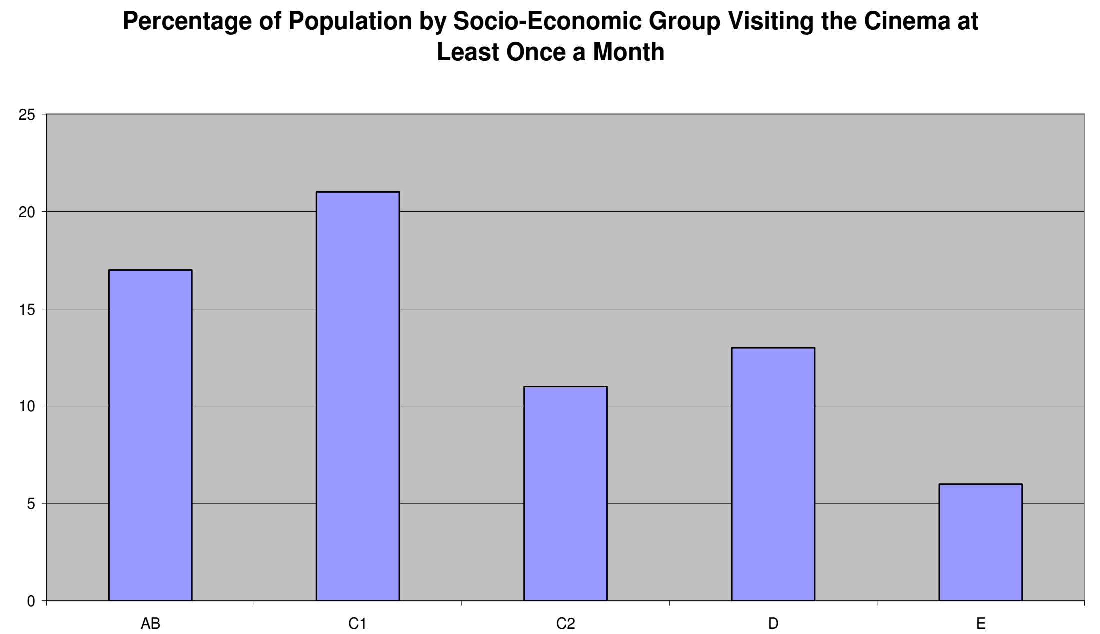
In terms of the key players in the sector, there has been a large amount of acquisitive activity in the sector. Terra Firma acquired both Odeon and UCI in 2004 making it the UK's largest circuit, whilst the Black Stone Group acquired the Cineworld and UGC circuits to make it the second largest operator. Vine acquired Ster Century in 2005, whilst Ward Anderson benefited from a number of divestments to increase its UK presence considerably.

The UK cinema market can be considered mature at this point in time and as such the number of cinema sites has remained relatively stable in recent times with 771 sites currently operational. That said, the number of screens has continued to increase with circa 3,500 screens nationwide, approximately 4.5 screens per site. This is the result of the continued popularity of the multiplex cinema, which now accounts for around 70% of screens nationwide. The highest proportion of screens is found in the Greater London area which also accounts for the greatest percentage of admissions (25% of national admissions). This suggests that the market in the capital is more mature than those elsewhere in the UK, suggesting scope to increase the number of screens and hence attendances elsewhere in the UK.

According to Mintel, the most important factors in determining cinema attendance are age, life stage and socio-economic grouping. Since 2001 there has been a notable increase in 15-24 year olds, the group which is perhaps most enthusiastic about going to the cinema. In terms of the future, there will be some expansion of the 20-24 age range to 2011, but the greatest increase will be in the 45-54 year olds who tend to be infrequent cinema goers. It remains to be seen whether cinema operators will rise to the challenge of enticing the older age groups to visit the cinema more regularly perhaps by making the experience more attractive to these age groups, whilst trying not to alienate the younger age groups.



*Source: Mintel*



*Source; Mintel*

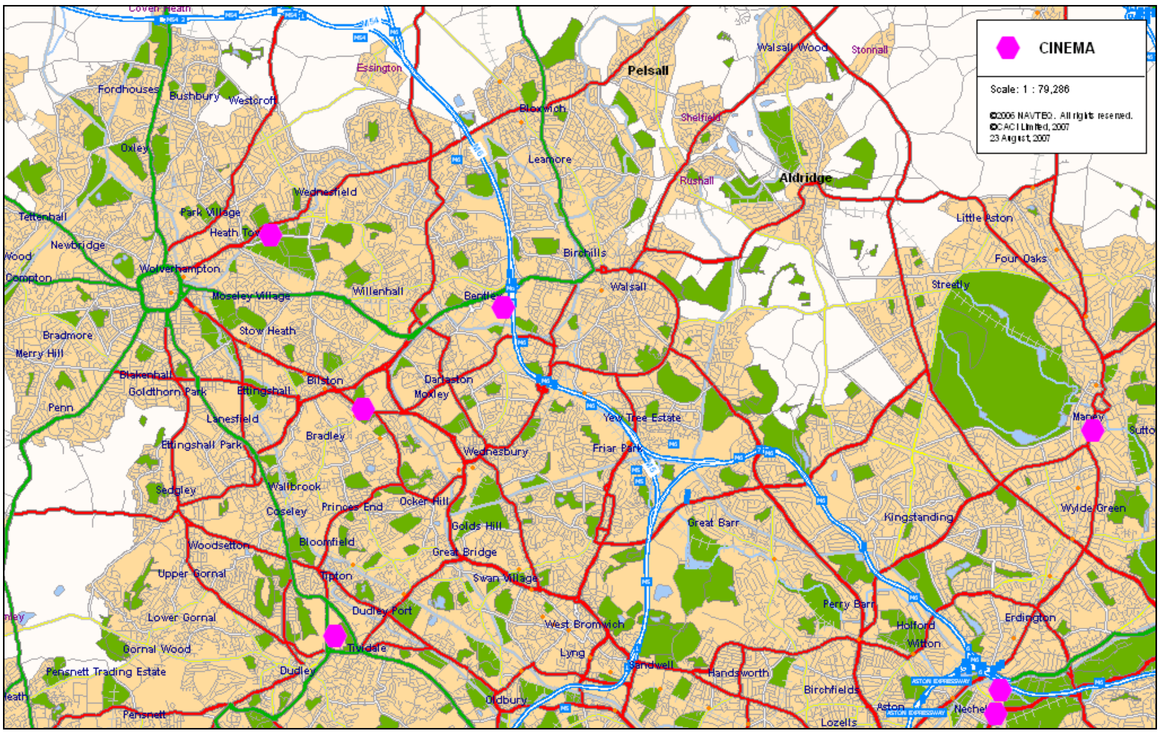
Also of importance to the frequency of cinema attendance is the socio-economic grouping. Those in socio-economic groupings ABC1 are the most likely to attend as are full-time and part-time workers. Only a quarter never visit the cinema and are far less likely to visit the cinema regularly than the other socio-economic groups. The fact that visiting the cinema is a relatively cheap leisure experience suggests that the reason for the other groups not visiting as regularly is for cultural rather than fiscal reasons.

Life stage is another factor in determining frequency of visit with unsurprisingly those in the Family life stage less likely than those in the Pre/No Family life stage to visit the cinema regularly. Those classified as ‘Third Age’ and ‘Retired’ are the least likely to visit the cinema regularly. In terms of the type of cinema that is preferred, it would appear that the majority do not have strong views. According to Mintel, 28% of cinema goers prefer modern multiplex cinemas whilst 10% prefer independent/arthouse cinemas. This gives credence to the view that cinemas are largely visited due to convenience rather any particular preference for a given cinema type or brand.

**CINEMA LOCAL PICTURE**

Walsall's town centre cinema has long since stopped trading and now the town centre lacks a cinema which is perhaps surprising given the size of Walsall's population. Whilst the town centre now lacks a cinema, there is a Showcase Multiplex cinema just to the West of Junction 10 of the M6. This cinema has been operational for some time and is likely to account for a high proportion of cinema visits from the Walsall area given the fact that research by Mintel indicates that people tend to be drawn to the most convenient location and by the choice of films offered by multiplex cinemas.

To the east of the M6 there is very little in the way of cinema provision within striking distance of Walsall, with the only cinema operational at present the four screen Empire cinema in Sutton Coldfield. To the south east of Walsall there is a 24 screen Vue Multiplex at Star City, whilst further to the west of the M6 there is a Cineworld multiplex cinema at Wednesfield and another Showcase multiplex at Dudley. In reality, it is likely that the majority of cinema visits from Walsall are made to the Showcase at Junction 10 rather than to these other cinemas, with people from other areas such as Brownhills and Aldridge also most likely to use the Showcase at Junction 10.



Given the lack of provision to the east of the M6 and the age of the Showcase at Junction 10, there may be an opportunity for further cinema provision in Walsall, perhaps at the Waterfront or in St Matthew's Quarter.

Research by Mintel shows that convenience is a crucial factor in the success of a cinema and a town centre location is likely to prove attractive particularly to younger cinema goers, who tend to be the most regular film goers, if it is near to public transport nodes and other leisure uses. That said, adequate free car parking will also be an important factor in the success of any cinema in Walsall town centre, as the majority of competing multiplex cinemas will provide extensive free parking.

Also of importance is the choice of films offered by a cinema. In simple terms, this equates to the number of screens the cinema has, hence the growth of larger and larger multiplex cinemas. However, digital technology now means that it is possible to show a greater variety of films on any given screen, allowing smaller venues to compete on an even footing with the traditional large multiplex cinema. Furthermore, it would allow a cinema to show films that appeal to a wider section of the population without compromising financial viability. This enables a cinema to become all things to all men ranging from a small art-house cinema, to a children's cinema on a Saturday morning to a mainstream multiplex. Such technology also has implications for cinema advertising by allowing greater flexibility which could in turn result in improved revenue streams.

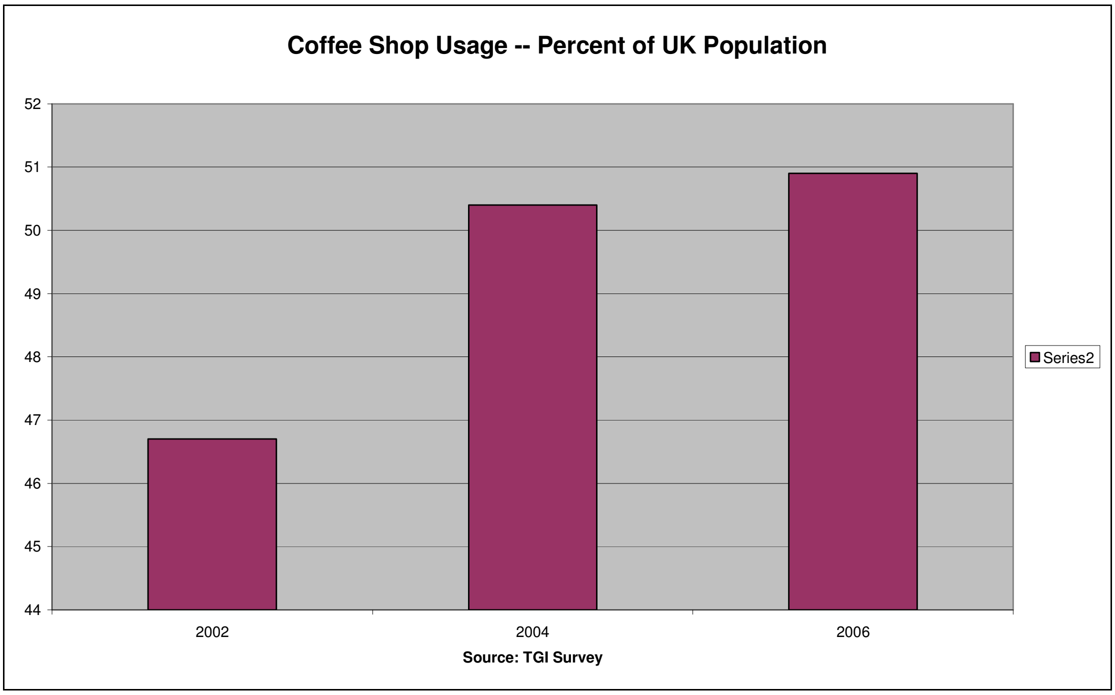
## COFFEE SHOPS NATIONAL PICTURE

Over the past decade coffee shops have sprung up in the majority of large retail centres across the country. No longer the bastion of the individual entrepreneur, these establishments are now big business with names such as Starbucks, Costa and Café Nero regular sites on today's high streets as well as airports and motorway service areas in the form of kiosks and concessions.

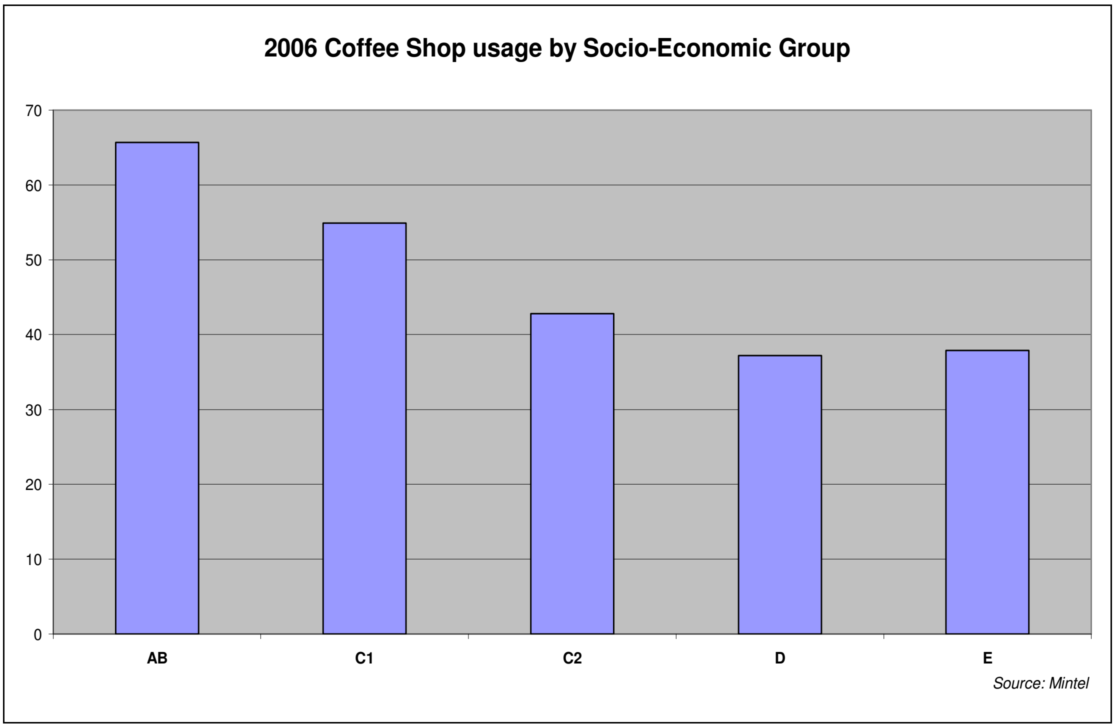
The popularity of coffee shops continues to grow with people using them for meeting friends, resting during a retail expedition or to meet business acquaintances. In contrast to many bars and pubs they offer an experience in which single people and women in particular feel they can happily unwind without unwanted intervention in a comfortable relaxing environment. It could be said that such establishments seem to offer many of the comforts of home away from the stresses of the urban environment. The popularity of such establishments has meant they have changed to meet individual needs with an increasing range of alternative drinks and food generally available. It is now estimated that 33% of adults use a branded coffee shop regularly (at least once every 3 months).

The market is dominated by the big three operators, namely Starbucks, Costa and Café Nero, which have in the order of 60% of all outlets. Their dominance is likely to increase due to economies of scale. Such is the penetration of these brands in many high streets that they are increasingly looking at concession in bookshops, train stations and supermarkets.

The target audience of the coffee shops tends to be the ABC1s with ABs (professionals and managers) the fastest growing group in the population. Both AB men and women enjoy coffee shops with a fairly broad spread of age and lifestage groups now using coffee shops. Overall, coffee shop usage seems to have levelled off with around 50% of the UK population now visiting such establishments. Furthermore, the majority of visitors according to Mintel are described as Medium (once a week) or light users (less often), suggesting that a visit to the coffee shop is still seen by many as treat. This in turn indicates that there is room to increase usage frequency.




As previously mentioned, socio-economic grouping has a major impact on an individual's propensity to visit a coffee shop. According to Mintel, 65.7% of ABs visit coffee shops with 6.6% of these visitors described as heavy users (2-3 times a week) compared to just 42.8% of C2s visiting such establishments. Of these 3.8% are described as heavy users.



Working status also impacts on the propensity of an individual to visit a coffee shop, with 51.5% of full-time workers and 57.8% of part-time workers using such establishments compared with just 48.1% of those not currently working. The discrepancy between full and part-time workers is simply down to free time. Further evidence of this is seen when looking at the profile of coffee shop visits of men and women with 56.7% of women visiting coffee shops (who also have a greater propensity to work part-time) compared with 44.8% of men. This is also further evidence of the female friendly environment associated with such establishments compared with many pubs and bars.

Future changes in the UK's demographic profile will also have an impact on the coffee shop market, increasing the use of such establishments. The growth in ABs has already been mentioned, which should result in an increase in spending in this sector. Indeed, according to Mintel, this socio-economic group is forecast to increase by 5.7% between 2006 and 2011, whilst the C1 group is forecast to grow by 4.9% over the same time period, a group which also has a relatively high propensity to visit coffee shops.

A change in the age profile of the general population will also impact on coffee shop usage. Forecasts indicate an increase in the 20-24 year age group between 2006 and 2011. At present 32% of this age group are non coffee drinkers and it is likely that the coffee shop brands will have to concentrate their efforts on this group in order to increase their market penetration. The number of 45-64 year olds is also forecast to increase as the population ages and this group will also be an important focus for coffee shop operators. That said, the main core of coffee shop drinkers is likely to remain 25-24 year old ABC1s.

The result of these changes is that the market for branded coffee shops is forecast to grow by 52% between 2006 and 2011 to a projected £1.02 billion. Whilst that is a significantly lower amount than the 122% growth seen over the period 2001 to 2006, it is still a significant increase and reflects in part the maturity of the market compared to 2001. Whilst some of this expansion will be into traditional retail areas and those areas already populated by coffee shops, a significant proportion of this expansion will also be in the form of kiosks and concessions at transport termini, supermarkets, education establishments, resulting in a degree of cannibalisation.

**COFFEE SHOPS LOCAL PICTURE**

At present just one of the chains of coffee shops which characterises the majority of major shopping streets in the UK is represented in Walsall. At the time of writing this report, Costa Coffee has taken the lease of the cafeteria area of the Walsall Art Gallery. Whilst there are a small number of privately run cafes selling coffee and some pubs have now got in on the act, it is perhaps surprising that its has taken so long for one of the major chains to arrive in Walsall, given the current popularity of coffee shops and their rapid expansion in recent years. It is probable that the demographic skew away from socio-economic groups ABC1, from which the majority of coffee drinkers come from, has resulted in the absence of such outlets in Walsall. However, the growth of Walsall's office and residential offering should act as a catalyst in attracting more professional and middle management types and thus create the right environment for coffee shops to establish their presence in the Walsall town centre.

In the main, the major coffee shop chains have taken premises in prime retail areas, as much of their trade comes from people taking a break from a shopping trip. The Art Gallery is located away from the prime area at the gateway to the Waterside area. It is therefore likely that Costa's decision to take space in the Art Gallery may be borne out of a desire to test the market at a reduced rent (compared to what it would otherwise have to pay in the prime retail area) as well as taking advantage of potential new trade resulting from residential and office development proposed in the Waterfront area. Whilst this is now open in the town, there could be further opportunity for additional coffee shop provision. However it is likely that any future coffee shops would be more suited to the main retail area of the town, given the presence of Costa near the Waterfront and the likelihood that any bars and restaurants entering the market by opening in the area would also tap into the coffee market.

## EATING OUT NATIONAL PICTURE

There has been a marked increase in interest in issues relating to food and diets. Whilst this is not exclusive to eating out it has had an impact as consumers are now much more aware of the link between what they eat and their health. That said, despite new eating styles, consumers continue to embrace both traditional foods such as pub food, fish and chips and older established ethnic cuisine such as Indian and Chinese foods. Pub dining remains the most popular form of eating out and attracts a broad range of customers and for those customers most likely to only eat in the typical venue remains the pub. The eating out market is now mature and as such a market of burgeoning demand no longer exists. Within the overall picture, different sectors of the eating out market are faring quite differently.

The market for eating out is now worth in excess of £27.5 billion which represents a 25% increase since 2000. This represents a significant slow-down since the 1990s where year on year expenditure growth peaked at 7%. This is a further indication of the maturity of the market and whilst growth is forecast to continue it is likely to be at a reduced rate.

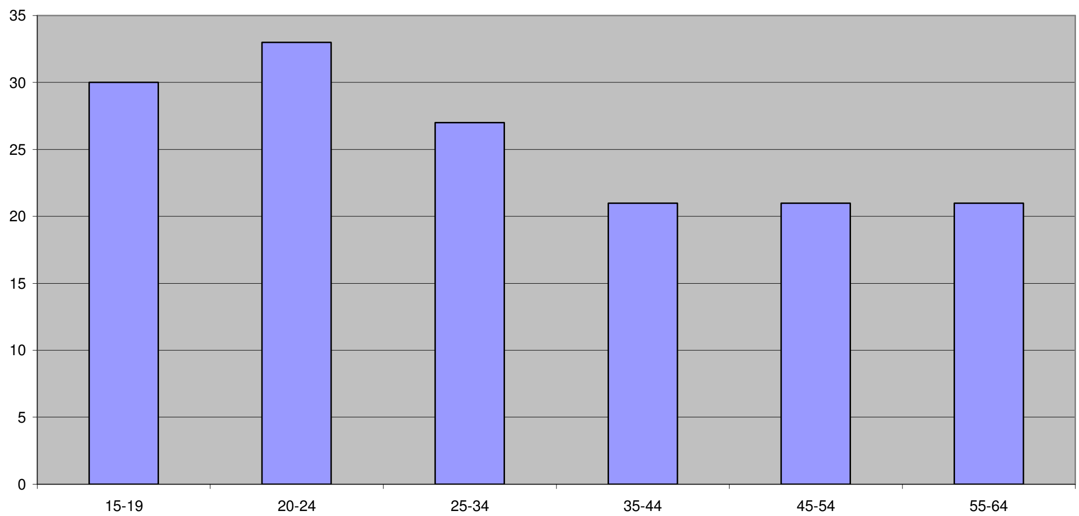
Since 2000, fast food saw a higher growth rate than that of the restaurant sector (including pubs) with burger and fried chicken bars faring particularly well. However, increasing consumer concerns regarding health and diet issues have begun to steer consumers away from some of the traditional exponents of fast food such as McDonalds and Burger King towards newer brands such as Nando's which have capitalised on the increased demand for healthier eating. Indeed, McDonalds has sought to reposition its menu to take into account the public's perception of its more traditional offerings.

There has also been the growth of the 'leisure dining' experience which in simple terms is a turn-up and sit-down restaurant which in many ways bridges the gap between a traditional and a fast-food restaurant. As a result, there has been a rise in the number of casual dining brands such as Carluccio's and Frankie and Benny's which offer informal dining complemented by a relaxed and speedy service.

The traditional ethnic sector is the most vulnerable to changes in the market. This sector has remained largely unchanged over the past decades and as such has seen its share of the market decline as choice elsewhere has increased. Furthermore, there is now increased competition from retailers who are now offering an alternative to a night in the curry house/take-away with their own take-away concepts.

Despite the increasing choice, the pub remains a popular choice when it comes to eating out. According to Mintel, pubs are twice as likely to have been used as a place to eat out than any other type of establishment and appeal to a wide range of consumers including the growing number of older consumers. Food is now a key income generator for pubs and as such a new type of bar/pub with a relatively upmarket offering has emerged. The growth of brands such as All Bar One, La Tasca and Bar Ha! Ha! is a testament to this.

**Percentage of Population by Age Group who Eat Out at Least Once a Week**

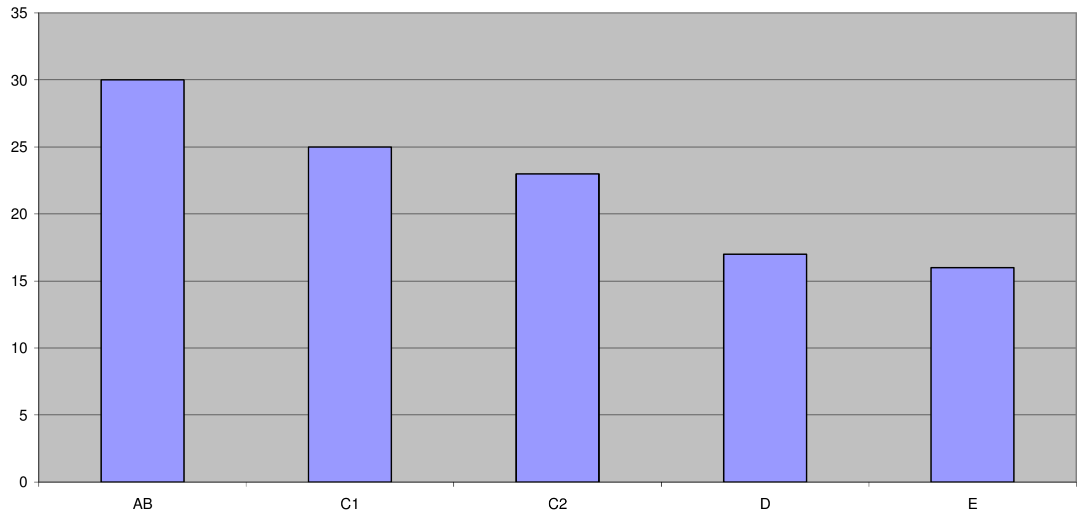



*Source: Mintel*

In terms of demographics, the 15-24 year olds and 55-64 year age groups have seen considerable growth in recent years. The growth of the younger age group has helped fuel the continued expansion of the fast food takeaway market, whilst the growth of 55-64 year olds has increased spend on restaurant and café meals. This group spends about 50% more than the national average household spend on restaurant and café meals. The pub sector is likely to be the greatest beneficiary of this increase in older consumers, as these older age groups show a bias towards pub/restaurants making them an important target market for the eat out sector. In terms of future population growth, the 55-64 and 65+ age groups are expected to see considerable growth over the next 5 years, which is good news for the sit in pub/ restaurant, restaurant and café sectors, whilst the 20-24 year old age group is also forecast to see growth, a positive factor for the branded restaurant chain and fast food market.

In general, the increased levels of affluence now experienced across the country have meant that eating out is now within the reach of the majority of consumers. That said the more affluent socio-economic groups are most likely to dine out regularly with 94% of ABC1 consumers stating that they had eaten out recently compared with only 67% of the E socio-economic group. Furthermore, spend per visit on eating out is likely to be greater amongst socio-economic groups ABC1s with these tending to gravitate more towards restaurant dining rather than fast food and take-away eating.

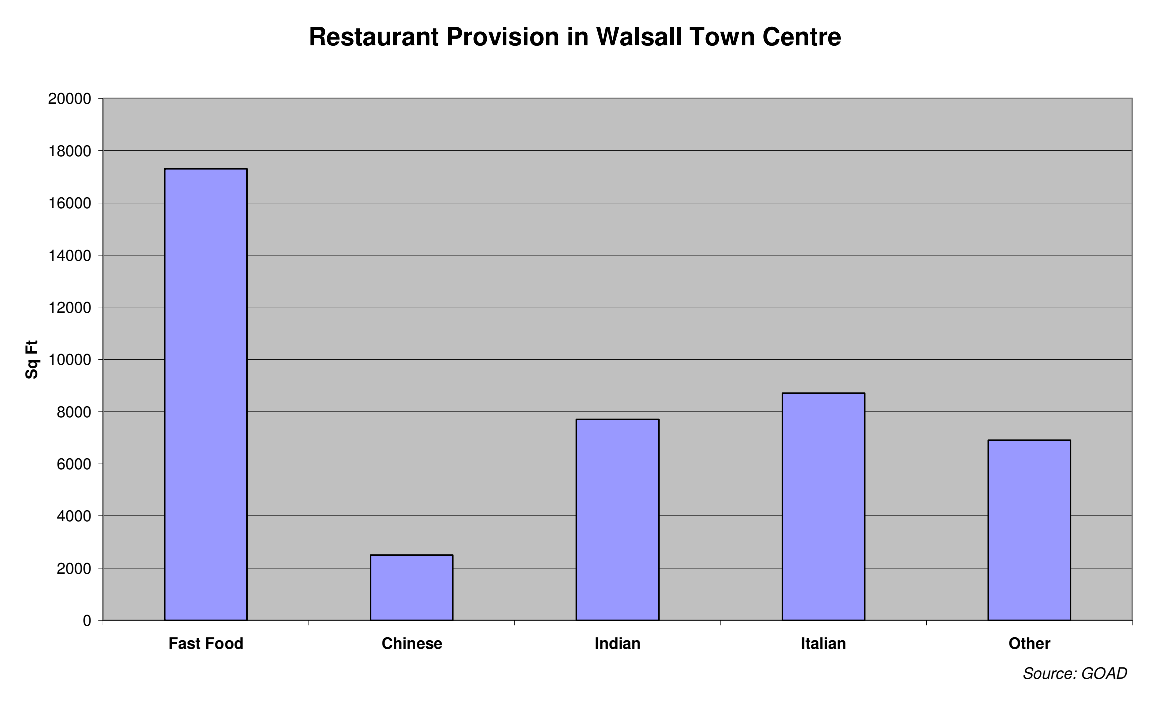
**Percentage of Population by Socio-Economic Group who Eat Out At Least Once a Week**




*Source; Mintel*

## EATING OUT LOCAL PICTURE

The restaurant offer of Walsall Town Centre could be described as being somewhat traditional in that the offer is restricted to just a few types of cuisine. The majority of restaurant comprises fast food, Indian and Italian restaurants which together account for circa 80% of restaurant space in Walsall as seen in the chart below.




In reality fast food, Indian and Italian restaurants account for almost all restaurant offer in the town aside from pubs and bars which also serve food. As previously discussed, whilst many of the YPVs in Walsall serve food they can not in the main be considered bona fide bar/restaurants with maybe one or two exceptions. Arbor Lights for example is probably one of the few restaurants in the town centre (despite being also a pub) to appeal to the older catchment and the corporate market.

Whilst the category ‘other’ in the chart above totals 6,900 sq ft, in reality the four units which comprise this category are actually currently vacant following the closure of Afrikana on Bridge Street. In addition, the closure of Pizza Hut on Bridge Street recently means that the town now has only one such provision, notably at Crown Wharf.

To sum up the current restaurant offer of Walsall is extremely poor with very little choice for either a businessman seeking somewhere to take a client for lunch or someone wanting a meal away from the curry house or traditional Italian restaurant. In many ways this emulates the lack of choice in drinking establishments in the town. There is undoubtedly the opportunity to create a more diverse range of dining opportunities in Walsall and this will prove crucial in improving the appeal of the town as a place for night out beyond the numerous YPVs. Furthermore, there is certainly a need for complementary leisure uses to come to fruition if the Waterfront and Office Corridor schemes are to become successful office locations.  It is now recognised that such facilities are important factors in enticing companies to a prospective office location.

There is an opportunity to greatly improve the dining offer of Walsall by taking advantage of the A3 and A4 space included in the planning consent granted at both the Waterside area and potentially in the St Matthews Quarter redevelopment. These areas represent an opportunity to create a cluster of eating and drinking establishments to complement the office and residential elements of these schemes. It also represents the opportunity to create destinations where a choice of more upmarket eating and drinking establishments are available in line with the type of offer found at Brindley Place in Birmingham or in the future at the Blue Brick development on the site of the old station in Wolverhampton.

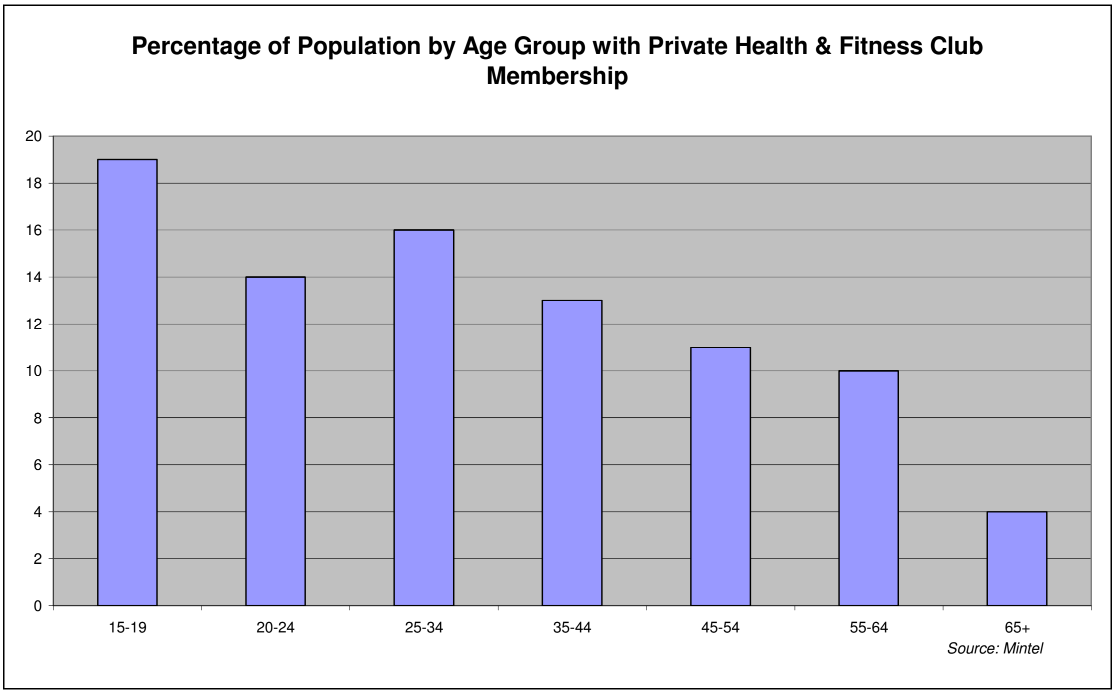
## HEALTH & FITNESS NATIONAL PICTURE

The health and fitness sector has faced challenging times in the last few years largely due to a dramatic rise in their fixed costs. This has largely been the result of the rise in energy cost which has taken place over the past few years. The problem is that whilst operators have been able to increase spend per capita and also increase membership numbers, it has been difficult to increase membership fee income in such a competitive environment. Key to the future success of this sector will be the ability to create an environment where people not only go to work out but also to socialise and thus income streams can also be enhanced by increased food and drink sales.

There has been a period of intense competition between clubs for customers resulting in discounting at the same time as costs have risen. There is evidence that there has been a recent recovery in sales growth as levels of affluence have continued to rise and concerns over weight and lack of fitness continue to be issues for many people. That said, discounting remains a feature of the market as people continue to expect a bargain and whilst utility costs have fallen recently, this is an aspect of the business over which operators have little or no influence. The upshot of this has been a negative impact on margins and profitability. As a result, some operators have sought to compensate this loss in revenue by promoting services such as personal training and health and beauty treatments as a way of encouraging their members to spend more.

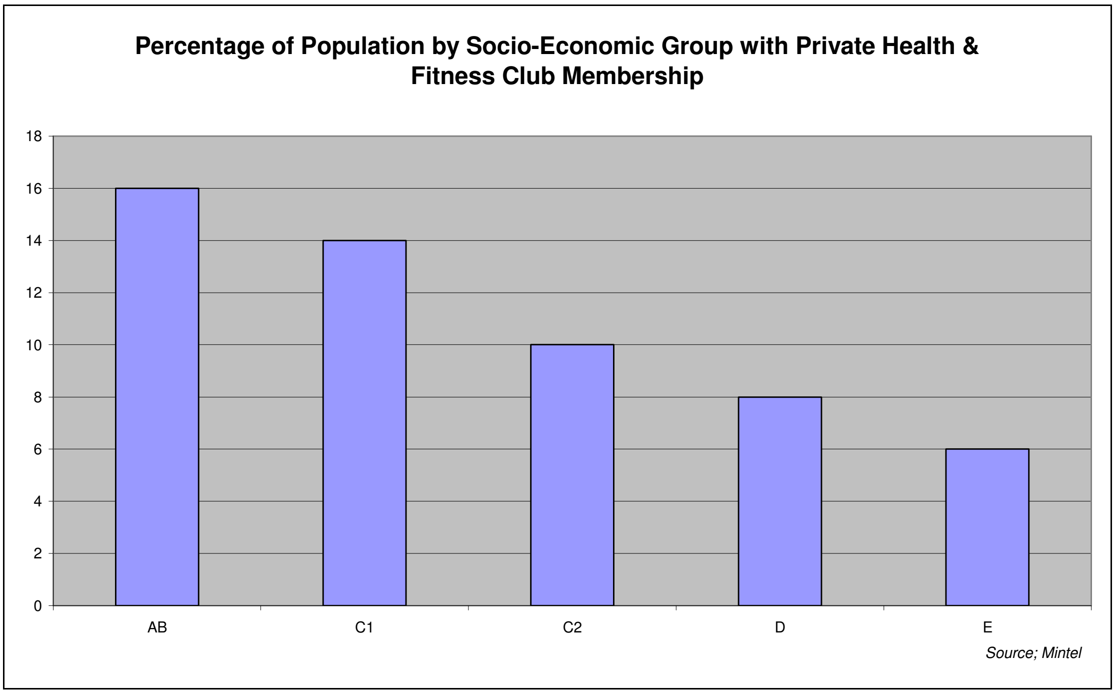
Fitness First has remained the largest operator in the private sector and continues to expand its operations. It is estimated that it has 100,000 more members than its nearest competitor Whitbread, which is under increasing competition form Virgin Active and LA Fitness both of which have been acquisitive in recent times.

It is now estimated that around 11% of adults use a private health and fitness club whilst 18% claim to use a public facility. The problem that the private sector faces is lapsed membership, as many join and use the facilities for a short period of time. This can to a degree be attributed to the fact that going to a health and fitness club is typically a solo experience and that many would continue to use the facilities if they had someone to go with. This can be addressed by increasing the social aspect of the health and fitness club experience. Furthermore, the future success of the health and fitness clubs could rest on the broadening the range of activities on offer and by creating memberships which include a number of leisure activities ranging from golf to bingo!




Age structure is an important aspect when considering the catchment for a potential health and fitness facility. The main target age group is 25-34 year olds. These are forecast to grow in number between 2007 and 2012. However, the group which is forecast to show the highest growth is the 45-54 olds, which is likely to grow at a rate four times higher than the national average. Similarly, according to forecasts, there will be a greater number of ABC1s in the population, which means there will potentially be more people able and willing to join a private health and fitness establishment. However, these individuals are likely to have both high standards and expectation of services and facilities.

Perhaps most striking of all of the research undertaken by Mintel is the fact that the membership/attendance of council run health and fitness facilities outstrips that of private facilities across all age ranges and socio-economic groups. This is probably a consequence of the greater range of activities available in public facilities and also perhaps the greater cost of using private clubs. Interestingly, research by Mintel indicates women have a slightly higher propensity to use public health and fitness facilities than men, probably a function of both spare time and the choice of activities available. Unsurprisingly, socio-economic groups AB have the greatest propensity to have membership of private health and fitness facilities reflecting both their greater ability to afford the cost of membership and regular visits as well as their higher general awareness of the benefits of regular exercise.



**HEALTH & FITNESS LOCAL PICTURE**

The health and fitness sector has experienced difficult times in recent years due to intense competition and an increase in fixed costs including utilities and property costs, with the former having had the largest impact. Intense competition amongst operators has meant that margins have come under pressure. The consequence has been a slowdown in growth in the number of clubs, which may well account for the absence of major operators in Walsall town centre. None of the major private health and fitness operators such as David Lloyd, Fitness First or LA Fitness are represented in the town, unusual for a town the size of Walsall. In fact, whilst there are a number of privately run clubs in Walsall, floor space provision is low and the range of facilities limited.


There is a local authority leisure centre in the town centre which has undergone refurbishment recently. This offers a good range of facilities. However, for those seeking membership of a private health and fitness club, which offers more than basic gym facilities and perhaps a social aspect there is a definite lack of choice.

In terms of the major operators, the only facility currently operational in the local area is one run by Fitness First at Walsall Wood. There is also a new health and fitness centre with a good range of facilities at the recently opened Village Hotel at Junction 10. Looking further to the west both Esporta and Fitness First operate health and fitness centres in Wolverhampton where there are also a large number of privately run gyms.

At present there is no provision in Walsall town centre for those seeking more than just a gym or leisure centre. None of the major operators are present in the town and those privately operated facilities that are there offer basic facilities with little to entice those wanting the social aspect of the health and fitness experience as well as a range of different facilities and treatments. Such facilities are available to the west in Wolverhampton and at the new Village Hotel at Junction 10 as well as at the Fitness First health and fitness club at Walsall Wood, but given the population of Walsall and the number of people working in the town centre, there appears to be a gap in the market for a major operator, particularly if residential and office plans in and around the town centre come to fruition.

**HOTELS NATIONAL PICTURE**

The performance of the hotel sector remains robust with occupancy and average year on year room rates showing year on year growth. Since the recent low point resulting from the 7/7 terrorist attacks the market has recovered and the number of overseas visitors to the UK has continued to grow. In fact the economy's stability and the continued strong performance of the hotel sector has meant that there is now a strong hotel investment market with many operators now deciding to sell their property assets in sale and leaseback deals so that they can concentrate on their core businesses. There have also been a number of brand sales including the sale of Travelodge by Permira and Marriott by Whitbread as well as sizeable straightforward disposals. At the same time a number of brands have sought to increase their market exposure including MWB's Alternative Hotel Group and City Inn.

The budget sector has been one of the biggest success stories of recent times with names like Ibis, Premier Travel Inn and Travelodge now commonplace across the UK in locations ranging from motorway service areas to traditional city centre locations. Such brands appeal to both the business and leisure sectors as they offer a standard of service across their branch network and are present in the majority of commercial centres across the country.

The same could be said for those brands in the middle market such as Holiday Inn and Best Western and those at the higher end. However, at the mid-higher end there has been an increase in demand particularly from leisure customers for a more individual approach to service. This has been benefited the independent sector with such hotels able to differentiate themselves from the mainstream brands by offering a more personal and individual level of service. The success of this individual approach has even been recognised by chain operations, with boutique operators such as Malmaison now present in a number of the UK's main centres but offering a more individual approach than the average chain as demonstrated by the recent opening of Malmaison's latest offering in the former Oxford Gaol.

In more recent times there has been a trend towards developing hotels in conjunction with office, retail and leisure schemes which has lead to a much needed increase in bedroom numbers in certain centres, although certain major centres such as

Birmingham still suffer from a lack of hotel bed provision. The development of such mixed-use schemes can be mutually beneficial, whilst creating landmark developments which enhance the fabric of the town or city. The proposal for a hotel development at the Waterfront in Walsall could well be considered such an opportunity, with the presence of a hotel in this area likely to prove a definite boon to both the operator due to the quantity of office development proposed in the town, whilst the office occupiers benefit by being able to rely on such space for their employees and for purposes of client hospitality.

**HOTELS LOCAL PICTURE**

Walsall town centre is currently poorly served by hotels. In fact there are just two hotels in the town centre at the present time both of which are small and to an extent dated. The Royal Hotel on Ablewell Street is particularly run down and is unlikely to appeal to the majority of business and leisure users. The Lyndon House Hotel also found in the town centre is a relatively small, privately run establishment. Whilst it is superior to the Royal Hotel, it is no way large enough to cater for the needs of a town the size of Walsall.

At present the majority of hotel room provision is found away from the town centre. The most recent addition to this provision has been the Village Hotel located at Junction 10 about1.5 miles from Walsall town centre. This is a 125 room hotel complete with health and fitness facilities. There is currently a budget hotel under construction next to this. Similarly, there is a 121 room Ramada Encore hotel located near to the Bescot Stadium at Junction 9 of the M6. This is a modern budget hotel again situated circa 1.5 miles from the town centre in close proximity to the M6 motorway. There is another budget hotel to the south of the town centre on the Birmingham Road in the form of a Travelodge, which has recently undergone refurbishment. Again this is outside the town centre. Further away, still to the west of the M6, there are two hotels located on the Black Country Route linking Walsall with Wolverhampton. Both are budget hotels, one being a Premier Travel Inn, the other a Quality Hotel.

It is unusual for a town the size of Walsall to have such poor hotel provision in its town centre. In some instances modern hotels are forced to locate on the periphery of town centres due to a lack of available sites in the core area. But this does not hold true for Walsall, as there are a number of sites which could accommodate a town centre hotel. In fact at the time of writing this report hotel provision is one of the options available to the developer Urban Splash at the Waterfront development. There are however, other sites which could accommodate a hotel including a site on Bridge Street which has been the subject of discussion for just such a use.

It is essential that Walsall does secure more hotel space in its town centre particularly in the light of office development proposals at the Waterfront and along the Office Corridor. Potential office occupiers will be looking for the presence of such facilities as well as a number of the other leisure uses mentioned elsewhere in this report and whilst this may not be the only factor, the presence or absence of such facilities could ultimately prove to an important factor in whether or not an office occupier takes space in Walsall.

## PUBS & BARS NATIONAL PICTURE

Of all the leisure sectors it is perhaps the pub/bar market which is the most mature. This is demonstrated by the fact that there was growth of just 9% in the market between 2001 and 2005 suggesting that the market has reached somewhat of a plateau with the sector struggling to keep up with the wider consumer economy. The sector is now under greater pressure from alternative leisure opportunities as well as increased competition from home drinking which has been effectively exploited by the supermarket industry. That said the number of pubs has remained stable at around 70,000 since 2001 with a seemingly never ending supply of entrepreneurs willing to take on what others have failed to make successful. By 2011, according to Mintel, the value of the pub/bar market is expected to reach £28.0 billion. This represents a rise of 10% in current terms, although this will actually represent a 3% decline in growth once inflation is taken into account.

The success and ultimately the stability of the market is a function of the universal appeal of the British pub. It is estimated that more than two-thirds of the population go to a pub for a drink and an even greater proportion use the pub as a restaurant such has been the growth of the 'dry' sector of the market. The success of the sector at present depends on its ability to widen its appeal in terms of opening times and services, whilst focusing on local differences and niche areas of the market.

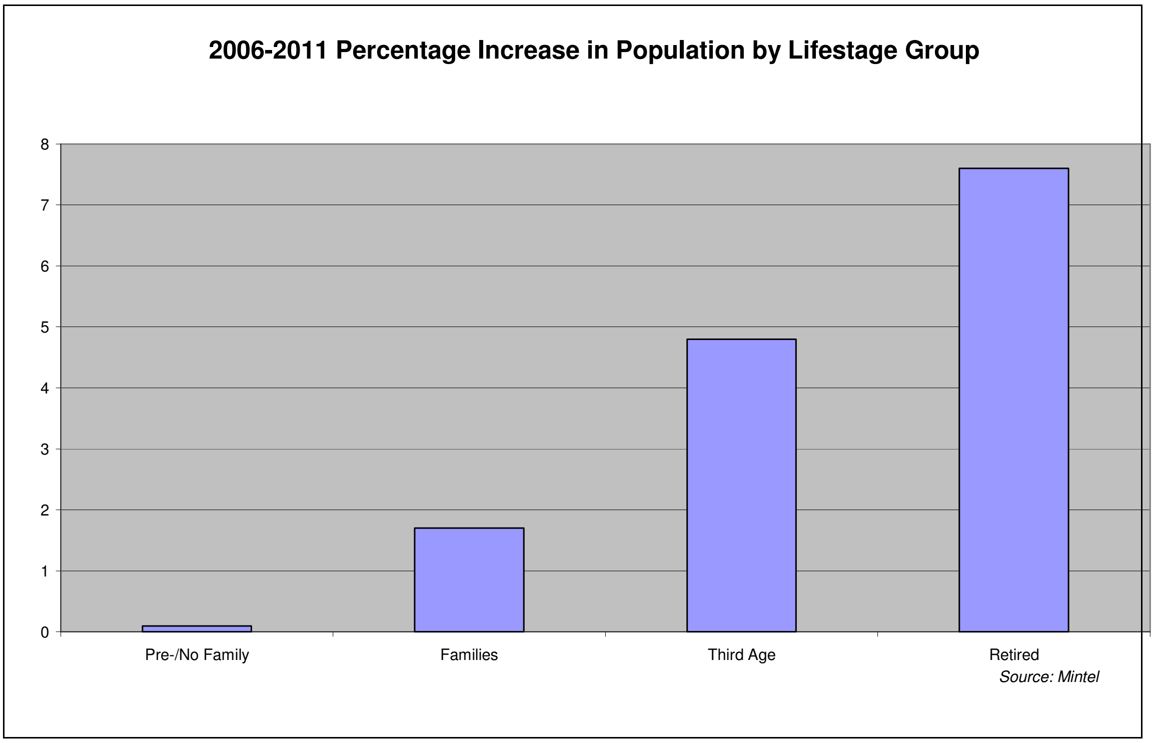
The recognition of the need to cater for niche areas of the market means that there are now a number of different pub/bar concepts in the market and possibly the term average boozer is no longer appropriate. Within a given area, there is likely to be a host of small, wet-led locals (income mainly from alcoholic drink) or community pubs, as well as the largest of pub/restaurants making over 50% of their income from meals. Also included are vertical-drinking establishments or YPVs (young people's venues), which have been linked with binge-drinking and anti-social behaviour in town centres.

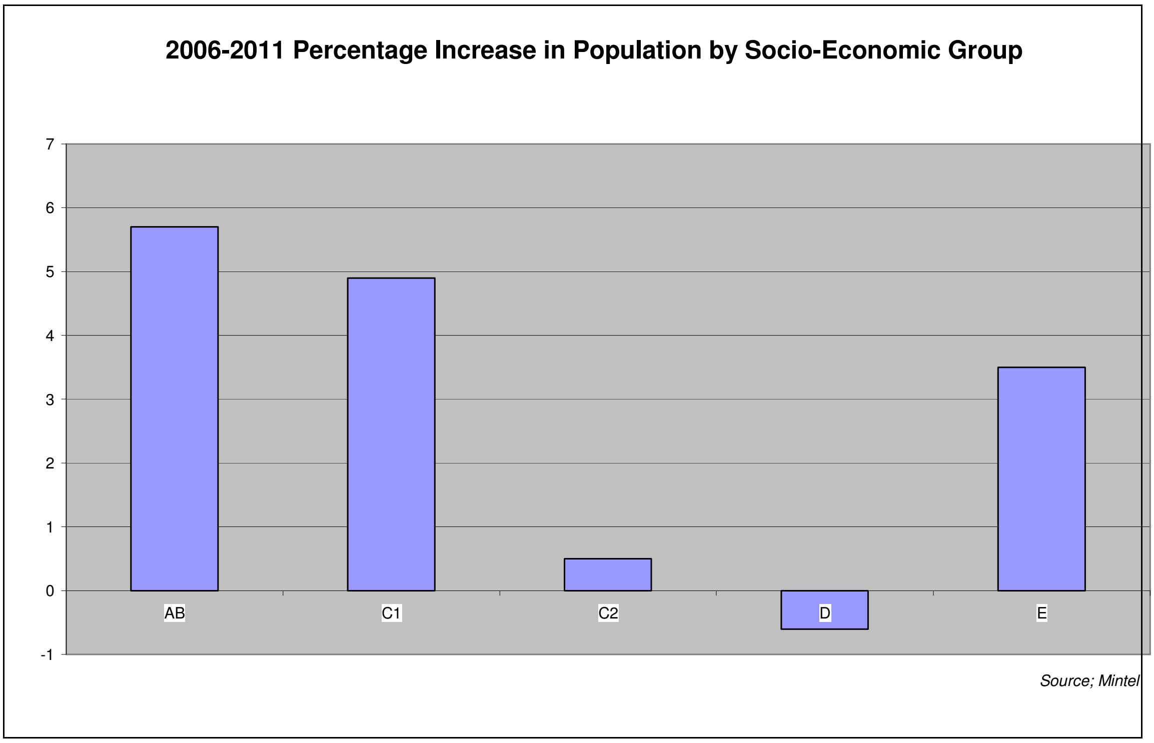
It is the wet-led local pub which has suffered most from the trend for people to drink at home than other sectors of the market. That said, other sectors are perhaps not performing as well as they might. Intense competition in the high street has also made it difficult to run profitable YPVs due to the cut-price culture which has developed and has been blamed for encouraging binge drinking. In general the pub/restaurant sector has been the most successful, continuing to increase its share of the UK eating out market, year after year, encouraging some to venture into the world of the 'gastropub'.

Therefore, the future would seem to lie for the time being in a 'dry' led approach particularly in the light of the smoking ban which will undoubtedly have an impact on 'wet' sales, although the true effect of the ban has yet to be seen. The problem that is likely to ensue is that the sector is likely to become saturated and price wars could occur mirroring the effect in the YPVs. Although increasing numbers of establishment are likely to turn to food, it would seem prudent for operators to diversify further if they are to remain profitable. Furthermore, by turning more and more pubs into pub/restaurants, or should that be restaurant/pubs, the original concept of the drinking establishment could be lost. At the end of the day regular drinkers outnumber regular diners and therefore this is a market which should not be ignored.

Research suggests that the vast majority of people are very much in favour of the traditional community pub atmosphere found in 'a local' and whilst there is certainly a market for gastropubs, style bars and YPVs, there is still a need for the more traditional establishments, although it is in general these pubs which are most under threat. A need to innovate within this sector perhaps by concentrating on the needs and tastes of the individual localities is essential if a large number of local pubs are not to be lost.

In terms of demographics and the future for pubs and bars, the forecast growth in the Third Age, those aged 45 to retirement, and the Retired life stage groups between 2006 and 2011 should, in principle, present an opportunity for pubs to position themselves towards more sedate and upmarket offerings. This would suggest that there is further growth available for those seeking to expand their 'dry' operations as these older age groups tend to use pubs and traditional sit-down restaurants when dining out. The Pre-family No- family life stage groups are forecast to remain static, which is potentially bad news for those venues aimed at these groups such as YVPs and style bars.

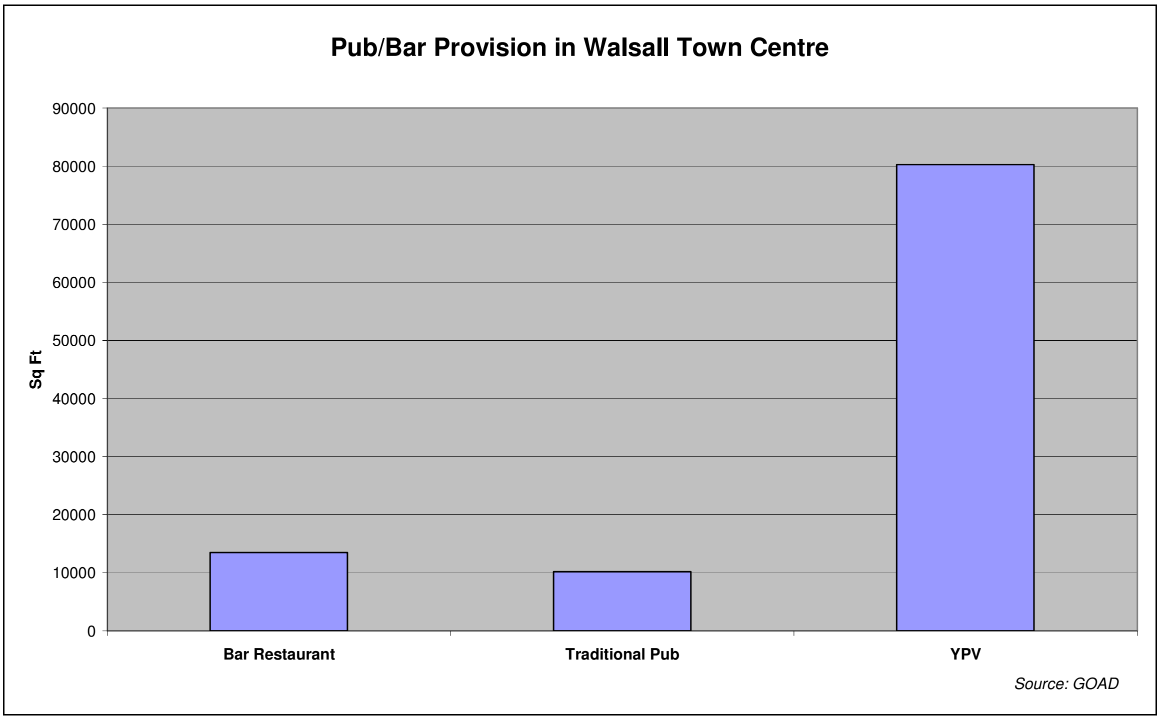



The rise in the AB socio-economic group bodes well for pubs looking to shift their business model away from heavy drinkers and smokers. The projected 5.7% increase in AB consumers between 2006 and 2011 could add to pub turnover substantially. These are consumers who may have been avoiding smoky pubs full of binge drinkers but will flock to the smoke-free pub that offers good entertainment and food. However, leaving aside the low-alcohol prices from supermarkets and off-licenses, it is the bias towards food provision that is arguably driving some locals back home or to other venues.

## PUBS & BARS LOCAL PICTURE

Like many sizeable towns around the country, Walsall is a place where people meet up of an evening to drink and have a good time. As such there are numerous pubs and bars to satisfy this need with a number of national operators now running large establishments in the town. Many of the larger venues are concentrated around the civic quarter which has become more attractive to such operators since the area was pedestrianised. The area is now home to Walsall's main drinking circuit with operators such as Yates Wine Lodge, Hogshead, JD Wetherspoons and Varsity all operating from this area. Whilst some of these venues are classified as bar restaurants, essentially they are YPVs which also happen to serve a basic menu. Similar venues such as Chicago Rock Café and Aruba are also found in close proximity to these establishments on Lichfield Street, whilst other large YPVs including Martha's Vineyard, Bar Sport and Revolution which again although serve food are essentially YPVs.




Bona Fide bar restaurants serving higher quality food in a more adult environment are thin on the ground. Arbor Lights operated by Punch Taverns on Lichfield Street in close proximity to many of the town's professional employers is one of the few venues of this type which would also appeal to an older audience and the corporate market. The Old Courthouse also on Lichfield Street could also be classified as such but it could equally be considered a YPV and as such is unlikely to appeal to a more upmarket audience. The only other venue which could be considered a bar/restaurant is Wharf 10 Bar found at the town arm of the Walsall Canal adjacent to the Urban Splash site. This is a large venue which serves food and coffees as well as alcohol and possibly is the only venue other then Arbor Lights which could be considered a bar/restaurant.

Bar/restaurants represent the cross-over between a traditional drinking establishment and a restaurant. These have become increasingly popular in recent times as they offer the opportunity to both eat and drink in a modern environment which offers the best of both worlds in which neither activities are mutually exclusive. The growth of the bar and restaurant concept has grown hand in hand with the more recent revival of ‘City Centre Living’ whereby those living in city centre flats are drawn by an increased diversity of places to eat and drink and often do both in the same establishment. Venues which combine the two activities also prove popular with the business community as they represent a mid point between the traditional pub and restaurant in terms of formality in an environment which is acceptable to most.

The traditional pub is also represented in the town although in terms of floor space they are certainly on a much smaller scale than the YPV establishments. The traditional pub has suffered in recent years from increased competition from new venues such as the YPVs but also from increased competition from drink purchased from the supermarket and consumed at home.

Overall, the choice of pubs and bars in Walsall at present is limited. There are numerous vertical drinking establishments in Walsall which account for the vast majority of drinking establishments both numerically and in terms of floorspace. This suggests that the pub trade in Walsall is very much geared to the much maligned binge drinking culture, which is currently grabbing headlines due to anti-social behaviour and health issues.

Whilst there are certainly enough YPVs, it is venues such as bar/restaurants and modern bars which are somewhat lacking. Such venues often attract an older audience and business customers due to the higher quality environment and cuisine that is on offer. At present the choice of this type of venue is severely limited and thus the business community and the more discerning pub/restaurant customer are poorly served.

A number of new developments are scheduled in Walsall town centre which can potentially accommodate such facilities. The Waterfront area where both Urban Splash and Jessup Developments have gained consent for office and residential development also has provision for ground floor leisure uses. Given the quality of the environment that will be created in this vicinity next to the canal, this would seem an ideal location for the provision of bar/restaurant facilities which would as previously mentioned cater for those sections of the market currently poorly provided for. The St Matthews Quarter area could also in the longer term be an area where bar and restaurant provision could be concentrated, given the aesthetically pleasing nature of the environment once planning is resolved following the fire at Shannons Mill.

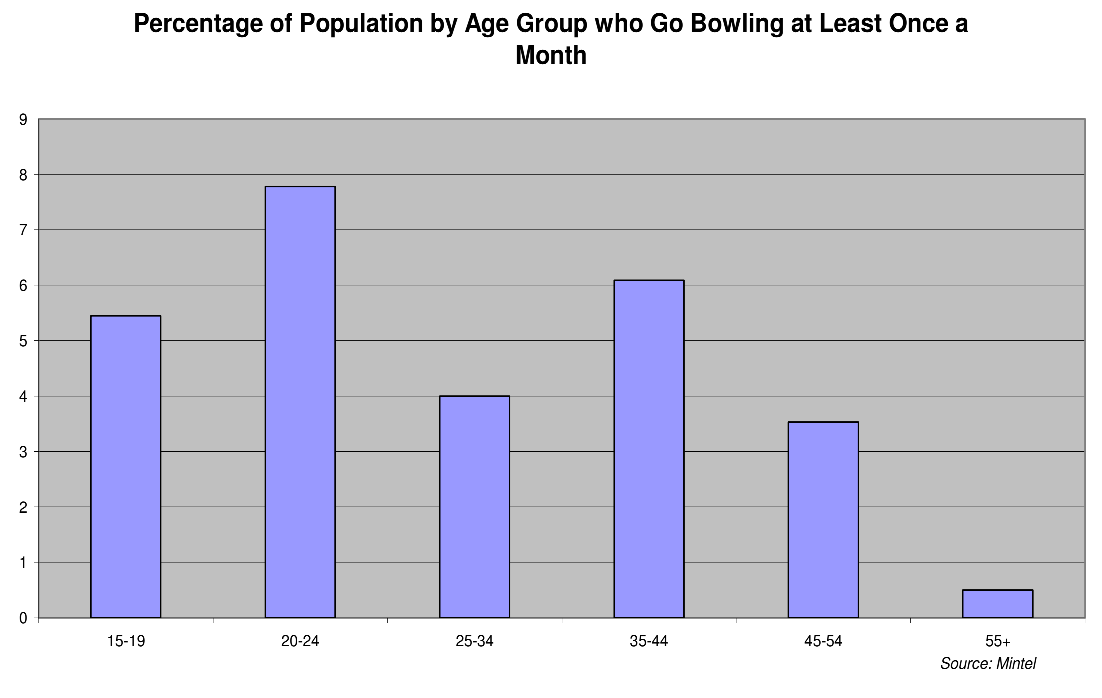
## TENPIN BOWLING NATIONAL PICTURE

Tenpin bowling has been established as a leisure pursuit in the UK for more than 40 years. It saw something of a rebirth during the 1980s on the back of the growth of leisure parks but during the 1990s it went into decline. However, in more recent years the sector has seen somewhat of a renaissance with the creation of new centres and the refurbishment of others by recognised brands. There has even been a move towards high end venues in a bid to change the image of bowling which to some may seem passé or unsophisticated.

The tenpin bowling market increased in value by 17% between 2001 and 2006 indicative of the resurgence of the sector as previously discussed. It is forecast that the sector will continue to see gradual growth in the coming years. During this recent growth there has been a move back to town centre facilities which have recently become available as other occupiers such as supermarket chains and other leisure operators have sought to concentrate their efforts on out of town locations. This has proved to be an ideal opportunity for the smaller tenpin bowling operators looking to attract the local population to a town centre facility near to public transport nodes and parking and other adult orientated leisure amenities. Operators such as Bloomsbury Bowling Lanes and All Star Lanes are particularly active in this niche and have taken the opportunity to offer a more adult orientated leisure experience in the same way that the Elbow Room pool chain has sought to create a more sophisticated atmosphere in its facilities. That said, bowling is an experience enjoyed by a wide range of age groups and it is important that children are not excluded from enjoying this pastime. Greater segregation both in time and space may help bowling remain attractive to a wide range of age groups. Furthermore, research suggests that those who go tenpin bowling are also regular cinema goers so a link between the two leisure pastimes may be mutually beneficial.

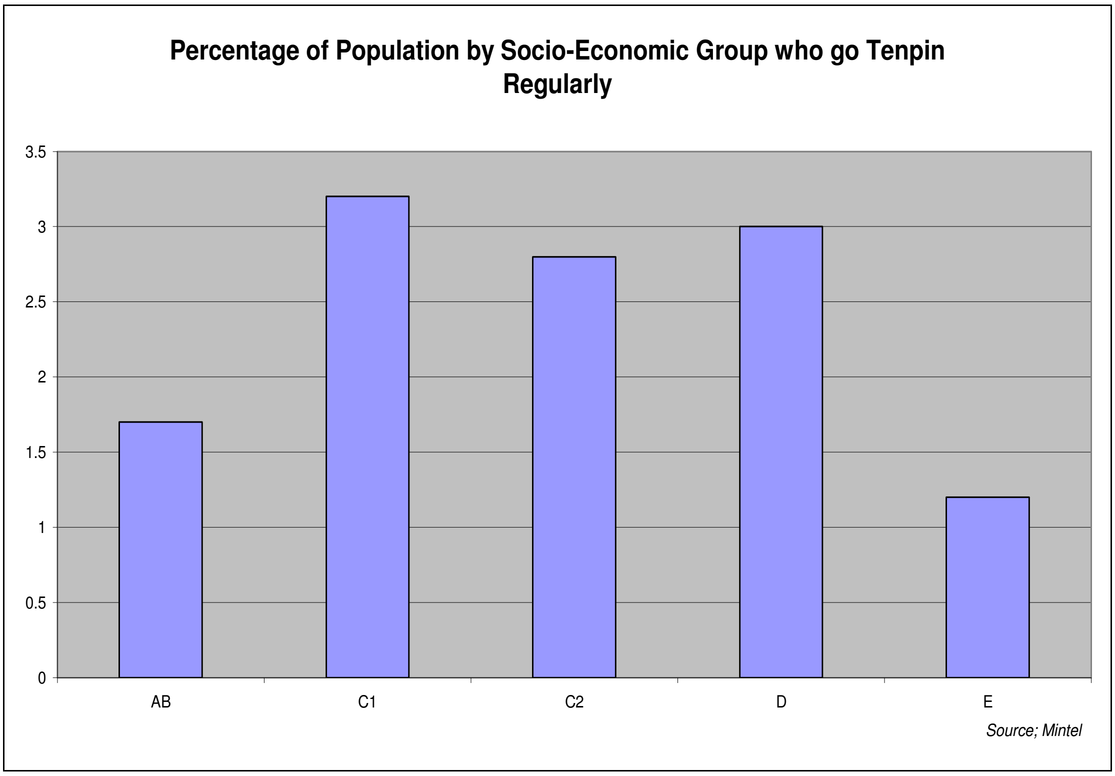
Tenpin bowling is considered to be a discretionary spend and can be enjoyed for a relatively small outlay. Even so it does face stiff competition from other leisure uses although to its advantage it does often offer eating and drinking opportunities which may well offer a future opportunity in creating a more sophisticated offer than often currently available.

Between 2006 and 2011 the 20-24 year old and over 45 years age groups are forecast to grow at the fastest rate, whilst other groups are forecast to decline. The expansion of the former is likely to be good news for tenpin bowling operators as the 15-24 year old age group tends to be the most enthusiastic about bowling.




Whilst according to research by Mintel, 20-24 year olds tend to be the most enthusiastic bowlers, the older age groups up to 54 are also reasonably regular bowlers. This is probably a function of the fact that tenpin bowling also works well as for corporate events as well as children's parties and school trips. Furthermore, tenpin bowling can be competitive with league players another source of revenue and players often from the slightly older age groups.

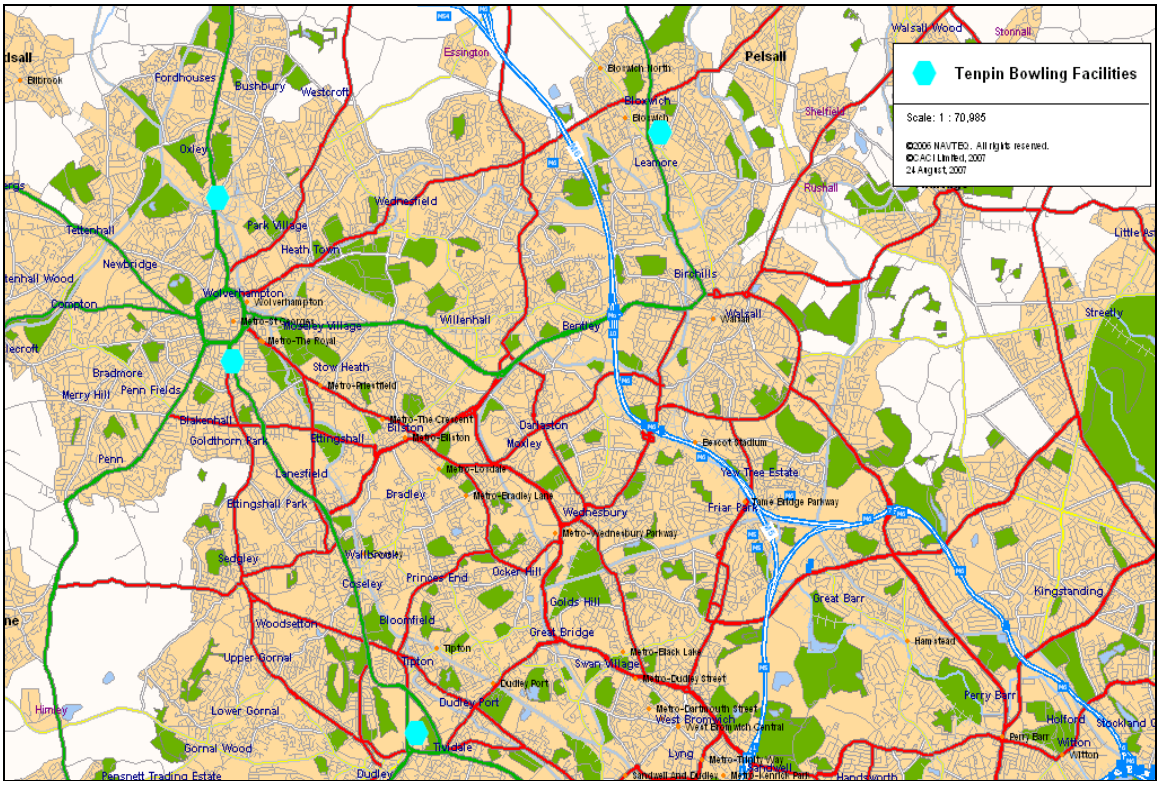
Socio-economic groups ABC1 are forecast to show the greatest growth in years to come, those groups with the highest disposable incomes. Groups C1 and C2 tend to be the most regular tenpin bowling attendees and whilst it is important to retain these valued customers, it would also be of benefit to attract more customers from socio-economic groups AB given they are forecast to show the greatest growth. The affluence of these groups may well reflect positively on the average spend per visit, although in order to attract these groups it is important that a high level of quality is achieved in terms of food/drink and interior infrastructure.




Since 2004, the number of tenpin bowling centres in the UK has increased from 285 to 310. There appears to be a new wave of investment in new and existing centres in order to create a more comprehensive leisure experience in a bid to appeal to those seeking an enjoyable night out. This has included the opening of new centres, refurbishments, the opening of town centre venues and the diversification of the entertainment available within such venues. As a result of these innovations, Mintel forecasts that the sector will continue to show growth in the coming years.

**TENPIN BOWLING LOCAL PICTURE**

As previously discussed, tenpin bowling has seen somewhat of a renaissance during the last few years after falling in popularity during the 1990s. The result has been a spate of refurbishments and the opening of some new centres. Walsall town centre itself does not have such a facility but there is a GT Leisure tenpin bowling centre just to the north of Walsall in Bloxwich. Aside from this facility there are no other ten bowling centres to the north and east of the M6 in this part of the West Midlands conurbation.




Looking to the west of the M6, there are two ten bowling centres in Wolverhampton. Both of these facilities are run by AMF, one of the UK's largest operators. One is located just to the south of the inner ring road, whilst the other is located to the north of the city on the Stafford Road. Both of these facilities are some distance away from Walsall town centre and given the presence of the GT Leisure facility in Bloxwich are unlikely to be particularly popular with the residents of Walsall and the area to the east of the M6. Other facilities are found at both Star City (Megabowl) at Junction 5 of the M6 and at Dudley (Bowlplex). Again these facilities are some distance from Walsall and again are unlikely to be popular with the residents of Walsall and its environs. Like cinema visits, in general people are attracted to a given bowling facility by convenience whether that is distance, adequate parking facilities, other leisure facilities or proximity to public transport. The importance of the latter is probably under estimated even though research shows that young people who may not have access to a car are the most regular users of tenpin bowling facilities.

The area around Walsall, Aldridge and Wednesbury is currently not particularly well served by tenpin Bowling facilities. This suggests that there is an opportunity for further provision in Walsall potentially as part of a larger leisure facility, which would create the critical mass to attract a large number of potential players who may want to include bowling into a range of activities. The presence of such a facility in the town centre may well have be more attractive than competing centres due to the public transport connectivity it would offer, although obviously car users would also need to be considered. Furthermore if such a facility was incorporated into a leisure cluster with other town centre leisure facilities, such as eateries, a cinema etc, the critical mass which would be created would benefit all of the facilities. Consequently, an evening's entertainment may neither start nor end with just a few ends of tenpin bowling.

**DEVELOPMENT**

Many new commercial developments now incorporate a number of uses in order to create environments which remain vibrant outside normal working hours. There are a number of developments planned in Walsall town centre which will incorporate leisure uses. The following is an overview of those developments which contain a leisure element.

**St Matthew's Quarter**

St Matthews Quarter is found at the south eastern end of the High Street, the main comparison retail area of the town. The idea is to transform this area to create an improved retail offer/shopping experience within a mixed-use on street environment. Work is now almost complete on phase one comprising a newly opened 100,000 sq ft ASDA store, a 1000 space multi-storey car park and a block of apartments acquired by a local housing association.

A second phase of development was granted planning permission in November 2006. The area is ripe for retail/leisure use at the ground floor level given the aesthetic quality of the area. The plan was to create a mix of apartments and office space on the building’s other levels. However, this next phase of development had to be put back due to a fire at the Shannons Mill Building which meant that it had to be demolished. A third phase of development was also being discussed which was likely to comprise the redevelopment of existing retail space to create an environment more attractive to higher end retail and leisure operators and create a new leisure and retail destination within the town. Both phases 2 and 3 are now being reconsidered to provide a retail-led scheme, which may also include bar/restaurants, a cinema as well as offices and apartments.

**Waterfront North**

In addition to 103,184 sq ft of office space, the first phase of development known as Waterfront North will comprise 154 new homes, ground floor retail and leisure space including bars and restaurants, new public spaces and a hotel with development by Urban Splash imminent. Planning approval for Phase 1 was granted in November 2006. A second phase of development adjacent to this site has been discussed. This next phase may comprise further office space, up to 500 additional residential units, additional retail and leisure space and further improvements to the general environment including new canal bridges and basins.

**Waterfront South**

Adjacent to the Urban Splash site to the south of the canal arm is the Waterfront South site. Planning consent has recently been granted for the redevelopment of this site which currently comprises a range of disused canal side properties. The development will comprise commercial and leisure space and in excess of 350 residential units in addition to 51,615 sq ft of office space. This scheme will connect with existing residential space found next to the Art Gallery.

**Other Black Country Leisure Development**

A number of the Black Country's other main centres are seeking to improve their leisure offer largely as part of larger mixed-use schemes. It is thus pertinent that a brief overview of proposed developments in these competing centres be made. Whilst much of this development may not be direct competition to any development in Walsall, if further provision for a major leisure facility such as a cinema or tenpin bowling were included that would undoubtedly have an impact on Walsall's chances of securing such an occupier.

**Wolverhampton**

The Blue Brick development is currently underway in Wolverhampton on the site of the low level station. The development will include an 88 bedroom Premier Travel Inn (now complete) as well as a plethora of bars and restaurants in the converted station building in units ranging from 1,800 to 10,000 sq ft totalling 32,500 sq ft. The site will also include 208 apartments and a new car showroom.

Also in Wolverhampton, the redevelopment of the city's mainline train station will include some leisure space. Liverpool based developer Neptune Developments has won the right to develop the £176 million mixed-use scheme which will include 410,000 sq ft of office space, a four-star 150-bedroom hotel, 210 homes, plus restaurants, cafes and bars around the adjacent canal basin. Work is expected to start on site in 2008 with completion scheduled in 2012.

**Dudley/Brierley Hill/Merry Hill**

Plans have been put in place to transform Dudley town centre to include 215,000 sq ft of office space. The redevelopment comprises eight sites to include office, retail and other commercial uses as well as in the order of 1,000 new homes. The local authority is seeking to appoint a strategic partner later in 2007.

**West Bromwich**

The All Saints Business Quarter development opportunity takes the form of the consolidation of an existing business and financial services area by the development of a series of adjacent office and commercial sites. The idea is to link All Saints with West Bromwich High Street and Town Square and create office accommodation for around 1,500 workers in 296,000 sq ft of space. The development could also include some leisure and residential space in the later phases of the scheme, with completion of the initial phase of the project expected in 2010.

**Walsall Office and Residential Development**

Walsall has seen little if any office development over the past decade or more in contrast to many comparable centres in the West Midlands. As a result the town is largely unappealing to office occupiers and therefore fails to fall onto the radar of many of those seeking space. However, there are plans to reverse this situation and a number of office developments now have consent. There is also an imminent planning application in the order of 1.5 million sq ft of office space in the town centre, which is likely to prove critical in the economic future of the town. As previously discussed there is a definite synergy between office and leisure uses, with office occupiers often seeking to locate near to leisure uses and vice versa. Ultimately an increase in office provision in Walsall is likely to make the town a much more appealing location for potential leisure occupiers.

Extensive residential development is also planned with a number of town centre sites likely to be brought forward for the development of apartments. In addition to these town centre schemes, other sites are to be brought forward along the canal corridor which will result in a significant number of new homes coming to the market. This will of course result in a change in the demographic mix of the Walsall area, with a shift towards socio-economic groups ABC1 in the resident population. Similarly, an increase in office provision would result in an increase of these groupings within the workforce as more ABC1s seek to both work and live in Walsall. This shift in demographic composition of the town is likely to be a critical factor in persuading leisure operators to considering locating in Walsall. The following is a list of office and residential developments planned over the coming years.

**Waterfront North Phase I**

Urban Splash has secured detailed planning consent for the initial phase of development at Waterfront North. There is consent for 103,184 sq ft of office space as well as 154 residential units. Development is expected to start on this first phase in autumn 2007 with completion expected during 2010.

**St Matthews Quarter Phase II**

A further phase of development had been granted planning consent (November 2006) at the St Matthews Quarter site. The second phase comprised the conversion of the existing listed Shannons Mill building to create both office and residential space. However, following a major fire at this site these plans are effectively null and void. The area covered by phases 2 and 3 is now being reconsidered for a retail led scheme, which will also include some small scale leisure element such as bars and restaurants as well as a cinema, office and residential.

**Waterfront North Phase II**

A second phase of office development is expected at Waterfront North Phase II found adjacent to Waterfront Phase I. At this stage the precise details of the mix of the development are unknown, although both residential and office uses may be included. Urban Splash will also be responsible for the development of this site.

**Waterfront South**

Planning consent has recently been granted to Jessup Developments to develop the site to the south of the town branch of the Walsall Canal. The consent includes 357 residential units and 51,615 sq ft of office space. It is likely that this scheme will be brought forward for development later in 2007/early in 2008.

**Walsall Office Corridor**

There are plans to create a new commercial zone known as the Office Corridor just to the north of the town centre along the route of the upgraded ring road. The idea is to create a new office location aimed at attracting major employers by creating a prime office zone with ready access to the ring road and hence the motorway network. The corridor would be centred on Littleton Street running from the Arboretum Island in the east to the Police Station in the west. This stretch of land will also be home to the new college and a Tesco store located to the north and south respectively of Littleton Street. Furthermore, the application may also include a fitness centre, a hotel, residential and ancillary facilities as well as small scale leisure, bars and restaurants in order to complement the office element. The plan is to create a critical mass of office space to reinforce the status of Walsall as an office location. The Corridor comprises a number of sites under different ownerships which could be brought forward for office use. Complementary to the planned office development is the fibre optics project, which will improve connectivity and enhance the town's image. This will undoubtedly prove popular with many potential occupiers including R&D operations and as such could become a unique selling point for Walsall as an office location and differentiate the town from other potential office locations. Taking into account all of the sites along the Corridor there is the potential to create in the order of 1.55 m sq ft of additional office space in Walsall town centre.

**Tempus 10**

A planning application has recently been submitted for the development of almost 82,000 sq ft of office space at Junction 10 of the M6. The site is adjacent to the Village Hotel and budget hotel currently under construction approximately two miles to the west of Walsall town centre. Planning policy suggests that the scheme is likely to be supported if it is of high quality design, and it is therefore likely that this scheme will be given the go ahead even despite being some distance away from the core commercial area which may dilute investment in the town centre.

**Canalside Communities**

In addition to creating an environment more attractive to the business community, there is also a desire to improve the image and opportunities within Walsall as a place to live. In the same way that the town arm of the canal provides an opportunity to create an attractive waterside environment in the town centre, Walsall canal provides an opportunity to 'link new and existing neighbourhoods, utilising a historic asset to provide an attractive environment for the creation of a variety of sustainable new homes that will attract people to live in the borough'.

The creation of desirable residential environments will be crucial to the growth and success of Walsall as a commercial centre. The plan is to stimulate new residential development along the canal to the north of the town centre by bringing forward previously developed land for residential use. The idea is to merge these new communities with established housing areas to create a chain of residential areas running form the town centre through Reedswood and beyond to Leamore in an appealing waterside environment. There is the capacity to create more than 1,100 homes along this corridor.

**Summary**

It is essential that many of the developments in Walsall detailed above come to fruition if the renaissance of the town is to become a reality. Whilst additional office provision will be essential in driving forward change, improvements to the physical environment and greater housing choice are also seen as crucial factor as seen in the Black Country Study. Improvements to the leisure offer of the town will also prove important to the future wellbeing of Walsall's economy, as a diversification and improvement of leisure provision will undoubtedly make the town more attractive as a place to live and do business.

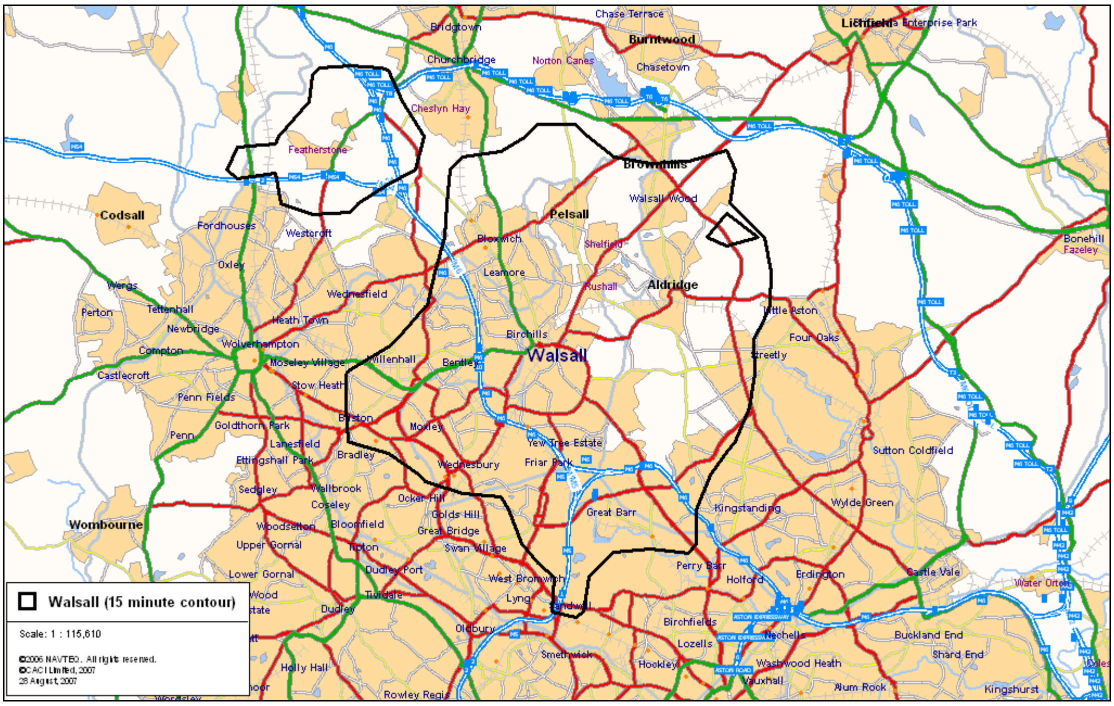
In order that such leisure occupiers are drawn to the town, the need to shift towards a more affluent catchment population should be emphasised, as at present the town's demographic mix is a factor hindering improvements to the leisure provision of the town. If leisure operators can be convinced that the developments outlined above will result in a demographic and economic shift, Walsall will stand a better chance of increasing its appeal.

Other locations throughout the Black Country are including leisure space into their developments. In the main, this takes the form of bars and restaurants seen as complementary to mixed-use office and residential developments. The only predominantly leisure based development planned and in fact underway is the Blue Brick scheme in Wolverhampton, which largely comprises bar and restaurant space although there is also a hotel and residential element. Whilst this is not necessarily competition for the leisure space planned in Walsall, it does demonstrate the scale of development feasible in a location with not dissimilar demographics.

The large scale leisure uses including cinemas and tenpin bowling centres are absent from development proposals put forward in Walsall and elsewhere in the Black Country. This reflects to some extent the maturity of the sector, but is not necessarily a reflection of a lack of opportunity, particularly in the case of Walsall (as stated earlier in this report). The inclusion of such uses in Walsall would create a critical mass sufficient to draw a wider a variety of other leisure operators to the town –those who might otherwise overlook it as location for expansion.

**CATCHMENT AREA AND DEMOGRAPHICS**

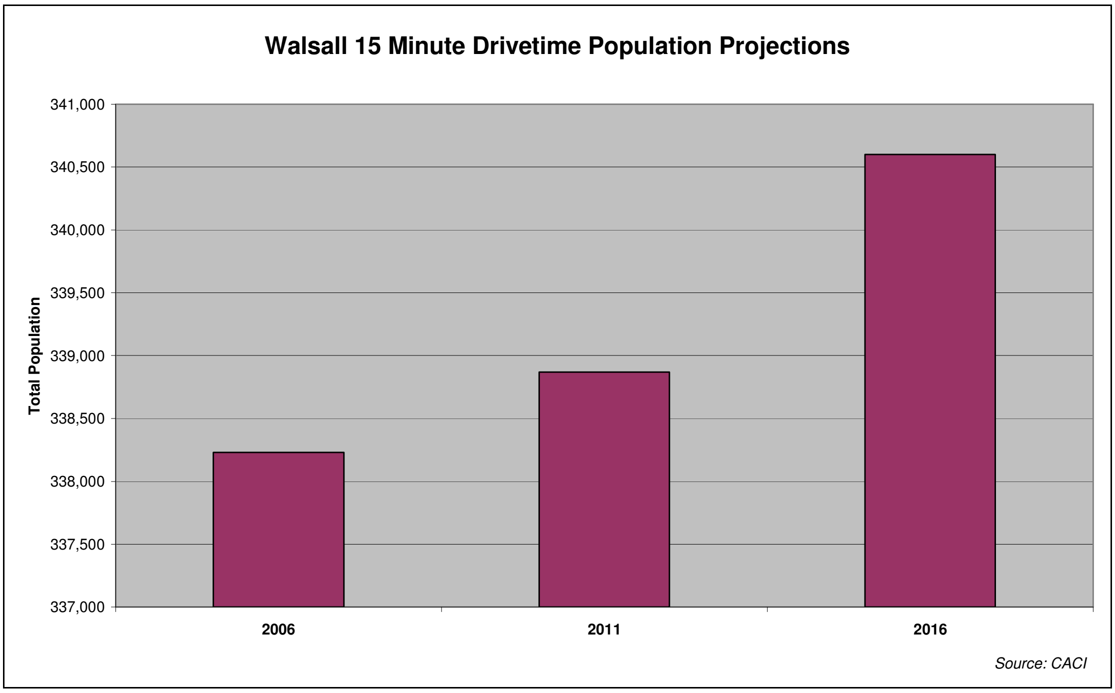
For the purposes of this study it has been concluded that a drive time analysis was the most appropriate method of defining the catchment of Walsall in respect of leisure facilities. The catchment of Walsall is restricted due to the presence of other centres in close proximity to Walsall including Wolverhampton to the west, Lichfield and Cannock to the north, Sutton Coldfield to the east and West Bromwich, Dudley and of course Birmingham to the South. The 15 minute drivetime catchment broadly reflects the distance that the resident population is likely to travel to use leisure facilities in Walsall town centre. Whilst people may travel further than the 15 minute contour indicates, using a longer drivetime would infringe to a greater degree on bordering centres and as such would give a false indication of the potential of the Walsall catchment area for improved leisure provision.




**Total Population**

The total population living within 15 minutes drivetime of Walsall town centre is 338,229, indicative of the population density and urban nature of the majority of the area. Looking at a slightly larger catchment area of 20 minutes, this figure increases to 739,740.

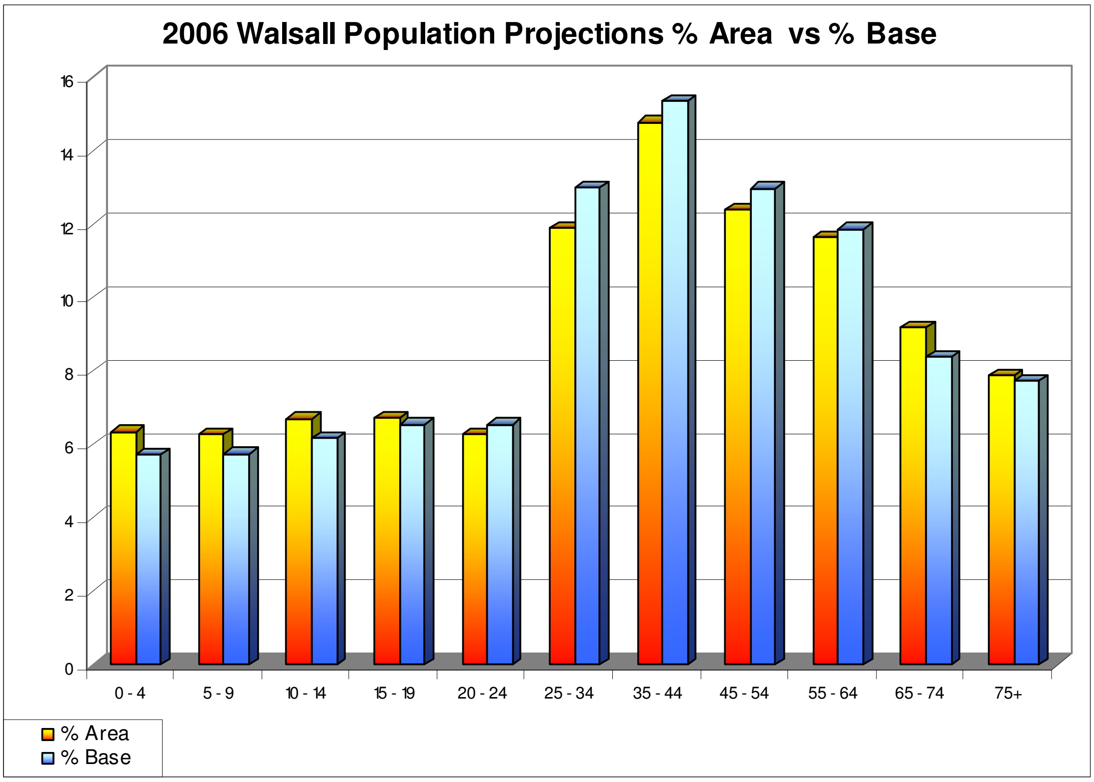
The population of the Walsall catchment area is forecast to remain relatively stable in the coming years with the population within 15 minutes drivetime of the town centre forecast to grow to 338,869 by 2011 and 340,600 by 2016. These represent modest increases of 0.2% between 2006 and 2011 and 0.5% between 2011 and 2016 which represent a slower growth in population than seen nationwide. That said, this does represent a reversal in fortunes for the Walsall area, which has seen a net fall in population in recent times. Furthermore, Walsall may in reality show a higher rate of growth than indicated in this report if residential development proposals in and around the town come to fruition.




The potential of this catchment area for leisure operators is put into context when looking at the spend potential of this catchment population which is estimated at £1.28 billion on services (non retail) within 15 minutes and £2.8 billion within 20 minutes. That said, whilst this is a significant amount, the expenditure on services per household is lower than seen nationally.

## Age Profile

Of course total population is just one factor when assessing potential demand for improved leisure provision in Walsall. The profile of the population in terms of age is certainly important. The chart below shows the profile of the 15 minute catchment area compared to the GB average.



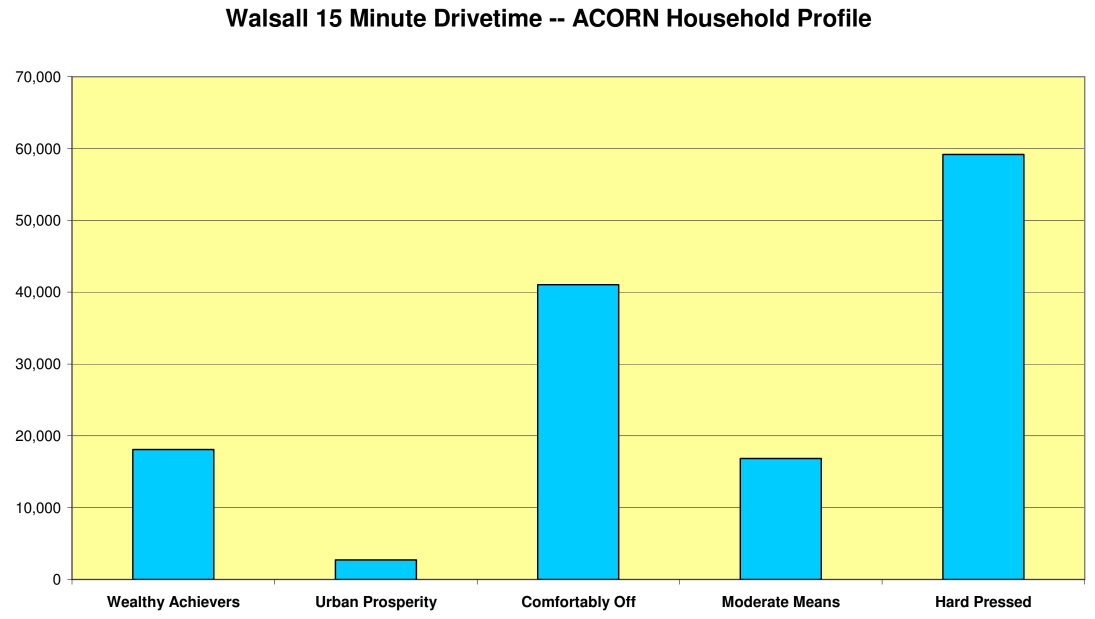

The profile shows an above average proportion of the population aged under 20 years of age, suggesting that there is a need to provide leisure space such as a cinema or tenpin bowling which is popular with these age groups. Perhaps unusually for a predominantly urban area, the penetration of people aged 20-34 is lower than seen nationally. This is likely to be the result of economic migration in search of better employment and perhaps housing opportunities. Similarly, the penetration of 35 to 64 year olds is below the national average, although this is quite typical for urban areas with the outward migration of such groups to suburban and rural areas. Whilst the proportion of these age groups is lower than seen nationally, they still account for a significant proportion of the Walsall catchment population. As at 2006, there were 61,374 people aged between 20 to 34 and 131,156 people aged 35 to 64. Again there is currently a lack of provision and choice in terms of leisure space for these groups in Walsall town centre, particularly with respect to eating establishments and licensed premises.

Unusually for an urban area, the proportion of people of retirement age living in the Walsall catchment area is above average. These older age groups tend to show out-migration from urban areas in search of a quieter life on the urban fringes and in the countryside, the former of which does constitute some of the catchment area. However, the above average penetration of these groups is also attributable to the high penetration of 'blue collar' workers living in the catchment area. These tend to be more sedentary and as such less likely to retire elsewhere, preferring instead to stay in the place where they have spent much if not all of their lives, in close proximity to the people they know.

**ACORN Household Profile**

The ACORN Household classification system enables the user to better understand the demographic dynamics of a given catchment area. This tool combines demographics with geography, giving the user a better understanding of the different types of people living in Great Britain and their behaviour. The ACORN classification system breaks down the population into six Categories, seventeen Groups and 54 Types. The chart on the following page shows the breakdown by ACORN Category for the Walsall catchment area compared to Great Britain.

The penetration of households classified as Wealthy Achievers is well below the national average and accounts for 13.1% of households compared with 23.2% for Great Britain. This is unsurprising given the fact that this ACORN Category is atypical of large urban areas and with households of this category in general found in sub-urban and rural areas. That said, this ACORN Category accounts for more than 18,000 households in the Walsall area. People from this Category are some of the most successful and affluent people in the UK. They are typically middle-aged or older people living in large detached houses who are well educated and are mostly employed in managerial or professional occupations or own their own businesses. In general people from this ACORN Category are well established at the top of the social ladder and enjoy the advantages of being healthy, wealthy and confident consumers.



*Source: CACI*

People living in households classified as Urban Prosperity are typically well educated and mostly prosperous individuals living in major towns and cities including highly educated younger professionals moving up the corporate ladder as well as some well educated but less affluent individuals such as students and graduates in their first jobs. At the wealthier end of the spectrum, the people tend to be employed in managerial or professional careers often living in large privately owned housing. Those starting out on the career ladder are likely to be buying or renting flats, whilst the least affluent such as students are likely to be privately renting. This category tends to enjoy an urban lifestyle and therefore likes to eat out, go to the theatre and cinema and make the most of the nightlife a large urban area offers.

In Walsall this Category accounts for just 2% of households compared with 13.2% nationwide. The growth of the Urban Prosperity ACORN type has gone hand in hand with the advent of city centre living which in turn has mirrored the expansion of leisure provision in urban areas. Whilst the trend for city centre living was first seen in the UK's major cities, it has now filtered down to smaller urban centres with the development of city/town centre apartments now a common site across the UK. However, this vogue for urban living has yet to take off in Walsall and is very much in its early stages, with the first such developments only now really coming to fruition. That said, there are plans for significant residential development in and around Walsall and these are likely to result in the growth in households of this ACORN Type. The growth of this group is likely to encourage a diversification of leisure facilities in the town centre as this ACORN Type spends a high proportion of its income on leisure activities.

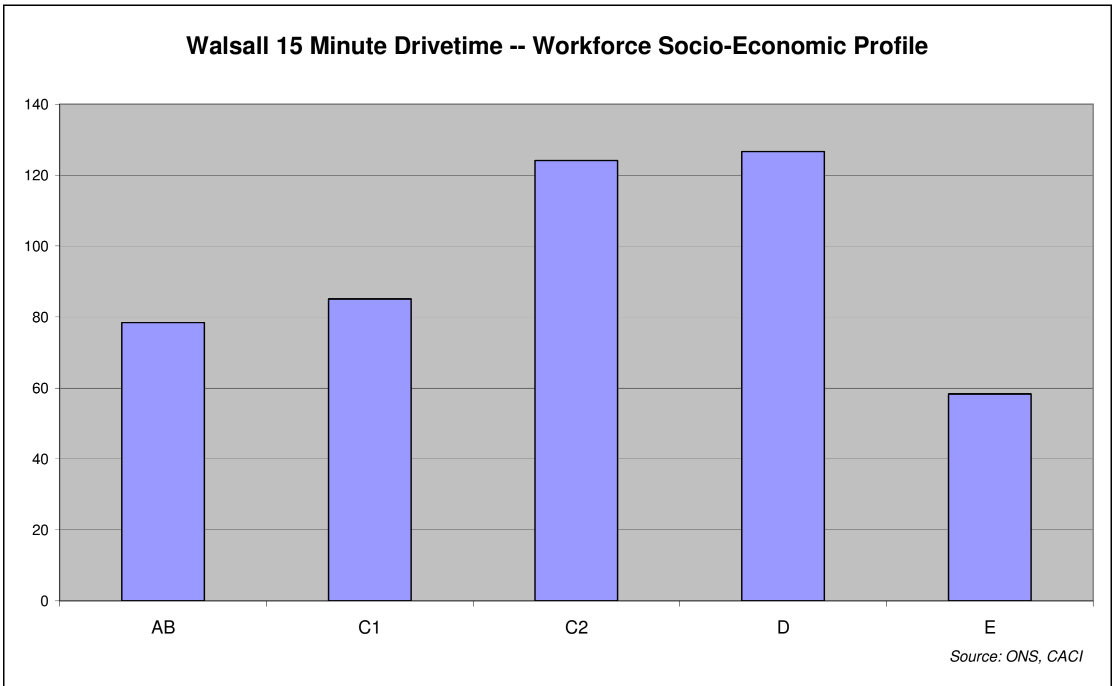
Households classified as Comfortably Off account for just a little over average. This Category contains many of those people who are neither wealthy nor have particular major financial worries. All life stages are represented by this Category, although in Walsall the dominant Group is Secure Families which accounts for some 18.5% of all households. As the name suggests, this Category is epitomised by families usually with young children and teenagers living in semi-detached housing in stable suburban and semi-rural areas, in this case on the fringes of Walsall. People in this Category are employed in a range of occupations from middle management and clerical roles to shop-workers and skilled manual workers with incomes usually at least at national average levels. The high proportion of this ACORN Category is evidence of the stability of Walsall's population and the relatively sedentary nature of much of the population.

The incidence of households categorised as Moderate Means is 8%, below the national average in Walsall. This Category contains much of what used to be the country's industrial heartlands and whilst many people do still work in traditional blue-collar occupations, obviously the employment landscape has changed and service sector and retail jobs are now predominant within this Category. The fact that the industrial sector remains a more important source of employment in Walsall than many other historically industrial centres, accounts for the slightly below average penetration of this ACORN Category. In the better off areas, incomes will at best be around the national average although people will have reasonable standards of living although in the less affluent areas incomes fall well below average. That said, whilst households within this Category could not be considered well-off, in general people have modest lifestyles and have enough to get by.

The Hard-Pressed Category contains the poorest households in the UK. In Walsall the incidence of this ACORN Category is 95% higher than seen nationally with 42.8% of all households falling into this Category compared with 21.9% nationwide. Unemployment levels are high, whilst qualifications are low and those in employment typically have low-income unskilled occupations. Housing is a mix of low-rise estates, terraced housing and purpose built flats often in high-rise blocks with the majority of people socially renting. These people experience the most difficult social and economic conditions of all and have little if any disposable income.

**Employment Profile**

The occupational profile of Walsall is still skewed towards the industrial sector with large numbers still classified as having related occupations. Conversely, the proportion of people classified as having white collar occupations is still below the rates seen nationally, an unsurprising situation given the Walsall's location in the Black Country. That said, mirroring the situation nationwide, there has been growth in the numbers of white collar workers whilst the number of workers associated with the manufacturing sector continues to decline. As at the last census, white collar occupations accounted for 48.8% of all occupations within the 15 minute drivetime catchment, a figure which is likely to have grown further in the intervening years.




The proportion of workers classified as having managerial and professional occupations remains below the national average, whilst the number of employees classified as having clerical type occupations is also below average. To date whilst there has been growth in service sector employment in the Walsall area, it has to an extent been stymied by a lack of suitable accommodation for office occupiers in Walsall town centre, with occupiers gravitating towards other West Midlands centres. The hope is that plans to create a large quantity of office space within Walsall along an Office Corridor and in locations such as the Waterfront and St Matthews Quarter will entice such occupiers to the area and stimulate service sector employment growth.

**Summary**

The demographic profile of an area has a definite impact on the retail and leisure provision within that area. Walsall's continued association with low paid industrial employment, high levels of poverty and poor housing have all contributed to the continuing lack of leisure facilities in the town. At the present time, Walsall is not a particularly attractive to major leisure operators. Many operators are looking for locations with an affluent population with high numbers of socio-economic groups ABC1s, something which cannot be said for much of Walsall's catchment. However, overall there are sufficient numbers of affluent people currently living with the catchment area to warrant a more comprehensive leisure offer than is currently the case in Walsall.

Plans for extensive residential development in and around Walsall town centre could see the demographic profile of the town change dramatically over the next few years, as more affluent people begin to see Walsall as an attractive place to live as the range of housing options improves. That said, the improvement of facilities including leisure provision within Walsall will also prove an important factor in making Walsall a more attractive place to live although a question mark remains as to whether many leisure operators would consider Walsall as a location until a shift in demographics occurs.

Plans for extensive office development will also be an important factor in improving the leisure offer. Leisure operators particularly in the bar and restaurant sectors of the market will be attracted by increased trade from the corporate market. Up to 1 million sq ft of office space could be developed in Walsall over the next decade if plans come to fruition which would certainly be an added incentive to a number of operators including hotels keen to soak up corporate demand.

## BEST PRACTICE

In order to make a better assessment of the current supply of leisure space in Walsall it has been deemed necessary to make an assessment of a similar centre in terms of demographics with superior leisure offer. In order to achieve this, it has been necessary to use the services of a third party data supplier with the ability to use demographics to show a positive correlation between different centres. CACI advised that the best way of achieving this was by using their comparison retail gravity model referred to as Retail Footprint to accurately assess the true retail catchments of each of the centres. The Retail Footprint model has data on more than 2,500 retail catchments across Great Britain, so it has been possible to compare Walsall's catchment with every other retail comparison catchment area of note nationwide. The table below shows an overview of the Walsall catchment area from which a list of similar centres has been assembled.

| | | | |
|---|---|---|---|
| **Centre Name:** | **Walsall** | | |
| **RF Score:** | 364 | | |
| **Shopper Population:** | 105,393 | | |
| **Residential Population:** | 1,767,199 | | |
| **Major Class:** | Major Centres | | |
| **Minor Class:** | Value Centres | | |
| **Premium Market:** | 10 | 3 | % |
| **Mass Market:** | 187 | 58 | % |
| **Value Market:** | 122 | 38 | % |

The Walsall catchment area is defined as being a Major Centre with a relatively high gravity modelled catchment population. The town is also defined as a Value Centre due to the high proportion of 'value retailers' represented in the main shopping area which reflects the demographics of the catchment.

Using the demographic profile of Walsall it has been possible to make a short-list of similar centres. The following is the methodology adopted to achieve this:

- *Select all Retail Footprint centres with a shopper population within +/- 50% of the analysed centre.*

- *Compare the ACORN profiles of each of these Retail Footprint centres with the profile of the analysed centre.*
- *The most similar centres are the five Retail Footprint centres with the top five correlation coefficients*, or as many centres as are available if there are less than five centres from which to select.*

** The correlation coefficient provides an indication of the level of correspondence between two data sets. A perfect match is indicated by a correlation coefficient of 1 while and no accordance is indicated by a coefficient of 0. Generally speaking, ACORN correlations need to be in excess of 0.7 to indicate significant similarities between centres.*

The table below shows those centres most similar to Walsall using the above methodology. This initial phase of filtering then allowed Lambert Smith Hampton to find which of these centres have a superior leisure offer to that of Walsall. In fact many of these centres do not appear to offer particularly better leisure offer than that of Walsall although one centre unquestionably does, namely Wakefield. Not only that, it is also similar to Walsall in terms of its total 'shopper population' but also in terms of its location in relation to other centres. Like Walsall, Wakefield is found in close proximity to a number of large cities and towns in West Yorkshire such as Leeds, Bradford, Halifax and Huddersfield in the same way that Walsall is in close proximity to a number of major centres in the West Midlands.

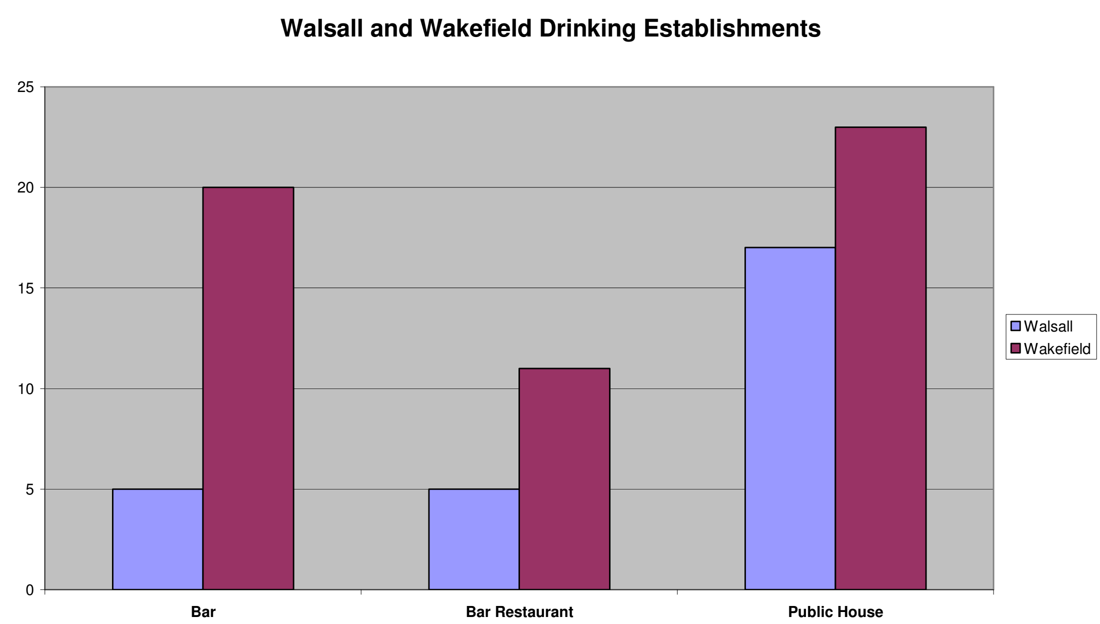
***Most similar centres***

| Centre Name | Centre Class | Correlation* | Shopper Population |
|---|---|---|---|
| Doncaster | Major Centres | 0.87 | 130,474 |
| Wakefield | Major Centres | 0.86 | 105,050 |
| Barnsley | Major Centres | 0.85 | 93,350 |
| Mansfield | Major Centres | 0.84 | 90,469 |
| Telford | Major Centres | 0.77 | 94,813 |
| Sunderland | Major Centres | 0.76 | 123,765 |
| Gloucester | Major Centres | 0.75 | 103,068 |
| Nuneaton | Major Centres | 0.74 | 87,219 |

As previously stated, a brief assessment of each of the centres was made in order to give an indication of the leisure offer of each centre from which Wakefield was chosen as the best practice location. A comparison of a number of sectors of the leisure market was then made between the two centres, the details of which can be found on the following page.

## Pubs and Bars

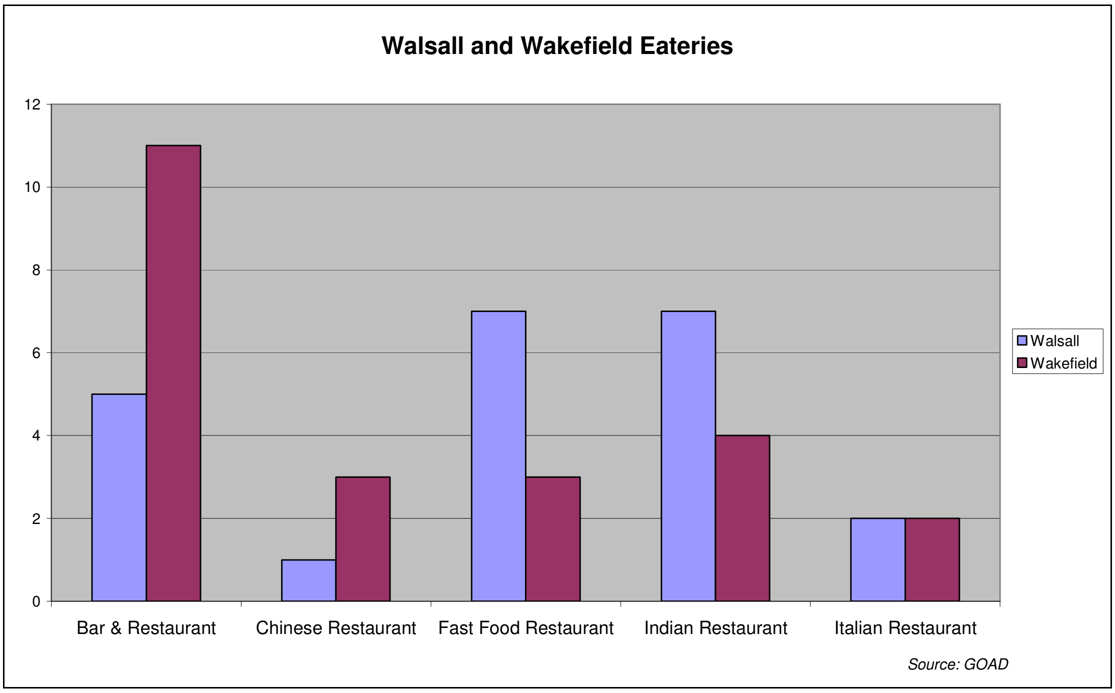
The lack of choice in Walsall for those wanting to go out and have a drink has already been discussed. A comparison with the offer in Wakefield shows just how much more varied the offer is in the West Yorkshire town. The chart below analyses drinking establishments by type and clearly shows that there is a much greater choice of bars and bar/restaurants in Wakefield than in Walsall. A number of bar chains are represented in the town including Red, Patio, Revolution and Bar X. In Walsall the choice of such establishments is limited with some those that are referred to as bars or bar/restaurants perhaps better described as YPVs given the type of drinking environment they offer. To summarise the range of options available to those wanting a drink in Wakefield is far greater than that available in Walsall and clearly demonstrates how the offer of Walsall could be improved.



*Source: GOAD*

## Restaurants

The range of eateries in Walsall at present is extremely limited. The majority of eateries in the town are either curry houses or fast food restaurants with little else to choose from. There is currently a limited number of bar/restaurants in Walsall and as previously discussed some of said establishments could equally be called YPVs and as such do not offer the type of environment where many would want to go for a meal. In contrast Wakefield has a much greater range of options for those wanting a meal with Thai and Mexican food just two of the types of cuisine available in the town's bar/restaurants. In summary the range of eateries in Walsall is extremely poor with little in the way of choice at a time when people are increasingly aware of diet and cuisine. There is certainly a need for an improvement to the offer currently available in the town as clearly demonstrated by the range of options available in Wakefield.




**Coffee Shops**

Whilst Walsall has its first coffee shop chain outlet in the form of a Costa Coffee concession in the Art Gallery, Wakefield already has two such establishments in the form of a Café Nero and a Costa Coffee, although in Wakefield's case they are found in the core retail area. Earlier in this report it was suggested that Walsall could accommodate a further outlet and the fact that Wakefield has two chains represented as well as a number of individual coffee shops does lend credence to this.

**Health and Fitness**

Wakefield has a far superior offer of health and fitness centres than is currently the case in Walsall. Two of the major players in the form of Fitness First and Bannantynes Fitness are represented in the town, whilst there is a plethora of privately run health and fitness centres in addition to these major players as well as local authority run centres. Walsall in contrast has no representation from one of the major brands and whilst the local sports centre is well equipped, the privately run centres offer only basic facilities and certainly largely do not offer the social facilities increasingly in demand and incorporated into many of the major player's facilities. In summary, the provision of health and fitness centres in Walsall is poor compared with Wakefield with none of the major brands represented indicating a need for much improved provision in the form of one of the main national health and fitness club operators.

**Cinema**

Like Walsall, there is no cinema in Wakefield. There is however multiplex provision in a number of nearby centres including Leeds, Huddersfield, Batley and Bradford indicating that the supply of screens in the area is at an acceptable level. As previously discussed, whilst there is a cinema at Junction 10 of the M6, a short distance from Walsall, there is little in the way of provision to the east of the M6 with just the Empire Cinema in Sutton Coldfield operational at present. For this reason it has already been stated that there may be an opportunity for further provision in Walsall town centre, which would also have the benefit of proximity to public transport.

**Tenpin Bowling**

Wakefield has a tenpin bowling centre a short distance from the town centre operated by Superbowl. At present Walsall has no such facility and whilst there is a centre operated by GT to the north of Walsall in Bloxwich, this is some distance from Walsall town centre.

**Hotels**

Hotel provision in Wakefield town centre is far superior at present to that of Walsall which has just two small hotels one of which is particularly run down. Whilst there is adequate hotel provision on the edge of Walsall, largely in close proximity to the M6, there is certainly a need for a sizeable good quality hotel in Walsall town centre. Wakefield has a number of such hotels in and around the town centre ranging from small private hotels to chain hotels operated by Holiday Inn, Best Western, Premier Travel Inn and Travelodge. Given the range of option available in Wakefield and the lack of provision in Walsall town centre, it is essential that hotel space is made available in the town centre particularly in the light of office development plans at the Waterfront and along the Office Corridor.

**Summary**

On comparing Walsall with Wakefield it is clear that Wakefield has a far superior of leisure facilities in almost all sectors of the market. The similarity of the demographics of the two centres indicates that the reason for this discrepancy in supply is more complicated than may first appear. Certainly the environment offered in and around Wakefield is superior to that of Walsall, which continues to be blighted by industrial decay. Also to its advantage, Wakefield has seen greater levels of office development in recent times, which is certainly seen as advantageous by those operators seeking to tap into the corporate market. That said, it does suggest that the current leisure offer of Walsall falls far short of what could be expected in a town of its size, an issue that will need to be resolved if the town is to become a more attractive place to live and work.

## LEISURE OPERATOR LOCATIONAL NEEDS

The previous sections of the report looking at the current market conditions for a number different sectors of the leisure market clearly shows that demography is one of the key factors in the decision for a leisure operator to take space in a particular town. Whilst this is true, it is not the only factor with other issues such as the quality of the local environment, current leisure provision, availability of space and the advent of new developments all important factors. Individual operators have different criteria to fulfil and whilst Mecca Bingo might be looking for a high penetration of socio economic group C2 in the catchment population, a restaurant chain such as Café Rouge is likely to be looking at greater levels of affluence indicated by large numbers of socio-economic groups ABC1s as well as an attractive environment. To give an idea of the different needs of two occupiers we have assessed the aspirations in terms of demographic and site location of two major leisure operators.

### The Restaurant Group

The Restaurant Group is one of the largest operators of restaurants in the UK. Its portfolio has largely been concentrated in high traffic locations with a high proportion of its outlets found in London. It operates a number of brands in the mid market area including Gafunkels, Caffe Uno, Chiquitos, Frankie and Benny's and Est Est. In recent times its main area of expansion has been in the Frankie and Benny's concept which has proved to be one of the restaurant sector's recent success stories.

Whilst a high proportion of its outlets are in high street locations, the expansion of Frankie and Benny's has predominantly been in leisure parks and in more peripheral new developments away from the high street as well as concessions in airports. In fact it is now largely turning its attention away from the high street altogether due to the highly competitive nature of this environment. More than that, the company now actively looks to locate its operations in close proximity to major leisure attractions, which in the case of Frankie and Benny's is most likely to be near to a cinema as the company believes that the offer and informal service found within this brand fits well with the needs of many film goers. This approach to site selection has been a feature of The Restaurant Group's expansion philosophy for many years with the Garfunkels brand, a more formal mid-market restaurant often found in close proximity to a theatre with high tourist footfalls in a city centre location.

Whilst demographics are undoubtedly a factor, it is clearly not the only consideration in the location of its currently most successful brand, Frankie and Benny's, as the chain is currently located in locations such as Wrexham, Wigan and St Helens which do not have particularly high numbers of the most affluent socio-economic groups. The common denominator is the fact that they are all located in close proximity to a major leisure attraction.

**Virgin Active**

Virgin Active is now the third largest operator in the health and fitness market. In recent times it has expanded its portfolio considerable by acquiring the former Holmes Place clubs and a number of Esporta sites as well as a number of new build sites. The Esporta sites were acquired in late 2005 and since that time have undergone re-branding and refurbishment which resulted in significant like for like membership growth during 2006 for those particular clubs. The Esporta brand is aimed at the most affluent socio-economic groups and is now concentrating on its rackets clubs which it has found to be its most profitable.

The Virgin Active brand does not target any particular socio-economic group maintaining that is has appeal across a broad range of socio-economic and age groups including children and the over 55s. Certainly where the re-branding exercise has taken place on the former Esporta clubs Virgin Active has been successful in increasing membership numbers by broadening the club's appeal. The large range of facilities including fitness studios, wet facilities, a substantial gym floor, health and beauty areas and children's facilities as well as its flexible membership rates are indicative of its inclusive approach to membership.

Virgin Active is a brand which is willing to operate in provincial and metropolitan locations and its presence in affluent locations such Solihull and Didsbury as well as less affluent locations such as Bolton, Preston and more locally at Star City certainly backs up its claim to have a broad socio-economic appeal. However, many of its clubs are based on leisure/retail parks as well as business parks, which is partially borne out of the fact that the brand is aware of the importance of other uses to the success of its business, but also it is a function of the need for extensive sites for the broad range of facilities it offers.

**Summary**

Whilst an initial analysis of the leisure market would indicate that the market is very much driven by the demographic factors, a more in depth look at the various brands indicates that site selection is a much more complex issue. The Restaurant Group is currently acquiring sites which are in close proximity to major leisure attractions in mainly out of town locations for its Frankie and Benny's format. Similarly, Virgin Active is looking to locate near to leisure, retail and business developments, keen to tap into the benefits of these other uses.

Clearly the demographics of Walsall at present may at first glimpse seem unattractive to the majority of leisure operators. Whilst this may be true for some leisure operators, it is clear that others are driven by other site-related factors. However, many of these site-related factors including at least one major leisure facility and a sizeable chunk of office space are currently missing from Walsall town centre. Whilst there are certainly plans to address this situation, it is perhaps difficult to see how many leisure operators would see the town as an attractive proposition if this development fails to materialise.

**SUMMARY & RECOMMEDATIONS**

There is clearly a dearth of leisure options for the inhabitants and workers within Walsall. With almost 340,000 people living within 15 minutes drivetime of the town centres and a workforce of 136,000 within the same area there is clearly a need for improved provision at this time. Given the proposals for office and residential development in the area there is clearly an even greater need to improve the leisure offer of the town.

Leisure provision is of course a vital factor in the regeneration of town centres, a fact clearly recognised in the Black Country Study. It is a well know face that if towns are to become attractive as places to live and work they have to offer a full range of housing, retail, leisure and work opportunities. The advent of City Living has helped rejuvenate the centres of towns and cities across and the renaissance of the Black Country’s Strategic centres as places to live is seen as crucial to their future economic well-being. Without significant improvements to leisure provision this will not be possible.

The current leisure offer of Walsall town centre does not meet the needs of local people, a fact clearly stated in the Black Country Study. At present there are few options for the local people given that the current offer is targeted in the main towards young people in the form of bars and nightclubs with little else to meet demand from other groups of population. Furthermore, it could be argued that this bias towards YPVs also creates an unattractive if not threatening the night time environment.

The Black Country Study states that future provision of retail, leisure and office development within Walsall is inadequate to deliver the vision for the town. Whilst an imminent planning application for circa 1.5 million sq ft of office space in Walsall will partially address this situation, the lack of planned development in the other commercial sectors will need to be addressed. At present there is little provision for leisure space which seems to be very much secondary to other uses in recent planning consents. As such there is no provision at present for a major facility such as a cinema which will prove crucial in creating a critical mass of leisure space in the town. Indeed, given the imminent planning application for circa 1.5 million sq ft of office space there is now an even greater need to for the lack of leisure provision to be addressed.

Ultimately, unless there is greater leisure (and retail, office and residential) provision in Walsall the Black Country Study states that the strategic centres will decline even further in relative terms. However on a more positive note, the opportunity does exist through policy intervention to avoid such a scenario by facilitating the level of development required.

In our view, based on our analysis, Walsall needs to offer a range of leisure options. Our study shows that greater consideration needs to be given to bars/restaurants, coffee shops, health & fitness, cinemas and hotels. The town already has good provision in terms of bingo and therefore we do not believe that increasing the town's offer in this respect would be particularly beneficial. Similarly, with casinos already in place in Walsall and the nearby Wolverhampton and an additional one to be opened in Wolverhampton, the market may already be to some degree saturated in this respect. With regards to ten-pin bowling, although there is currently no such offer in the town, the impact is unlikely to be negative as there is perhaps less urgency, with the absence of other uses having more of an impact.

What our study does however show, is that while the particular demographics of an area are important, operators tend to factor in other variables when choosing a town. Availability of sites and the range and mix of leisure uses are both important. In the case of The Restaurant Group, we found that an important location/site criterion was proximity to a leisure attraction, such as a cinema or a theatre, with high footfalls in the city centre location. In the case of Virgin Active, we found that the company did not particularly target any socio-economic or age groups, but chose its sites in leisure parks or business parks in order to broaden its appeal and membership.

Walsall's vision of offering high quality office accommodation to both the indigenous and inward investing occupiers, combined with high quality residential accommodation, should attract professional and managerial types to the town, resulting in an increase in the ABC categories within the population. This in turn should help to generate and sustain demand for new leisure facilities within the town centre. Our study shows that these categories are generally the most intensive users of leisure facilities across the whole spectrum (with the exception of perhaps bingo).

The success of Wakefield goes to show the possibilities open to Walsall. Our study shows Wakefield to be a town similar in population size, socio-economic and demographics, retail footprint (spend power) and proximity to other nearby centres. The town offers the whole spectrum of leisure facilities and there are no reasons to suggest that Walsall could not create the same leisure environment. The one important differentiating factor in the case of Wakefield is that it has a more established office market, which has helped to create the necessary critical mass and the much needed corporate market to support the leisure provisions.

The comparison of Walsall with Wakefield, the town chosen as the best practice location due to its similar catchment demographics, clearly shows not only the limited nature of Walsall's leisure offer but also perhaps the level of provision which should be expected in Walsall. In the section below we will give an overview of how the leisure offer could be improved looking at each of the use types covered earlier in this report.

The following section summarises the key points of our study for each type of leisure facility with regards to Walsall and the reasons upon which we have based our recommendations.

**Pubs and Bars**

- There is currently limited choice in Walsall in terms of drinking establishments.

- The market is dominated by YPVs and a few traditional pubs with little else to satisfy demand. In recent times there has been a diversification in drinking habits with the growth of bars and bar/restaurants. Whilst a number of establishments come under this banner in Walsall, the reality is that such venues are better described as YPVS. Whilst there is certainly a market for such venues, they do no have universal appeal and are often associated with binge drinking and anti-social behaviour.

- There is a definite need to broaden the range of drinking venues in the town which appeal to a wider spectrum of the local populous. The provision of bars and bar/restaurants would cater for a more mature target market as well as providing establishments suitable for the business customer, a market poorly catered for at present.

- There is an opportunity to create a bar and bar/restaurant circuit away from the current main drinking area, which is currently found in close proximity to the council offices, thereby not contributing to some of the problems of anti social behaviour currently experienced in this part of town. The St Matthews Quarter and Waterfront development opportunities will bring office and residential space to peripheral town centre areas both of which have provision for ground floor leisure uses. These developments would both be suitable locations for improved bar and bar/restaurant provision catering for both the residents and workers of these areas in an aesthetically pleasing environment.

- The commencement of works at the first phase of development at Urban Splash's Waterfront South scheme will create the first tranche of space suitable for such occupiers whilst Jessup Developments' scheme at Waterfront South, which has recently gained planning consent, will create further opportunities in this area.

- Whilst St Matthews Quarter may have ground floor leisure opportunities in the longer term, once issues at this site have been resolved, it is the Waterfront area which is likely to prove most attractive to operators given the presence of the canal and the popularity of waterside developments elsewhere in the UK.

- In addition to the quality of the environment, the proposed concentration of office and residential development in the area is likely to prove crucial in enticing leisure operators to the town.

**Eating Out**

- At present the provision of eating establishments in Walsall is extremely poor. Whilst there is a wide range of fast food outlets and curry houses there is little to satisfy alternative tastes, even in the form of a chain restaurant.

- Given the size of the catchment population there should be a greater range of options. Whilst some of the YPVs in the town do serve food, they would not be seen as attractive environments for many people particularly during core drinking times, after 7pm on a Friday and Saturday night, when the majority of people go out for a meal. Furthermore, such establishments are unlikely to appeal to many business customers due to the environment/image of such venues and also the type of food on offer.

- The Waterfront and St Matthews Quarter offer the opportunity to create concentrations of eateries away from the core drinking area of Walsall in an attractive environment. Furthermore, such eateries would be in close proximity to the new office and residential users benefiting from business generated by these.

- The Waterfront area is probably the greatest potential. It has the most attractive environment for a concentration of bars and restaurants to develop, with these complementing the residential, office and potentially other leisure uses planned for this area. As such, securing office and residential development and occupiers for this space will prove crucial in attracting the appropriate A4 operators to the town and this area in particular.

- Ultimately an improvement in the town's economic well-being and a shift in demographics towards more affluent social groups will be a key factor in bringing renewed interest from such occupiers.

**Bingo**

- Bingo is one of the few leisure activities which is well catered for by Walsall and the surrounding area. There is a purpose built facility in Walsall itself and many of the area's surrounding centres also have bingo facilities.

- The demographics of the Walsall with high numbers of socio-economic groups C2 has certainly been a factor in the success of bingo in the area with the local population showing a higher than average propensity to play bingo. That said, given the current level of provision and the recent restructuring of the leisure market it is unlikely there is need for additional facilities in the town.

- Unlike other uses such as tenpin bowling and cinemas, bingo is unlikely to be a particularly attractive proposition to other leisure occupiers keen to tap into the pull of another major leisure facility.

**Coffee Shops**

- The provision of coffee shops in Walsall is currently low.

- The town until recently lacked the presence of major players and whilst the demographics of Walsall have probably been a factor in retarding this, there is undoubtedly an opportunity for greater provision, a fact that has not gone unnoticed by Costa Coffee. The Whitbread-owned coffee chain has opened a new outlet in Walsall Art Gallery having taken a lease on the cafeteria area. The Art Gallery occupies a site between the main shopping area and the Waterfront and as such is an ideal location to serve the needs of both the future residents and employees in the Waterfront area and shoppers in Walsall town centre.

- Whilst Costa opened in the town in August of this year, further coffee shop provision in the town centre should be encouraged. However, given the location of the new Costa outlet any future opening may be best suited to the main retail area of the town or perhaps in the St Matthews Quarter, particularly as any bars that open in the Waterfront area are also likely to serve coffees in line with some of the bars already present in the town. That said, many coffee shop customers, particularly women, resist entering licensed premises for a coffee preferring the un-intrusive lounge type atmosphere so typical of the coffee shop chains.

- The residential and office development proposals in Walsall are likely to be a crucial factor in enticing other coffee shop operators to the town as their core customer base tends to come from the ABC1 economic groups, which are likely to make up the majority of the increase in population and workforce resulting from the forthcoming new developments.

**Health and Fitness**

- The health and fitness sector has undergone a period of consolidation in recent years due to large increases in fixed costs such as utilities and property costs, which account for a high percentage of outgoings for this type of operation.

- There has also been an increase in competition between outlets, which has resulted in margins being further cut. As a result, the number of outlets opening in recent times has reduced although brands such as Virgin Active are still actively acquisitive following its recent take-over of Holmes Place.

- Provision of health and fitness centres in Walsall is currently poor with none of the major operators currently represented in the town centre.

- Whilst there is local authority provision and a number of privately run gyms, such venues do not offer the range of facilities and treatments as the major health and fitness operators and although such facilities are available further afield, there needs to be improved provision in the town centre itself.

- The plans for residential and office development in the town are likely to prove crucial in enticing Health & Fitness operators to the town, as many of them tend to target the more affluent social groups which are currently under-represented in both the resident population and the workforce. That said operators such as Virgin Active and LA Fitness have and do look at locations with a broader demographic spread, with the former also aiming its facilities at older age groups.

- The influx of white collar workers in and around Walsall is likely to prove attractive whether they are office employees working in the town centre and using the gym at lunchtime or new residents working elsewhere in the West Midlands and using such facilities on the way home from work.

- The most attractive location for such operators is likely to be in close proximity to the new town centre residential and office location which could be in the Waterfront area, St Matthews Quarter or potentially on a site along the proposed Office Corridor depending on planning policy.

- Access to parking is also likely to be a factor as many of a health and fitness club's potential customers are likely to incorporate a visit to their health club into their journey to and from work or possibly a retail excursion.

**Cinema**

- The UK Cinema market is now considered a mature one following an intense period of market activity during the 1990s and early part of the new Millennium.

- Whilst, in parts of the country there is now an adequate supply of cinemas given current levels of demand, this appears not to be the case in Walsall. Here, there is a Showcase multiplex cinema to the west of Junction 10 of the M6 which has been in operation for around a decade. Aside from this, other cinemas 'local' to Walsall can be found in Wednesfield, Wolverhampton and Dudley, which are multiplexes, and in Sutton Coldfield where there is a smaller cinema. There is also a Vue multiplex cinema at Star City to the south of Walsall.

- Research has shown that people tend to visit the cinema which is most convenient either to their place of work or more likely their place of residence. Our analysis shows that the majority of cinema goers from Walsall currently tend to go to the Showcase Multiplex at Junction 10. However, this is some distance from the town centre and only really accessible by car. Given that the most regular attendees are likely to be from the younger age groups and therefore potentially without access to a car, offering a cinema within the town centre could prove popular.

- Proximity to public transport services in a town centre location will also prove attractive to an operator even though there is a multiplex a short distance away. Furthermore, whilst there is a high level of provision to the West of the M6, provision to the east of the motorway in the vicinity of Walsall is somewhat lacking, with people forced to cross the M6 for the multiplex experience now so popular.

- Given the lack of provision on the eastern side of the M6, the catchment population of Walsall and the surrounding area and the age of the nearest multiplex at Junction 10, there could well be an opportunity for a cinema within Walsall town centre, potentially on a canal side in close proximity to other leisure uses.

- The advantage of having a cinema in the town centre is the potential creation of a critical mass of leisure facilities around it, allowing an evening's entertainment to incorporate two or more experiences. Certainly restaurant chains such as those operated by The Restaurant Group are now seeking to locate near to major leisure attractions such as cinemas and theatres often away from the high competitive high street market, as they recognise the importance of these venues in generating revenue, with people generally including a meal at a restaurant or café into an evening out.

- The proposed development of additional office and residential space in the area is also likely to be an added attraction to a potential cinema operator given the boost in affluence this would bring.

- Also important is the accessibility of the town centre in terms of transport connectivity as people tend to visit the nearest multiplex cinema rather than expressing any particular brand preference, although it must be stated that adequate car parking is also an important factor in the success of this type of leisure attraction due to the convenience of being able to park on site.

**Tenpin Bowling**

- Following a lull during the 1990s, the market has seen something of a renaissance in recent times resulting in a series of refurbishments and acquisitions.

- In the Walsall local area there is a GT facility to the north of the town at Bloxwich whilst other facilities are found in Wolverhampton, Dudley and Star City, all of which are some distance away. In many ways tenpin bowling is a similar pastime as going to cinema in that it is driven by convenience whereby people's decision to attend a given facility is largely driven by convenience rather than particular brand loyalty and the largest customer group tends to be from the younger age groups.

- Given the lack of provision to the east of the M6 it would seem that there is an opportunity for a tenpin bowling facility in Walsall town centre as this is likely to be seen as a more convenient and therefore more attractive proposition, appealing particularly to the younger age groups to whom it would be more accessible.

- In terms of creating a cluster of leisure operators it is unlikely that the presence of a tenpin bowling facility would prove as attractive as a cinema, particularly to bar and restaurant operators, since tenpin bowling facilities often offer eating and drinking provisions as part of the tenpin bowling experience.

- Whilst the presence of a tenpin bowling facility could in no way be considered a negative factor for the centre of Walsall, there are perhaps other uses which would have a more beneficial impact

**Hotels**

- At the present time there is a definite lack of hotel space in the town centre with just two privately run facilities in the centre of Walsall, one of which is of particularly poor quality.

- There are larger modern hotels found on the periphery of the town, mainly in close proximity to the M6 with brands such as Ramada, Quality and Travelodge represented. That said, there is a definite need to bring forward hotel development in the town centre particularly in the light of extensive office development proposed there.

- Many office occupiers now demand the presence of high quality hotel space in close proximity to their office facilities due to the convenience it offers to both employees and clients.

- Sites at Waterfront, Bridge Street and the Office Corridor have been put forward for such a development and it is important that hotel development does come to fruition and if not at these sites then potentially at St Matthews Quarter in order to meet the needs of the corporate market.

**Casinos**

- The introduction of the 2005 Gambling Act will undoubtedly act as a major catalyst for the market to grow as the supply of new casinos is set to increase significantly.

- For many years the industry operated in a very restrictive environment resulting in very limited growth whilst other sorts of gambling such as betting enjoyed considerable success, buoyed by tax incentives, increased sports coverage and the Internet. However casinos are about to enter the mainstream leisure sector, the result being the opening of numerous new venues nationwide to date and a further 17 larger casinos in the not too distant future as a direct result of the 2005 Act.

- There are already quite a number of casinos located in Walsall and the surrounding area with one casino found at Junction 10 of the M6.

- Also in the Black Country there are casinos operating in Wolverhampton and Dudley. In fact there are two casinos trading in Wolverhampton at present, one operated by Gala and the other by Blue Chip Casinos. In addition to its two operational casinos, Wolverhampton has been chosen as one of the locations for the next wave of 17 casinos due to open nationwide. This casino is one of eight smaller facilities scheduled to be rolled out nationwide, although it is still likely to have a 30,000 sq ft floor area which represents a substantial increase in Black Country casino provision.

- Given the current casino provision in Walsall itself and the rest of the Black Country, it would be difficult to justify another casino in Walsall at present. The likely opening of a major venue in Wolverhampton in all likelihood will mean that demand for such facilities would gravitate to the Wolverhampton area where three casinos would be operational. For this reason and also due to the likely opposition to further casino provision in Walsall town centre it seems fair to say that alternative leisure uses may prove more viable and perhaps more beneficial to the Walsall area.

**ACTION POINTS**

A number of factors need to be addressed if Walsall is to attract new leisure operators to the town and to provide the right type of offer. Some of these are already being addressed:

- **Image and Environment**

  There is need to improve the image of the town and its physical environment. At present the quality of the environment in Walsall town centre can only be described as poor with a large number of derelict sites. Interestingly, perhaps the most pleasing environment around the town hall council office in the pedestrianised precinct is now home to the town's main drinking establishments, so the quality of the environment is obviously an important factor in attracting such operators to the area. Indeed, occupiers such as Zizi and Pizza Express only tend to look at what they term interesting buildings, Listed Buildings and

New Developments for potential new restaurants clearly demonstrating how important the quality of the environment is to such operators. Proposals for the creation of a high quality canal side environment at Waterfront (and perhaps at St Matthews Quarter) will undoubtedly be a major factor in enticing certain occupiers to the town and it is likely once an initial range of occupiers is secured, others will follow as a critical mass and cluster of operators is created.

- **Infrastructure Improvements**

  The Black Country study states that improvements to transport infrastructure are integral to the future economic health of the area.

  Much needed improvements to the ring road are underway which will alleviate congestion between the town centre and the M6 which can be a problem at peak times. The work currently underway will result in the upgrading of the existing ring road between Manor Hospital and the Arboretum to dual carriageway including layout improvements at seven out of eight main junctions.

  This reduction in congestion will certainly make the town a more attractive proposition for potential office occupiers which should also have a positive impact on demand from leisure occupiers keen to tap into the spending power of the town's new office workers. These upgrades will not only ease congestion but also improve road based public journey times into the centre as well as improving the environment on the edge of the town centre in close proximity to a number of Walsall's major development opportunities which should make them more attractive to developers and occupiers alike.

  The creation of an integrated public transport system has been cited in the Black Country Study as being essential to the future economic well-being of the area. There are plans to improve connectivity in the Black Country by creating the Black Country Express which will link the area's main centres by means of a multi-modal public transport system. There is also a proposal to create a new branch of Midland Metro Tram system linking Walsall with a number of other towns and the wider tram network although this is only at the drawing board stage. The proposed route would link Wolverhampton, Wednesfield, Willenhall, Walsall, Darlaston and Wednesbury. Both of these schemes would open up the town to a potentially larger leisure catchment which would of course be looked on favourably by potential occupiers.

- **Office and Residential Development**

A previous report by Lambert Smith Hampton suggests that in the order of 800,000 sq ft of additional office floor space will be required in Walsall by 2020 using Cambridge Econometric employment forecasts.

Perhaps more importantly, there is a planning application in the pipeline for circa 1.55 million sq ft of office space in Walsall town centre. If such development comes to fruition it will result in the creation of new office environments which are likely to prove attractive to office occupiers who currently overlook the town as an office location. This potentially large increase in white collar workers in Walsall would certainly prove an attractive proposition to many leisure occupiers. Office workers now expect supporting infrastructure such as coffee shops, bars and restaurants, and a range of high quality retail establishments. Therefore, incorporating a mix of restaurants, bars and cafes into the proposed new developments will serve the working population as well as the resident population. Furthermore, from a corporate point of view having adequate leisure provision such as hotels and eateries is now seen as increasingly important as places for client hospitality and entertainment.

There are also plans for extensive residential development in and around Walsall. Circa 1,100 new homes will be created on a number of sites referred to under the broad umbrella of Canalside Communities. The aim is to create desirable residential environments with a broad range of housing types. These new residential areas are likely to prove crucial to the growth and success of Walsall as a commercial centre. The plan is to create new residential areas along the canal to the north of the town centre by bringing forward previously developed land for residential use. The idea is to merge these new communities with established housing areas to create a chain of residential areas running form the town centre through Reedswood and beyond to Leamore in an appealing waterside environment.

In addition to these more peripheral locations, extensive residential development is also planned for the town centre. The Waterfront area could see the development of in the order of 1,000 additional residential units which would be located in the area most likely to see the greatest concentration of leisure development. Undoubtedly this would be very attractive to potential occupiers given that the type of people living in such town centre developments, tend to have the greatest propensity to use town centre leisure facilities.

The plans for residential development currently in place could result in additional 2,100 homes in Walsall, almost half of which would be located in the town centre. Based on 2.5 residents per household, this would result in an increase in population of more than 5,000 people. Furthermore many of these new residents are likely to have a greater propensity to regularly use leisure facilities and as such should be seen by potential leisure occupiers as an attractive proposition.

- **Demographic Shift**
  Our study shows that the ABC group are the key users of leisure facilities. Increasing the demographic balance towards these groups will help to create the necessary demand for leisure. It is likely that we will see a shift in the demographic structure of the town towards more White Collar activities and professional types in the medium term, as the town creates the right environment for new businesses through new development in both the office and residential sectors.

  These more affluent social groups tend to be the greatest spenders on leisure and as such a shift towards these groups would be seen as beneficial to the majority of leisure operators. This future demographic shift will prove critical in persuading leisure operators to take space in the town.

- **Marketing of Walsall**
  An intensive marketing campaign is needed to raise awareness of the changes that are taking place across the town centre both in terms of the quality of residential and office accommodation and infrastructure improvement. These improvements need to be emphasised to leisure operators in marketing Walsall as a potential location.

- **Planning Policy**
  In order for leisure provision in Walsall to reach its potential it will be necessary to create a critical mass of different uses and occupiers. Central to this will be the ability to secure a major attraction such as a cinema which would stimulate interest from other leisure occupiers. In order for this to be achieved, land would

need to be safe-guarded for leisure use, preferably in the Waterfront area thus enabling the creation of a critical mass of leisure uses.

**Summary**

The improvement in leisure provision in Walsall is very much dependent on the successful implementation of the measures needed. Ultimately creating the necessary concentration of office space in Walsall and the proposed residential developments will be the principal driving forces behind improving the town's leisure provision, since if the status quo were to continue it would be difficult to envisage many leisure occupiers being attracted to the town. Central to increasing the leisure offer in the Walsall is the ability to provide an initial major attraction, such as a cinema, to act as a catalyst.

**APPENDIX**

Mintel Leisure Market Expenditure Forecasts x £1Million

| | Bingo | Casino | Cinema | Coffee Shops | Eating Out | Health & Fitness | Pub | Tenpin Bowling |
|---|---|---|---|---|---|---|---|---|
| **2006** | 2752 | 820 | 1098 | 675 | 28977 | 2266 | 25500 | 273 |
| **2007** | 2800 | 862 | 1138 | 736 | 30366 | 2496 | 26000 | 281 |
| **2008** | 2457 | 911 | 1192 | 801 | 31,718 | 2696 | 26500 | 290 |
| **2009** | 2367 | 965 | 1252 | 874 | 33018 | 2870 | 27000 | 301 |
| **2010** | 2234 | 1020 | 1313 | 948 | 34350 | 3070 | 27500 | 312 |
| **2011** | 2264 | 1076 | 1364 | 1023 | | 3270 | 28000 | 322 |