# Denovan Village

## 1. The Project:

#### Introduction

It is proposed to develop a holiday / chalet accommodation self catering site with Glamping facilities to respond to a significant need in the Falkirk Forth valley area for self catering accommodation to service the existing visitor attractions. The Forth Valley area under performs the available tourist assets. With the Falkirk Wheel and the Kelpies/Helix project the area should be doing better than the 37% average occupancy achieved in 2012. Currently Edinburgh and Lothian performs at 62% Fife at 57% (2012) and this is something the Falkirk area can aspire to by improving the accommodation offer and raising the percentage from a low 37%.

#### Location

Denovan Village is convenient to many local tourism attractions, just over 5 miles to the Falkirk Wheel, only 7 miles to The Kelpies and 11 miles to Stirling Castle. It is within 50 minutes drive time from the centre of Edinburgh and 30 minutes drive time to central Glasgow. These are not the only attractions. Active outdoor opportunities 'on the doorstep' include mountain biking on the Callendar Estate, which has built a network of family friendly single track mountain bike trails to complement the walking and horse riding routes already available. For more 'serious' mountain biking new 'blue graded' trails in the Lionthorn area and the Carron Valley Trails near Stirling offer excellent riding. Visitors may also go 'paintballing' on the Callendar Estate with Rebellion Paintball and close to their site the 'Players of War' offer air soft games in modern gear or World War 2 uniform. There's clay pigeon shooting at the Central Scotland Shooting School and for the history minded there's Blackness castle, Dunmore Pineapple, Torwood Castle, Callendar House, Falkirk Old and St. Modans Parish Church, the Antonine Wall not forgetting Stirling Castle and the new Bannockburn interpretative centre and many other fine buildings and historic sites to visit. For the transport 'buff' there's the Bo'ness Kinneil railway and the Forth & Clyde and Union Canals to visit.

# **Location Advantages:**

Denovan sits central to the area between the M9 M80 and M876 Motorways with easy and fast access to Glasgow (George Square 20 mins by car) Edinburgh Airport 20 mins and easy access to Fife via the Kincardine bridges. It is perfectly suited to car touring tourists without the need to tow a caravan with them.

#### **Product Development**

Denovan offers the opportunity to provide a facility particularly suited to adults and families with teenage children. There is currently a child friendly operation with extensive facilities at Wellsfield Farm within 3 miles and it would not be appropriate to develop a facility in direct competition with this.

The Denovan Village Project is divided into 5 specific target areas:

- 1. Self catering cabin / chalet accommodation (2 and 4 person)
- 2. Camping / Glamping pod accommodation ( 2 person )
- 3. Village Club House wash and shower facilities
- Cafe / Restaurant Facility Supporting Core Footpath/Cycling/Other Activities users

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5. Day facilities for Walkers, Fishermen, Cyclists and Motorcycle clubs

Accommodation Type – Consideration for Oak stain finish or selection of water-based colours.

All Lodges are on steel chassis and will have a decking area for extended use. The proposal is to use sustainable larch as the preferred cladding creating a holiday site that sits comfortably within the woodland setting. All mature trees will be protected and have been surveyed. The full tree survey has shown that there are a number of trees that need to be removed as they are diseased. A programme of new tree and shrub planting is planned to enhance the site.

#### **Insulated Camping Pods**

## **Quality Assurance:**

It is intended to build the site to achieve a high Visit Scotland award and to be sustainable in both construction and use; composting toilets will be available for 'Glampers' as well as clubhouse facilities. The operator also plans to seek an appropriate environmental designation for the site and will join the Association of Scotland's Self-Caterers (ASSC), which is committed to the principles of quality, and to promoting high and consistent standards in self-catering.

# Operation:

Caravan and camping is normally carried on from April to September. In line with Visit Scotland research it is intended that the project has a substantial mix of accommodation units to provide year round operation.

## Low environmental impact and Safety:

The site is unused woodland with scrub areas. With tree retention and replacement, there will be little change to the overall impact of the project. The existing wall bordering Denovan Road will be removed and a new footpath installed. This will improve site lines for vehicles using Denovan Village and for walkers from the core footpaths to Winchester Estate, Royal Forth Valley Hospital and Plean Castle.

# **Build:**

The development of the site will be in stages:

- Total cabin (7 units) bed spaces to a maximum of 48 annual capacity assuming 50 weeks = 16,800 bed-nights
- Total (10 units) pod bed spaces to a maximum of 20 = 7,000 bed-nights

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# 2. The Market Opportunity & The Need for Denovan Village

Tourism delivered a contribution of £2.9bn to the Scottish economy in 2013 on a reduced level of visitor trips and bednights sold compared with 2012. Trips were down 5% on the year, although the bednights sold only declined by 1%. The major part of this reduction was in the VFR (Visiting Friends and Relatives) segment of the market but business traffic was also down. Encouragingly, from the perspective of this project at least, holiday visitor trips were up 5% on the year with bednights sold to holidaymakers up 9%. The Scottish market is dominated by domestic 'holidaying' (43%) and English based visitors (38%), with international visitors (mainly holidaymakers) contributing 17% of trips made (but 31% of all nights sold).

Scotland	Trips (Million)			Nights (Million)			Spend (£ billion)	
	2012	2013	% Change	2012	2013	% Change	2012	2013
All	12.8	12.1	-5	43.3	42.7	-1	2.9	2.9
Holiday	6.2	6.5	+5	22.5	24.4	+9	1.7	1.8
VFR	4.0	3.5	-14	14.6	11.7	-20	0.6	0.5
Business	2.1	1.9	-10	5.4	5.9	+8	0.5	0.5

Falkirk is part of the larger Argyll & the Isles, Loch Lomand and the Forth Valley tourism 'region' (ALLFV) which, in 2013, received 1.3m tourists from GB and 251,000 international visitors (12.8% of total trips to Scotland) who made a total input to the local economy of £386m (13.3% of total income). ALLFV ranks 7<sup>th</sup> in the extent of GB visitor business done (trips) and 8<sup>th</sup> in overseas tourist trips. Short breaks (1-3 nights) dominate GB visitor business and the region only ranks 15<sup>th</sup> in average length of stay for overseas visitors, indicating that most visitors are passing through, or at least cannot find enough to hold them in the area for longer.

The accommodation sector is characterised by high levels of accommodation occupancy in the peak holiday season, particularly August, falling back considerably in both shoulder seasons and into the off season, in this late spring fares rather better than autumn; the Guesthouse and B&B trade is particularly weak in the off season.

As far as visitor attractions are concerned, Loch Lomand dominates the region with 1.1m visitors in 2013, Stirling Castle comes a not very close second with 411,726 visitors closely followed by the Falkirk Wheel with 409,142; the next largest attraction in terms of visitor numbers, Queen Elizabeth Forest Park, has only 275,000 visitors (2013).

Falkirk Council has commissioned its own tourism analysis, which shows that the Falkirk area generated 1.46m tourist days in 2012, marginally down on 2011. These visitors input £81.2m to the local economy (direct and indirect) with serviced accommodation accounting for almost half of that. This spend supported 1627 jobs (direct and indirect), the accommodation sector providing 30% of these.

Characterising this business, research shows that 57% of visitors were from Scotland and lived outside the Falkirk area, 26% were from England and 17% were foreign visitors. In demographic terms, 40% were aged 45-64, 36% were aged 25-44, 5% were 16-24 and 16% were over 65.

Hotels provided accommodation for 60% of the visitors with 30% were staying with friends and family and 10% were in self-catering accommodation.

The bulk of visitors (45%) were day trip visitors, 11% were away from home 1-3 nights, 31% were away from home 4-7 nights and 13% were staying away for more than 7 nights.

Encouraging as these statistics for the Falkirk area might appear, they are in fact disappointing. Average visitor spend for Scotland in 2013 stood at £73.65 compared with the Falkirk equivalent (albeit in 2012) of £55.62, a shortfall of 24%.

What makes this more disappointing is that the number of visitors attracted to Falkirk's major attractions (visitors to the Falkirk Wheel and the Kelpies numbered around 1.2m in 2014, to which can be added visits to the Antonine wall (a World Heritage Site), Callendar House and the other attractions in the area) does not appear to have turned into a significant growth in overnight tourism (at least there are no statistics to tell a different story).

Falkirk Council has had a tourism strategy (2015-2020) prepared with the vision "to make Falkirk a destination of first choice for high quality, value for money and world-class attractions offering memorable customer experience, delivered by skilled and passionate people" and a bold set of targets to increase visitor expenditure in the Falkirk area by 20% over the next five years to 2020 and to increase overnight visitor accommodation (serviced bedrooms and self-catering units) in the Falkirk area by 20% over the next five years to 2020.

However, Council research has established that many operators in the tourism sector appear to be focused on the day tripper trade (families and older people) and while it recognises that the accommodation and attractions product base has improved to the point of making the overnight visitor business more viable and that the research recognises that the central location of the Falkirk area makes it an ideal base for touring Scotland and that the area has hotel capacity, especially at weekends, to accommodate hotel breaks, the strategy has not grasped the need to define the extent of the tourism infrastructure development requirement and, specifically, what needs to be done to grow over-night stays.

True, the strategy document acknowledges the need to grow accommodation capacity in hotels and self-catering (a recognition particularly important for this project) but by not quantifying this need, pointing to gaps in the market, tackling the question of branded accommodation and matching accommodation need to visitor opportunity, the pace of development can only be held back by a lack of analysis and development focus

#### Need

Self Catering Apartments, Cottages and Campsites and Camping Parks in Loch Lomond, Stirling & the Trossachs listed on 'WelcometoScotland.com' total of 215 sites but none of them are closer to Falkirk than Stirling, it's the same with caravan holiday homes and caravan and camping parks. Searching for self-catering in the Falkirk area on the VisitScotland website lists only 14 properties, Trip Advisor lists 15 (1 canal barge and 14 single standard domestic type units). TouristNetUK lists 3 caravan parks in the Doune and Stirling area but nothing in Falkirk. Within a 20 mile radius of Falkirk, Visit Scotland lists 5 holiday parks but within a two mile radius it only lists one caravan. With the massive investment in tourist attractions in the Falkirk area and the Council's aspiration to grow tourism, the lack of identifiable self-catering and caravan type accommodation opportunities, must clearly point to 'need'.

#### 3. The Product and the Investment Needed

## **Development of Scheme:**

The development of the Denovan Village Project will support all local Tourism Initiatives by providing quality and value for money accommodation. As the review of VisitScotlands's accommodation listings and the other websites shows, there is a local need for self catering facilities to support the investment in attractions. The plan is to develop overnight accommodation for rent but subject to the final layout plan for the site, there may be space for touring caravans and pitches for tents.

The plan is to develop on a three acre site: -

- Clubhouse- to provide a cafe (daytime) / licensed restaurant (night-time), showers & toilets total cost to build £50,000 + restaurant fit-out cost £15,000 = £65,000.
- 'Glamping' Pods x 12 (each pod sleeps 2 capacity = 24); total spend £24,000.
- Cabins x 7 =  $(5 \times 2 \text{ bedroom (sleeps 4)})$  and 2 x 1 bedroom (sleeps 2) and a sofabed in the living area can provide overnight accommodation for an additional 2 persons normal capacity = 24 / total capacity = 38) Cost per 2-bed cabin is £20,000 each and the cost of a 1-bed cabin is £15,000 for a total spend of -£130,000.

Investment in infrastructure will add a further £15k for a total cost of £244k (not including the cost of the site). Total site accommodation capacity per night will be (normal), 44 (maximum = 58).

The first phase development will be - the Clubhouse, 10 x Pods and 4 x Cabins (2-beds). The first phased will cost £169k to develop with the remaining units in the plan being delivered in phase 2 at a total cost of £50,000. Total project capital cost will therefore be £219,000.

The promoters are planning to invest £120k cash and will contribute the land (3 acres) also.

Although there is currently an investment cash shortfall for the total project capital costs of £99,000 we would seek support from alternative funding options such as Kelvin Valley LEADER / Rural Funding that will be open for applications late 2015 and for which we have been advised this project is a fit.

# 4. Market Segmentation/Target Markets

The location is 'key' to the opportunity; Falkirk is not currently a highly favoured over-night tourist area but if the area if to benefit economically from the recent investments in attractions it must change that. To do so requires the development of a range of accommodation types at a range of price points. Research has shown the relative lack of self-catering and camping facilities in the area, this project responds to that.

The promoters are very aware of the Wellsfield farm self-catering complex in Denny and its focus on the 'families with children' market, accordingly they want to target the couples market and groups of young adults interested in an activity holiday. They believe that the area can increasingly support such targeting; the major attractions obviously have the ability to appeal to all and the activity holiday opportunity in the Falkirk area has been growing as the range of opportunities expands with touring cycling, mountain biking, walking, fishing at the core of the opportunity.

The Falkirk area tourism strategy recognises that 'activity seekers' are a growing market and that the area can now accommodate those looking for a more active break through the development by Falkirk Council of its award-winning paths network, which already attracts many walkers and cyclists.

Walking in Scotland has benefited from the development and promotion of the John Muir Way, a coast to coast walking route that stretches 134 miles (215 km) across Scotland's heartland, running between Helensburgh in the west through to Dunbar on the east coast. Walking this route takes between 7-10 days (about half that by bike).

Section 4 of the Way takes walkers/cyclists from Kilsyth to Falkirk (13mls/20.5km - 5 hours walking). The route follows good grass footpaths and towpaths along the canals. Section 5 runs between Falkirk and Linlithgo and offers a 4-hour walk or 2.5-hour cycle (c 8.5mls / 15km). This part of the route follows the canal towpath then joins a grassy path along the River Avon Heritage Trail. Cyclists avoid the grassy path by continuing along the towpath and using minor roads on the outskirts of Linlithgow.

In addition to the cycling opportunity offered by the John Muir Way, family friendly mountain biking is available on the Callendar Estate with more texting routes for 'serious' mountain bikers in the Lionthorn area and the Carron Valley Trails near Stirling. With Falkirk Bicycle Club already organising long-distance club rides and the growth of the cycle 'Sportive' it may be that in time this activity will be opened up as a contributor to tourism development in the area also.

Coarse and game fishing are both available in the Falkirk area. Pike, Roach, Perch, Tench and Common Bream can all be caught in the Union Canal, which runs between between Falkirk and Edinburgh, while the River Carron offers salmon and sea trout fishing from April to October. The North Third Trout Fishery, the Wellsfield Trout Fishery and the Swanswater trout Fishery offer day ticket fly fishing and bait fishing for stocked Rainbow Trout and Wild Brown Trout.

#### **Marketing Strategy**

Denovan Village's strategy is to provide a high-quality but moderately priced self-catering cabin and 'glamping' accommodation opportunity to adults travelling alone, as a couple or in a group of friends who wish to visit the attractions in the Falkirk area, participate in an activity holiday that makes use of the walking and cycling trails in the area or who are in the area for an extended period of time for work, area attending a special event or visiting friends or relatives.

A perception of 'quality' will be an important element of the strategy; to that end the promoters hope to achieve at least a VisitScotland 4-star rating for the site, In addition the promoters will seek to meet the site requirements of the Caravan Club Certified Locations scheme and the Camping and Caravanning Club and become registered with the 'Cyclists Welcome' scheme promoted by CTC (Cyclists' Touring Club), the closest listed accommodation to Falkirk at present is 15 miles away.

## 5. Tactical Marketing Programmes & Budget

To reach this market the promoters will employ a range of communications tools but most of their promotion and sales they fully expect to be on-line. To that end Denovan will, in advance of opening, set up its own website with a secure booking capability and will fully engage with the appropriate social media; initially this will include - Facebook, Twitter and Instagram/Pinterest.

Denovan also plans to establish its own YouTube channel and to develop a blog focused on holidaying in the Falkirk area, outdoor activities including mountain biking and walking and events and festivals, recognising the importance of such opportunities in driving new business. Management is fully aware of the privacy issues that can impact on such plans and will ensure that all materials produced correspond with the law and best practice in this regard.

Most important will be the development of a positive profile on Trip Advisor. Guests will be encouraged to engage with that medium in support of Denovan; Denovan will positively manage this relationship in order to protect its reputation.

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Denovan will fully participate in any tourism industry partnership established in response to the Falkirk Tourism Strategy.

Printed A5 leaflets will be prepared for distribution through the VisitScotland (Tourist) Information Centres network, although management recognises that the requirement for such materials is less significant than it formerly was, it believes that it is important to support the network as the primary in-market information source for the many who are not fully 'on-line' and/or mobile focused as yet.

Management will instigate a PR campaign in support of 'opening' focusing on key print media that cover the local area (reaching out to the VFR market) and specialist activities (cycling (including off-road) and walking which are strong in the Falkirk area have already been identified as the start point for such a focus).

Management recognises the tactical use of price point and discounts offers in building trial and has successfully used 'competitions' while previously operating within the accommodation sector at another location. Research has been undertaken across Scotland in order to get to grips with current experience of the product/location/price relationship and tentative price points have been set for business planning purposes, however further work is required to finally set a price point and develop seasonal offers that will ensure that the Denovan offer is fully competitive.

Management does not believe that the current plan will support third-party distribution but is not averse to working with operators offering cycle touring or walking holidays should they wish to secure accommodation in support of any planned tours in the Falkirk area. Noting the relative lack of take up of the opportunities for this activity that currently exist, management will consider how they might develop both walking and cycling touring packages as part of their advanced product planning.

Management has set the year one promotional budget at £

#### 6. Sales Forecasts

In development phase 1, Denovan will have 4 x 2-bed cabins and 12 'glamping' pods plus the 'Clubhouse'; capacity will therefore be 48 bedspaces maximum/40 minimum. Pods and cabins will be sold on a per unit per night basis - cabins @ £85 and pods @ £25 (average across the year). Phase 2 will add 3 further cabins from year 2 (capacity maximum 14/8 minimum). Average annual occupancy for caravan holiday homes in Scotland in 2013 was 42% and for chalets it was 43%. Applying the lesser of the two averages would suggest that annual sales revenue in phase 1 should achieve around £110,000 Year 1 and £135,000 Year 2.

The Clubhouse café/restaurant will offer 40 covers (max); with a target average evening meal spend of £10 and an average daytime food spend of £5 and assuming income based on-site guests and passing trade, the Clubhouse could add an annual income of £140,000 to this from year 2. Taken altogether the sales target when the site is fully developed is therefore say £275,000.

# 7. Managing Denovan

Denovan will employ a full time site manager who will be responsible for booking, general site management and all promotional activities (principally content management of the website and blog and regular updates on social media) as well as financial reporting and a part-time maintenance crew. Maintenance of the ground will be contracted out to a professional landscape management company. The whole project will be overseen by the owners.

At this time the management of the Clubhouse, as far as food and drink is concerned, is budgeted as an internal function which will employ a part-time catering manager/cook and crew with the roster

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being flexed on an 'as required by bookings' basis. However, it may be that this function will be contracted out, in the peak season at least.

Total employment (assuming in-house managed catering) on site 'FTE' will be 4 and 4 part-time seasonal. As the project develops it should support an additional ¾ peak season

The promoters of the project are Ms. Jillian Edmund BA (Hons)and Ms. Helen Edmund with assistance of Mr Wesley Edmund Phd MBA

Jillian Edmund is currently completing an MA in Behavioural Science for Business at Stirling University and Helen Edmund is completing a BA Hons in Art and Photography at Edinburgh Napier.

Consultant to the project is Wesley Edmund. Wesley has 40 years business experience and worked with Scottish Enterprise managing projects for over 10 years and has owned and operated Hotels and Catering businesses in both Scotland and Ireland

Jillian Edmund is Managing Director of the company and will oversee the project and staff. Helen Edmund will manage social networking and online promotion and development of the project websites . The websites will be "denovan.club" a development for outdoor activities utilising the Falkirk Core footpaths and other activity providers in the area. This will be operated as a Club activity with regular planned activities including historic walks and planned cycle rides. Art, photography and fishing expeditions bringing a mix of age groups and abilities to the area. "walkingscotland.co.uk" is planned to be a website promoting the John Muir Way and walking opportunities that can include other providers between the North Sea and Irish Sea coasts.

Denovanvillage.com will be the promotion website for online accommodation bookings. All websites will be interlinked and support a particular sector with relevant information and opportunities. Other local providers will be invited to work with the Denovan Village project to provide related services to Denovan customers.

Initial job creation will include (1) a full time site manager (2) full time maintenance and grounds person (2) fulltime housekeeper responsible for the smooth running of the chalet accommodation. (4) full time chef/cook (5) 4 part-time seasonal jobs. This is in addition to the 2 jobs created for the main promoters who are currently university students.

The promoters would like to provide job opportunities for local people. To enable this there will be a number of jobs open to returners who have school age children and would be expected to be available to work from 9.30am to 3pm daily. As Denovan is in walking distance of two local primary schools and Denny High School the site is very accessible.

It is also hoped to provide an opportunity for local craft workers to exhibit and sell items through the club and horticulturalists and growers to provide organic food items for the catering facility.

# 8. Operating Costs & Profitability

Annual operating costs are estimated as follows: -

Head of Expenditure	Phase 2
Interest on balance of capital required	16,000
Site management	30,000
Catering Staff Costs	49,000
Cost of Food and Drink	77,000
Consumables	15,500
Energy	36,000

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Page 10

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Grounds & Property Maintenance	5,000
Marketing Budget	13,500
Total Operating Costs	242,000

# **Profitability**

Year	Income (£)	Costs (£)	Profit (£)
1	250,000	242,000	8,000
2	275,000	242,000	33,000

# 9. Future Product Development

It is not the promoters' intention to expand accommodation beyond the current plan, which they believe reaches but does not exceed a comfortable site 'carrying capacity'. Expansion in future is therefore dependent on the development of on-site services and tourist facing activities. Naturally the initial focus for this development will be in generating more revenue from the Clubhouse, probably by increasing food and drink sales but the promoters also believe that there is an opportunity to put in place additional activity focused tourist experiences. These may include cycle hire (with an operating partner), mini-bus facilitated tours to local attractions, complete with Blue Badge Guide, walking tours (also with a Blue Badge Guide), landscape painting holidays, team building and other corporate events (with an operating partner), family history camps etc.

Management recognises that all of these ideas need to be researched and would plan to complete an initial review and prioritisation process by the end of Phase 1.

## 10. Summary & Closing

The massive increase in attractions in the Falkirk area represents a significant increase in tourist potential but the full economic return available from that investment will only be realised if more visitors can be encouraged to stay the night and those who are already over-nighting persuaded to stay longer. That will only happen if the accommodation base is strengthened and the range of accommodation types available expanded to provide price-competitive accommodation. The expansion of facilities for outdoor activities such as mountain-biking in the Falkirk area adds to the general tourism opportunity but focuses attention on the need to provide accommodation that is fully supportive of the needs of those who wish to take up such activity based short-breaks and holidays.

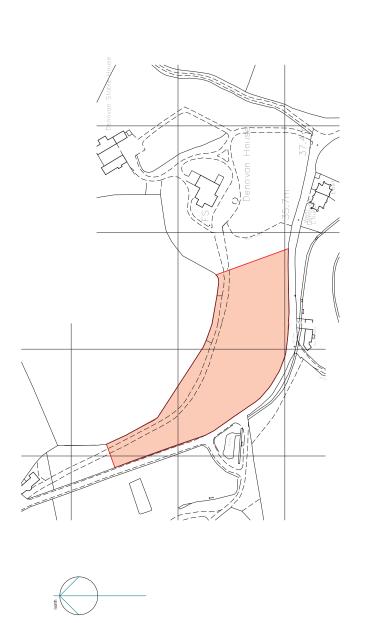
Denovan Village is designed to fit with both of these opportunities. It maximises the benefits of its location and will provide moderately priced but high quality accommodation in keeping with its rural surroundings. The promoters of Denovan understand, from previous experience in the accommodation sector, the differing needs of those groups that make up their market opportunity – general tourists, activity holidaymakers, event participants, VFR visitors etc. Recognising that they have designed the site and the accommodation provided and set its price point to deliver the best all round value for money experience for the visitor. They understand how tourism marketing has changed in recent years and believe that they have the knowledge and skill to reach the maximum number of potential visitors on line to secure the volume of bookings they need for financial sustainability. Finally they recognise the need to continually redevelop the product on offer to reach more potential visitors and grow the financial return on their investment.

Prior to making the original planning application discussions with Falkirk Planners was undertaken. Meetings with Caroline Brown Business gateway from a Rural / Business development perspective and Gerald Melvin Quality & Tourism Adviser Visit Scotland . Visits were undertaken to other complementary activities to assess usage and activities and a review of promotional activity by other glamping activities in Scotland clearly shows a need in this area for this type of project.

The promoters are determined that all of the sites facilities are appropriate for people of all disabilities and able bodied. The chalets at the top of the site will have additional facilities for wheelchair users where a person can sit and enjoy the quiet the beauty and the wildlife. Being only a few minutes from the centre of Denny, Denovan Village will complement the new town centre development and show the best aspects of the town and its people allowing tourist the best start to their stay in the area and their visit to everything Falkirk and Stirling have to offer



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síte locatíon plan

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scale of metres 1,2500
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