

The Iron Duke, Great Yarmouth

Feasibility Study and Options Appraisal for Redevelopment

1 Our brief and process

In May 2021 DCA was appointed to undertake a feasibility study and options appraisal to explore the different options available for the Iron Duke, a former pub in Great Yarmouth.

The study was commissioned by the Great Yarmouth Preservation Trust who purchased the building in January 2021.

The brief asked us to explore their current thinking and offer options for the best future use for the building, identifying all potential future uses, their pros and cons and to develop recommendations as to the potential and preferred combinations of uses. Following the initial options appraisal, a feasibility study was required to test deliverability, options for operation and long-term viability in order to provide the required information and business case to move forward with the scheme for the conservation and renewal of the building.

In delivering the requirements of the brief, we have undertaken work to:

- Identify the preferred combinations of uses
- Identify an offer which will appeal to visitors and the local community
- Sourced and analysed available market data
- Analysed and understood the existing provision in the local area
- Analysed the visitor economy
- Researched the heritage context
- Developed an outline business case for the renewed building
- Produced this final report summarising the outcome of the work.

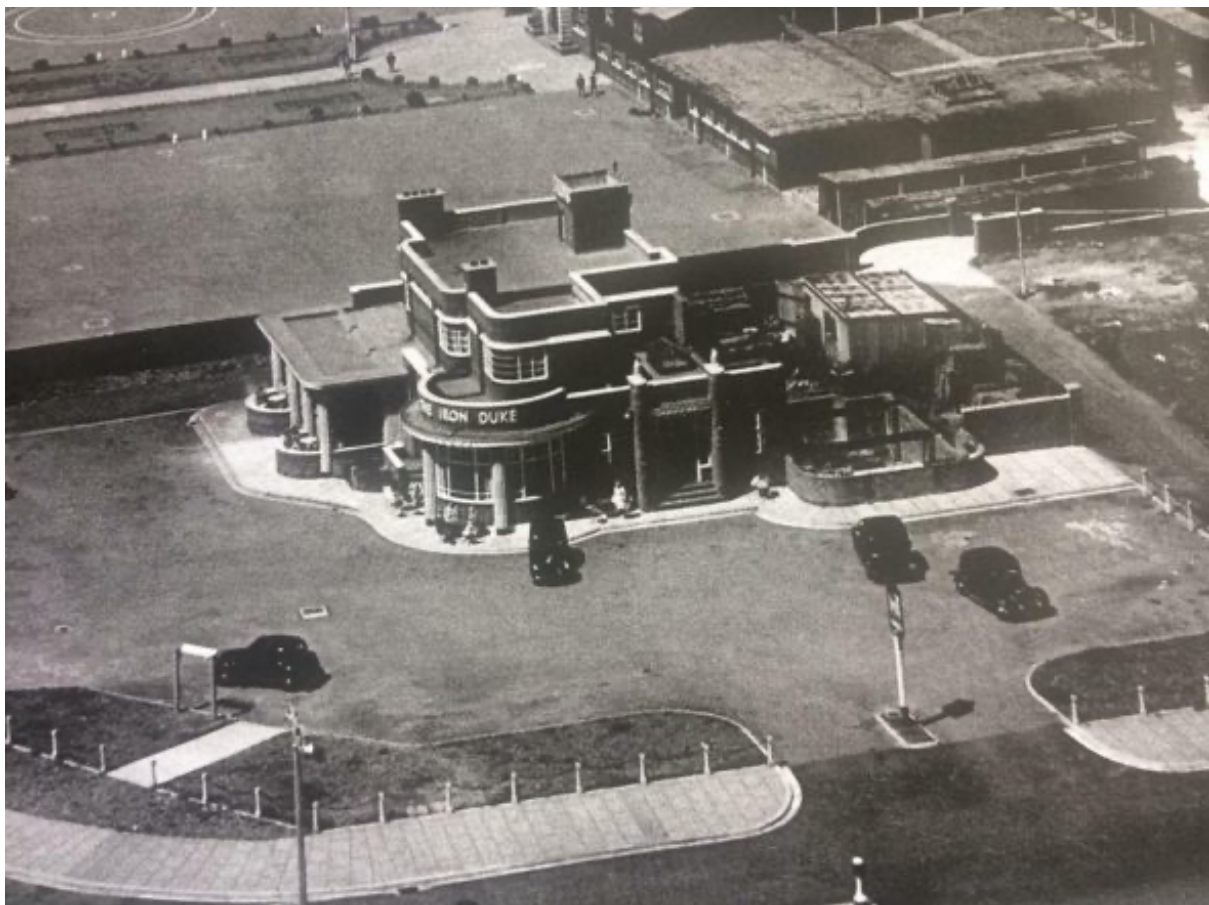
Our work and research have provided us with a picture of what might be required to meet the needs of residents and visitors, a market commentary of existing provision and to offer the best solution for the renewal of the Iron Duke. Our findings and conclusions are outlined in this report.

The Iron Duke, Great Yarmouth

Feasibility Study and Options Appraisal for Redevelopment

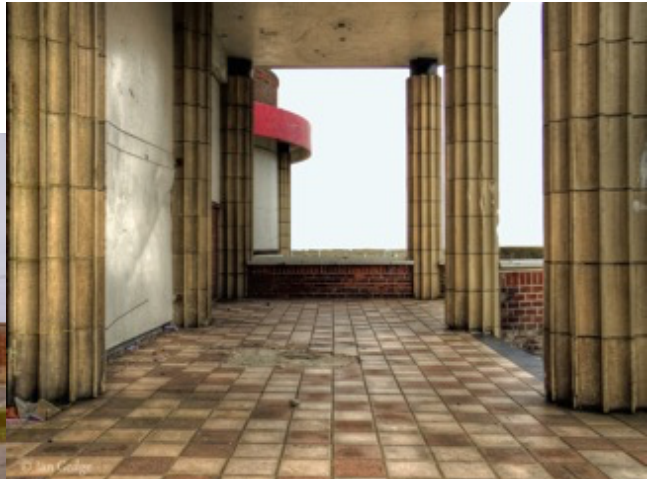
2 The heritage of the building

The Grade II Listed Iron Duke is a rare and unusually grand example an Art Deco public house. Built as the flagship pub for the Lacons brewery based in Great Yarmouth, which at its height produced 25m pints of beer a year and had 300 pubs throughout East Anglia and 50 in London, it is named after the Dreadnought Battleship HMS Iron Duke, the flagship of the Grand Fleet, captained by Admiral John Jellicoe at the Battle of Jutland (1916) and is a fine example of an inter-war pub, a period from which few well preserved public houses remain.



Designed by Arthur William Ecclestone, Architect, Chief Surveyor and a Director of Lacons, it uses the falcon, a recognisable image of Lacons Brewery, in ceramic relief panels set into bricks and sculptural decoration. Ecclestone produced pubs in a wide range of styles for Lacons in Great Yarmouth and beyond, but the Iron Duke is hailed as his finest building; it was listed in 2017 and retains many original features.

Construction work began in the 1930s but was halted by the outbreak of the Second World War, although the Lounge Bar was temporarily opened and licensed in August 1940 for the soldiers stationed along the North Beach. Building work was completed in 1948 when the Saloon Bar was added.



With its distinctive curved frontages and flat roofs, its protruding loggia and fluted columns, The Iron Duke is in many ways a classic Art Deco design. The building is constructed of concrete with a steel frame and is clad in red brick laid in various bonds with brick and red clay-tile dressings and flint detailing. The detailing provides a rich textural interest to the elevations; everything was bespoke, built by highly skilled builders and artisans and even the rain hoppers bear the crest of HMS Iron Duke. It occupies a corner plot by the sea front and overlooking North Denes Dunes to the sea, with the entrance on the east elevation leading to the Saloon Bar and the Lounge Bar providing access to a loggia.

Internally the configuration of the rooms remains as originally planned and numerous original fixtures, fittings and joinery survive including plywood doors with brass handles and cast-iron radiators. The ceilings of the saloon and lounge bars have deep ribs and moulded cornices and the lounge bar contains a brick fireplace with a tiled hearth. The bars in the pub are made from teak taken from HMS Iron Duke. The first floor retains its original skirting boards and cornices and a gas fire. There are also extensive cellars.

Whitbread acquired Lacons in 1965 and around that date carried out some refurbishment to the interior of The Iron Duke. Bourne Leisure, a parent company of Haven, Butlins and Warner Leisure Hotels, then purchased the building and boarded up the pub in 2007. As previously mentioned, The Great Yarmouth Preservation Trust purchased the building earlier this year in order to restore and secure the future of the building.



In summary, the building is a highly significant survivor, architecturally of significant interest, but more particularly, a compelling site of social heritage, bound up with and exemplifying the proud twentieth century history of Great Yarmouth and the English resorts it represents, at a time, in its original design, of significant style, aspiration and success. The interest in the building and its stories over the last couple of years, including for instance in the work of the Twentieth Century Society, signify how resonant these stories and this heritage is for people nationally as well as locally.

3 The market context

Great Yarmouth is situated on the coast of Norfolk in East Anglia and includes 15 miles of coastline and is a substantial part of the Broads National Park. The Borough has a significant legacy of historic buildings linked to its maritime heritage, including two Roman sites at Burgh Castle and Caister-on-Sea. Most of the rural villages in the Borough have Medieval churches built of local material such as flint, often surrounded by traditional thatched houses and with a village green. Its seafront represents one of the best collections of Edwardian seaside entertainment architecture in the country.

3.1 Resident population and demographics

Great Yarmouth reflects a similar pattern to Norfolk as a whole regarding the breakdown of age groups; nearly half of the residents (48.88%) of the Borough fall into the age group 45+, compared to 44.55% for the East of England and 42.51% for England. This shows underlying changes in the make-up of the population, with significant increases in the proportion of residents of pensionable age and the very elderly. The current median age in Great Yarmouth is 45.3, higher than the national age of 39.8. The resident population is slightly skewed towards older individuals due to: wider improvements in life expectancy; fewer children; and parts of the Borough are increasingly attractive for people relocating to retire.

The demographic picture will change and develop over the years ahead, and the set of national population projections published by the Office for National Statistics (ONS) in 2018 show a forecast population increase of 6,438 (6.5%) for Great Yarmouth; South Norfolk is forecast to grow the most rapidly, by 36,916 (21%). Great Yarmouth's population is forecast to grow most rapidly in the 65+ age bracket (by 9,400, 6.6%) and the other two age brackets (0-15 and 16-64) are forecast to decrease marginally. The 20-64 age bracket remains the most prevalent. The following table sets out the population at 2018 against the forecast population in 2041.

Great Yarmouth population increase 201 - 2041				
Year	All people (000s)	Aged 0-15	Aged 16-64	Aged 65+
2018	99,500	17,778 (17.9%)	57,293 (57.7%)	24,265 (24.4%)
2041	104,900	16,701 (15.9%)	55,730 (53.1%)	32,514 (31%)
Difference	+ 8,800	+100 (-2%)	-700 (-4.6%)	+9,400 (+6.6%)

Overall the population of Norfolk is projected to grow steadily at a relatively modest rate and, aside from the 0-15 age range, follows a similar pattern to Great Yarmouth's forecast population change; however, the change in the age profile is more significant with over three quarters of the total increase between 2018 and 2041 accounted for by growth in the over 65s. The number at the older end of the age spectrum is projected for strong growth, particularly the number of over 80s, which is projected to almost double.

Employment rates are also set to increase at relatively modest rates throughout the county, with the strongest projected (over 75%) growth forecast to take place within Greater Norwich. Great Yarmouth has current total employment levels of 45,100 (2016), with projected employment levels of 49,700 in 2036, marking an increase of 4,600.

These forecasts present a positive picture and emphasise the importance of investment, new facilities and new initiatives to develop and diversify skills and jobs.

We have also included the demographic of the current tourism market below, as it is anticipated that the redeveloped Iron Duke will appeal to both the local community and the tourist market.

3.2 The visitor economy/tourism

Great Yarmouth has been a traditional seaside resort and an iconic British holiday destination since the 18th century. The advent of traditional seaside entertainment and amusements along the seafront, together with extensive sandy beaches gave rise to the reputation of the town as a “bucket and spade” seaside resort.

In recent years there has been an aspiration to change this perception of the town and establish it as a thriving holiday destination known for its heritage and broader visitor offer. In order to do this importance has been placed on the need to extend the tourist season, diversify and promote the heritage offer and develop the existing events programme.

Whilst the redeveloped Iron Duke will not be aimed exclusively at tourists, the current tourist market is an important catchment in terms of both accommodation provision and leisure activities.

Great Yarmouth is Norfolk’s top seaside destination and the third largest seaside resort in the UK. Tourism is worth £645 million a year to the area from overnight and day visitors and 36.1% of all jobs in the area are tourism related. Great Yarmouth has more than 70,000 bed spaces that accommodate more than a third of all visitors to Norfolk each year. The Pleasure Beach in Great Yarmouth attracts more than 1.4 million visitors a year and Great Yarmouth ranked in the top 20 destinations for UK visitors going on holiday during Easter 2019. In Great Yarmouth in there were:

- 7.6 million visitors of which 6,600,000 were day trips
- 4,153,000 nights stayed by visitors
- day visitors accounted for 74% of tourists with 26% staying visitors.

Within Norfolk as a whole tourism is the largest sector industry in the county, it supports 18.7% of all employment and contributes £3.337 billion to the local economy:

- a total of 50,906,000 trips (both day and overnight)
- 47,776,000 day visitors
- 3,130,000 staying trips
- 12,560,000 staying nights
- £740,390,000 total staying spend
- £1,594,549,000 day trip spend

Tourism related employment accounted for 67,188 actual jobs (50,317 full time equivalent jobs, which represented 18.9% of all employment in Norfolk in the most recent figures. The average length of stay was 4 nights with an average spend per night of £55.42 and a day trip average spend of £35.25. Spend on overnight trips was £228.93. 72% of visitors were on holiday and 70% stayed in paid accommodation.

In the East of England as a whole the average spend per night was £55.97 (up from £52.50) and spend per trip was £179.51 (up from £172.48).

East Anglia is the sixth most valuable tourism industry area in the UK, creating 89,100 jobs, 11.3% of Norfolk and Suffolk's workforce, 7,050 businesses and £2.5 billion of spending on tourism goods and services.

Domestic tourism

Overall domestic tourism remains strong. In 2019 British residents took 99.1 m overnight trips in England, totalling 296 m nights away and spending £19 billion.

Day visitors

Data for 2019 day visits to the East of England shows that:

- There were 123 m day visits to the East of England and the expenditure was £4.7m.
- 14% of day visitors in the East of England were visiting the seaside.
- 39% of day visitors spent between 3 and 4 hours in the region, 25% spent between 4 and 5 hours, 13% between 5 and 6 hours and 23% over 6 hours.
- The average distance travelled by day visitors was 47 miles with the majority travelling between 11 and 20 miles and 73% used a car.
- The average spend per day visit was £38.

Source: Visit England Great Britain Day Visitor 2019

Overnight visitors

The data illustrates the following:

- In 2019 there were 9.7m domestic overnight tourist visits to the East of England.
- 28.9% came of these visitors came from the East of England; 18.3% from London; 17.3% from the South East; and 9.8% from the East Midlands.
- 4.2m of these overnight tourists were on holiday.
- The average length of stay was 3 nights.
- £1.6m was spent by overnight tourists in in the East of England.
- Most overnight visits were booked in advance and directly with the accommodation provider.
- The seaside generally accounts for 32% of holiday trips and 40% of holiday nights.
- There is a strong summer seasonal peak in terms of nights with the majority taken in July and August and seasonal spend for July and August was 28% of the total.
- The total number of nights spent in the East of England during 2019 was 31.4m and spending was £1.6m.
- In Norfolk 75% of visitors were there on holiday, 17% were visiting friends and relatives and 7% were on business.
- The total number of nights spent in Norfolk was 12,560,000 and the total staying spend £740,390,000.
- The average spend for an overnight trip in Norfolk was £236.55 (£58.95 per night).

Source: Visit England The GB Tourist 2019

Overseas visitors

The number of overseas visitors to Norfolk in 2019 was higher than the previous year. The following data relates to overseas visitors spending at least one night:

- The number of overseas visitors spending at least one night in Norfolk in 2019 was 205,380 (up 25.5% on 2018) and the total number of nights spent was 1.48 m (up 25.3%).
- The total expenditure was £68.8m (up 26%).
- The average length of stay was 7.2 nights.
- The average spend per visit was £335.
- 32.35% visited between July - September, 29.88% between January - March, 28.66% between October - December, and 9.2% April - June.
- 73.77% were visiting friends and relatives, 23.20% were on holiday and 2.86% were on business.
- 8.48% stayed for 1-3 nights, 15.74% for 4-7 nights, 21.91% between 8 and 14 nights and 53.88% 15 nights and over.
- In the East of England there were 2.20 m overseas visitors with 13.86 m nights spent and a total expenditure of £704.3 m. The average length of stay was 6.3 nights and the average spend £320.

Source: International Passenger Survey, ONS, published by VisitBritain.

In 2018 Visit England published a Great Yarmouth Destination Report drawing on continuous tracking data from April 2015. The sample base of the study is GB holidaymakers who have taken a GB break in the last 12 months or are expecting to do so in the next 12 months. The data covers a period to January 2018.

This report concluded that 19% of 1,178 visitors were loyal to Great Yarmouth - they often take holidays there and intend to do so in the next couple of years and a further 47% would like to visit in the future.

There is therefore a strong tourism market and prevalence of tourists during the summer months; the renovation of the Iron Duke can appeal to this market by the provision of accommodation and the levels of tourism expenditure are also encouraging with regard to the capacity to generate income from food and drink.

2019 reported an increase in regional tourism, particularly with regard to tourism related employment; day visits (which increased on 2011 figures); bed nights; and overseas visitors, all of which demonstrate that the tourist market is well established and our current view is that, once Covid-19 situation has stabilised, and on the back of our substantial investments in the regeneration and visitor offer of the town, the market and the benefits of tourism in the town will continue to develop and grow.

There is increasing opportunity presented by the increase in popularity of short breaks rather than long holidays, which reduces seasonality; the majority of short breaks are taken in the UK and Great Yarmouth proves to be a popular short break destination. 21% of overnight visitors stayed for 1-3 nights and, whilst we do not have data relating to the average length of stay for domestic visitors, anecdotal evidence suggests that 60 - 80% of staying visitors to the Great Yarmouth area are on short breaks that comprise of either three or four nights.

We have identified the following potential implications of the development of short breaks:

- Increasing demand for quality, convenience and security;
- Increasing demand for activities and relaxation;
- Increasing demand for 1-3 night holidays;
- Arts, culture and heritage featuring strongly in destination choice;
- Increasing success for new, authentic and innovative offers
- Increasing demand for holidaying with friends.

The effect of Covid on the appeal of towns such as Great Yarmouth has so far been mixed. Whilst the effects of lockdown and restriction were felt very hard by local businesses and the communities who rely on them for jobs and income, the early signs as restrictions eased, was of burgeoning popularity as visitors looked for destinations in the UK and with familiarity.

Across the UK and in Great Yarmouth, the late summer of 2021 has seen very considerable business return to seaside towns. Anecdotally (for instance in the responses of visitors and others to Great Yarmouth and East Suffolk's City of Culture, bid), there is a sense that this returning audience is more diverse and reflective of the objectives of the resorts for a more balanced demographic. It seems as though an audience who has been absent from these English resorts for many years has returned to find that their cultural, heritage and authentic offer has developed and is increasingly attractive.

From our research, it is clear that the current demographic of tourism is changing. Consultation with residential accommodation and attraction operators in the town, and with the town's tourism BID, tells us that the demographic of visitors is diversifying, with more visitors demanding cultural and heritage experiences and with accommodation standards rising to meet this new demand.

In this context, the work of GYPT and its partners at the Borough Council is of increasing importance - the development of the stock of varied heritage buildings, and particularly their readiness to host quality commercial and visitor focused activities, will be key to continued diversification, increased value and year round success of the visitor economy. The Iron Duke will strengthen this appeal, and particularly if it is able to host visitor accessible activity and offer.

The Iron Duke, Great Yarmouth

Feasibility Study and Options Appraisal for Redevelopment

4 Potential options for use

During our work we have considered several approaches and options for the future of the restored Iron Duke. Our identification of options came from a range of sources:

- Expressed interest and demand from potential operators and partners. The prominence of the Iron Duke and news of its being purchased by GYPT has brought forward a range of interesting potential end-users and uses. We have consulted and discussed the project with each of these potential partners.
- Previous successful projects run by Building Preservation Trusts and others to secure the future of listed buildings at risk through commercial reuse - particularly those supported by Heritage Lottery and other funding.
- Observation of market opportunities and potential gaps in the current provision of Great Yarmouth economically.

We give more detail on these options below. In general, the purpose of these options is to offer GYPT an analysis of use types that are likely to offer a way forward for the project - where we use examples of proposals from individual operators, this is not meant to indicate that they are the only potential operator in the use type under discussion - others may be identified and we return to this when we discuss next steps for the project in section 5.

Also in section 5, we discuss further the criteria GYPT might use to determine between use type options, and the critical success factors required to deliver the project in each use type.

Finally, some use types might lend themselves to dividing the building and combinations of use. We think that this is unlikely to be by way of subdivision at each floor, as the architecture of the building, particularly at ground floor, is clearly intended to enable the flow of a single use around the whole of each floor. Subdivision is more likely to be possible between ground and first floor, with some potential depending on the scheme design, for some use to be added at roof level (where there are stunning views across the SSI dunes and sea) and in the grounds, which, while not extensive, do offer space for both parking, garden and perhaps some other modest activities. We discuss this potential for hybrid use alongside each broad option.

4.1 Pub/bar/restaurant

Restoration to use of historic buildings logically usually starts with the consideration of the use for which they were originally developed or to which they were successfully put in their history. Sometimes this isn't possible, because the original use is no longer relevant or viable, or the building no longer suitable, but in the case of the Iron Duke, there is a prima facie case for consideration of a return to the hospitality industry uses for which it was developed.

The Iron Duke was a popular public house among both holiday makers and locals and was described by the Whitbread area manager as the busiest pub in their portfolio in East Anglia.

The restoration of former licensed premises with significant heritage to serve once again as hospitality businesses has been a feature of heritage building restoration in recent years, particularly in communities where the reduction in numbers of pubs has caused people to campaign for reopening of their pubs. Often the offer, in common with much of the licensed trade, has shifted from a beverage-focused service to hybrid drink, food and accommodation and to broader and more family-oriented markets.

In recent months we developed plans for the restoration of a disused Grade II listed pub in a Warwickshire village to serve as a community-focused pub, restaurant with six bedrooms in the upper floors. The project was successful in securing £1.2m of National Lottery Heritage Fund grant under its Heritage Enterprise scheme in the same region as Great Yarmouth and at the first time of asking.

Our analysis of the catering/hospitality market in Great Yarmouth showed that prior to Covid, there was strong demand and opportunities in the market for quality, branded and unusual offers, in the context of provision which, while reasonably plentiful, tends to one style of service and offer. The actual and potential shifts in demographic in visitor market discussed above reinforce this market opportunity.

There are a number of pub and restaurant premises on the market in Great Yarmouth at the time of writing, with the following broad terms observed:

Pubs currently available to lease/rent:

- **Albion, Nelson Road Central** - Ingoing cost £xxx/ Annual rent £xxx. Potential turnover £xxx pa. Fixtures and fittings value £xxx. Offers live music, karaoke, pool area and watching sport. Private accommodation has two double bedrooms and a single bedroom.
- **Avenue, Beaty Road** - historic pub. Ingoing cost £xxx / Annual rent £xxx. Available to let on a rolling tenancy or business start-up agreement. Short walk from aquarium. Large open plan lounge with long bar servery. Beer garden to the rear. Good quality food and drink offer with catering kitchen. Able to host functions and events.
- **Kingfisher Bar, Kingfisher & Waveney Valley Holiday, Burge Castle** - £xxx per month, 4,532 sq ft. Needs equipping. Large bar area with central bar and dance/stage area. Separate garden room, extensive grounds and a number of offices.

Restaurants available to lease/rent:

- **Albatros Italian Restaurant, Regent Place** - Leasehold £xxx with 4 years remaining. Rental is £xxxa month. Annual turnover £xxx. xxx full time staff. Xxx covers, currently operates on limited trading hours (6.00 -10.00 pm) from March to October, fixtures and fittings included. Accessed from street level, there is also a further dining area, bar and till area at the rear together with a fully fitted commercial kitchen.
- **Restaurant/café, Marine Parade** - rental £xxx per annum. 1,349.81 sq ft. Bay frontage with steps to Marine Parade. xxx covers with commercial kitchen. Further xxx covers by setting up tables on front terrace.

The Iron Duke would be larger and more expansive than these offers and a destination in the town's hospitality offer and highly 'visible' and attractive to local, semi-local and visitor markets - with the right operator we would expect there to be an attractive level of income to GYPT and a reliability to the business over time.

We would expect offers from potential operators considerably in excess of the values in these current market examples, but of course an operator seeking a Great Yarmouth opening does have the option to go into one of these or other similar more 'ordinary' properties, so this may temper the offers we would receive for the Iron Duke.

4.2 Other commercial and community enterprise uses

We have been interested to explore other possible commercial uses of the building, focusing perhaps on those uses which have some degree of public access and community function so as to support the case for public/lottery investment in the restoration.

Given the form of the building, its location and interest which has been expressed, one might look at three examples of this use type - health and wellbeing, childcare and environmental/community use.

You have had interest from a potential partner who has proposals for a health and wellbeing offer in a building, focused on inclusive, supportive health and wellbeing through exercise - partly on a walk up community basis but also through social prescribing and health sector relationships/referrals. This would have a gym but also space for counselling, coffee mornings, running club using the dunes! etc.

This has a very strong community orientation that talks to priorities for public health in Great Yarmouth about life expectancy, life limiting conditions, nutrition and exercise. The funders to whom we might look for restoration funding would like this end use. Alongside this community orientation, we would expect an operator paying an economic rent to make facilities available on a commercial, probably membership, basis alongside the access activities, so the model would likely become a hybrid model of commercial charging and commissioning incomes from NHS and others to support the access work. The balance and relationship of these two provisions/markets may take care and detail to work out. In the commercial membership market, there are also competitors to consider.

This is a very interesting proposition for development in the context of Great Yarmouth, but we are not sure that there is a particular logic to his use being in the Iron Duke it might actually be better in other open floor plate building types. It may also be that the specific potential partner coming forward to propose this use might need support and encouragement over a longer time frame to enable them to be a robust and long term prospect - a pipeline project perhaps rather than an immediate prospect for the Iron Duke.

The proposed use hasn't been developed at the detail yet to be clear about how much of the building would be required, and it is possible that retention of the first floor for, e.g., holiday lets, might be possible.

Whilst we have not had interest expressed from the childcare sector, the site might suggest this as a use with the relatively open plan ground floor, upstairs ancillary accommodation, and ground floor play space/gardens. The relatively residential context would likely strengthen demand in a market where parents usually seek quite local provision to minimise journey times.

However, the childcare and other uses illustrate one of the issues with the Iron Duke project. There is no particular motivation for a childcare provider to occupy a high profile destination building (as there might be, for instance, for a restaurant), childcare choices are not generally driven by awareness of a signal building. Consequently, childcare

providers, who work on very tight margins, would generally seek out good accommodation but of a generic sort and at competitive prices. It should be noted that there are already a number of providers in the north part of the town.

Similarly, all commercial use types that could be housed more or less anywhere seem to us to miss an opportunity for greater income to the Trust arising from the special nature and recognition value of the Iron Duke.

The Trust had one expression of interest from a local social entrepreneur for a mixed community use but based around themes of environment and nature. So far as the model is clear, it would involve a partnership between a social enterprise operator (though possibly also with the private individual) to redevelop the site, with the operator then taking a lease and sub-letting and hiring space to a range of public and community organisations, for instance to operate activities in the SSI dunes. This might possibly bring social and community benefit which would be persuasive to funders of the restoration, but the business case seems somewhat tenuous at this stage - relying on sub-letting which is not currently probably in place.

Overall, as we have said, these range of essentially service sector commercial end uses have other options for their accommodation and, with the possible exception of the last, no particular reason to be in the Iron Duke. As such the return to be had from their occupation is likely to be limited to that which prevails in the local commercial property market.

Sampling available properties at the time of writing returns a range of rental levels:

Retail units:

£9.60 per sq ft
£10.00 per sq ft
£12.50 per sq ft
£13.80 per sq ft

Offices:

£6.50 per sq ft
£8.70 per sq ft
£9.10 per sq ft
£10.00 per sq ft
£12.20 per sq ft (former HSBC bank)

Both of these suggest a market in which supply outstrips demand for ordinary space and keeps down rents to what we would see as generally below national average levels.

Whilst the uniqueness of the Iron Duke might generate some additional value, overall, this tends to point us in the direction of uses for the Iron Duke which would strongly benefit from its 'destination' status and popularity as a building.

4.3 Residential

Although we have not had expressions of interest in developing or occupying residential accommodation in the Iron Duke, we are aware that this has been an effective use for restored heritage properties elsewhere and have looked at the building and local market in terms of this use.

The upper floor would lend itself reasonably well to the creation of two modest apartments. In long term residential use we think this would probably be at the level of one bedroom apartments - with capacity for two people sharing - as we discuss in the following section on holiday lets, there are two larger rooms in each apartment area, but one would likely be required as living room in residential use.

It is harder to see how the ground floor could be put to use for residential - it's original largely open plan design would militate against splitting it up.

Any residential use would be leasehold, due to the multiple units and the importance of maintaining a united and controlled freehold.

The local market for residential apartments probably does have capacity to soak up a modest new development, and a sample survey of rents indicates that we might expect something in the order of £550 per unit pcm, rising to £650-£750 pcm if two bedrooms could be designed into the scheme.

Our experience is that residential units upstairs might be challenging to combine with various of the discussed uses on the ground floor. Long term residential tenants will be highly sensitive to noise and disruption from downstairs, and these issues are much harder to manage with long term tenants than on a week-to-week basis with holiday accommodation hirers.

4.4 Holiday accommodation

Self-catered cottages and apartments have fast become a staple use option in historic estates and buildings, more so since the advent of Airbnb, though not necessarily (only) marketed through that channel. Some site owners/operators manage the lets themselves, buying in domestic support, while others bring in operators and marketers.

Provision tends to be in small numbers of good quality, higher priced units, discrete from one another and offering some sense of exclusivity. A small number of distinctive holiday lets now form part of the sustainable business planning of many heritage sites seeking investment in the costs of restoration through the Heritage Fund and other public and charitable funding sources.

Though there are alternative operator models (e.g. Landmark Trust), these are being overtaken by more profitable and more competitively priced models through owner-operator or less 'high-end' group operators. The National Trust is a longstanding provider of holiday accommodation on its heritage sites and the Landmark Trust offers distinctive holiday lets, some of which are on larger sites, others standalone buildings.

In recent years supply has grown as a result of investment in heritage sites, in particular through Heritage Fund grants, and as a result of the growth of more self-driven marketing options, Airbnb and owners' own websites.

GYPT is typical of many heritage/cultural organisations that started in this smaller way and are now growing their stock of properties in response to demand and to benefit from economies of scale. Heritage Trust Network members, for instance, report serious expansion in this market as a now-staple way of saving heritage buildings at risk. Most of the market is still for holiday accommodation and for family and older ('empty nest') couples, but we have also seen some growth in the business traveller opting for self-

catering and for younger ‘lifestyle’ travellers (outdoor and adventure sports, music and festivals, shorter breaks) driving growth in self-catering.

The increase in supply does not seem to have dented demand: we are seeing good rates of return per square metre and signs of quality provision outperforming expectations in terms of levels of occupancy. Price seems to be relatively elastic for the right place and product. However, there is probably a limit on how many any one site can do before it loses ‘special’ character.

Whilst most owners have one, two or a small number of properties, we have seen bigger organisations see the potential and move into the market, trading in this ‘special character’ of their sites and on their brand.

Post-Covid analysis is in its early days, but demand for the latter part of 2021 was reported as very high, with strong bookings for 2022. In the short term this is partly down to the earlier easing of self-catering regulations than for hotels, etc., but we also see potential that ‘staycation’, shorter travel, and nervousness about mixing will continue to drive growth in the UK self-catering market. As self-catering at this scale was never primarily driven by international visitors, the market seems reasonably well protected from downturn in international travel.

Our research shows that while there are obviously a lot of self-catering offers in the area, little has distinctiveness of the sort that can be achieved at the Iron Duke. The Landmark Trust and the National Trust both offer particularly distinctive high quality self-catering heritage holiday lets, but neither has much presence in the area. The National Trust has nine properties in Norfolk but none in Great Yarmouth. The Landmark Trust has three properties in Norfolk but none in Great Yarmouth.

Perhaps the most comparable provision, in terms of heritage distinctiveness and market position, is GYPT’s own offer of the South East Tower - for which demand has been consistently strong. We expect there to be a significant growth in demand for distinctive units of this kind.

In pricing terms, good returns can be made in the local market, as the following sample of apartments available suggests:

- GYPT South East Tower £100 per night (plus £30 cleaning fee)
- End terrace cottage in Gorleston £129 per night
- Cottage £128 per night- 2 double beds
- Apartment £96 per night- 5 mins walk to beach
- Apartment in Gorleston - £121 per night - ground floor within Georgian villa, sleeps 3. Minimum 4 night stay
- Flat £228 per night - 10 mins walk to pier, one double, one single bed
- Apartment £146 a night - both bedrooms have king size beds and terrace with views
- ‘Executive’ apartment £146 a night - both bedrooms have king size beds
- Penthouse, Gorleston £265 a night in June / £214 a night in March

As discussed above, holiday lets are arguably easier to combine with quality food and beverage uses - visitors are used to the pub with rooms/restaurant with rooms model and will usually see any noise or disruption from the hospitality uses as bearable in the short term and compensated by availability of food and drink offers.

For GYPT, this opens up alternatives either to self-manage apartments at the Iron Duke alongside its other properties, or to accept a proposition from an occupier/operator of the

ground floor to provide the upstairs lettings. The latter might make best sense as long as the ground floor use is compatible, but GYPT would want to be sure, in the terms on which it lets the deal, that the operator is strongly motivated to work the apartment business hard - and not see it as a lower priority area in the business as it focuses on its ground floor offer.

4.5 Toward a recommendation

As GYPT moves toward a decision on preferred future use, we suggest that the following criteria capture the objectives we have talked about for the Iron Duke scheme, and which we use to assess the effectiveness of alternate options:

- **Appropriateness.** The proposed end uses and the design scheme to enable them should celebrate and restore the grandeur and design intent of the building.
- **Financially positive.** End use should be financially generative enough for GYPT to service/repay purchase borrowing, fund long term maintenance and conservation, meet officer and other operating costs and ideally make a return to support the next projects in the pipeline.
- **Low risk.** End uses and the partners with whom GYPT works should be robust and resilient, ideally relatively low risk, so that GYPT can rely on not having to step in and take reversion, look after and re-invest in the building in use.
- **Compatibility.** Where end uses might be for part only, they should be capable of operating alongside other uses.
- **Public access.** End uses should, ideally, enable public access to the interiors, be ethically acceptable and contribute value to the community and to the economy of the town.
- **Realisable.** Plans and end uses should be suitable to seeking and securing conservation grants and funding to bring the building back into use.

In the following table we indicate how the options considered above might meet, or not, these criteria.

Criteria Use All scores out of 5	Food & Beverage	Child care/other commercial	Residential	Holiday accommodation
Appropriateness	5	2	1	3
Financially positive	4	3	2	3
Low risk	3	2	3	3
Compatibility	3	3	1	4
Public Access	4	1	1	2
Realisable	4	2	1	4
Score total	23	12	9	19

The following notes support the scoring in the table:

- Appropriateness scores attempt to reflect the suitability of the use to the architecture and design of the building and sensitivity to its history.
- Financial positivity is scored on outline indicators of the return each use might bring - though further engagement with potential partners and potentially a competitive process to secure the best deal will be required:

- Food and beverage use - likely to be on the basis of either a fixed rent or a percentage of turnover with a fixed element of guarantee. We would expect 10%-15% of turnover depending on whether the tenant invests in restoration, premises costs, repair liability, etc - and a probably forecast of c£400,000 turnover = Trust income of c£40,000-£50,000 per annum.
- Child care or other commercial - depending on whether tenant contributes to costs of restoration, lease terms, etc we might expect a rental at say £80 per sq metre per annum ground floor (250sqm) and £6 per sq metre per annum upstairs (100 sqm) = Trust income of c£26,000 per annum.
- Residential - say £600pcm across two units (upstairs only) = Trust income of c£14,000 from two units.
- Holiday accommodation - We would normally calculate this on the basis of £120 per night per unit (two units upstairs only) at 65% occupancy, with a net return (to GYPT) of 35% after all costs of marketing, servicing and after VAT accounted for = £20,000 from two units.
- Note that if food/beverage operators also take on holiday lets on the upper floor, the total return overall may be less than the combined addition of the two lines above.
- Realisability is assessed against the likelihood of grant from NLHF given precedent schemes and the current bar on funding for the creation of residential accommodation in NLHF's relevant scheme.

On this basis, it seems clear that return to use as a hospitality offer, either drink or food led, would offer the best way forward - potentially combined with holiday lets on the upper floor -with the latter either retained in house by GYPT or concessioned with the food and beverage deal so that the whole building is leased/contracted to the operator to minimise risk to GYPT.

The Iron Duke, Great Yarmouth

Feasibility Study and Options Appraisal for Redevelopment

5 Ways forward

The route to restoration of the Iron Duke may still be provisional, but the analysis above, and the interest from other sectors in partnership and operations on the site is encouraging.

5.1 Formal market testing and funding strategy

The first step will be to assess the likely potential uses and decide on a preferred end use. As we argued in the previous section, this seems to us to come down to a fairly specific market interest in the Iron Duke as a food and beverage site, against a wide but relatively unfocused set of other potential uses.

We have argued that the food and beverage use has advantages of suitability of the building, appropriateness in heritage terms, proven success in the sector in moving these projects to realisation and in probable level of return to the Trust. This has been done on a limited set of conversations with potential operators - albeit that the conversations with the two operators we have spoken to would both seem, on the face of it, to offer strong propositions.

In this context, we suggest that the Trust might consider two alternative courses of action:

- Support the proposed end use of the Iron Duke in the food and beverage market, recognising the interest of the two operators expressing interest by communicating this with them, but potentially opening a short period for others to come forward with proposals.
- More generally advertise for potential interest in end uses for the site, so as to determine whether there are other users/uses/partners that have not so far come forward.

The degree to which GYPT is bound by public procurement regulations in the identification of commercial partners for its schemes is clear - it is not a public body bound by Public Procurement Regulations 2015 and can proceed in any manner consistent with its objectives and powers it deems fit. However, as lottery or public money may be sought to finance the restoration, it would make sense to advertise and invite proposals before moving to select a preferred partner.

The form of this invitation can be discussed further but would logically be built around a two stage process with a short first stage of expressions, assessed against criteria regarding the business basis of those expressing interest and a second stage (to which operators who have already engaged as in section 4 would automatically be progressed) are asked to set out:

- The robust and resilient basis of their business
- Their proposition for the Iron Duke, in terms of extent, offer and business model
- Their vision for the restoration
- Their broad financial offer.

On receipt of these offers, we would suggest that GYPT moves into a focused negotiation with a preferred provider of potential terms sufficient to support a funding application for the restoration.

The challenge with buildings such as the Iron Duke is that the ordinary commercial investment costs of establishing a business are rendered unviable by the conservation deficit - the degree to which the restoration costs of the historic fabric outstrip that investment which is commercially justifiable and viable from future operations.

The most obvious source of this underlying conservation deficit is from National Lottery Heritage Fund under its Heritage Enterprise Fund.

On the basis of previous schemes, we would expect that GYPT would have an excellent chance of success with a scheme for the Iron Duke, though with the proviso that all NLHF schemes are overbid at present so applicants have to be prepared for the need for second or third applications.

Together with a fit out contribution from the commercial partner, we would expect this to meet all costs of renovation and preparation for new use.

5.2 Conclusion

The Iron Duke has a compelling and regionally unique heritage and story to tell. It is recognised as a survivor of another era of entertainment, community gathering and enterprise. It has a potential to once again welcome the most diverse and substantial audience for this heritage as it returns to commercial use and access to the public.

In saving the site from inevitable loss, GYPT has undertaken the first part of the rescue of this lovely building from complete loss.

Now the Trust needs partners and funders to bring the building back to life to celebrate its heritage, drive significant economic benefit for its communities, and return it to the forefront of Great Yarmouth's heritage offer.

There are a wide range of options for the future use of the site, but among them the potential to return the building - broadly - to its original purpose as a place of entertainment and celebration most clearly unlocks commercial interest and a sustainable long term business model.

The Heritage Enterprise scheme offered by National Lottery Heritage Fund was developed for exactly this situation and we would have good confidence that we can make a very strong case for investment. If this funding of the conservation deficit for the scheme can be secured, the prospects for the restoration and renewal of the Iron Duke, its role in the community, and its contribution to the resident and visitor economies of Great Yarmouth should be assured.