CITY OF WOLVERHAMPTON COUNCIL

Stimulating city hotel development and overnight stays

Economy and Growth Scrutiny Panel

7 February 2024

Presenters:

Richard Lawrence
Director – City Development

Ian Fegan
Director – Communications & Visitor Experience

Background

- A vibrant visitor economy is a key part of Our City : Our Plan and Good Growth Strategy.
- Aspiration to attract high-quality hotel provision to support visitor economy and increase visitor spend in city
- March 2023 Cabinet endorsed the Wolverhampton Investment Prospectus.
- Early financial analysis identified a viability gap
- CBRE were commissioned in Spring 23 to assess the market demand, feasibility and delivery options to bring forward the hotel development.
- WMGC-commissioned hotel feasibility report is currently being produced (March 2024).

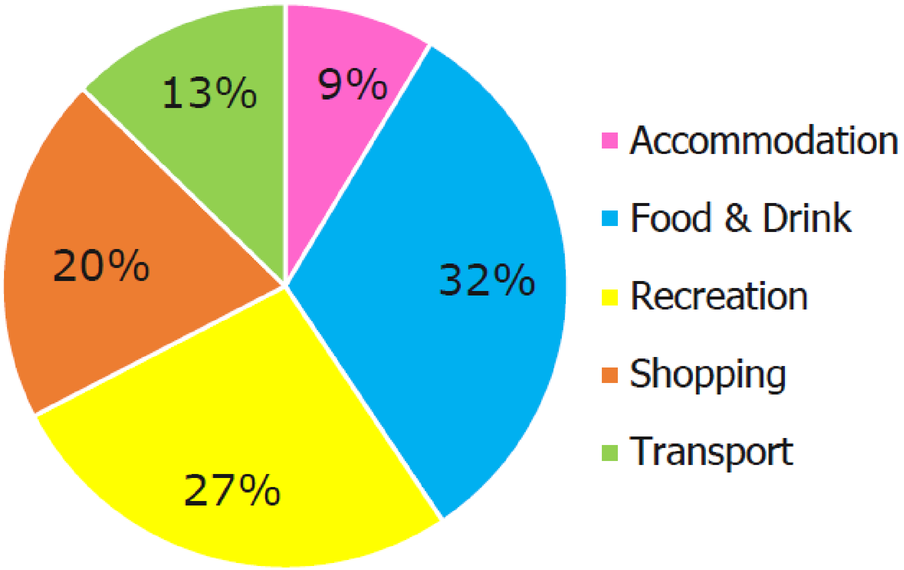
Wolverhampton Visitor Economy Overview

Key Facts

- The 2022 visitor economy in Wolverhampton **bounced back to pre-pandemic levels** in both value and volume terms.
- Visitor numbers **in 2022 rose by more than 360,000**, from 9.48m in 2019 to 9.84m in 2022.
- Wolverhampton's visitor economy was **worth £406m in 2022**, up 21% (or £70.55m) compared with 2019.
- Number of full-time equivalent **jobs supported by the sector was up by 9.1%,** from 3,949 to 4,310
- City Centre visitor **numbers in 2023 up 9.6% to 12,734,683** (Wolves BID).

Source: *WMGC & Wolverhampton BID*

Sectoral Distribution & Economic Impact



Percentage Change 2022 vs. 2019

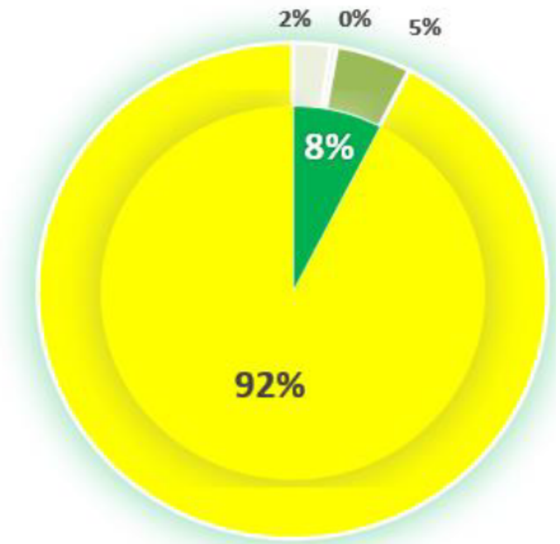
	Wolverhampton	Black Country	WMCA
Visitor Numbers	3.8%	3.9%	5.5%
Economic Impact	21%	26.5%	7.3%
Total Employment	9.1%	15.1%	-4.0%

Source: *WMGC*

Visitors Numbers 2022 Market Share

TOTAL
9.84m

	M
Serviced	0.24
Non-Serviced	0.04
SFR	0.47
Staying Visitor	0.74
Day Visitor	9.10
Total	9.84



Source: *WMGC*

Current Provision (main hotels)

City Centre Hotels

- Novotel (**132 rooms**). WV1 3JN
- Premier Inn - Broad Gauge Way (**89 rooms**). WV10 0BA
- A Park View Hotel (**21 rooms**). WV1 4PP
- Redwings Lodge

Other Notable Hotels

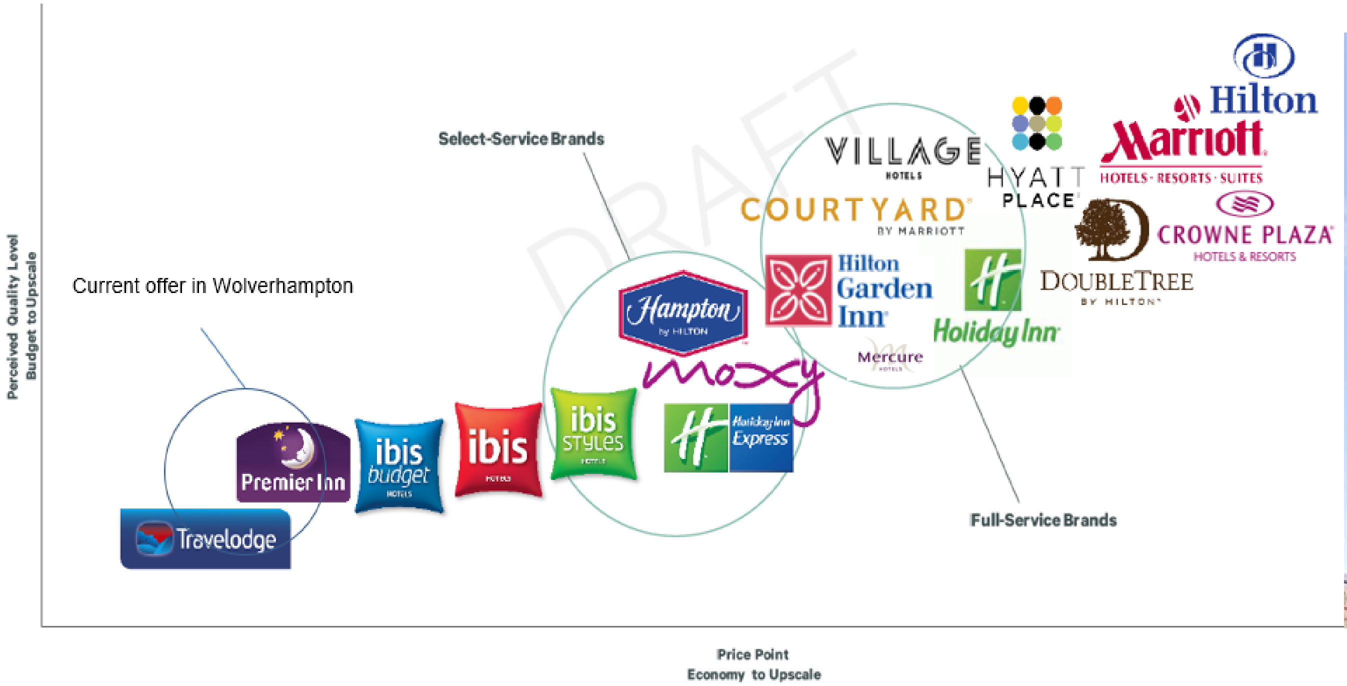
- Holiday Inn - Racecourse (**54 rooms**). WV6 0PE
- Premier Inn – Stafford Road (**104 rooms**). WV10 6TA
- Mount Hotel (**67 rooms**). WV1 3JN
- Wetherspoons (**72 rooms**) planning approved

Holiday Inn

THE Mount Hotel
COUNTRY MANOR
★★★★

Premier Inn

Current Provision and Gaps



Market and Demand Drivers

Existing Supply

- Limited international brand presence in the market

Domestic Demand

- VFR trips (Visiting Friends and Relatives) accounted for 51.5% of all domestic trips to Wolverhampton (2017-2019).

Leisure demand

- The Halls expected to attract < 300,000 visitors p.a.
- Wolves FC's Molineux football ground capacity 32,000
- Expected visitors to the Grand Theatre 300,000 p.a.

International demand

- BATP demand.
- Lucrative inbound corporate travel demand

Domestic corporate demand

- Strategic companies and SMEs
- Lucrative inbound corporate travel

Operator Interest

- Have had strong interest from several operators

Sensitivity: PROTECT

Demand Drivers Examples

Corporate

Jaguar Land Rover

Countryside Properties

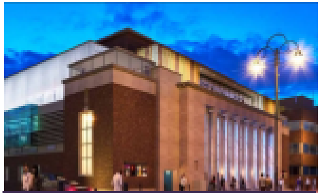
Marston’s PLC

DLUHC

Wolverhampton Wanderers FC

MOOG PLC

Tourism & Leisure



The Halls

Wightwick Manor

Wolverhampton Art Gallery

RAF Museum Cosford

Canal network

Wolverhampton Racecourse

Moseley Old Hall

Black Country Museum

The Wolves Museum

Our Approach

- Currently enhancing our approach (Destination Management Plan 2024 – 2029, Good Growth Strategy & City Investment Plan)
- Proactive business intelligence gathering and hotel development demand monitoring.
- Strategic engagement of key delivery partners and strategic local businesses.
- Leveraging resources from stakeholders (WMGC, WMCA, HE, etc.).
- Focus on attracting private sector investment through proactive marketing and engagement. (eg Wetherspoons)
- Place Marketing – building momentum on visitor economy.
- Approach has to take account of challenging local government financial position in 24/25 and beyond.

Conclusion (Based on existing evidence)

- There is strong demand from both the leisure, tourism and corporate market, which limits seasonality.
- Wolverhampton is lacking the presence of a good quality hotel offer; demand is being displaced to hotels outside of Wolverhampton.
- International brands (Hilton, Accor, Marriott, Radisson) and white label operators (Legacy Hotels and Resorts, Aimbridge Hospitality, RBH, Kew Green) have shown a strong interest in operating a hotel in Wolverhampton.
- There is currently a limited pipeline of hotel schemes
- An international brand will have a wider positive economic impact in Wolverhampton including having a positive influence on the night-time economy.

Next Steps

- Review findings from the WMGC commissioned feasibility study due out in March 2024.

- Continue to discuss potential for hotel development with developers and development partners e.g. City Centre West.

- Continue to exploring potential options in light of difficult local government funding challenges moving forward

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