
Chichester Local Development Framework: Tourism Research

Final Summary Report for Tourism Development at
Chichester District Council

Prepared by

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1 Background

Tourism South East (TSE) was commissioned by Chichester District Council's (CDC) Tourism Development Team to provide an independent view on tourism development in Chichester District. The aim of the project was to carry out product development research; the outcomes of which would be used by the Tourism Development Team to inform their internal reporting on tourism spatial policy to the Local Development Framework (LDF) Committee. This client summary and appendices of detailed research is not therefore intended to directly inform the LDF Committee, but rather to provide technical detail for officers.

1.1 Key Outputs of the Summary Report

TSE was asked to concentrate on specific geographical divisions of the District (the rural area to the North of the City, the City itself and the Manhood Peninsula), addressing the following four core product areas for spatial policy:

1. Rural Accommodation - current supply/gaps and future opportunities.
2. Quality Hotels - current provision and anticipated demand
3. Cycling and Equestrian tourism - current supply/gaps and future opportunities.
4. The Manhood Peninsular - sustainable tourism product development opportunities.

The report begins by contextualising the economic value and importance of tourism to the District whilst outlining the need for sustainable development to protect the District's high quality natural environment. This report primarily summarises the research documents which are attached as Appendices 1-4 covering the identified product areas.

The research conducted throughout this project draws industry input through specifically tailored self completion surveys, telephone interviews and personal visits as well as regular data sources collected by TSE and CDC in the form of occupancy and business trends surveys.

2 Strategic objectives

One of the seven priorities identified for the South East Region in RPG9 (Nov 2004)¹ is to support tourism and recreation. Tourism provides a very significant part of the region's economy, currently generating £10 billion of spending (equivalent to 7% of regional GDP) and supports an estimated 225,000 jobs. Tourism South East (TSE) wish to see the Local Plan/LDF reflect the importance of this growth industry with the inclusion of policies that support appropriate sustainable growth of the tourism sector in the area.

TSE strongly supports SEERA's South East Plan and is working with local and regional planning bodies in the implementation of the Plan. TSE has been a core consultee in the production of this regional plan in order to reflect the significance of tourism to

¹ TSE acted as a core consultee for RPG9, which will act as official guidance to local authorities until the South East Plan is formally adopted in the next two or three years.

the region and to ensure that policy seeks to promote tourism as a key economic development activity within the Region.

Within the framework set by the overall vision and objectives of the Regional Spatial Strategy for Tourism there is a clear emphasis on supporting and promoting tourism. It is axiomatic therefore that the role of policy at the local level should positively reflect this by encouraging suitable improvements in the quality and range of tourism products. This study recommends specific local policies and actions to help CDC officers interpret regional policies in a local context.

3 The importance of tourism to Chichester District's economy

TSE would emphasise the important role tourism plays in providing employment and the wider contribution tourism makes to the Chichester economy. More than 4 million visitors are attracted to the District of which 3.5 million are day visitors. Visitor spend is estimated to be in excess of £147 million per annum and the industry supports close to 3,000 jobs (CDC STEAM research, 2004). Using this research project as an evidence basis for sustainable product development, CDC is urged to consider the economic importance of tourism as a guiding principle in the LDF.

4 Environment policy and tourism development in the countryside

LDF policy seeks to protect the countryside for its own sake in accordance with national planning policy guidance and for special emphasis to be placed on preserving the areas of outstanding natural beauty and special landscape areas such as the Chichester Harbour AONB and the Sussex Downs AONB; of which the latter will fall within the proposed South Downs National Park if established. However, in achieving this important objective, policy can impose such a degree of control over new development that there is in effect a development embargo in place. Policy should therefore consider the needs of the local economy and the benefits that tourism can bring to the area and to the local and regional economies.

Where applications for tourism development are put forward, policy should seek a balanced view between the need to protect the environment and countryside and the benefits that the tourism initiatives may bring to the area, even if this benefit is likely to be only modest in terms of income generation to the provider and local services, and to local employment. TSE recommends CDC's countryside development policies should provide an element of flexibility to allow for high quality, sensitively designed new development where this can be achieved without harm to the countryside and to other matters of recognised importance, and where evidence justifies such development.

5 Attractions

As a guiding principle, TSE considers that priority should be given to improving the quality of existing attractions within the District so they can meet changing consumer demands and provide high environmental standards in terms of design and access. This approach is supported by regional planning policy in The South East Plan².

TSE recommends the LDF to support the development and growth of attractions where they will: expand the region's tourism product and market share, they can be accessible for people with disabilities and can be reached by public transport³.

6 Seasonal variations

Although TSE were originally asked to cover this subject under Rural Accommodation, as has been done through the relevant sections, it is important to appreciate that seasonal variations are applicable District-wide as follows:

Serviced Accommodation

The monthly figures gathered by TSE suggest very high general occupancy rates for B&Bs in the District.

In 2004 average annual room occupancy for B&B in the District ran at around 64% and bedspace circa 53%, with monthly peaks in July, Aug Sept and Oct. Whilst the relatively small sample size makes comparison difficult, the TSE statistics for 2004 clearly demonstrate that B&B room occupancy was consistently better than hotels in the District during the shoulder months⁴.

TSE research conducted in 2004 as part of South East region B&B sector study included 10 B&Bs from Chichester District. The data obtained from the survey element of this work indicated that B&Bs were typically turning away 2-3 enquiries a week in the summer months, but winter supply was generally sufficient with fewer than 10% of providers turning away bookings due to lack of bedspace. While the data set is too small to be statistically representative of the population it should be noted that 3 providers (30%) stated they were operating well below their desired annual occupancy target.

The 3 B&Bs in the research survey were located on the Manhood Peninsula, and reported occupancy rates at some variance to the TSE monthly occupancy statistics. This is perhaps due to the impact of being coastal located and away from markets that are less seasonal. One reported a summer room occupancy rate of 80% with shoulder occupancy at 60% - very much in line with the TSE occupancy data. The others reported summer occupancy at 50-60% and shoulder month occupancy nearer to 25-40%. All indicated substantially lower occupancy during the winter period, underlining the highly seasonal demand in coastal locations away from main business traveller corridors. Having said this, it was encouraging to note that all reported that they are slightly busier than they had been in 2001.

² The South East Plan, January 2005, Section D2, Policy TSR4i:a, pg 65.

³ SEERA, Regional Spatial Planning Strategy.

⁴ Shoulder months are those that straddle peak and off-peak, typically: Sept/Oct and May/June.

Self Catering Accommodation

Telephone interviews with holiday letting agencies indicates that self-catering providers have very high occupancy rates in the key summer months, often 80-100% occupancy. Demand is strong with bookings already being taken for summer 2006.

This is supported by the survey research conducted for this report. 6 self-catering providers responded to the questionnaire, with summer occupancy averaging over 90%. Winter occupancy was around one third, often typical of coastal letting locations, but some properties achieve very high winter occupancy by offering the accommodation on longer winter lets to singles/couples and families.

Camping, Caravanning and Holiday Parks

Telephone interviews were conducted to gather information on this area. In particular, one major holiday park operator on the Manhood Peninsula reported that summer school holiday periods, bank holidays and half terms were always at or near to 100% occupancy with many denials occurring (some going to alternative accommodation providers in the Manhood but many probably going outside the District altogether).

The Impact of Festivals and other Seasonal Events

The Goodwood Festivals in all their variants (Glorious, Festival of Speed and Revival) have a tremendous effect throughout the District with the referral area for denied bookings expanding as far as Worthing, Portsmouth, Petersfield and Billingshurst.(all outside the District).

During Goodwood festival times accommodation stock is supplemented by 'temporary', opportunistic providers⁵ about whom little is known. They do not appear to adversely affect the 'official' providers who are reported to enjoy 100% occupancy throughout the festivals.

There are other events and festivals of sizeable nature which occur on a regular or programmed basis in the District and these too can result in many booking denials.

Local smaller festivals have temporary effects on supply throughout the District but not significant enough to suggest that supply is insufficient.

⁵ Local residents who let out their spare room(s) to visitors on an ad-hoc basis to exploit events and peak periods.

7 Rural Accommodation

The rural accommodation research objectives were:

- to complete a rural district accommodation inventory broken down for the Manhood Peninsula and Sussex Downs AONB;
- to identify re: gaps that could be exploited and limitations affecting further development;
- to put forward suggestions to be taken into consideration for LDF policy formulation.

More specifically, CDC asked TSE to look at:

- a. an inventory of rural accommodation outside the City broken down as follows (See Appendix 1:2):
 - bed and breakfast,
 - pubs,
 - self catering, and
 - the caravan/camping/holiday park sectors
- b. Limitations in usage (Seasonal variations, see Section 6)
- c. Estimated effect of current and anticipated supply and demand
- d. The existing TSE Local Authority Planning Advisory Guidance for the rural pub accommodation sector
- e. Comments on perceived product gaps and market opportunities

CDC is aware of the vital contribution that its rural visitor accommodation makes to the District's local economy. It is estimated to form some 75% of known accommodation stock in the District, with over 320 establishments identified in this research. Its significance to the rural economy justifies the development of LDF policies to reflect this.

The District Council implements locally the TSE and Regional Tourism Strategy⁶ stance on high quality accommodation being a prerequisite for the overall improvement of the Region's tourism product.

Retaining and developing a high quality tourism base is considered to be an essential element of local and regional strategy and is vital in attracting longer stay visitors who spend more, generating positive recommendation from visitors and increasing the number of repeat visits to the area, resulting in greater benefits to the local economy. In turn, greater revenue to the local economy will provide the engine for further sustainable reinvestment in the community and environment, making the area attractive to visitors, residents and business.

A detailed rural accommodation stock breakdown can be found in Appendix 1:2. In addition to this report TSE has produced guidance documents which should be used to inform the construction of the Chichester LDF. These can be downloaded from: <http://www.industry.visitsoutheastengland.com> for guidance on attracting

⁶ www.industry.visitsoutheastengland.com for 'Tourism Excellence: The Strategy for Tourism in the South East'.

hotel investment in the south east; for guidance on the rural pub accommodation sector, and for guidance on supporting B&B accommodation.

7.1 Limitations on Usage

Very few limitations on usage were identified by accommodation providers who responded to the survey conducted for this study. Main constraints mentioned included lack of time, inability to expand because they are already running at 100% occupancy, and difficulties with the systems used by the Visitor Information Centres to promote accommodation.

For B&Bs potential barriers to further development include lack of physical space to expand, and the planning application complexities and financial risks of physically expanding the premises. In many ways, B&Bs seem keener to improve their winter occupancy rates rather than physically expand to cater for strong summer demand.

Local Plan Policy T6 provides for restricting holiday accommodation to holiday use only. This is to retain tourism accommodation, to avoid conflicts with housing and transport policies, and to avoid increasing the burden on services and infrastructure. The period of occupation permitted for tourism may vary and there is no standard, one-size fits all approach. Particular attention is paid to whether the accommodation is within an area at risk to tidal flooding, the standard of accommodation, and how much the accommodation may adversely affect the ecology or aesthetics of the surroundings.

The greatest impact of this policy was found to be with the holiday parks. One substantial operator with over 2,000 units on the Manhood Peninsula explained that their opening period was restricted from 1st March to 31st October. Ideally they would wish to have a longer season for 2 key reasons:

- The 31st October date often coincides with autumn half term, and subsequently a lot of half term holiday business is lost, some of which undoubtedly goes to providers outside the District
- More UK holidaymakers are seeking short break holidays of 2-3 days both within the week and at weekends during the shoulder months, in addition to their main vacation. This market has certainly extended throughout November and there is demand throughout the year for such short breaks

The extension of the opening season for holiday park operators could help to augment visitor revenue in the local economy whilst at the same time utilising the existing infrastructure at levels below that seen during peak periods.

The researchers experience suggests that while such policies can help to maintain accommodation stock, occupancy period conditions can sometimes result in the reverse happening – with self catering and holiday park providers failing to enter the sector or others leaving it because occupancy rates cannot be developed to a sustainable level year round. This is becoming more pronounced as property prices, maintenance costs and other overheads escalate.

Regional Planning Policy TSR7⁷ advocates the reduction of 'seasonality' for coastal tourism development. TSE considers that this issue needs to be addressed in other areas too where over-stringent and unnecessary controls over the period of occupation, length of occupation and returns may severely test and limit the economic viability of enterprises. It is considered that the LDF should promote policies to allow operators flexibility to open throughout the year. Where self-catering accommodation is involved, it is acknowledged that there may be a fine line between a genuine use for tourism and residential use. However, control of the consented activity is best achieved with relevant conditions that are reasonable and enforceable and avoid conditions that place undue and potentially onerous restrictions on the site owner/operator.

Many areas in the wider tourism market now rely on seasonal breaks including those during the winter. Conditions preventing occupancy between October and March (often used by planning authorities in the past) are out-dated and do not reflect current trends in the tourism industry. In TSE's experience, a condition to restrict opening for one month of the year (the specific month would be subject to discussion and agreement with the operator, but would usually be January or February) is an appropriate and enforceable way forward, and has proved successful in other areas.

By removing the temporal restrictions of current policy through the LDF, CDC could encourage existing and new operators to satisfy off-peak demand, with greater year round income generation enabling businesses to be more viable. Furthermore, by increasing the operational period and subsequent potential for greater return on capital investment, new business start-ups may be further encouraged to the area. Longer tourism occupancy periods could result in relieved congestion pressures during peak periods.

Whilst Local Plan Policy T6 may impact on self-catering, holiday parks and caravan and camping sites in particular, it must be recognised that many B&Bs fall outside development control as planning permission is usually not required for smaller establishments where B&B is ancillary to the use of the property as the owner's main residence, and there is no need to alter or develop the establishment.

7.2 Current and Anticipated Supply and Demand

7.2.1 The Need to Meet Frustrated Demand for Rural Accommodation

Anecdotal evidence gathered by CDC indicates there are not enough rural bedspaces available in the District to satisfy current levels of demand, resulting in loss of overnight business. This is backed up by the research undertaken by TSE in this study, which has found particularly high occupancy rates during the summer months, and a significant number of booking denials being redirected outside the District due to lack of available accommodation (see Appendix 1). For example, self-catering properties and holiday letting agencies have consistently reported 85-100% occupancy during the summer on the Manhood Peninsula.

⁷ The South East Plan, Jan 2005, Section D2, Policy TSR7i, pg 68.

The same research has also found that accommodation owners are generally finding their business getting busier over time, with particular growing demand for short breaks during the shoulder seasons.

It is difficult to quantify the value lost to the economy from booking denials during the summer months, and increasingly so in the shoulder months, but regional data indicates that a typical B&B contributes in excess of £80,000 per annum of receipts into the local economy as a direct result of visitor expenditure whilst staying at the property (money spent on food, drink, shopping, the accommodation itself and so on).

While there is significant frustrated demand in the summer months (some businesses report turning away over 20 enquiries a week), the winter picture is typically different as one might expect. Maintaining high occupancy in winter months is more a function of attracting business visitors. A significant proportion of rural accommodation is located on or near the coast or in the rural north, away from the main business traveller arteries of the District, so demand is quite seasonal with booking enquiries during the winter months generally being satisfied without difficulty (the research found very few accommodation providers turning business away, and some look to non-leisure visitors to fill their property).

In order to satisfy the apparent levels of demand for rural visitor accommodation in the District relative to supply, TSE makes the following overarching policy proposal:

CDC should put in place policy to protect existing quality rural accommodation provision throughout the District, and provide for measures that help to support and improve the viability and quality thereof. At the same time the introduction of new high quality tourism accommodation stock, particularly in and around the District's market towns Midhurst and Petworth, and hotspots such as the Witterings should be encouraged where appropriate and consistent with other policies, as guided by the LDF.

7.2.2 Measures to Ensure Existing Accommodation Stock is not Lost

The research has identified a strong and apparent frustrated demand for rural visitor accommodation in the District. TSE encourages the protection of existing quality visitor accommodation, particularly where there is considerable pressure for the loss of these to other uses, and there is clear evidence of demand.

TSE is concerned that quality accommodation could be lost where individual owners/operators deliberately over-price accommodation, under-market it, or allow the facility to become run-down and neglected through under-investment and poor management. Experience shows that this is often a pre-cursor to applications being made for changes of use or redevelopment, based on 'poor performance', 'lack of demand' and unsuitability for continued use. CDC therefore needs to be explicit in addressing this issue through LDF policy where there are evidenced levels of demand:

Where applications for redevelopment or change of use of visitor accommodation occur, the LDF should demand sufficient evidence to prove that tourism is not a viable opportunity for the property in question. Such evidence might for example

include a marketing report to demonstrate that a consistent business marketing campaign period of 1 year minimum was undertaken, including evidence of competitive and realistic pricing, and appropriate types and extent of promotion via media channels consistent with industry norms for the type of accommodation concerned. Irrefutable evidence of a clear and demonstrable lack of demand for the facility should be provided, such evidence based on the preceding 3 years occupancy rates and trading figures (1 of which is to coincide with the timing of activities stated in the marketing report), alongside other relevant factors such as previous marketing or business plans.

It is not uncommon to see rural pubs with accommodation and self-catering units on farms being lost to residential status elsewhere in the Region. This has been particularly noticeable since the above inflation rise in residential property values.

It may be appropriate to develop Supplementary Planning Documents (SPD) to demonstrate how to translate policy into action, clearly specifying the criteria and support documentation required for submission with any Change of Use application.

Whilst this policy proposal is promoting the general principle of a positive and structured approach to retaining existing accommodation where evidence of demand exists, TSE recognises that not all existing visitor accommodation will or should be retained in that use. Some facilities (particularly in coastal areas) will be lost to other uses, especially where the existing facility is of poor standards and quality.

7.2.3 New provision and expansion of existing serviced and non-serviced accommodation in rural areas

Current TSE tourism strategy identifies the development of rural self-catering units across the region as a strategic priority. Recent research by TSE has established that the South East has considerably less self-catering units than other regions across the UK, to the extent that in some areas, demand considerably outstrips supply. Self-catering accommodation is considered to have particular growth potential, as it has direct appeal to an increased number of UK residents wishing to take additional holidays outside their main holiday which is often taken abroad.

Rural self-catering is particularly beneficial to the local economy due to the longer average length of stay compared to serviced accommodation, which results in higher than average levels of overall expenditure per trip. TSE therefore sees the encouragement of such rural visitor accommodation and the protection of future and existing stock as an essential input to the LDF tourism strategy and policies. Whilst there are no standard tourism occupancy period constraints on holiday accommodation, current policy does provide for limits driven by issues including ecological and aesthetic impact.

As well as providing revenue for the local economy as a whole, it is particularly important to recognise the importance of rural tourism in providing income to farming and rural businesses, which in turn manage the countryside and visible environment. It is these latter features which attract the many of the District's visitors in the first place, and which also provide an enjoyable backdrop for local residents of the District. With farming incomes under particular pressure, unless such businesses have the scope and realistic opportunity to diversify or expand into rural

tourism ventures to maintain their viability, the ability to manage the countryside in a desirable, ecological and aesthetically appealing manner will undoubtedly decline.

TSE recommends the Council takes a positive stance towards the provision of new rural visitor accommodation in the rural north of the District i.e: the South Downs Way, in the form of conversions of a wider range of existing (rural) buildings; appropriate extensions of existing accommodation; appropriate additions to accommodation (as a separate but related facility); and entirely new provision where this is supportable and appropriate.

The LDF should encourage new development of rural accommodation to be close to key transport routes in order to maximise opportunities for attracting leisure and business travellers and sustaining year round income.

This may entail policy adopting a more 'open' view of tourism accommodation, and providing opportunities for new high quality facilities where these can be achieved without harmful impacts. This is especially relevant in the case of the anecdotal evidence pointing to a lack of stock across the range in the Sussex Downs and a need to support and strengthen tourism accommodation provision in the District's market towns.

As a general rule, CDC should advocate that all rural tourism developments should be of appropriate scale and design, as to be congruent with their surroundings using local materials and labour.

Policy can be more positive whilst providing the appropriate degree of protection for these areas.

Proposals for conversion of buildings for visitor accommodation should be allowed where:

- a) the proposal would assist in the diversification of the rural economy, particularly market towns;
- b) the future of a listed building or another building of architectural merit may be secured; or
- c) the survival of a farm business that has a key role to play in the management and conservation of the countryside may be facilitated.

7.2.4 Static Caravan and Holiday Park Sites

CDC should follow The South East Plan's explicit point on facilitating the upgrading and enhancement of existing un-serviced accommodation where this will not harm landscape quality or environmental assets⁸.

Existing holiday park and static caravan site owners have identified the frustrated demand that occurs around the start of the typical closed period (being November 1st). Many visitors plan to come during the autumn half term which often runs beyond 1st November, and there are also increasing numbers of visitors looking to take a late autumn short break at such venues.

⁸ The South East Plan, Jan 2005, Section D2, Policy TSR5i:f, pg 67.

Before addressing new provision through spatial policy, CDC should review the standard closure periods for static caravan and holiday park owners across the whole District with particularly close attention on the Manhood Peninsula to ensure that closure periods do not conflict with periods of genuine demand, or at the very least look to commence the closure period 2-4 weeks later compared to current standards. CDC's marketing activity should compliment the outcomes of any such review.

Spatial policy should favour extending existing provision on the Manhood Peninsula over new development.

The nature and scale of development in this sector demands that any application be assessed in the context of alternative similar accommodation provision in the locality and their occupancy rates, the sensitivity of the location concerned, and the ability of the location to provide the infrastructure to cope with expected volumes of visitors. This is especially the case on the Manhood Peninsula. In appropriate locations where applications are made to extend sites, or create new sites, consideration should be given to reserving one third of the pitches for touring caravans and campers.

Whilst it is recognised that new static caravan sites and holiday parks can have a substantial impact on the local environment and community their benefits should not be overlooked.

Furthermore, the LDF should pay particular attention to identifying suitable alternative sites for the relocation of holiday parks that are under threat from coastal erosion or flooding.

7.2.5 Touring Caravan and Camping Sites

TSE welcomes initiatives that enhance the standards of existing site facilities and the environmental quality of sites. Where an application is made to extend an existing site, or for a new site, there should be high standards of amenities provided, adequate safe access to a public highway and a high standard of layout and landscaping.

There are few Caravan and/or Camping sites in the north of the District, an area which sees a number of musical and other festivals and events. When such events take place in Petworth for example, research indicates they tend to attract many fans who want to camp but who have to be directed outside the District and often relatively long distances away.

Spatial policy should allow further development of camping and caravan supply in the South Downs which is currently not perceived to be adequate to cater for peak season demand, combined with the current festival calendar, and a growing renaissance of camping, a growing interest in walking, riding, cycling and rural pursuit holidays and the potential impact of a National Park designation on visitors to the area; as long as it is consistent with other policies and the nature of the surrounding environment. Consideration should specifically be made to increasing accommodation along the South Downs Way in the form of camp sites or camping barns.

Small-scale caravan and camping sites should be considered through spatial policy on the Manhood Peninsular. This may be a beneficial diversification for an existing tourism operator where high quality accommodation at the lower end of the market can add vital economic support for that enterprise and would further support product development in the walking and cycling markets.

It is suggested that LDF policy should avoid restricting the use of camping and caravan sites to four weeks in any calendar year to allow operators to meet seasonal demand and to be able to offer off-peak packages to maintain tourism income over a wider part of the year.

7.3 Spatial Breakdown of Rural Accommodation

7.3.1 Rural Accommodation in the North of the District

The area to the North of Chichester is substantial relative to the size of the Manhood Peninsula, but with fewer accommodation establishments there is less density of overnight tourism per square kilometre. Having said this, both Midhurst and Petworth have noticeable concentrations of B&Bs, inns and to a lesser extent self-catering accommodation.

The vast majority of this area carries AONB status and falls within the proposed National Park designation, and it is not desirable to have excessive tourism activity or large scale development in such an environmentally sensitive area. Nevertheless tourism is an essential component of a sustainable Area of Outstanding Natural Beauty, bringing revenue, infrastructure and other benefits to local businesses and the community.

Approximately two thirds of the District's B&Bs and one third of the self-catering establishments can be found in this area, along with nearly 90% of the inns offering accommodation and just under a quarter of the camping, caravan and holiday parks.

For the Midhurst and Petworth areas a consistent need for more accommodation of all types is reported by the Visitor Information Centres for the very North of the District, between the A272 and Haslemere. To the north of Petworth there are only 7 identified Guest Accommodation Providers. Indeed the opening of new accommodation provision in a rural pub on the northern edge of Petworth is greeted with great enthusiasm.

There appears to be a limited supply of Rural Pubs with quality accommodation in the area. Pubs with accommodation are an ideal resting place for walkers and other visitors to the AONB as well as providing a focal point for village communities, and the opportunity to extend such accommodation should be considered where such development is consistent with other policies.

If the South Downs gain National Park status, then there is the potential to increase visitors and convert day visitors to overnight stays, raising the demand for quality accommodation in the area. At present it is too difficult to comment generally on the extent of probable impact. But if significant tourism potential does develop in the future in small rural towns in the AONB - perhaps through the National Park

designation - the District Council should identify actions to strengthen links between these towns and their hinterlands through improved and integrated sustainable transport links, complementary product development and investment.

In order to increase the spread of tourism benefits to rural hinterlands and disperse the tourism impact on the area, there should be further scope within policy to look at allowing rural accommodation development in the outlying rural areas in the North of the District. This would be particularly relevant where there is already a quality range of accommodation stock within the nearby market towns/smaller service hubs and where outlying farms and rural businesses need to diversify in order to maintain their existence and positive role in managing the countryside.

Chichester Planning Authority should demand viability testing on applications requesting change of use from rural pub to residential or other usage resulting in the loss of rural pub accommodation stock, particularly where rural pubs operate a viable business servicing not only visitors but also the local community. Equally, LDF policy should support rural pubs looking to provide quality accommodation where such development is consistent with other policies.

7.3.2 Rural Accommodation on the Manhood Peninsula (to be considered with Section 9)

TSE's research in Chichester indicates that there are in excess of 130 self-catering establishments in the District, around two thirds of which are located on the Manhood Peninsula, primarily in East Wittering.

The research conducted for this study clearly demonstrates that around 45% of the District's rural B&B population and 65% of self-catering establishments are located on the Manhood Peninsula. The greatest concentration of visitor accommodation is to be found in East Wittering. However, there is still a recognised shortage of supply in the Witterings and other areas of the District, and new development is seen to be increasingly less viable given the high capital set up costs (property values or build costs) and operational costs.

The Peninsula also provides the location for over 75% of the District's camping, caravan and holiday parks, but is almost devoid of pubs offering accommodation.

Overall there appears to be evidence of frustrated demand for accommodation in the summer, and increasingly so in the shoulder months as people take short breaks in addition to their main summer holiday, but there is apparently no shortage in the winter months. Similar issues at both local and regional level have been identified for the self-catering sector.

Discussions with the TIC Managers and Staff highlighted a number of ongoing concerns relating to the Peninsula. From Chichester there is a constant demand for B&B accommodation in the Witterings and especially West Wittering, and as can be seen from the supply maps in this study there is relatively little to satisfy that demand. Offers of alternative accommodation some distance away do not meet a favourable response.

Conversely the greatest supply of B&B accommodation on the Peninsula is in Selsey which does not enjoy the same popularity as West Wittering, and is not seen as a desirable alternative.

There is insufficient scope within this study to determine what proportion of accommodation occupancy in Selsey is driven directly by denied bookings in the Witterings, and TSE recommend further detailed research to determine the supply and demand dynamics at this micro level, and consequently policy within these villages of the Manhood.

Spatial policy should consider greater supply of B&B and self-catering accommodation where there is the greatest demand i.e. in the Witterings, particularly West Wittering over Selsey until specific demand for Selsey justifies stock increase there. If further tourism development of the Manhood Peninsula is to take place, then TSE underlines the strategic importance of upgrading the transport infrastructure into and on the peninsula in a sustainable manner to enable an increase in visitor capacity.

Holiday park operator feedback indicates a strengthening of demand over the past 3 years with more summer denials occurring and frustrated demand, especially during November due to enforced closure periods, and most notably when autumn half term runs beyond the start of the closed season.

TSE suggest that consideration be given to reducing the compulsory closure periods for static caravan and holiday parks on the Manhood Peninsula to cater for the growing demand for coastal short breaks during the shoulder seasons, and most notably the autumn half term which for the UK as a whole can include November.

7.4 Summary of Opportunities and Gaps for Development in Rural Accommodation

Based on the analysis and research conducted in this study this section summarises the broad and indicative conclusions drawn from the research:

- Scope for further visitor accommodation supply of all types across the District to meet peak demand levels during the summer months, and in particular:
 - frustrated demand for (B&B in particular) accommodation in West Wittering
 - lack of quality accommodation north of the A272
 - increased camping sites and other forms of accommodation in the proposed National Park area to cater for existing music and other events, and the growing interest in camping
- sustainable increase in all types of quality accommodation to service the potential positive impact of National Park status on visitor numbers
- The opportunity to extend the holiday park season from 31st October to 30th November at least to cater for autumn half term and short break market opportunities.

- An opportunity to improve the annual occupancy rates and hence viability of rural accommodation without putting extra pressure on the infrastructure by:
 - engaging in marketing and support activities that promote short break opportunities in the shoulder and winter months
 - reducing the occupancy conditions and constraints placed on winter occupancy type and duration
- A need to evaluate the Selsey area in greater depth to see if there is potential for a regeneration strategy to alleviate the pressures on West Wittering through promoting Selsey as a visitor destination in its own right.
- Opportunities to develop walking, horse riding and other countryside activities and pursuits that will underpin holiday accommodation businesses in the proposed National Park area without adversely impacting on the landscape or ecology.
- A need for improving public transport and access to and within the Manhood Peninsula to alleviate constraints on tourism activity in a sustainable manner.

8 Hotel Development

The District Council is concerned about the potential loss of visitors and related revenue caused by a lack of quality hotel accommodation in the City centre and perhaps other parts of the District. The Council would like to become more au fait with hotel developer requirements and consumer demand (leisure and business) relative to supply within the District. TSE and CDC jointly commissioned Tourism Solutions to conduct a "Hotel Futures: 2005 to 2021 Study" (attached as Appendix Two). The preparation of the Chichester Local Development Framework was the driving factor behind commissioning this study, so providing an important opportunity to suggest policies guiding future hotel sector development.

The main outputs for the Hotel Futures work were:

- identify deliverable hotel development opportunities,
- assess developer interest in the City and the District,
- to forecast the need for new hotel accommodation in the City and the District up to 2021,
- suggest policy formulation suitable for the LDF together with suitable site identification.

The headline hotel development opportunities and suggestions for policy development have been pulled out of the full report and are summarised in this section. For the detail and forecasting and developer interest please refer to the Appendices.

8.1 Hotel Development Opportunities

The extensive Hotel Futures research suggests that the greatest opportunities for new hotel development in the District are likely to be in the City centre due to its

strengths as both a leisure and business destination. There is clear immediate and future potential for new boutique and budget hotels in the City. There may also be longer term scope for a large branded 3/4 star hotel, or limited service 3 star hotel, possibly linked to a major business park development, should one materialise.

The research demonstrated no clear potential for new hotel development in Midhurst, with the town already well served by hotels, none of which are trading particularly strongly or denying business to a significant degree. Future growth is likely to come from leisure break not corporate demand.

Leisure break and events demand may provide scope for a small quality hotel or quality pub accommodation in Petworth.

The research suggests it unlikely that Selsey or East Wittering will attract new hotel development for the foreseeable future. However, there is anecdotal evidence of demand for a small quality/boutique hotel in West Wittering. While our research is unable to confirm whether such a proposal could be viable, it should not be ruled out as a possibility.

Although out of town sites are not typically favoured by planning authorities, there is great developer interest in locating along the A27, particularly at sites within close proximity of key employers within the area.

Timescale is a big issue for CDC as there is live interest and market potential currently, and no sites ready to go. Thought should be given to ways of speeding up the process, particularly in relation to suitable budget sites.

8.2 Hotel Development Policy Formulation

CDC should draw extensively on the guidance published by TSE relating to: attracting new hotel investment and the retention of visitor accommodation, and the development of quality accommodation in rural pubs. These documents are appended to this summary report.

Policy wordings within the LDF will need to ensure that all of the hotel development opportunities and locations identified and promoted can be delivered in principle, both in the built up area and the countryside. It is important not to waste the time of developers if there is no way through these constraints.

Recommendations relating to policy development are as follows and should be read in conjunction with the full hotel futures report detailed in full in Appendix Two:

- There should be sufficient flexibility in the Chichester LDF for the planning department to respond to the needs of different hotel products, their markets, and the wider requirements of the destination.
- Whilst the general desirability of hotel development in Chichester and other Cities and towns is appreciated, the application of a rigid sequential test for hotel development is not appropriate, and this has been recognised in Regional Planning Guidance.

- The planning authority should pay close consideration to the following issues relating to site deliverability: timeframes, values, ownership and mixed use sites.
- When writing policy that relates to mixed use sites, CDC should avoid including hotel on an 'and/or' basis with residential, retail, office and leisure – this could leave a loophole resulting in the hotel use not coming forward.
- Development pressure from other uses for suitable sites identified in Appendix Four of the Hotel Futures report should be resisted, particularly office, residential, retail uses with which hotel values cannot compete
- The LDF should take into account through spatial policy, the deliverable sites identified in the Hotel Futures report. Some of the sites identified as suitable for hotel development may be mixed use development or have long-term timescales attached to them, these issues need to be addressed to support sites identified in the LDF
- The LDF should support the upgrading of existing hotel stock, and possible development of ancillary facilities such as leisure/spa facilities, and or meeting and function rooms, particularly in Midhurst and the City Centre.
- Through the LDF, we strongly encourage the District Council to support the provision of affordable staff accommodation as part of new and existing stock, especially in areas of housing pressure.
- Policy should allow consideration for the general principle of use (or extension of uses) such as pubs and golf courses in rural areas, where such accommodation would secure the viability of that use and where new hotel development might not be viable on its own.

TSE suggests that a flexible approach is adopted which would encourage the location of new hotel development at specified locations, but would also permit hotel development at alternative sites to be assessed against relevant planning criteria contained within the LDF. The setting of such criteria would ensure that possible impacts in terms of traffic, visual impact and effect on the environment would be fully addressed.

8.2.1 Accommodation retention policy

With continued pressure for change of use to residential and the potential to lose properties of character we believe it important to consider an accommodation retention policy. This is not an area that has previously received separate mention in policy terms however, TSE guidance on attracting hotel investment identifies a detailed set of recommendations that should be taken on board in the LDF preparation.

Retention policy is being closely examined by TSE and a number of local authorities, and we strongly recommend that CDC keeps abreast of latest developments in this field and takes advantage in any opportunities for discussion and participation with other local authorities. TSE is developing a working group to look at this issue and will advise as to how this progresses.

9 Cycling and Equestrian Tourism

Insufficient data exists on the potential of cycle and equine tourism opportunities within the rural areas of Chichester District. TSE was asked to consider whether encouraged development of cycling and equine tourism would be appropriate to the core rural areas - Manhood Peninsula and the proposed South Downs National Park. Appendix Three offers a broad appraisal of the existing infrastructure and accommodation options for visitors and the potential development areas for these two rural pursuits.

TSE's main output in this area was:

- to complete a basic initial appraisal of the cycling and equine tourism development opportunities which would form the basis of information to guide the formulation of policies in the LDF.

9.1 Tourism Cycling in Chichester District: Guide to Formulation of LDF Policies

The analysis in Appendix Three of the cycling product in Chichester District shows that there are a significant number of cycling facilities but a relatively poor, disconnected cycle route infrastructure other than the major off-road route along the South Downs Way. The potential visitor market who could be attracted to use cycling services and facilities in the District is within easy reach.

The potential to develop and promote Chichester as a centre for cycling activity to offer a new product to the short breaks market and to add value to the day visits market from holiday bases is apparent.

It is recommended that any future work in this area, and any LDF policies being formulated re. leisure cycling look at:

- Developing a business network of cycling services in the rural areas of the District to act as a stakeholder group to support future developments;
- Building a more comprehensive infrastructure of cycle routes centred on the City of Chichester. This should include:
 - the completion of the section of National Route 2 in the Chichester District to link into the wider network and to open up the potential for the area to get a greater market share of the 77million cyclists currently using the network;
 - extending the Centurion Way to Singleton to link to the Weald and Downland Museum and the lanes around Goodwood, Charlton and East Dean. We are however informed that the tunnels are designated as a Special Area of Conservation and this suggestion may not therefore be possible as a result;
 - identifying a safe route from the City into the Manhood Peninsula to access the lanes in the Manhood which offers excellent cycling on flat roads and to link into the centres of visitors accommodated on the

coastal strip. The option to develop a shared use route along the Chichester Canal could be explored.

- Working with businesses, in particular along the South Downs Way and the National Route 2, to improve their offer to cyclists, and to identify gaps in the accommodation market for visiting cyclists. Currently the obvious gaps are for low-cost group accommodation along these routes to cater for the identified market segment.

Chichester LDF policies should encourage any plans to develop cycle routes and identify where access agreements may be required to complete the network.

LDF policies should reflect the need to develop a wider accommodation offer to cyclists by creating a policy to deal positively with development proposals of appropriate and high design standards for new build or conversion of existing buildings to cater for this market.

9.2 Equestrian Tourism in Chichester District: Guide to Formulation of LDF Policies

The audit of Chichester District equestrian facilities shows a high level of product, much of which is servicing an existing customer base. The current supply tends to be concentrated in the riding school and livery sector which presumably draws the vast majority of its custom from local residents. The assumption drawn from the initial audit (as in Appendix Three) is that there is capacity to develop a visitor product in the area but that further research is required to identify the relevant market segments.

It is therefore recommended that any future work in this area, and any LDF policies being developed on equestrian tourism look at:

- developing a business network of equestrian services in the District to act as a stakeholder group to support future developments;
- investment in the development of a better, more joined-up bridleway network in the areas around the clusters of businesses in order to provide safer, better maintained routes;
- the development of accommodation provision for individuals and groups riding along the South Downs Way, and the development of stabling facilities to complement the accommodation provision;
- the current level of accommodation facilities at riding establishments and the gaps in provision in relation to identified market opportunities;
- a comprehensive review of the signing of riding routes in the District and along the South Downs Way to encourage riders, to keep horses away from busy roads and to direct riders to services available in the communities alongside the South Downs Way and other promoted routes.

The need to provide a wider accommodation offer for riders should be reflected in the inclusion of an LDF policy to deal positively with development proposals of appropriate and high design standards for new build or conversion of existing buildings to cater for identified markets.

LDF policies should reflect any plans to develop new bridleway links to provide a comprehensive network of safe routes for riders, including new access agreements to augment the network and improved signing.

10 The Manhood Peninsula

This element of the study was designed to establish the need for further product development projects that will enhance the tourism offer of the whole of the Manhood Peninsula. It is not intended to be an in-depth feasibility study. Detailed research (see Appendix Four) was undertaken to provide the required outputs on:

- further product development prospects for the seafront in Selsey from East Beach to the Lifeboat Station to enhance the tourism offer,
- the opportunities to allow managed access to the seafront,
- the supply, demand and seasonality of sea sports such as windsurfing, sub-aqua, angling and kite surfing and subsequent scope to manage and exploit this area in conjunction with new facilities and accommodation?
- accommodation provision within the Manhood Peninsula is included in Section 6.4.

In respect of tourism development in the Manhood Peninsula, policies within the LDF will need to ensure a sustainable approach to tourism development to reflect not only the physical impact of tourism on the area but also its potential economic and social value. This study aims to assess the impact of developing the sea front at Selsey, the foreseeable infrastructure requirements for the next 10 years for sea sports/access to the sea and the impact of these policies on the accommodation sector of the Peninsula.

The research in Appendix Four demonstrates that there is an opportunity for the Manhood Peninsula to brand itself as a destination and there are a number of opportunities for tourism to drive the sustainable regeneration of this part of the District, specifically in terms of growth areas such as sea sports. Appendix Four goes into detail on specific action points for CDC to pursue and should be read in conjunction with the points made in this section.

Some of the area's tourism infrastructure is dated and of indifferent quality and needs to be improved. New opportunities also need to be exploited to diversify the economic base and increase the appeal of the area. Although any increase in tourism levels is likely to be gradual, visitor pressure could threaten the character of the coast and rural hinterland. Careful management and sustainable development of tourism can create opportunities to boost the local economy, enhance the natural and built environment and contribute to the social well-being of the area. Although tourism will not be the regenerative driver for Selsey, it can be an important catalyst to stimulate investment, revitalise the area and encourage growth in other employment sectors, specifically catering and retail.

TSE propose that a regeneration policy is considered to augment the status and attractiveness of Selsey in its own right – a strategy which may also help to disperse the visitor pressure along this part of the coast.

West Wittering is a “honeypot” area, which attracts large numbers of visitors due to its unique appeal and beach environment. It is important that the quality of the area is protected and it is in the interests of tourism development to conserve the environment upon which it relies. Effective visitor management strategies are crucial to the areas sustainability. Measures will need to be considered to disperse visitor numbers away from West Wittering to areas such as Selsey that have the capacity to cope with larger visitor numbers.

For further tourism development of the Manhood Peninsula to take place, TSE reiterates the strategic importance of policy within the LDF to ensure the upgrading of transport infrastructure into and on the peninsula in a sustainable manner to enable an increase in visitor capacity. Consideration should be made within the LDF to further encourage sustainable transport access, and promotion of the walking/cycling/equestrian tourism opportunities with particular emphasis on the coastal areas.

To develop and enhance the tourism product, it is necessary to put in place policies that will improve the range of visitor attractions and the quality of accommodation on offer particularly in and around Selsey. Consideration could be given to adopting a more permissive approach, which allows a broader range of development to encourage higher spending visitor activity, with an emphasis on areas outside of West Wittering.

10.1 Access and Tourism Flow

Given that this area is a peninsula by definition, access flows are directly affected by the A27 trunk road and any upgrades and improvements will have significant benefits for the peninsula.

In the same way that communities can be designed to minimise the need to travel so too can the design of new tourism facilities and priority given to extend the use of more sustainable transport other than the car. The provision of public transport services can indeed be more easily sustained if planned to accommodate visitor as well as community based journeys.

The LDF should include reference to managing travel demand and widening transport choice in general terms across the District. This policy should make reference to tourism access and circulation (to include the Manhood Peninsula) to ensure that transport issues are managed in a coordinated way to the benefit of local residents and visitors.

The possible introduction of Park and Ride schemes (with one close to Fishbourne roundabout) is likely to improve traffic flows on the peninsula and hence also benefit visitor flows and movement. The District-wide policies on car parking should also

give weight to the particular needs and seasonal flows in the main coastal resorts on the Manhood Peninsula.

Initiatives to improve access to the sea should be supported by the LDF, particularly in and around Selsey, Bracklesham and East Wittering. TSE suggests that specific measures are supported to extend the network of recreational paths / routes for walkers, cyclists and horse-riders.

10.2 Tourism Product Development

There is potential to develop the tourism product and market on the peninsula, notably in the areas of specialist activity and short breaks. However to derive significant economic benefits from new growth markets it is recognised that the tourism product needs to be expanded in a coordinated way along with supporting infrastructure development.

By supporting a move towards the provision of a higher quality accommodation stock, the LDF will be encouraging additional overnight stays with associated economic benefits. At the same time the LDF will also be helping to reduce congestion by encouraging overnight stays rather than day visits.

As noted in Section 6, there is merit in considering revised policy to extend the length of season and reduce limitations on use for static holiday parks beyond the typical 10 months in place at present particularly to allow accommodation providers to operate over the Autumn half term period.

Policies should give consideration to extend static holiday park sites where new units will broaden the offer and range of accommodation. This could include for example the addition of log cabin style units either as replacements for static pitches or as new extended facilities for existing sites.

Give consideration to extend touring sites to adjoining land with priorities where existing infrastructure and built facilities can accommodate increased provision of touring pitches.

In terms of developing the sea sports market for the local community as well as visitors, one of the key suggested actions is to identify a potential site for a water sports training and activity centre and to improve the facilities for people undertaking water sports activities. The centre could become an important centre for information, training, events, social gatherings and supporting facilities for watersports users and spectators. The introduction of a central water sports centre could be a key facility in the expansion and profile of facilities. A location study and detailed concept business plan would be required but the LDF should identify such a facility as a strategic benefit and support its development in the right location (subject to other planning issues such as design and siting).

The LDF should recognise the potential for water sports to become a major focus of the activity based tourism product on the Peninsula. Water-based recreation should be encouraged within LDF policy (unless there is a clear nature conservation conflict)

on the basis that it does not conflict with other recreational uses or harm residential or other amenities or overall character of the area.

Where applicable the LDF should also support initiatives to develop access points for water-borne users – and provide access solutions to people with mobility difficulties.

The LDF should also support the development of a Coastal Zone Management Strategy including a review of beach zoning to ensure effective management of tourists and to progress an integral approach to tourism issues across the peninsula.

In terms of events, the LDF should ensure that the supporting built facilities (for example, car parking and toilets) and transport infrastructure which will enable an event of regional significance to be hosted in the area are able to be introduced.

Reference to strategic development for cycling and equestrian based tourism should incorporate, and indeed have a strong focus, on the Manhood Peninsula.

10.3 Selsey Regeneration

There are a number of opportunities to enhance and develop the visitor offer in Selsey, which in turn would add to the town's appeal as a place to live. The LDF needs to provide a planning framework for the Selsey seafront area, which aims to stimulate regeneration whilst sustaining the quality of the natural environment of the area. The Selsey seafront currently lacks real vibrancy and vitality. There is a need for a comprehensive framework for the seafront area that will help to revitalise the social and economic fabric of the area and provide an environment that encourages investment. The framework will need to provide detailed supplementary guidance on the design of buildings and their relationship with the surroundings.

The LDF should set out planning principles in support of the sustainable development of new facilities and services for visitors and community purposes with particular reference to the area between the lifeboat station and the East Green car park, Selsey.

As previously mentioned it is important that Selsey works alongside all tourism providers across the Manhood Peninsula to develop a managed and coordinated approach and to build a positive destination vision and profile.

10.4 Summary of Opportunities and Gaps for Development on the Manhood Peninsula

Based on the analysis and research conducted in this study, this section summarises the broad and indicative conclusions drawn from the Manhood Peninsula research:

- Scope for a regeneration strategy to consider and potentially augment the status and attractiveness of Selsey in its own right.
- Opportunity to review and potentially upgrade of transport infrastructure into and on the peninsula to enable an increase in visitor capacity considering the

potential for further product development in accommodation, walking/ cycling/ equestrian/ watersports opportunities.

- Opportunities to improve and better promote the range of visitor attractions and the quality of accommodation on offer particularly in and around Selsey.
- Scope to extend the existing static holiday park sites where new units will broaden the quality and range of accommodation i.e: log cabin style units either replacing static pitches or as new extended facilities.
- Potential for water sports to become a major focus of the activity based tourism product on the Peninsula.
- An overarching opportunity exists for CDC to drive forward a Coastal Zone Management Strategy including a review of beach zoning to ensure effective management of visitors and to progress an integral approach to tourism issues across the peninsula.
- Scope for the Manhood Peninsula to host events of regional significance as long as supporting infrastructure can be improved and maintained.

11 Access

TSE recommends greater accessibility to tourism facilities/services, from a disability as well as a social inclusion perspective. TSE also encourages tourism providers to ensure the principles of inclusive design are adopted wherever possible and practicable. Policy should allow for quality facilities which can be available to disabled people, including accommodation and the facilities provided at attractions. Equally, it is often the case that attractions and accommodation will only be in reach of disabled people who have cars. TSE encourages the Council to ensure more public transport is made accessible to disabled people.

Appendix One

1 Methodology

The study was undertaken using a combination of desk research combined with telephone interviews and short surveys distributed by email and post.

1.1 Geographic Area Covered

The researchers were asked to look at the District overall excluding the City of Chichester, and to consider specifically the Manhood Peninsula and the proposed South Downs National Park areas.

The study used the Parishes map supplied by Chichester District Council (CDC). Postcodes were identified that covered the relevant area, identified as follows:

- GU27,28,29,31
- PO 20
- RH14,20 (Specific Properties only)

Post Code PO19 is the main Chichester City Centre code and was therefore excluded.

Post Code PO18 is primarily Chichester City Centre but has some 'border areas' included. Consequently PO18 has been excluded with the exceptions of :

-
- PO18 0 - Boxgrove & Lavant
- PO18 8 - Bosham
- PO18 9 - Funtington

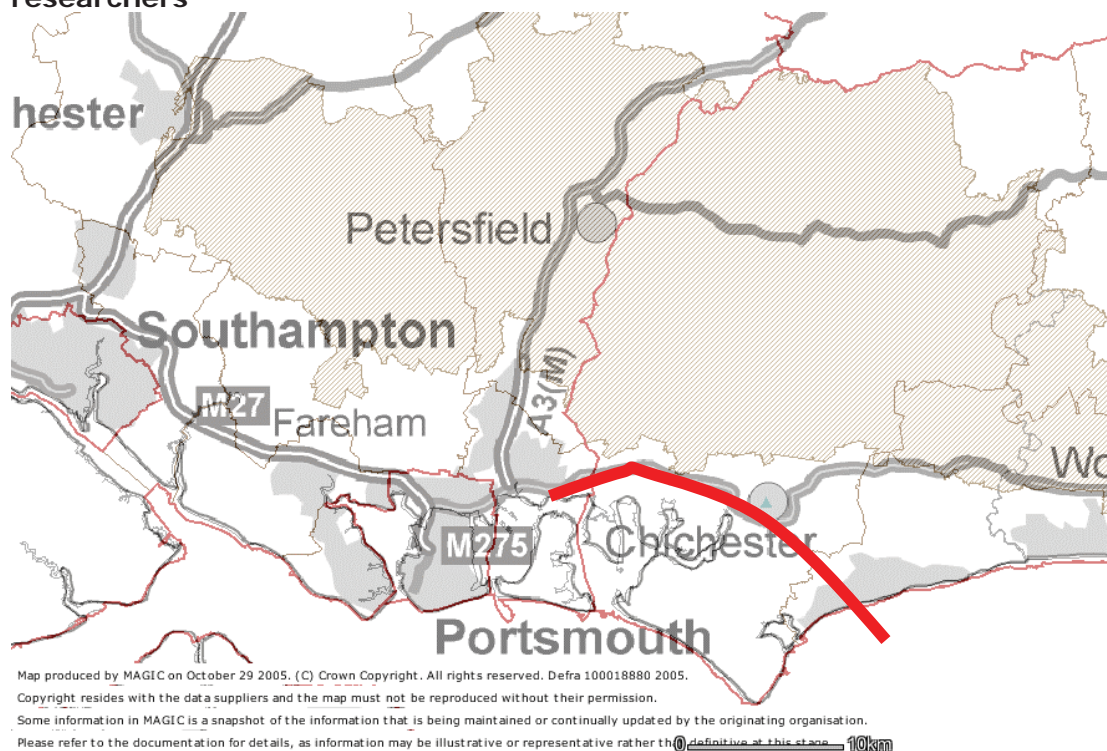
The Manhood Peninsula was defined by CDC as everywhere South of Chichester City boundary, and to make the classification more straightforward for this study we assumed the area to be that bound to the south of the A27 and A259. Therefore some or all of the following Parishes have been included.

- Bosham,
- Donnington,
- East & West Wittering,
- Sidlesham,
- North & South Selsey,
- North Mundham

The proposed South Downs National Park boundary has been identified using the government Magic website (www.magic.gov.uk) as shown in Annex A.

The Manhood Peninsula and proposed National Park area cover the entire district bar a small area circa 6km by 6km to the very north east of the District around Kirkwood, and a thin strip of land either side of the A27 corridor.

Figure 1: Map of Chichester District, Proposed National Park area (marked brown hatch) and Manhood Peninsula as defined by the researchers



1.2 Inventory Compilation

A list of accommodation providers has been compiled using a range of sources. For all types of accommodation the following have been analysed:

- Visit Britain TRIPS data from Tourism South East
- STEAM data from Chichester District Council
- Chichester Accommodation Guide
- Information made available by the Visitor Information Centres

Serviced Accommodation: In addition to the 4 sources listed previously, for serviced accommodation the following website sources were analysed:

- Yell .Com
- SmoothHound
- Places2Stay
- Visitwestsussex
- Stillwells,
- Daltons Chichester B&B
- Pub Explorer
- Distinctive Country Inns, and
- others that emerged from time to time.

Non-Serviced Accommodation: For Non Serviced Accommodation, Self Catering Cottages and Properties the analysis was as per serviced accommodation plus:

- English Country Cottages
- Country Holidays
- West Sussex Self Catering Index
- Holiday Cottages in West Sussex
- Dream Cottages,
- Daltons Holidays,
- Baileys Holiday Cottages, and
- Independently marketed holiday lets on the internet

It should be noted that in the non-serviced sector many properties are managed through on-line and hard copy catalogues of national agencies where precise locations (mostly post codes) remain unspecified until a booking enquiry is made through the relevant agency. Consequently the degree of confidence in the self-catering data is less robust than in the serviced accommodation sector.

Caravans, Camping and Holiday Villages: Additional searches were conducted via:

- Practical Caravan
- Camping & Caravan Club
- UK Camp Sites
- Portland Heights, and
- A range of other industry, consumer and agency websites.

Pitch numbers have not been compiled due to the scope and time available in this study.

1.3 Collation of Occupancy Data

Serviced accommodation occupancy data has been gathered from Tourism South East's (TSE) monthly occupancy returns obtained from a sample of providers across the District.

Data has also been obtained from a sample of survey questionnaires distributed by email to accommodation providers across the district as part of this research (see Annex B). 40 serviced and self-catering accommodation providers, and 6 caravanning/camping/holiday parks were polled. 10 responses were obtained.

A regional B&B study was undertaken by TSE in 2004 which also provides some occupancy and trend data at District level.

In addition, opinion has been sought from the Tourism Officer at CDC, Visitor Information Centres in the District, holiday letting agents and a holiday park owner.

1.4 Analysis of Limitations on Usage, and Future Supply and Demand

Opinions were sought from Visitor Information Centre staff, and those in the District Council with a tourism interest.

Linked to the collation of occupancy data via survey questionnaire a list of additional questions were asked seeking opinions on limitations of usage, future supply and demand etc (see Annex B).

2 Inventory & Distribution of Rural Accommodation: Rural District

2.1 Numbers of Accommodation Establishments Identified

It must be appreciated that the Self Catering figures are less robust than the serviced accommodation data because of the significant degree of catalogue and agency managed properties.

The inventory analysis identified over 320 accommodation providers in the District outside the city. B&Bs account for just over 40% of these and self-catering similarly. The numbers of establishments are reported as follows:

Chichester District: Summary of Results

	B&Bs	Inns	Self-catering	Camping, caravanning & holiday parks
TOTAL	136	16	134	35
Number Graded	63	7	42	n/k
Listed in Guide	60	7	34	n/k

The Manhood Peninsula: Summary of Results

	B&Bs	Inns	Self-catering	Camping, caravanning and holiday parks
TOTAL	60	1	87	27
% of Rural District Total	44%	6%	65%	77%

South Downs National Park Proposed Area: Summary of Results

	B&Bs	Inns	Self-catering	Camping, caravanning and holiday parks
TOTAL	71	14	45	8
% of Rural District Total	65%	88%	34%	23%

Accommodation outside South Downs NP Proposed Area and Manhood Peninsula: Summary of Results

	B&Bs	Inns	Self-catering	Camping, caravanning and holiday parks
TOTAL	5	1	2	0
% of Rural District Total	4%	6%	1%	0%

2.2 Distribution of Accommodation

2.2.1 Spatial Mapping

A spatial map showing the locations of accommodation providers identified in the research is shown in Tables 1 to 3 overleaf (note 1 pushpin represents 1 postcode and which may in turn relate to more than one accommodation establishment).

Table 1: Spatial Map of Rural B&B (red) and Pub Accommodation (green) in Chichester District Excluding the City (note each pushpin represents one postcode and there may be more than one accommodation provider within each postcode)

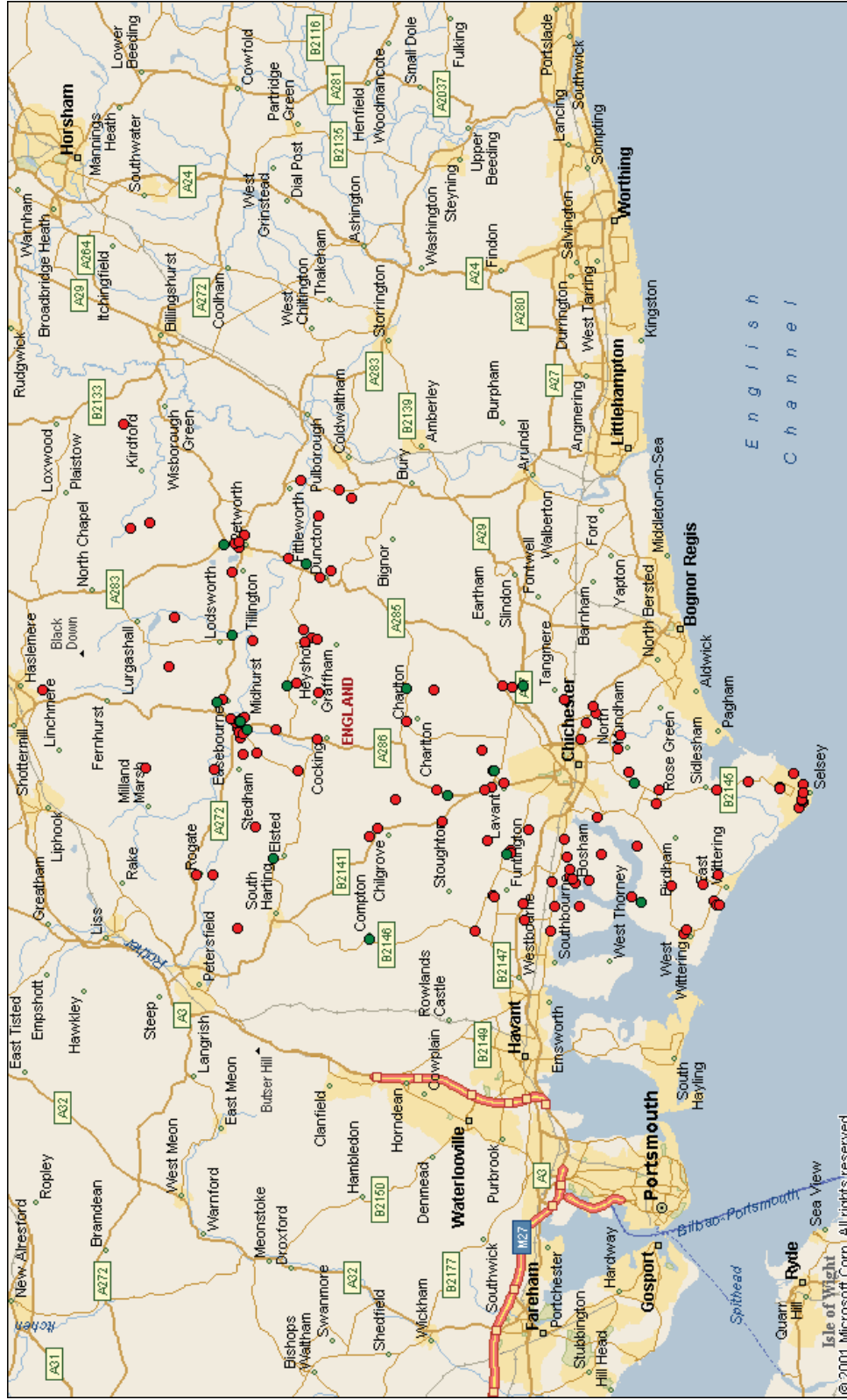
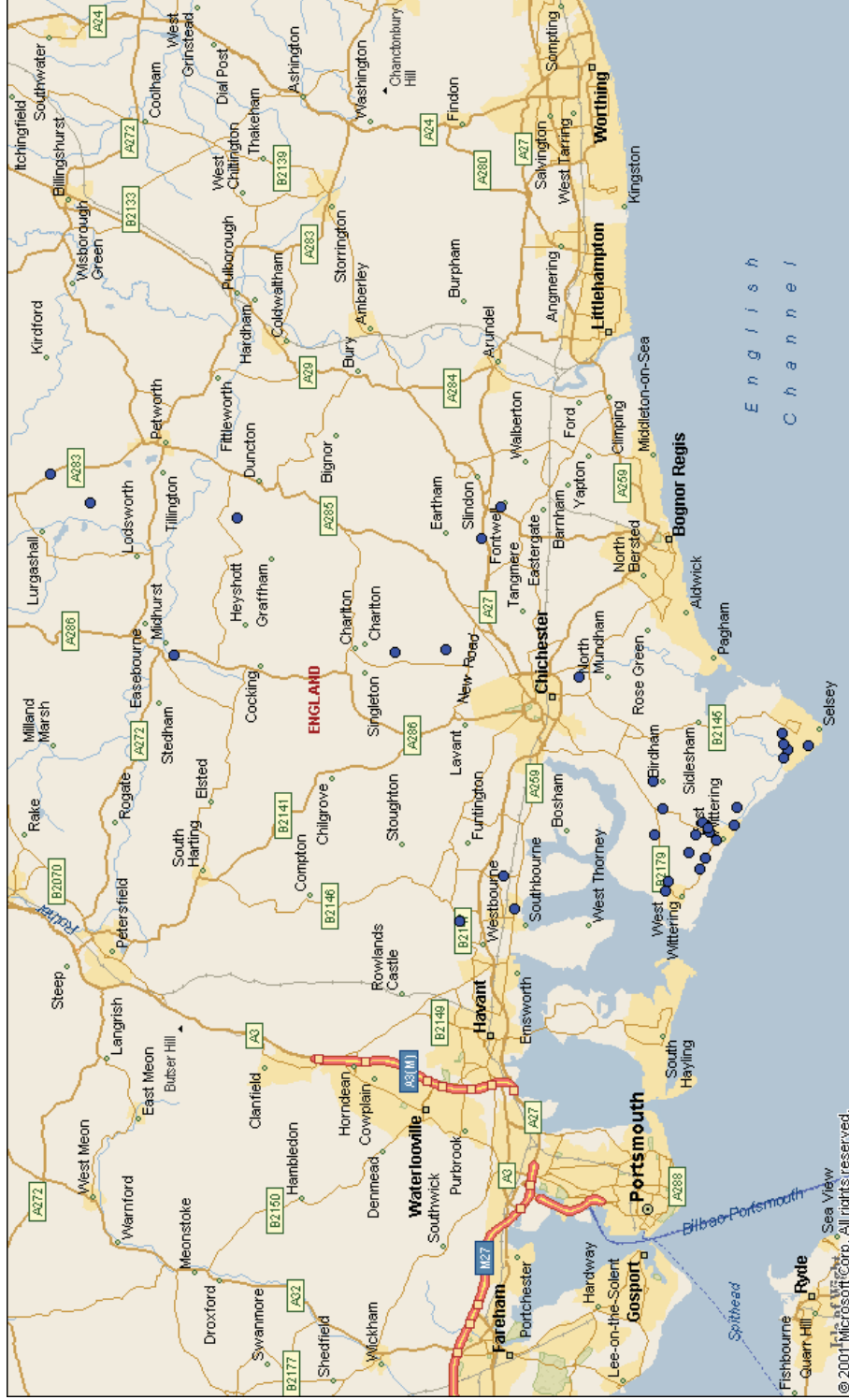


Table 2: Spatial Map of Self-catering Accommodation in Chichester District Excluding the City (note each pushpin represents one postcode and there may be more than one accommodation provider within each postcode)



Table 3: Spatial Map of Camping, Caravanning and Holiday Park Accommodation in Chichester District Excluding the City
(note each pushpin represents one postcode and there may be more than one accommodation provider within each postcode)



2.2.2. Serviced B&B and Pub Accommodation

The maps illustrate that clusters of serviced accommodation providers (B&Bs and inns) exist in relatively few places e.g. Midhurst, Petworth (to an extent), Bosham and Selsey on the Manhood Peninsula.

There are significant thinly populated areas of serviced accommodation in the North East and North West of the District, especially around the A272 corridor, along the route of the South Downs Way (relevant to the impending South Downs National Park), and in the rest of the Manhood Peninsula.

2.2.3. Self-Catering Accommodation

Self catering is predominantly concentrated on the coast as one might expect, mainly in East Wittering and Selsey. Baileys estate agents (based in East Wittering) have a list of around 40 self-catering establishments in East and West Wittering alone.

Around 45 self-catering establishments have been identified in the proposed National Park area, most notably in the village of Compton where 7 self-catering units have been found.

2.2.4. Caravan, camping and holiday parks

Caravan, camping and holiday parks are also coastal located in the main, with around 5 sites on the Manhood Peninsula for every 1 found in the proposed National Park area. East Wittering and Selsey appear to be the predominant areas for holiday parks and static caravans.

3 Seasonal Trends and Limitations in Usage

3.1 Seasonal Trends (Occupancy rates)

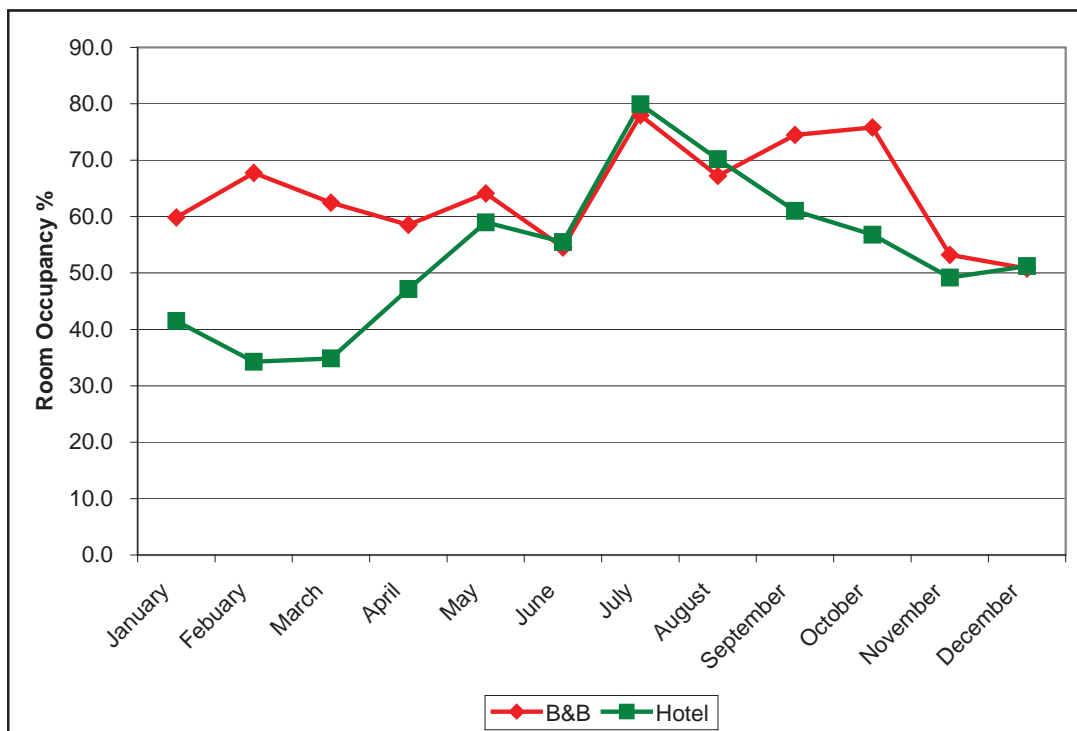
The clearest way to establish a picture of seasonal trends is to investigate the available occupancy data for accommodation. Given the time and scale of this research there has been no in depth look at longitudinal data – occupancy rates and trends over the years. Instead, the most recent calendar year data has been used, supported by survey questionnaire data collected from a sample of accommodation providers.

Serviced Accommodation

The figures produced by TSE suggest very high general occupancy rates for B&Bs, although it must be stressed that this is across the rural and City population of providers, and is based on a relatively small sample.

In 2004 average annual room occupancy for B&B in the District ran at around 64% and bedspace circa 53%, with monthly peaks in July, Aug Sept and Oct. Whilst the relatively small sample size makes comparison difficult, the TSE statistics for 2004 clearly demonstrate that B&B room occupancy was consistently better than hotels in the District during the shoulder months (see Figure 2).

Figure 2: 2004 Room Occupancy of B&Bs and Hotels in Chichester District



The seasons appear to be much less influential than in other regions. Reported Room Occupancy remains in excess of 50% Nov, Dec and Jan and rises again to 60% + immediately after.

TSE research conducted in 2004 as part of South East region B&B sector study included 10 B&Bs from the Chichester District. The data obtained from the survey element of this work indicated that B&Bs were typically turning away 2-3 enquiries a week in the summer months, but winter supply was generally sufficient with fewer than 10% of providers turning away bookings due to lack of bedspace. While the data set is too small to be statistically representative of the population it should be noted that 3 providers (30%) stated they were operating well below their desired annual occupancy target.

The 3 B&Bs who responded to the survey conducted as part of this research were all located on the Manhood Peninsula, and reported occupancy rates at some variance to the TSE monthly occupancy statistics. This is perhaps due to the impact of being coastal located and away from markets that are less seasonal. One reported a summer room occupancy rate of 80% with shoulder occupancy at 60% - very much in line with the TSE occupancy data. The other B&Bs reported summer occupancy at 50-60% and shoulder month occupancy nearer to 25-40%. All indicated substantially lower occupancy during the winter period, underlining the highly seasonal demand in coastal locations away from main business traveller corridors. Having said this, it was encouraging to note that all reported that they are slightly busier than 3 years ago.

Self Catering Accommodation

Telephone interviews with holiday letting agencies indicates that self-catering providers have very high occupancy rates in the key summer months, often 80-100% occupancy. Demand is strong with bookings already being taken for summer 2006.

This is supported by the survey research conducted for this report. 6 self-catering providers responded to the questionnaire, with summer occupancy averaging over 90% (see Table 4). Winter occupancy was around one third, often typical of coastal letting locations, but some properties achieve very high winter occupancy by offering the accommodation on longer winter lets to singles/couples and families.

Table 4: Occupancy Rates for Self-Catering in Rural Chichester District (n=6)

	Average	Min	Max
Summer	93	80	100
Spring/Autum	54	5	90
Winter	33	5	90

Camping, Caravanning and Holiday Parks

No responses were received from the survey questionnaire to determine a clear picture of occupancy rates for caravans, camping sites and holiday parks.

One major holiday park operator on the Manhood Peninsula reported that summer school holiday periods, bank holidays and half terms were always at or near to 100% occupancy with many denials occurring (some going to alternative

accommodation providers in the Manhood but many probably going outside the District altogether).

3.2 Trend data

Those polled in the survey and by telephone indicated an increase in business over the past 3 years, notably from visitors taking short breaks in addition to their main holiday.

YOU MAY NEED TO GET 3 YEARS OF TSE OCC STATS FOR THE DISTRICT TO DEVELOP THIS (otherwise leave out as it is covered to some extent in the previous sub section)

3.3 Limitations in Usage

Very few limitations on usage were identified by accommodation providers who responded to the survey conducted for this study. Main constraints mentioned included lack of time, inability to expand because they are already running at 100% occupancy, and difficulties with the systems used by the Visitor Information Centres to promote accommodation.

The 10 B&Bs who responded to the regional sector study identified several potential barriers to further development – the key issues being lack of physical space to expand, and the planning application complexities and financial risks of physically expanding the premises. In many ways, these B&Bs seemed keener to improve their winter occupancy rates rather than physically expand to cater for strong summer demand.

Discussions with a CDC Planning officer identified that Local Plan Policy T6 provides for restricting holiday accommodation to holiday use only. This is to retain tourism accommodation, to avoid conflicts with housing and transport policies, and to avoid increasing the burden on services and infrastructure. The period of occupation permitted for tourism may vary and there is no standard, one-size fits all approach. Particular attention is paid to whether the accommodation is within an area at risk to tidal flooding, the standard of accommodation, and how much the accommodation may adversely affect the ecology or aesthetics of the surroundings.

The greatest impact of this policy was found to be with the holiday parks. One substantial operator with over 2,000 units on the Manhood Peninsula explained that their opening period was restricted to 1st March to 31st October. Ideally they would wish to have a longer season for 2 key reasons:

- The 31st October date often coincides with autumn half term, and subsequently a lot of half term holiday business is lost, some of which undoubtedly goes to providers outside the District
- More UK holidaymakers are seeking short break holidays of 2-3 days both within the week and at weekends during the shoulder months, in addition to their main vacation. This market has certainly extended throughout November and there is demand throughout the year for such short breaks

The extension of the opening season for holiday park operators could help to augment visitor revenue in the local economy whilst at the same time utilising the existing infrastructure at levels below that seen during peak periods.

The researchers experience suggests that while such policies can help to maintain accommodation stock, occupancy period conditions can sometimes result in the reverse happening – with self catering and holiday park providers failing to enter the sector or others leaving it because occupancy rates cannot be developed to a sustainable level year round. This is becoming more pronounced as property prices, maintenance costs and other overheads escalate.

Whilst Local Plan Policy T6 may impact on self-catering, holiday parks and caravan and camping sites in particular, it must be recognised that many B&Bs fall outside development control as planning permission is usually not required for smaller establishments where B&B is ancillary to the use of the property as the owner's main residence, and there is no need to alter or develop the establishment.

4 Supply and Demand of Rural Accommodation in Chichester District

4.1 Occupancy Data's Inference to the Balance of Supply and Demand

The brief separated the occupancy and trend data from the supply and demand analysis. However it can be argued that occupancy data provides the strongest objective evidence for the balance between supply and demand.

In summary, the district appears to achieve very high occupancy rates across all rural accommodation types analysed in the summer months. Evidence suggests that on the basis of summer demand pressure, there may be scope to increase supply to meet denials that occur at this time of year, these denials sometimes resulting in visitor activity and revenue being displaced to other districts or regions.

However, at the same time, winter occupancy rates and denials are much lower, and there is apparently more than adequate supply.

Based on the analysis of occupancy data a key policy conundrum must be whether to further increase the supply of accommodation to meet the peak demand in summer months, which could inadvertently impact on the viability of existing providers by increasing competition for winter and shoulder season business. This is becoming more of an issue as property investment and maintenance costs continue to rise ahead of inflation

There is little doubt that the seasonality issues are greater on the Manhood Peninsula. Rural accommodation providers in the remainder of the District have a greater catchment area (not being bound by the sea on one or more sides), and a broader range of prospective visitors, including the business traveller and leisure visitors who are not primarily staying to be beside the sea.

4.1 Perceived Supply and Demand Issues

The Manhood Peninsula

Discussions with the VIC Managers and Staff highlighted a number of ongoing concerns.

From Chichester there is a constant demand for B&B accommodation in the Witterings and especially West Wittering, and as can be seen from the supply maps in this study there is relatively little to satisfy that demand. Offers of alternative accommodation some distance away do not meet a favourable response.

Conversely the greatest supply of B&B accommodation on the Peninsula is in Selsey which does not enjoy the same popularity as West Wittering, and is not seen as a desirable alternative.

Similar issues at both local and regional level have been identified for the self-catering sector.

The holiday park operator indicated a strengthening of demand over the past 3 years with more summer denials occurring and frustrated demand, especially during November due to enforced closure periods.

Supply and Demand in the proposed South Downs National Park area

For the Midhurst and Petworth areas a consistent need for more accommodation of all types is reported for the very North of the District, between the A272 and Haslemere.

To the north of Petworth there are only 7 identified Guest Accommodation Providers. Indeed the opening of new accommodation provision in a rural pub on the northern edge of Petworth is greeted with great enthusiasm.

There is little doubt that if the South Downs gain National Park status, then the potential visitor interest will increase, raising the demand for quality accommodation in the area. At present it is too difficult to comment generally on the extent of probable impact. However, policy should make allowance for this effect.

The Impact of Festivals and other Seasonal Events

There are few Caravan and/or Camping sites in the north of the District. Therefore when 'musical events' take place in Petworth for example, which attract many fans who want to camp, they have to be directed outside the district and often relatively long distances away.

The Goodwood Festivals in all their variants (Glorious, Festival of Speed and Revival) have a tremendous effect throughout the district with the referral area for denied bookings expanding as far as Worthing, Portsmouth, Petersfield and Billingshurst.(all outside the District).

During Goodwood festival times accommodation stock is supplemented by 'temporary', opportunistic providers about whom little is known. They do not appear to adversely affect the 'official' providers who are reported to enjoy 100% occupancy throughout the festivals.

Local smaller festivals have temporary effects on supply throughout the District but not significant enough to suggest that supply is insufficient.

Future Intentions of B&Bs and the Need to Recruit and Retain Providers

6 of the 10 B&Bs who replied to the regional B&B sector study in 2004 indicated that there may be some scope to increase the number of providers, but 4 were unsure.

With regard to future intentions 2 intended to retire while the remaining 8 sought to maintain or improve the quality and profitability of their business. At a regional level, around a quarter of B&B providers intend to retire within 5 years and it is important that local policies provide for the encouragement of new operators where there is strong demand for B&Bs and/or shortage of bedspace.

The Demand from Business Travellers

The accommodation demand from business travellers is not considered very significant although to the north, Midhurst and Petworth acknowledge that they probably do not get to hear about any demand because there are no significant centres of commerce. They suggest that any requirements for accommodation for the business traveller sector are likely to be met by personal knowledge and habit rather than general searches.

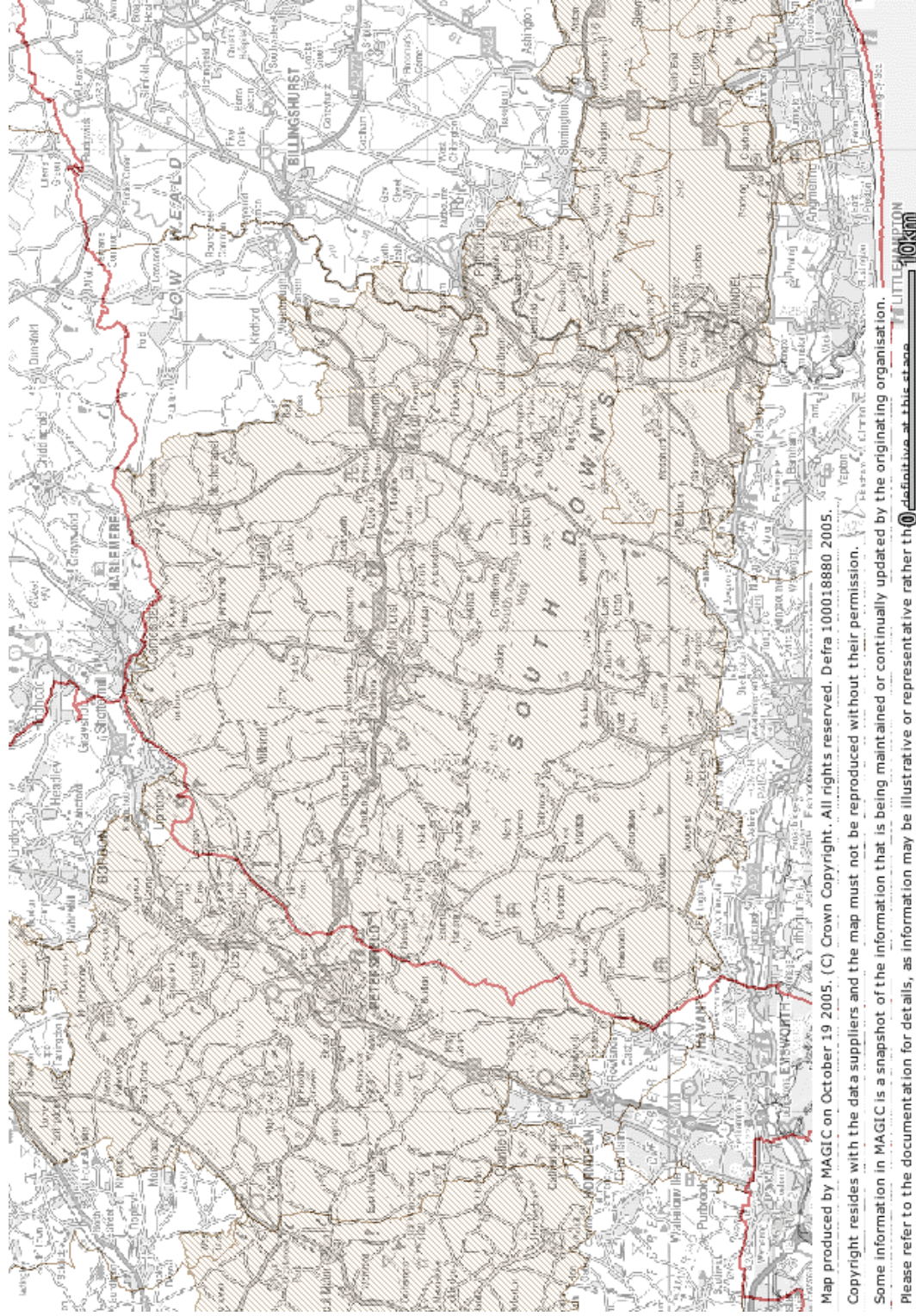
This reported impression must be viewed against the occupancy figures available from TSE which indicate that 23% of all guests in the district are business related, although this may be 'skewed' by the inclusion of Chichester City in the data (it is not possible to separate rural from city in this dataset).

5 Product Gaps and Market Opportunities

Based on the analysis and research conducted in this study the following broad and indicative conclusions have been drawn. It should be noted that further more detailed research should be conducted before implementing any actions or recommendations that may arise directly or indirectly from these conclusions.

- Scope for further visitor accommodation supply of all types across the District to meet peak demand levels during the summer months, and in particular:
 - frustrated demand for (B&B) accommodation in West Wittering
 - lack of quality accommodation north of the A272
 - increased camping sites and other forms of quality accommodation in the proposed National Park area to cater for existing music and other events, and the growing interest in camping
 - increase in all types of accommodation to service the potential positive impact of National Park status on visitor numbers
- The opportunity to extend the holiday park season from 31st October to 30th November at least to cater for autumn half term and short break market opportunities
- An opportunity to improve the annual occupancy rates and hence viability of rural accommodation without putting extra pressure on the infrastructure by:
 - engaging in marketing and support activities that promote short break opportunities in the shoulder and winter months
 - reducing the occupancy conditions and constraints placed on winter occupancy type and duration
- A need to look at the Selsey area to see if there is potential for regeneration to alleviate the pressures on West Wittering
- Opportunities to develop walking, horse riding and other countryside activities and pursuits that will underpin holiday accommodation businesses in the proposed National Park area without adversely impacting on the landscape or ecology.
- A need for improving public transport and access to and within the Manhood Peninsula to alleviate constraints on tourism activity in a sustainable manner

Annex A: Boundary Map for Proposed South Downs National Park



Annex B: Survey Questionnaire Distributed to Sample of Accommodation Providers Across the Region.



QUESTIONNAIRE FOR CONSULTATION GROUP

1. How many rooms/pitches do you offer?

rooms / pitches

2. Do you operate a Seasonal Business or are you open all the year round? (please tick one box only)

Open all Year Closed 1-8 weeks
 Closed 2-6 Months Open only occasionally

3. What do you estimate your overall occupancy rate to be at different times of the year?

% Summer Spring/Autumn Winter

4. In a typical week, about how many enquiries do you turn away because you are either fully booked/occupied or are closed?

No of enquiries In Summer Spring/Autumn Winter

5. Is there anything that limits further development of your business? If so, what?

6. Is your Occupancy affected by Local Events or Festivals etc, if so please specify

Event	Effect

7. Overall do you think your business has got busier or quieter over the last 3 years (please tick one box only).

Much Busier Slightly Busier About the Same
 Slightly Quieter Much quieter

8. What Type of Business Are You? (please tick one box only)

B&B Self Catering Camping/caravan/holiday park

9. What is your business trading name (optional)

10. What is your Postcode please, to enable me to verify the project boundaries

11. Do you have any views about the future development of the visitor accommodation sector in your area eg. what is holding it back, future demand etc

WOULD YOU PLEASE EITHER:

1) SAVE THIS DOCUMENT UNDER A DIFFERENT NAME ON YOUR COMPUTER, AND THEN REATTACH TO AN EMAIL ADDRESSED TO vcornell@tourismse.com

OR

2) PRINT OFF, COMPLETE AND FAX BACK TO 01483 760891

NO LATER THAN WEDNESDAY 26TH OCTOBER 2005

Annex C: Inventories of Rural Accommodation in the District**Bed and Breakfasts and Inns with Accommodation**

RESOURCE_NAME1	POST_CODE
The Barn House	GU27 3DJ
Angel Inn	GU28 0BG
73, Petworth	GU28 0BX
Rectory Cottage	GU28 0DB
Garden Cottage	GU28 0DS
Badgers Tavern	GU28 0JF
Old Railway Station	GU28 0JF
Drifters	GU28 0JZ
Dunston Mill House	GU28 0LF
Wild Cherries	GU28 0LF
Manor Farm Selham	GU28 0PP
Brook Barn	GU28 0PU
Withy	GU28 0PY
The Foresters Arms	GU28 0QA
The Potteries	GU28 0QF
The Horse Guards Inn	GU28 9AF
River Park Farm	GU28 9DS
Elidge Farm	GU28 9EA
The Stag Inn	GU28 9JP
Ivan L Wadey B&B	GU28 9JX
Cowdray Park Golf Club	GU29 0BB
Manor Farm	GU29 0DR
Little Hoyle	GU29 0DX
4 Close Walks	GU29 0ET
Moonlight Cottage	GU29 0HN
Bluebell Inn	GU29 0HN
Park House	GU29 0JB
The Elsted Inn	GU29 0JT
Three Elsted	GU29 0JY
Fairoak Cottage Bed and Breakfast	GU29 0LT
Severals House	GU29 0LX
Meadowhills	GU29 0PT
Redford Cottage	GU29 0QF
Whincote	GU29 0QF
Rumbolds House	GU29 9BY
Ye Olde Tea Shoppe	GU29 9DY
Pear Tree Cottage	GU29 9EF
1 Chapel Mount	GU29 9HH
Ty-Newydd	GU29 9JR
20 Guillards Oak	GU29 9JZ
Carron Dune	GU29 9LD
Oakhurst Cottage	GU29 9LF
Crown Inn	GU29 9NL
Sunnyside	GU29 9QH
10 Ashfield Close	GU29 9RP
Mayfield House	GU31 5HN
Mizzards Farm	GU31 5HS
Three Quebec	GU31 5PG
2 Meadow Close	PO!20 6PR
Flint Cottages	PO18 0AA

RESOURCE_NAME1	POST_CODE
47 Mid Lavant	PO18 0AA
The Flint House	PO18 0AS
The Royal Oak Inn	PO18 0AX
West Faldie	PO18 0BW
Hunters Inn	PO18 0DA
Brufords	PO18 0EE
The Fox Goes Free	PO18 0HU
Woodstock House Hotel	PO18 0HU
Coach House	PO18 0JT
The Coach House	PO18 0QE
Old Store Guest House	PO18 0QL
Lodge Hill Farm	PO18 0RT
Wilbury House	PO18 8AT
Minikin Guest House	PO18 8EJ
Church Farm	PO18 8EX
Hatpins	PO18 8HG
Critchfield House	PO18 8HG
Barford	PO18 8HL
Good Hope	PO18 8NR
Crede Farmhouse	PO18 8NX
White Barn	PO18 8NX
Govers	PO18 8NX
Kenwood	PO18 8PH
The Warren	PO18 8PL
Lane End	PO18 8QL
Kia-ora	PO18 8RT
Easton House	PO18 8TF
Ridge Farm	PO18 8UB
Willowbrook Riding Centre	PO18 8UJ
Chichester Lodge	PO18 9AL
The Dairy Farm	PO18 9AR
Englewood	PO18 9AS
Horse & Groom	PO18 9AX
West Stoke House	PO18 9BN
2 New Cottages	PO18 9DR
Crows Hall Farm	PO18 9HP
Post Office Cottage	PO18 9HU
White Horse Inn, Chilgrove	PO18 9HX
Forge Hotel	PO18 9HX
Grange Barn Bed & Breakfast	PO18 9LN
High Walls	PO18 9LT
Bayside Bed & Breakfast	PO20 8DQ
Windfall Cottage	PO20 0AL
Ivy House B & B	PO20 0LF
The Cornerways	PO20 0LF
St Andrews Lodge Hotel	PO20 0LX
Greenacre	PO20 0LY
Sea Shells	PO20 0SY
Compass House	PO20 0TW
Spire Cottage	PO20 1AJ

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RESOURCE_NAME1	POST_CODE
Abelands Barn	PO20 1DY
The Cottage	PO20 1JU
The Cottage	PO20 1JU
Hawthorns Bed and Breakfast	PO20 2AA
Eastmere House	PO20 3SJ
Danesfield	PO20 3UN
The Willows	PO20 6DD
Abelands House	PO20 6DY
The White House	PO20 6EF
Springdale Cottage	PO20 6PS
The Ship Inn	PO20 7AH
The Red House	PO20 7BB
Apuldram Manor Farm Bed & Breakfast	PO20 7EF
Millstone	PO20 7JJ
Bird Pond Nursery	PO20 7NF
Meadowview B & B	PO20 7PX
Brimfast House	PO20 7PZ
The Lookout	PO20 8DD
Three Pines	PO20 8LT
The Beach House, West Wittering	PO20 8LT
Home Farm House	PO20 8LW
Apples & Pears	PO20 8NH
Stubcroft Farmhouse	PO20 8PJ
Thornton Cottage	PO20 8QA
September Lodge	PO20 9DB
The Lodge	PO20 9DB
Crab Quay	PO20 9DF
Vincent Lodge	PO20 9DU
Norton Lea	PO20 9EA
Lower Sparr Farm	RH14 0AA
Bankywood	RH20 1EL
Castle Cottage	RH20 1EU
Lyon Cottage	RH20 1EY
Pullborough Eades Cottage	RH20 1EZ
Eades Cottage	RH20 1EZ

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Self-Catering Accommodation

RESOURCE_NAME1	POST_CODE
9122	
10319	
1 Fraser Close	PO20 0DY
1 Seagate Court	PO20 8DX
100 Kingsway	PO20 0DL
12 Fraser Close	PO20 0DY
16 Goodwood Drive	PO20 6LB
2 Shore House	PO20 0LH
20 Seagate Court	PO20 8DX
201 Oving Road	PO19 7ER
21 Owers Way	PO20 8HA
3 Seagate Court	PO20 8DX
3 The Old School House	PO18 9EZ
30 Seagate Court	PO20 8DX
31 Seagate Court	PO20 8DX
33 Melbourne Road	PO19 7ND
37 Seagate Court	PO20 8DX
38 Mosse Gardens	PO19 3PQ
39 Marineside	PO20 8JJ
39 Priors Acre	
39 Toledo	PO20 9DR
40 Pook Lane	PO18 0AH
41 Marineside	PO20 8JJ
50 Seagate Court	PO20 8DX
59 Marine Drive	PO20 8HQ
9 Marine Drive	PO20 8HQ
Alongside	PO18 8QQ
Anchordene House	
Apple Tree Cottage	
Baileys Agency	
Ballyhany and Selmer House	
Bankside	
Barley Cottage	PO18 9ES
Bay Cottage	PO18 8HY
Braklesham	
Bramble Cottage	
Brambles End	PO20 8DN
Brendon	PO20 8EE
Broadwater	PO20 8PH
Cabragh Cottage	PO18 9EJ
Canute Cottages	PO18 8TE
Chalet in Selsey	
Cloverlands	
Corner Cottage	GU29 9BA
Cornerstones	PO20 1PY
Cowdray Park Holiday Cottages	GU29 0AQ
Croftside Cottage	PO20 7HS
Cygnets Cottage	PO20 1PP
Dellfield	PO18 9LS
Duncton Mill Ltd	GU28 0LF

RESOURCE_NAME1	POST_CODE
Eastmere	PO20 3SJ
Fairhaven	PO20 8DQ
Farrow Inn Cottage	
Goodwood Racecourse Co Ltd	PO18 0PS
Hills Cottage	PO18 8DP
Honeysuckle Cottage	PO20 1JY
Hunston Mill Cottages	PO20 1AU
Jersey Cottage	
Lackers	PO20 7NA
Laundry Cottage	PO18 9EQ
Lilywhites Cottage	
Little Durley	PO20 7LS
Little Thatch	PO20 8DY
Lockgate Dairy Cottages	PO20 7QH
Loveders Farm Cottage	PO18 8RH
Mallard Cottage	
Martins Cottage	
Meadow Hills Lodge	
Medina Bungalow	
Memphis	PO20 8DG
Mill House	PO20 7JD
Mill House	
Mulberry Cottage	
Muttons Farm House	PO20 7NG
No 1 Pond Cottage	PO18 9HE
No 2 Pond Cottages	PO18 9HE
No3 Pond Cottages	PO18 9HE
Octopussy	PO20 9HT
Orchard Cottage	PO18 0HU
Polo Cottage	GU28 0LL
Poplars Farm House	PO20 7LD
Quarterdeck	
Quay Quarters	PO20 7EF
Riggers Cottage	
River Meadow Flat	GU29 0PE
Sea Mist	
Sea Spangles	
Searide	PO20 8PH
Smithbrook Hill	GU28 9DN
South Cottage	PO18 0AB
St Catherines	PO20 9DF
Stable Annexe	PO20 9DU
Stable Annexe	PO20 9DU
Stones Cottage	
Sunnyside	PO20 8DQ
The Annex	GU28 0PJ
The Breeze	PO20 8HH
The Bull Pen	
The Coach House	GU29 0HZ
The Coach House	PO18 9PB

RESOURCE_NAME1	POST_CODE
The Courtyard	PO18 9DN
The Dairy	
The Haven	
The Hurdlemakers Cottage	PO18 0JG
The Old Dairy	GU28 0JE
The Old Dairy	PO20 7HY
The Old Stables	PO18 9ES
The Stable	
The Stable Flat	PO20 7JH
The Studio	GU29 0PL
The Warren	PO18 8PL
The Willows	PO18 8AX
Thistledown	
Timekeepers	GU28 9AY
Tofts Chalet	PO20 8DH
Tombrec	PO20 7LZ
Walnut Tree Barn Cottage	PO18 0JY
Warner Lea	PO20 0RL
Waterside Cottage	
Well Cottage	PO20 1AJ
West Wittering	PO20 8NQ
Yaffle Cottage	GU28 0PT
Yew Tree House Annexe	PO18 9HD

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Camping, Caravans and Holiday Parks

RESOURCE_NAME1	POST_CODE
Bell Caravan Park	PO20 7HY
Blackwool Farm Campsite	GU28 9ND
Briar Cottage Caravan park	PO20 8PU
Bywaves Park	PO20 8JW
Camping & Caravanning Club Site	GU28 0QJ
Camping & Caravanning Club Site	PO10 8JH
Camping and Caravanning Club	GU28 9BB
Camping and Caravanning Club	PO18 0JU
Camping and Caravanning Club	PO18 0PX
Ellscott Park	PO20 7QL
Goathland Caravan Site	PO20 9BX
Goodwood Racecourse Caravan Park	PO18 0PS
Green Lawns Caravan Park	PO20 9EJ
Green Lawns Holiday Park	PO26 9EJ
Hambrook Holiday Park	PO18 8RF
Holdens Farm Caravan Park	PO20 8JG
Holmbush Park	GU29 9HZ
Itchenor Caravan Park	PO20 7BZ
Loveders Farm Caravan &	PO10 8RJ
Nunnington Farm Camping Site	PO20 8LZ
Red House Farm Camping Site	PO20 7JG
Scotts Farm	PO20 8ED
South Downs Holiday Village	PO20 8JE
Southern Leisure Lakeside Village	PO20 6LB
Stubcroft House farm	PO20 8PJ
Sussex Beach Holiday Village	PO20 7JP
The Gees Camp	PO20 8NY
The Nook Caravan Park	PO20 9EL
Walnut Tree Caravan Park	PO20 8NB
Wandley's Lane Caravan Park	PO20 6SE
Warner Farm Touring Park	PO20 9EL
West Sands Holiday Park	PO20 9BH
Westmount Caravan Park	PO20 9HT
White Horse Caravan Park	PO20 9EJ
Wicks Farm Camping Park	PO20 8QD

Annex D: TSE Occupancy Data for B&Bs 2004 Chichester District

		Room Occupancy	Bedspace Occupancy
January	2004	59.8	52.9
Febuary	2004	67.8	50.7
March	2004	62.5	49.1
April	2004	58.5	47.3
May	2004	64.1	51.8
June	2004	54.5	44.6
July	2004	78.0	65.1
August	2004	67.2	59.0
September	2004	74.5	65.3
October	2004	75.8	65.5
November	2004	53.2	39.3
December	2004	50.8	50.5
Averages to date:		64.0	53.0

Annex E: Summary of Responses Returned from Survey Questionnaire

	B&Bs			Self Catering					
	1	2	3	1	2	3	4	5	6
Property no									
How many rooms	1	2	1	3	3	4	3		1
Open all year			1	1	1	1	1	1	1
Closed 1-8	1	1							
Closed 2-6 months									
Occasionally									
Occupancy									
Summer	80	50	60	100	100	95	90	90	80
Spring/Autum	60	40	25	75	75	5	90	20	60
Winter	0	10	15	20	35	25	90	5	20
Denials									
Summer	3	20	15	6	6	4	7	10	3
Spring/Autumn	1	5	5	6	4	0	5	0	2
Winter	0	0	1	2	2	0	3	0	1
Unable to accommodate									
Other providers	1	1	1						
Don't redirect									
VIC	1								
Other response									
Limits to further development				100% Occ	Own Tim	2 datab	No		
Occupancy affected by				Infrastructure					
Festival of Speed	Full	Full	Full	Yes	ncrease	Full	Full	Full	Full
Revival	Full	Full	Full	Yes	ncrease	Full	Full	Full	Full
Theatre	Some	Some	Full		increase		Full		
Glorious goodwood	Full	Full	Full			Full	Full	Full	
Cowdray Polo							Full		
Local Regattas				Yes					
Trafalgar				Yes					
Business activity									
Much Busier					1				
Slightly Busier	1	1	?	1st year			1st Year		
About the same						1		1	
Much Quieter									
Slightly Quieter									1

Appendix Two

CHICHESTER HOTEL FUTURES 2005-2023

A Review of Hotel Needs and
Development Potential
in Chichester District

Final Report

Prepared for
Chichester District Council
&
Tourism South East

January 2006



RESEARCH &
DEVELOPMENT
CONSULTANCY



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Tourism Solutions

Deleanor House

High Street

Coleby

Lincoln

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ACK Tourism

Mill Field House

Mill Fields

Bassingham

Lincoln

LN5 9NP

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e. acktourism@btinternet.com

EXECUTIVE SUMMARY

The Study Brief

- The principal objective of the Chichester Hotel Futures Study is to identify the need for new hotel development across Chichester District to 2023. The study outputs will be used to generate a better understanding of hotel development potential in the District; help inform policy requirements for hotel development and retention to be incorporated into the Local Development Framework for the District; and to identify a strategy for securing new hotel investment in the District in line with market need and potential.
- A market-led approach has been fundamental to the work programme. This has involved an assessment of factors that could influence future hotel demand in the District; a review of hotel performance and development nationally; interviews with hotel managers within and surrounding the District; an analysis of existing hotel stock and planned hotel development; a survey of local companies to assess their hotel requirements; a survey of hotel developers to establish their potential interest in developing in the District; a review of existing and potential hotel development sites, and the preparation of demand forecasts to identify how the hotel market in the District might grow through to 2023.
- The study has been commissioned by Chichester District Council, with the support and part funding of Tourism South East.

Trends in the UK Hotel Market

- The UK hotel industry has steadily recovered in 2004 and 2005, following a difficult trading period between 2001 and 2003 due to the impact of major events and crises, including the Foot & Mouth epidemic in 2001, 9/11, the Iraq War and the SARS scare. Provincial hotel performance has been more stable than for the UK as a whole, the latter being affected by London hotel performance, which has been more significantly influenced by international events. UK provincial 3/4 star chain hotel occupancies¹ increased by 1 percentage point in 2004 to 70.8%, and achieved room rates² rose by 2.5% to an average of £63.72. As at November 2005, year to date occupancy for 2005 was down 0.2 percentage points, while achieved room rates had so far risen by 3.3% to £67.11.
- In terms of future prospects, the recovery experienced in 2004 and 2005 is expected to continue in 2006 as a result of a continuing strong economy and further growth in both domestic and inbound tourism.
- Both established and new hotel brands have continued to expand in the UK. The budget hotel sector has grown strongly, with continued expansion by Premier Travel Inn and Travelodge, and the emergence of new budget hotel brands, particularly upper-tier budget chains such as Express by Holiday Inn, Tulip Inn and Ramada Encore. In the 3/4 star market small boutique and town house hotel chains, such as Hotel du Vin and Malmaison, have rapidly expanded. The development of large branded 3 and 4 star hotels has been focused primarily in major city centres.

¹ Source: TRI Hotstats UK Chain Hotels Market Review

² The net amount of rooms income that hotels achieve per room let, after deduction of VAT, breakfast, discounts and commission charges.

Current and Planned Hotel Supply in Chichester District

- The tables below present a summary of current hotel supply in the District and surrounding area:

Current Hotel Supply – Chichester District – by Standard – January 2006

Standard	Estabs	Rooms	% of Rooms
4 star	1	94	16.5
3 star	7	255	44.7
2 star	1	11	1.9
Budget	1	83	14.6
Diamond-rated	11	105	22.3
Total Supply	23	570	100.0

Current Hotel Supply – Surrounding Area – by Standard – January 2006

Standard	Estabs	Rooms	% of Rooms
4 star	2	242	32.6
3 star	6	186	25.1
2 star	4	109	14.7
Budget	6	205	27.6
Total Supply	19	742	100.0

- Chichester District has a good supply of hotel accommodation concentrated in the Chichester area, and in and around Midhurst. The hotel supply in Chichester city centre is limited, however, and has reduced. There is no hotel in Petworth.
- The District's hotel supply is dominated by 3 star hotels. The District has one 4 star hotel (the Marriott Goodwood Park) and one budget hotel (the Chichester Premier Travel Inn). There is a good supply of quality pub accommodation across the District, much of it of a very high standard.
- The quality of hotels in the District is generally very high, other than in Chichester, where standards appear to be more variable. The District has a number of very high quality hotels and inns, with VisitBritain Gold and Silver Awards and AA rosettes for food.
- The District's hotels are mainly small in size. There are only 3 larger hotels.

- Most hotels increase their prices between April and September, particularly their weekend rates. All hotels significantly increase their rates for the 3 major Goodwood events.
- The Chichester hotel supply increased significantly in 2003 with the opening of the Premier Lodge (now the Premier Travel Inn). The only other change in the District's hotel supply in recent years has been the gradual expansion of the pub accommodation sector, both in terms of the opening of new pub accommodation provision and the expansion of existing inns. There has been no significant investment in the expansion or upgrading of the District's 3/4 star hotels.
- No significant new hotels or major hotel expansions are currently planned in the District. A number of hotels are planning to refurbish or add conference and function facilities, however.
- In the areas immediately surrounding the District, Bognor Regis and the Emsworth/Havant/Hayling Island area have good supplies of hotel accommodation. Petersfield has a limited hotel supply, although a 60-bedroom Premier Travel Inn is due to open here in 2006. Pulborough and Billingshurst are also poorly served by hotels. The Hilton Avisford Park at Walberton is a direct competitor to the Marriott Goodwood Park. The Travelodge Arundel at Fontwell draws business from the Chichester area. Work is due to start on an Innkeepers Lodge of 40 rooms at the racecourse at Fontwell in Spring 2006.

Current Hotel Demand

- Estimated occupancy and achieved room rate figures for the District's hotel sector are summarised in the tables below.

Average Annual Room Occupancy – Chichester District 2003-2005

Year	Average Annual Room Occupancy %					
	3/4 Star Chichester	2 Star/ Inns Chichester	Budget Hotels Chichester/ Emsworth/ Fontwell	3 Star Midhurst	2 Star/ Diamond- rated/ Inns Rural Areas	UK Provincial 3/4 Star Chain Hotels ¹
2003	70	68	77	48	n/a	69.8
2004	66	65	78	47	n/a	70.8
2005 ²	71	68	79	47	60	71.5

Average Annual Achieved Room Rates – 3/4 Star Hotels - Chichester District 2003-2005

Year	Average Annual Achieved Room Rate £		
	3/4 Star Chichester	2 Star Midhurst	UK Provincial 3/4 Star Chain Hotels ¹
2003	65.96	75.93	62.60
2004	65.98	76.65	63.72
2005 ²	65.84	77.07	65.08

Source: Tourism Solutions/ ACK Tourism

Notes:

- Source: TRI Hotstats UK Chain Hotel Market Review
- Based on projected estimates provided by hotel managers

- The average annual room occupancy and achieved room rate for Chichester 3/4 star hotels will be broadly on a par with the national average for UK 3/4 star chain hotels in 2005. Occupancy and achieved room rate performance varies significantly between hotels, however. Better quality hotels are set to achieve high average room rates (£75+), and in some cases high room occupancies (80%+). Other hotels will achieve room rates significantly below the national average, however.

- Occupancies dropped for Chichester hotels in 2004 due to the combined effects of the reduction in Rolls Royce business following the completion of the Westhampnett plant and the opening of the Premier Lodge (now the Premier Travel Inn) in 2003. Chichester hotels have seen little growth in achieved room rates over the last 3 years, and a slight drop in 2005 as one hotel has taken more group tour business to boost its occupancy levels.
- Midhurst 3 star hotels trade at very low occupancies (not much more than 50%, and much lower in some cases). Some hotels here are achieving very high average room rates, however.
- Budget hotels in the Chichester area are achieving very high occupancies (80%+), and turning away significant levels of business both during the week and at weekends.
- High quality (5 diamond) inns and hotels in the District are achieving high occupancies and room rates above some of the District's 3 star hotels.
- Hotels in the District achieve very high Saturday occupancies throughout the year, and high Friday occupancies in the summer months (between April and October). Sunday occupancies are low all year for the majority of hotels.
- Midweek occupancies are strong for Chichester 3/4 star hotels and budget hotels, but low for Midhurst hotels.
- The hotel market in the District is seasonal, with hotels busy and often filling between April and September (particularly at weekends), but quieter between November and March, other than on Saturday nights. Demand is particularly seasonal in Midhurst, Petworth, the rural parts of the District and the Manhood Peninsula, due to the lack of corporate demand in these areas.
- The market mix for the District's 3/4 star hotels is strongly biased towards leisure demand (accounting for 60% of total roomnights), in contrast to the market mixes for 3/4 star hotels in neighbouring areas and other historic city and town destinations, where leisure demand typically accounts for 20-40% of total business.

- Leisure break demand is very strong for hotels in the District, and is the key factor contributing to the high weekend occupancies that the District's hotels achieve in the summer. Hotels generally achieve rack rate for leisure breaks between April and October, and most stipulate a minimum stay of 2 nights, particularly for summer weekends. The District's hotels also attract good midweek break business.
- Corporate demand for hotel accommodation in the District is relatively weak, with few major corporate users of hotels. The District's hotels thus rely on corporate business from further afield, or midweek break and group tour business, to achieve good weekday occupancies. There is very little corporate demand in Midhurst.
- The local corporate market increased significantly during the construction of the Rolls Royce plant at Goodwood, but dropped back in 2004 following its completion. Some of Chichester's other major companies have also reduced their requirements for hotel accommodation. Midhurst hotels saw a significant drop in corporate business following the closure of the Syngenta plant at Fernhurst in 2001.
- Residential conferences are an important market for the Marriott Goodwood Park and for one Midhurst 3 star hotel that attracts senior management/ board level meetings from London companies. Other hotels in the District attract relatively low levels of residential conference business. In line with the national trend, the residential conference market generally appears to have reduced for the District's hotels as companies have cut back on training budgets and developed their own in-house training and meeting facilities. Two hotels reported denying enquiries for large (100-150+ delegate) residential conferences that they do not have the bedroom capacity to accommodate. Most hotels would not want to accept such business, however (unless they have a significant number of bedrooms) as it will block out the week for corporate customers.
- The contractors market is the main midweek market for budget hotels in the area, and a key weekday market for some inns and lower-grade hotels.
- The three major Goodwood events (Festival of Speed, Revival, Glorious Goodwood) generate significant demand for hotel accommodation, with all hotels fully booked well in advance, and increasing their rates during the events.

- Group tours are a significant market for one Chichester 3 star hotel. It takes such business to boost midweek occupancies due to the lack of corporate business in the area. Other hotels are not usually interested in group tour business unless it helps to boost particularly quiet times (e.g. Sunday nights) as it is too low rated, and they know that they can fill with higher rated business from other markets.
- Guests attending weddings and other functions are an important secondary weekend market for Chichester hotels and a key weekend market for Midhurst hotels, and inns in the rural parts of the District. Most of the hotels that stipulate a minimum 2-night stay at weekends deny business from wedding guests that only require a one-night stay.
- Independent overseas tourists are an important market for some of the District's 3 star hotels, but a minor market for other hotels and inns, and budget hotels. Many are touring visitors looking only for a one-night stay, which some hotels will refuse due to their minimum 2-night stay policy in the summer.
- The market for hotel accommodation on the Manhood Peninsula does not appear to be particularly strong and is largely seasonal. The strongest demand appears to be from people visiting family and friends or attending family celebrations. There is also some demand for leisure breaks on the coast and some business and contractor demand.

Hotel Developer Interest

- Key investment criteria adopted by hotel companies include:
 - **Location** – achieving critical mass and geographic spread is important to all national hotel brands, which target primary locations first (larger regional cities) then move on to secondary and tertiary locations when they can be better supported by the group.
 - **Site requirements** include strategic locations with good access, visibility to passing traffic, a strong business base close by, leisure drivers to fill the rooms at weekends, site areas of 0.5-6 acres, land values that reflect hotel economics, an attractive environment, a minimum population of 50-100,000, city centre and out of town sites, the need for associated

development where land values are high, and redevelopment sites where opportunities are limited and competition for sites strong.

- **Development costs** are critical to control for hotel viability, but have been driven upwards resulting in a move to larger hotels, the need to tailor the hotel to the site, and the development of associated uses.
- Viability is a function of development cost, occupancy and achieved room rate, and **performance targets** will vary by product type. Typically occupancies of 70-75% are required, ARR targets of £35-£45 budget, £55-£70 for upper tier budget and new generation 3 star offers, and £70+ for 4 star hotels, with luxury 4/5 star and town house hotels looking to achieve £100+. Return on investment targets are in the range of 15-20%.
- In terms of understanding any interest expressed in Chichester by hotel companies, it is important to appreciate the nature of hotel investment and operation and the **structures used for financing hotels**. Some companies wholly own and manage their hotels themselves, but in other cases hotel buildings may be owned by an investor but leased, run under franchise or under management contract by a hotel chain. The levels of risk to the hotel chain vary considerably between these options. At the large 4 star end of the market particularly, where levels of capital investment and therefore risk are high, many more hotel companies will be willing to take a management contract or franchise than build and invest themselves.
- In terms of **hotel developer interest** in Chichester, a mixed response was received, depending upon the product offering and the developer/operator knowledge of Chichester; indeed some of this interest was not on an informed basis, but a response to the market potential identified from this research. The majority of interest came from budget and upper-tier budget operators, most commonly for developments of 50-100 rooms. There was also some interest from boutique or 'lifestyle' hotel operators for whom the restaurant market is also important. Only a small number of developers had Chichester on their target lists or had been actively looking for sites in Chichester. Geographically the interest was primarily in Chichester and the A 27. However, we also ascertained potential interest in destination/country house hotel development and the development of quality rooms onto pubs.

- The principal **obstacles to investment** related to the size of the town and the associated depth and breadth of the corporate base; the lack of available hotel sites and high land values generated by strong competition from alternative uses; difficulties associated with access and congestion in the town centre; and the complexity of development as part of mixed use schemes, as well as likely timeframes on identified hotel sites.

Policy Context

- The emerging South East Plan has set a new regional context for hotel development, that encourages diversity of offer, locational guidance, encourages extensions and up-grading of existing stock and the resistance of loss where there is proven demand. Active monitoring of demand and supply in relation to hotel accommodation is advocated. The policy recognises hotels as primarily a town centre use but does not see the sequential test as an appropriate tool in determining location; this should be informed by hotels' differing requirements and market characteristics.
- At a local level, the policies contained in the current Local Plan Review in relation to hotel accommodation development are very general in nature, and could be strengthened significantly, based upon the evidence of need presented in this report. Currently there are no policies relating to the retention of hotel accommodation, and no allocated sites for hotel development. There is a need to rectify this and to check that the identified hotel development potential can be delivered within the proposed policy framework, as well as to learn from best practice elsewhere in relation to retention policies.
- Tourism South East has issued three pieces of planning policy guidance that might be helpful in considering future hotel /rooms development – these relate to the retention of tourist accommodation, attracting new hotel investment, and the development of rural pub accommodation. Chichester District Council should draw on these in their policy development.

Future Market Prospects

Our research suggests the following future prospects for the District's hotel market:

- The planned production (commencing in 2006) of the new Rolls Royce convertible model at the Westhampnett plant, and possible further new models in the future is likely to result in periodic increases in demand for hotel accommodation from Rolls Royce, particularly at the upper end of the market. Growth in the Chichester corporate market is otherwise likely to be slow, although may increase in the longer term as new employment sites are developed and new companies attracted to the District.
- There are no indications of anything other than very slow growth in corporate demand in Midhurst. Corporate business may even reduce for some hotels in this part of the District as a result of the opening of the new Premier Travel Inn at Petersfield.
- Demand from the contractors market (for budget-priced hotel accommodation) is likely to remain strong, and possibly increase in the foreseeable future as a result of the planned retail and residential developments, road improvement schemes on the A27, and developments planned at Chichester University.
- There would appear to be little prospect of growth in residential conference business for the District's hotels, given the general decline in this market nationally and regionally. Small luxury hotels may, however, be able to attract more senior management/ board level residential meetings, particularly from London companies.
- There is clear potential for growth in weekend break business in the District if further hotels are developed. The District is a strong leisure break destination. Most hotels are already at capacity for weekend breaks and turning away significant levels of weekend break business during the summer. The establishment of the South Downs National Park is likely to provide a further boost to leisure break demand in the District. New high quality hotels are likely to be able to develop good leisure break business, therefore.
- The group tour market is unlikely to grow, and may even reduce, unless there is a significant increase in hotel provision in the District that leaves hotels with spare

capacity that they may be prepared to fill with group tour business. Hotels will not otherwise want to take low-rated group tour business when they know they can fill with higher rated business from other markets. The group tour business that the District appears to be losing currently is likely to remain frustrated, therefore.

- Growth in the weddings and functions market is likely to be closely linked with population growth. This suggests little growth in the weddings market, but possibly strong growth in demand for hotel accommodation from people attending other family functions e.g. Ruby and Golden weddings, 80th and 90th birthdays, funerals.
- The District should benefit from the forecast growth in inbound tourism to the UK over the next 5-10 years.
- The VFR market for hotels is likely to grow only slowly in line with population increases.

Market Opportunities for New Hotel Development

The Hotel Futures Study shows evidence of a strong leisure market for hotels in Chichester District, and significant levels of denied leisure business at weekends and during the week in the summer months. Corporate demand for hotel accommodation is relatively weak, however, and forecast to grow only slowly. There is strong demand for budget hotel accommodation, particularly from the contractors market and leisure and VFR visitors at weekends, with evidence of significant levels of business currently being denied at this end of the market, both at weekends and during the week.

This suggests that opportunities for new hotel development in the District are primarily for hotel products that have strong appeal to the leisure break market (boutique and country house hotels, quality pub accommodation, and destination hotels, such as Warners adult only hotels), and budget/upper tier budget hotels. The potential for larger branded 3/4 star and limited service 3 star hotels is likely to be more long term, and dependant on further business development in the area.

The Hotel Futures Study thus suggests potential for the following types of new hotel development in the District over the next 5 to 18 years:

- A clear immediate opportunity for a boutique hotel of around 50 rooms in Chichester city centre, and possibly longer term potential for further boutique hotels in the city, given suitable properties for conversion;
- Clear immediate potential for a second sizeable (100 + room) budget hotel in Chichester, and possible scope for a third budget hotel of this size (or fourth if two smaller/50 room units) in the longer term; this might be in the form of a standard budget hotel or an upper tier budget offer, depending upon rate sought;
- Possible scope for luxury country house hotels in the District, given suitable properties for conversion;
- Potential for further high quality pub accommodation ;
- Scope for bedroom extensions to existing hotels, and the development of conference, function, leisure and spa facilities.
- The District might also have potential for the development of niche hotel products, such as Warners adult only hotels and luxury family hotels, given the strong performance of these types of hotel elsewhere in the country. This will be a function of a suitable property being available.

The potential for the development of a major (100+ room) new branded 3 or 4 star hotel in the District looks more long-term, and will be dependent on the extent to which new companies are attracted to the area.

It is unlikely that the District will be able to support the development of a large 3/4 star conference hotel of 150-200+ rooms, as the corporate base is not likely to grow sufficiently to support such a hotel.

The greatest opportunities for new hotel development are likely to be in Chichester, due to its strength as a leisure break destination, and its role as the main focus of corporate activity and possible future business development. There is no clear potential for new hotel development in Midhurst. The opportunities here lie more in upgrading and further developing existing hotels, and possibly some high quality pub

accommodation. There may possibly be scope for a small quality hotel or quality pub accommodation in Petworth, primarily to cater for leisure break business and local weddings trade. There is unlikely to be potential to attract new hotel development on the Manhood Peninsula, although the possibility of a small boutique hotel at West Wittering should not be completely discounted.

Matching Market Potential and Developer Interest

The table below summarises the identified market opportunities for new hotel development in the District, and matches this to the interest expressed by hotel developers from our developer survey.

Matching Market Potential for New Hotel Development and Developer Interest

Type of Hotel	Chichester		Rural Parts of the District	
	Market Potential	Developer Interest	Market Potential	Developer Interest
Major branded 3/4 star (100 rooms+)		✓ ³		
Expansion/ upgrading of existing hotels to 3/4 star				
Boutique	✓	✓	✓ ²	✓ ²
Budget	✓	✓		
Upper-tier budget	✓ ¹	✓		
Country house hotels			✓	✓
Niche/destination hotels			✓	✓
Golf/ country club hotels				
Inns/ pub accommodation	✓	✓	✓	✓

Notes:

1. Potential dependent on achieved rate sought
2. Possible potential for a small niche offer developed by an independent operator
3. Uninformed interest from a new generation 3 star hotel

Moving Forward

- The preparation of the LDF for Chichester provides a real opportunity to set a positive and facilitating framework for hotel investment across the District.
- The research has shown both market potential for, and developer interest in new hotel development in Chichester and the wider District. However, a lack of available sites, together with the pressure on land from alternative uses and arising from the changing policy and development context in the South East, a number of issues will need to be addressed to make this development happen.
- Key areas for action will be:
 - Planning positively for hotels
 - drawing on TSE guidance;
 - ensuring policies permit identified hotel opportunities to be delivered;
 - re-visiting the sequential test in relation to hotel development;
 - introducing hotel retention policies and associated assessment procedures/guidance.
 - Tackling the sites issue
 - supporting hotel site allocations;
 - introducing flexibility/helping facilitate development where sites are difficult to deliver;
 - getting operator views on allocated sites at an early stage;
 - accelerating site delivery.
 - Facilitating the investment process
 - following up expressed interest;
 - building a dialogue with hotel developers;
 - supporting hotel developer information needs;
 - tapping into the TSE hotel investment campaign.
 - Strengthening the market
 - building corporate business by attracting the types of company and organisation that will generate high levels of demand for hotel accommodation e.g. financial and professional services, and national and regional headquarters;
 - developing off-peak leisure break business.

- Communicating key messages
 - to hotel developers;
 - internally, across the Council;
 - to local and regional partners;
 - work with other destinations to develop good practice.

- Making intelligent progress
 - monitoring future demand and supply;.
 - Developing hotel performance models.

- Drawing up a route map for delivery
 - an Action Plan and responsibilities;
 - allocating a co-ordinating role;
 - publishing the findings.

- There is much in these findings to be positive about, and there is a real opportunity for Chichester District Council to both re-set the framework and adopt a joined-up and market-led approach to attracting hotel investment that should enable the sector to play its full part in delivering the vision for the District's future.

1. INTRODUCTION

1.1 Background

Chichester District Council has a strong commitment to tourism and recognises the role that the sector has to play in the economy of the District. As part of this commitment, the Council sees hotels as a vital part of the District's accommodation supply, and recognises the importance of a healthy hotel industry to future tourism and economic growth in the District. The Council's Tourism Department has anecdotal evidence of frequent shortages of hotel accommodation in Chichester during the summer months, and of group tour and conference business that is currently being lost due to the lack of hotel availability in and around Chichester. Chichester District Council's Planning Policy Team is currently in the process of formulating the new Local Development Framework (LDF) for the District, and wishes to include well informed policies regarding hotels in the new LDF document.

With the support and part-funding of Tourism South East, the District Council has thus commissioned Tourism Solutions and ACK Tourism to undertake a study to assess current and possible future hotel performance in the District, and to identify future opportunities and requirements for new hotel development, and the retention or loss of existing hotels.

The study forms part of a region-wide programme of Hotel Futures studies that have been conducted since 2001 in the South East. This rolling programme is helping to build up an accurate picture of hotel performance and development opportunity across the region, and as such makes a valuable contribution to wider regional tourism intelligence. Where hotel development potential is identified, information from these studies is fed into a regional hotel investment marketing campaign managed by Tourism South East.

1.2 Objectives of the Study

The **principal objective** of the study is:

- to identify the need for new hotel accommodation across the District to 2023.

More specifically, the study seeks to make conclusions and recommendations regarding:

- the current performance of hotels in the District;

- key factors relating to future demand for hotel accommodation in the District, and the implications of any potential growth in terms of new hotel development, by location, size, standard and type of product;
- whether current stock meets market needs, again in terms of quality, capacity, location and type;
- specific sites that could be of interest to hotel developers;
- specific policy requirements or supplementary guidance that will need to be incorporated into the LDF to deal with the identified issues and opportunities for hotels;
- the next steps in terms of how to implement these recommendations, including guidance on encouraging hotel investment and tackling issues of communication internally and externally to help raise awareness of hotel development potential in the District.

1.3 The Approach

A market-led approach has been fundamental to the study. Much of the research involved gathering this market data, from a variety of sources.

The study methodology involved the following modules of research:

- an initial briefing session with Tourism and Planning Officers to set the scene in terms of the **area context** for the study, to discuss the study objectives, and to review what might change in the District over the study period that could materially affect hotel demand.
- a review of relevant current and draft **policy** documents to establish the policy framework within which tourism activity and any associated hotel development will need to work, including Regional Planning Policy and any emerging tourism best practice guidance.
- an audit of existing **hotel stock** in Chichester District and the immediate surrounding area, assessing provision by size, standard, price, location and identifying any recent development to have taken place in the last 5 years.

- a review of hotel-related **planning permissions** over the past 5 years and follow up to identify which new build hotel and extension schemes have gone ahead, the reasons why any schemes have not been taken up, and to provide an up-date on any losses to stock.
- interviews with **hotel managers** from the existing hotels in the District and surrounding area, to gather performance-related data on occupancy, achieved room rate, market mix, levels of denials, and market trends.
- a **local company survey** of key employers and other potentially significant users of hotel accommodation in and around the District to establish their current hotel use, satisfaction with the existing supply, and their views on the need for new hotel accommodation, identifying required standard, size, price and location.
- a review of existing **sites** identified for hotel development through consultations with the local authority and the private sector, and the provision of guidelines for the identification of potential sites taking on board the requirements of developers and the overall policy context.
- testing interest in developing in Chichester District through a hotel **developer survey**, exploring any specific sites or locations under consideration, and identifying any barriers to investment.
- **projections** of future hotel demand over the LDF period using the performance data gathered as a baseline and applying business and leisure growth forecasts.

2. THE UK HOTEL SECTOR

2.1 National Demand Trends

Other than in seaside resorts and rural locations, demand for hotels is principally driven by business tourism, with leisure tourism filling rooms at weekends and during holiday periods often at discounted rates. The peaks and troughs of the economy together with events in the national and international tourism marketplace therefore impact directly on the hotel sector.

At the end of 2000, the UK hotel industry found itself on a 20 year high, with average annual room occupancies stable at 73% since 1996³, and achieved room rates⁴ steadily increasing year on year. 2001 saw some dramatic events affecting tourism and the economy worldwide, in the form of 9/11 and the Foot and Mouth epidemic. During 2002 the market remained nervous and performance of the hotel industry fragile, with the UK economy, its place in the global economy, and the drop in the numbers of high spending overseas visitors being key factors. As a result occupancies and achieved room rates dropped back. The war on Iraq in 2003 provided a setback to recovery, particularly in London, which is more susceptible to international events. The downturn in the financial services sector has also hit the capital and other financial centres badly in 2003. With weakening corporate demand the UK hotel market became markedly more competitive and rate aggressive.

The UK hotel industry has steadily recovered in 2004 and 2005, however. Average annual room occupancy for UK 3/4 star chain hotels increased by 1.8 percentage points in 2004 to 73.5%¹, and achieved room rates grew by 4.4% to £70.87¹. As at November 2005, occupancies for the year to date are running 0.8 percentage points down, but achieved room rates have increased by a further 3.9%.

Provincial hotels generally operate at slightly lower occupancy and considerably reduced achieved room rates to the UK average, the latter being inflated by the inclusion of London. At an overall level, provincial hotel occupancies have been more stable over the past 5 years, and achieved room rates have grown slightly. The market in the provinces is primarily driven by the domestic economy, which generally strengthened in 2004 and 2005. As a result, provincial hotel occupancies increase to 70.8%¹ in 2004, an increase of 1 percentage point over 2003. Achieved room rates increased in 2004 to £63.72¹ from £62.16 in 2003. Year to

³ Source: TRI Hotstats UK Chain Hotels Market Review

⁴ The net amount of rooms income that hotels achieve room let, after deduction of VAT, breakfast, discounts and commission charges

date occupancy is down 0.2 percentage points in 2005 (as at November 2005), while achieved room rates have so far risen by 3.3%. Performance in the provinces is now ahead of 2000, with occupancy the highest it has been for 7 years and achieved room rates at the highest recorded level ever.

In terms of future prospects, the recovery experienced in 2004 and 2005 is expected to continue in 2006 as a result of a continuing strong economy and confidence among UK hotel companies.

UK Hotel Performance 1990-2006

Year	Occupancy %		Achieved Room Rate £	
	UK	London	UK	London
1990	65.5	75.0	49.57	74.54
1991	58.8	63.7	51.79	81.62
1992	57.7	63.0	46.57	82.36
1993	61.4	69.4	45.93	82.92
1994	65.0	75.9	47.43	81.52
1995	69.6	81.9	50.17	88.57
1996	72.6	83.8	55.01	98.10
1997	74.3	83.4	63.41	105.33
1998	72.7	80.4	64.51	108.76
1999	72.7	80.5	65.19	107.96
2000	73.7	82.6	68.78	91.82
2001	71.8	75.6	70.05	89.80
2002	72.2	77.7	68.38	82.77
2003	71.7	77.1	67.86	82.11
2004	73.5	80.9	70.87	88.07
2005*	74.3	79.1	73.10	93.50
2006*	74.6	80.1	76.60	101.00

Source: TRI – United Kingdom Hotel Industry/HotStats (*forecast)

Comparative Hotel Performance by Location – Occupancy

	Occupancy %				
	2000	2001	2002	2003	2004
Provincial hotels	70.6	70.4	70.2	69.8	70.8
UK	73.7	71.8	72.2	71.1	73.5
London	82.6	75.6	77.7	77.1	80.9

Comparative Performance by Location – Average Room Rate

	Average Room Rate				
	£				
	2000	2001	2002	2003	2004
Provincial hotels	59.23	62.12	62.50	62.16	63.72
UK	68.78	70.05	68.38	67.86	70.87
London	91.82	89.80	82.77	82.11	88.07

Source: TRI – United Kingdom Hotel Industry/HotStats

TRI forecasts for provincial hotel performance to 2006 are as follows:

Provincial Hotel Performance Forecasts 2005-2006

	Occupancy	Average Room Rate
	%	£
2005	71.5	65.08
2006	72.0	67.48

Source: TRI Hospitality Consulting

2.2 National Supply Trends

2004 and 2005 have seen a great deal of activity in the ownership, management and development of UK hotels. A key trend has been the move by many UK hotel companies to sell off their hotel property assets to property and investment companies and then lease them back, or manage them under contract for the new owners in sale-and-leaseback and sale-and-management contract deals. UK hotel operators have also disposed of non-core hotels, or sold hotels in order to return capital to shareholders. All of this has resulted in significant hotel property sales activity and changes in the ownership of hotels.

Some of the key deals of 2004 and 2005 have been as follows:

- The acquisition in 2004 of Hotel du Vin by Malmaison owner MWB.
- The 2004 purchase of Premier Lodge by Whitbread, and subsequent merging with its Travel Inn estate to form Premier Travel Inn, now the UK's largest budget hotel operator.
- Whitbread also disposed of its 11 Courtyard by Marriott properties in 2004 to Kew Green Hotels;
- In 2005, Whitbread has sold its UK Marriott Hotels arm to Marriott International, in order to concentrate on the development of Premier Travel Inn.
- Travelodge sold 135 hotels to the newly-formed Prestbury Hotels and leased them back;
- Le Meridien disposed of its UK hotels outside London.
- Dawnay Shore Hotels, the hotel group established by Dawnay, Day and Shore, acquired the Paramount Hotel Group in 2004, and subsequently purchased 3 hotels from Hanover International to operate under the Paramount brand. The company has recently purchased a further three hotels from the Furlong Group, which will form the basis of a signature group of hotels within the Paramount chain.
- As part of its strategy to focus on branding, franchising and managing hotels, Intercontinental Hotels Group (IHG) sold most of its UK hotel portfolio (73 hotels) to the UK-based LRG consortium, on a sale-and-management contract basis. LRG has subsequently put 11 of the hotels on the market.
- IHG has also signed a franchise agreement with Queens Moat Houses for 16 Moat House hotels to be operated under the Holiday Inn and Crowne Plaza brands.
- In March 2005 the Hilton Group sold 11 of its UK hotels to Stardon, a joint venture between Starwood Capital and Chardon Hotels. Stardon has subsequently signed a franchise agreement with IHG to operate 5 of the hotels under the Holiday Inn brand

- The Hilton Group has also sold 15 UK Hilton hotels to The Managed Hotels Unit Trust in a sale-and-management contract deal.
- Starwood has also bought a majority stake in the Taittinger Group giving it control over its Societe de Louvre luxury hotels and 800 budget hotels.
- Property company Jefferson Hotels has acquired 9 Moat House hotels from Queens Moat Houses to be rebranded as Park Inns through a deal with Rezidor SAS.
- Morethanhotels, which owns and operates 9 Express by Holiday Inn hotels in the UK, acquired the Foremost Hotels group and its 3 Express by Holiday Inns, together with the lease for the Express by Holiday Inn Bradford City from Gallagher Developments.
- BDL Hotels has sold its entire portfolio of Express by Holiday Inns to Somerston Hotels, another Express by Holiday Inn franchisee.
- Swallow Hotels & Inns has rapidly expanded in 2005 with the acquisition of 25 Scottish hotels from the North British Trust Group and 8 hotels from Corus.
- Corus has continued to rationalise its UK hotel portfolio.
- Butterfly Hotels has signed a franchise agreement with Ramada for its 4 hotels in East Anglia.
- Luxury hotel group Von Essen has acquired Luxury Family Hotels, the child-friendly group of 4 hotels in Cornwall, Wiltshire, Dorset and Suffolk.

The budget or limited service hotel product continues to see the fastest rate of expansion. The trend towards differentiation in this segment looks likely to continue. There are now 5 visible tiers of budget provision, ranging from backpacker hostels (St Christopher Inns and Globetrotter Inns) and 'super economy' (Formule 1, Easyhotel and Etap), to 'economy' brands like Travelodge, Premier Travel Inn and Days Inn and 'upper-tier' budget brands such as Express by Holiday Inn, Ramada Encore and Tulip Inn. At the upper end of the spectrum 'budget boutiques' that combine high design with limited service, such as Dakota, are starting to develop.

New product development by the key national and international brand operators in the UK is summarised in the table overleaf. The active players to watch include:

- The continued expansion of the main budget brands (Premier Travel Inn, Travelodge and Express by Holiday Inn).
- The expansion of new budget hotel brands, such as Days Inn and Sleep Inn, and upper-tier budget brands, including Tulip Inn and Ramada Encore.
- New entrants to the budget sector include Easyhotel (part of the Easyjet Group), which opened its first in London in 2005; French hotel group Accor's Etap budget brand, which opened its first UK hotel in Birmingham in 2005; the recently launched

Yotel budget boutique brand that is looking for sites in the UK; the new Dakota brand founded by Ken McCulloch of Malmaison fame, which opened its first hotel in Nottingham in 2004; and the new super economy budget concept Nite Nite currently developing its first hotel in Birmingham.

- Continued development of the boutique and town house hotel sector, with further expansion by Malmaison and Hotel du Vin (the two brands are to be retained), and companies such as Alias, Apex, Bespoke, Abode and Niche, together with the development of one-off boutique hotels by independent hoteliers.
- A number of 4 star operators are also active, including Macdonald, Park Plaza, Marston, Marriott, City Inns, Futures Inns and Radisson SAS, all of whom are seeking to expand their UK representation. There is also the possible development of Cendant's Wingate 4 star brand in the UK.
- There could be renewed activity in terms of the development of golf hotels and resorts. Macdonald has recently opened a new golf resort in Peebles, and is currently building in Whitchurch in Shropshire, while De Vere is developing a new golf resort in Scotland.
- There will be further openings in the 3 star market from operators such as Jury's Inn, Village, Novotel, Park Inn and Holiday Inn.
- Leisure operators look likely to continue to diversify into hotels, with for example the development of hotels at theme parks (e.g. Alton Towers, Drayton Manor and Blackpool Pleasure Beach) and resort sites eg Butlins at Bognor, football stadia (e.g. the De Vere Whites hotel at Bolton's Reebok stadium) and racecourses (e.g. the Express by Holiday Inn at Chester Racecourse).
- There could be further development in the serviced apartment sector, and the UK may begin to see the development of suite hotels, such as the US Country Inns & Suites, Residence Inn and Staybridge Suites brands.
- Other niche hotel products, including adult only hotels (Warner's Just for Adults) and family hotels (Luxury Family Hotels – now owned by Von Essen) may develop further.

Minimising risk is key to hotel investment decision-making, and there is understandably a lot more interest in budget and limited service development than in full service 4 star development – the former represent investments of £2-4 million, the latter £15-45 million. Whether companies expand by owning and developing their properties or via lease, joint venture and/or management contract also affects the pace of development. The availability of affordable sites is also becoming a major issue for budget hotel operators, especially in London and the South East where hotels are unable to compete for sites with residential developments.

UK HOTEL BRAND DEVELOPMENT ACTIVITY

HOTEL COMPANY	2003/ 2004 OPENINGS	2005 OPENINGS	PLANNED HOTELS/ TARGET LOCATIONS
ABODE (Boutique)		Exeter Glasgow	Canterbury Devon
ALIAS (Boutique)	Manchester (2003) Brighton (2003)		Liverpool
APEX (Boutique)	Dundee (2003)	London	
ASCOT GROUP (Serviced Apartments)	Glasgow (2003) Manchester (2003)		
BESPOKE (Boutique)		Slough	
BEWLEY'S (3 star)	Leeds (2003)		
CAMPANILE (Budget)	Glasgow (2003) Leicester (2003)		Northampton (2006)
CITY INN (4 star)	London Westminster (2003)		Manchester (2007) Leeds Edinburgh London
COLUMBUS (5 star)			Weybridge, Surrey
CROWNE PLAZA (4 star)	Marlow (2003)		
DAKOTA (Boutique budget)	Nottingham (2004)		Glasgow Aberdeen Edinburgh Newcastle Leeds
DAYS HOTEL (3 star)	Birmingham (2004) Manchester (2004)	Crewe Milton Keynes Nottingham Derby	
DAYS SERVICED APARTMENTS (Serviced apartments)	Nottingham		

Chichester Hotel Futures

DAYS INN (Budget)	2003 Dundee Derby Telford Belfast Ruislip 2004 Sedgemoor Warwick Gretna Green Birmingham Clacton-on-Sea Leicester Stansted	Haverhill Nuneaton	Luton Manchester Winchester
DE VERE (4 star)		Loch Lomond (Golf Resort)	
EASYHOTEL (Budget)		London	
ETAP (Budget)		Birmingham	Glasgow
EXPRESS BY HOLIDAY INN (Upper-tier Budget)	2003 Chester Portsmouth Nottingham Northampton London x2 Droitwich Swindon 2004 Preston Bedford Edinburgh Newport Hemel Hempstead Croydon Stevenage	London – Swiss Cottage London-Finchley) Stansted Witney Lakes, Oxon Warrington Newcastle	Liverpool Airport Leicester Cardiff Airport London – Earls Court London – Golders Green London-Newbury Park Leeds Doncaster Dunfermline Redditch Walsall

Chichester Hotel Futures

FOUR SEASONS (4 Star de luxe)		Basingstoke	
FUTURE INNS (3 star)	Cardiff (2004)		Plymouth Bristol
GLOBETROTTER INNS (Hostel)	Edinburgh (2003) London (2003)		
HILTON (4 star)	Newcastle (2004)		Manchester
HOLIDAY INN (3 star)	Bristol Airport (2004)	London - Brentford	Norwich
HOTEL DU VIN (Boutique)	Harrogate (2003) Henley (2004)		Chester York Cambridge Glasgow Guildford London Durham St Andrews
HYATT (5 star)			London Battersea (2008)
IBIS (Budget)	2003 Carlisle 2004 Leeds	London	
JURYS INN (3 star)	2003 Croydon Newcastle Glasgow 2004 Leeds London Dublin Heathrow	Southampton Nottingham	Milton Keynes (2006) Brighton (2006) Plymouth (2007) Liverpool (2007)
KEMPINSKI (5 star)			London

Chichester Hotel Futures

MACDONALD (4 star)	Peebles (golf resort) (2004) Cardiff (2004)	Sheffield	Whitchurch, Shropshire (golf resort) (2006)
MALMAISON (Boutique)	London Belfast	Oxford	Liverpool (2007) Reading (2007) Bristol Southampton Guildford Cambridge
MARRIOTT (4 star)	London – Canary Wharf	Leicester	
MARSTON (4 star)		Cambridge	Nottingham (2006)
MILLENNIUM & COPTHORNE (4 star)			Southampton (2007)
MYHOTEL (Boutique)	Brighton		
NICHE (Boutique)	Newcastle (2004)		
NITE NITE (Budget)			Birmingham
NOVOTEL (3 star)	2004 Bristol Edinburgh London Excel	Cardiff London – Greenwich	
PARK INN (3 star)	Heathrow (2004)	Dundalk, N Ireland	
PARK PLAZA (4 star)	Leeds Cardiff Belfast	London	

PREMIER TRAVEL INN (Budget)	2004 Perth Heathrow Durham London x2 Norwich Blackburn Birmingham M6 Toll Manchester Oldham Wembley Southport	Borehamwood Dunfermline Merton Norwich Swansea Swindon Watford Bradford Eastbourne Gloucester Grantham Harwich	Reading (2006) Hemel Hempstead (2006) Andover (2006) Carrickfergus (2006) Petersfield (2006) East Midlands Airport (2006)
RADISSON EDWARDIAN (5 star)	London	Syon Park (London) Manchester	
RADISSON SAS (4 star)	Glasgow (2003) Liverpool (2004) Stansted (2004)		Birmingham (2006) Durham (2007) Brighton
RAMADA ENCORE (Upper-tier budget)	London (2004) Swansea (2004)		Wrexham Coventry
ST CHRISTOPHER'S INNS (Hostel)	Brighton (2003) Bath (2003)		
SLEEP INN (Budget)	Leeds (2003)	Tewkesbury	Derby (2006) Shrewsbury (2006)
STAYBRIDGE SUITES (Suite hotel)			London South Bank (2006) Brentford (2006)

Chichester Hotel Futures

<p>TRAVELODGE (Budget)</p>	<p>2004 Wolverhampton Leamington Spa Cambridge London x3s Romford Barrow in Furness Leatherhead Leeds Bradford Airport Harrogate Harlow Leicester Livingston Southend on Sea Buckingham Bedford Glenrothes Berwick-upon Tweed</p>	<p>Bournemouth Manchester Manchester Sportcity Guildford Harlow Inverness Scunthorpe Tolworth Worcester Margate Bury Crewe Dunfermline Gateshead London City Airport Mansfield Norwich Newport St Austell Shrewsbury Swindon Nottingham Hastings Dundee Aberdeen Airport Manchester Airport Pembroke Dock Ashton-under-Lyne</p>	<p>Preston (2006) Birmingham (2006) London City (2007)</p>
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Chichester Hotel Futures

TULIP INN (Upper-tier budget)	Glasgow (2003) Gateshead (2004) Portsmouth (2004)	Castleford	London Bristol Birmingham Edinburgh
VILLAGE (3 star)	Maidstone (2004) Walsall (2004)	Bournemouth	Hull (2006) Swansea (2007) Leeds South Elstree
YOTEL (Boutique budget)			Heathrow (2006) Gatwick (2006) London

Source: ACK Tourism/ Tourism Solutions

3. CURRENT HOTEL SUPPLY

3.1 Current Hotel Supply – Chichester District

Our research has identified a total of 23 hotels, inns and guest accommodation establishments trading as hotels⁵ in Chichester District, with a total of 570 bedrooms. Details of these hotels are summarised in the table overleaf.

Standard of Hotels

An analysis of the District's current hotel supply by standard of hotel provides the following breakdown:

Current Hotel Supply – Chichester District – by Standard – January 2006

Standard	Estabs	Rooms	% of Rooms
4 star	1	94	16.5
3 star	7	255	44.7
2 star	1	11	1.9
Budget	1	83	14.6
Diamond-rated	11	105	22.3
Total Supply	23	570	100.0

The District's current hotel supply is dominated by 3 star hotels in and around Chichester and Midhurst, accounting for almost 45% of the District's total hotel stock. There is also has a good supply of inns across the District, some offering accommodation of a very high (5 diamond) standard. The District has one 4 star hotel (the Marriott Goodwood Park) and one 2 star hotel in Chichester (the Suffolk House). There is one budget hotel in Chichester (the Premier Travel Inn), although the District is also served by Travelodge hotels at Fontwell, Emsworth and Billingshurst, and a Premier Travel Inn at Havant.

While it has not been part of the scope of this study to assess the quality of the District's hotels, our research suggests that the standard of hotel and inn accommodation in the District is generally very good. The District has some very high quality hotels: the Spread Eagle at Midhurst; Millstream at Bosham; Marriott Goodwood Park; Royal Oak at East Lavant; Crouchers Country Hotel; Halfway Bridge Inn; Swan Inn at Fittleworth; and Park House at Bepton all stand out as particularly high quality hotels with VisitBritain Gold and Silver Awards, AA rosettes for food and/or entries in the Good Hotel Guide. The District has four 5 diamond

⁵ Using the word 'hotel' in their trading name

Current Hotel Supply – Chichester District – January 2006

Hotel	Standard	Rooms	En-suite Rooms	Leisure Club	Conference Facilities		2005 Weekday Tariff ¹	
					No Rooms	Max Capacity ²	Single £	Double £
Chichester City								
Ramada	3 star	77	77	√	7	370	90.00*	100.00*
The Ship	3 star	36	36		2	90	79.00	99.00
Suffolk House	2 star	11	11				70.00	95.00
The Vestry	4 diamond	11	11				65.00	75.00
George & Dragon	3 diamond	10	10				55.00	85.00
The Nags Head	n/a	11	9				45.00	70.00
Premier Travel Inn	Budget	83	83				52.95*	52.95*
Chichester Area								
Marriott Goodwood Park	4 star	94	94	√	9	150	113.00	123.00
The Millstream, Bosham	3 star	35	35				85.00	135.00
Crouchers Country	3 star	18	18				65.00	105.00
The Royal Oak, East Lavant	5 diamond	6	6				60.00	90.00
Horse & Groom, East Ashling	4 diamond	11	11				40.00	65.00
Midhurst								
Spread Eagle	3 star	39	39	√	5	100	119.00	138.00
The Angel	3 star	28	28		2	40	90.00	110.00
Southdowns Country, Trotton	3 star	22	22	√	1	100	80.00	100.00
Park House, Bepton	5 diamond	15	15		1	60	85.00	125.00
Halfway Bridge Inn	5 diamond	6	6				60.00	90.00
Petworth								
The Old Railway Station	5 diamond	8	8				57.00	76.00
Rural								
Woodstock House, Charlton	4 diamond	13	13				55.00	76.00
White Horse, Chilgrove	4 diamond	8	8				65.00	95.00
Swan Inn, Fittleworth	4 diamond	15	15				45.00	85.00
Forester's Arms, Graffham	3 diamond	3	3				60.00	80.00
Coastal								
St Andrew's Lodge, Selsey	4 diamond	10	10				45.00	70.00

Notes:

- Tariffs quoted are for standard rooms in the summer (April-Sept) on a Bed & Breakfast basis, inclusive of VAT, unless otherwise indicated
- * Room only tariff
- Maximum capacity theatre style

establishments. The quality of hotel accommodation in Chichester appears to be more variable, however.

Size of Hotels

In terms of size, the District's hotels are predominantly small. The District has no hotel with more than 100 bedrooms, and only 3 sizeable hotels with 77-94 bedrooms (Marriott Goodwood Park, Ramada, Premier Travel Inn).

Current Hotel Supply – Chichester District – by Size – January 2006

Size of Hotel	Estabs	Rooms	% Rooms
Under 10 rooms	5	31	5.4
10-20 rooms	10	125	21.9
21-30 rooms	2	50	8.8
31-50 rooms	3	110	19.3
51-100 rooms	3	254	44.6
101 room +	0	0	0
Total Supply	23	570	100.0

Location of Hotels

The main concentration (70%) of hotel accommodation in the District is in and around Chichester. The hotel supply in the city centre is limited, however. Midhurst is a secondary hotel location in the District. There is only one small diamond-rated hotel serving Petworth. There is only one diamond-rated hotel on the coastal section of the District – the St Andrew's Lodge at Selsey (10 rooms).

Current Hotel Supply – Chichester District - by Location – January 2006

Location	Estabs	Rooms	% Rooms
Chichester City	7	239	41.9
Chichester Surrounds	5	164	28.8
Midhurst Area	5	110	19.3
Petworth	1	8	1.4
Rural	4	39	6.8
Coastal	1	10	1.8
Total Supply	23	570	100.0

Prices

Published weekday room tariffs for the District's 3 and 4 star hotels range from £65 to £119 B&B for a standard single room, and £99 to £138 B&B for a standard double. In our experience these rates are similar to equivalent standard hotels elsewhere in the South East.

Most hotels and inns in the District increase their rates between April and September, particularly on Friday and Saturday nights. Due to the strength of weekend break and weddings demand, hotels generally achieve rack rate at weekends throughout the summer. Many hotels will only take two-night weekend stays at this time of year. Hotels are not generally prepared to discount on Friday and Saturday nights in the summer (other than for late availability rooms if they have them), and are not usually willing to take business from lower-paying markets (e.g. group tours) at these times of year. Hotels are more prepared to offer discounted rates and special deals in the winter months, however, when leisure demand is not as strong.

All hotels significantly increase their rates for the three main Goodwood events, typically by 50%.

Corporate rates charged by the District's 3 and 4 star hotels are typically between £65 and £80 B&B.

Representation of Hotel Chains

The majority of the District's hotels are independently owned, operated and marketed. Four national/ international hotel brands are represented in the District, and two regional hotel and inn companies.

Chichester District - Current Hotel Supply – Representation of Hotel Chains

Hotel Chain	Hotel
Marriott	Marriott Goodwood Park
Ramada	Ramada Chichester
Room at the Inn (Eldridge Pope)	The Ship
Historic Sussex Hotels	Spread Eagle, Midhurst
Best Western	Southdowns Country
Premier Travel Inn	Premier Travel Inn Chichester

Leisure Facilities

Four of the District's hotels have leisure facilities. These range from full leisure clubs and health spas at the Marriott Goodwood Park and Spread Eagle, to more modest swimming pools at the Ramada and Southdowns Country hotels.

Conference Facilities

The Marriott Goodwood Park and Ramada hotels have a good range of conference rooms. The Spread Eagle also has a number of meeting rooms. Some of the District's other hotels have conference and banqueting rooms, or are able to use their restaurants for conferences and functions.

3.2 Recent Changes in Hotel Supply

New Hotels

The most recent new hotel opening in the District was the Premier Travel Inn (opening as a Premier Lodge) in 2003. This represented a significant (27%) increase to the hotel supply in the Chichester area.

Other new openings have been:

- Bedrooms at the Woolpack Inn at Fishbourne (10 rooms, opening in 2004); The Woolpack Inn has subsequently closed its accommodation due to structural problems, but hopes to reopen early in 2006.
- Bedroom development at The Royal Oak at East Lavant (opening in 2001).
- Opening of The Vestry through conversion of retail premises in Chichester city centre to a food and beverage outlet with rooms above (2000/2001)
- West Stoke House – development into a 5 bedroom hotel in 2003.
- White Horse at Chilgrove – developed 8 rooms in 2001-2.

Hotel Extensions and Refurbishments

Our research has identified the following investment in hotel extensions and refurbishment in the District over the past 5 years:

- The leisure club at the Marriott Goodwood Park underwent a £1million refurbishment in 2003.

- The Park House Hotel as Bepton was completely rebuilt in 2001.
- The Woodstock House Hotel at Charlton added one bedroom in 2003.
- The Old Railway Station Hotel at Petworth purchased a new railway carriage in 2003, providing a further two bedrooms.
- The Horse & Groom at East Ashlington added 6 bedrooms in 2002.
- The Halfway Bridge Inn was upgraded to 5 diamonds in 2005. This involved the loss of 2 bedrooms to provide two suites.

There has been no significant investment in any of the District's 3 star hotels in the last few years.

Hotel Closures

Our research has identified the following hotel closures in the District:

Chichester District – Hotel Closures

Hotel	Location	Standard	Rooms
Dolphin & Anchor	Chichester	2 star	49
Bedford	Chichester	2 star	19
Forge	Chilgrove	5 diamond	5
Hunters Inn Hotel	Lavant	Unknown	Unknown

The Dolphin & Anchor was converted some years ago to retail units. The Bedford Hotel has also been closed for a number of years. It is currently being redeveloped as apartments. The Forge Hotel at Chilgrove closed in 2003 due to the ill health of its owners. It has now been converted back into a private residence. The Hunters Inn Hotel was a pub with rooms; it closed in 2003, requiring significant investment; part of the site has been developed for housing and permission is being sought for residential use in the hotel buildings.

As already noted, the Woolpack Inn at Fishbourne has closed its bedrooms due to structural problems, but is hoping to reopen them early in 2006.

3.3 Planned Development of Existing Hotels

Our research identified plans for a small number of extensions to some of the District's existing hotels. Several also have plans for refurbishment, new banqueting and conference facilities, leisure facilities and a few additional bedrooms:

- The Ramada Chichester will undergo a complete bedroom refurbishment commencing in January 2006.
- The Ship in Chichester is currently developing a new banqueting and conference room.
- Crouchers Country Hotel has plans to develop a purpose-built function suite to develop its weddings business. The hotel is also planning to add 3-4 bedrooms.
- The Millstream is considering the development of a garage into 1-2 bedrooms or a leisure facility.
- The Park House at Bepton is developing a new state-of-the art conference room for 20 people to enable it to better target the top end of the meetings market. The facility is due to open in April 2006.
- The Spread Eagle at Midhurst may develop further leisure facilities in the longer term.
- The Southdowns Country Hotel has planning permission for additional bedrooms, but no plans to implement this currently.
- The Old Railway Station at Petworth is considering the purchase of another Pullman carriage to provide a further 2 bedrooms, and has plans to reinstate a signal box to provide an additional bedroom.
- The Royal Oak at East Lavant is currently developing two self-catering cottages.
- West Stoke House has just been granted permission for a further 6 rooms in the house taking the hotel up to 11 rooms.

- The White Horse at Chilgrove has a recent permission for a further 7 rooms, giving 15 rooms on completion.

Whitbread is currently in the process of selling its interest in the Marriott Goodwood Park as part of its strategy to withdraw from the 4 star market to concentrate on developing the Premier Travel Inn budget hotel chain. Future investment in this hotel will thus depend on the new owners.

3.4 Planned New Hotels

Our research has identified one major proposal for a new hotel in the District, at Fernhurst. The scheme involves the conversion and redevelopment of the former ICE/Syngenta buildings, to include a 100+ room hotel.

The Sussex Pub Company (owners of The Royal Oak and Halfway Bridge Inn) is currently developing 5 bedrooms at Trents pub in Chichester to the same 5 diamond standard as the accommodation at its other pubs in the District.

3.5 Current Hotel Supply – Surrounding Area

Our research identified 19 star-rated and branded hotels in the surrounding area with a total of 742 bedrooms:

An analysis of the hotel supply surrounding the District is given in the following tables:

Current Hotel Supply – Surrounding Chichester District – December 2005

Hotel	Standard	Rooms
Fontwell/ Walberton		
Hilton Avisford Park	4 star	139
Travelodge Arundel	Budget	62
Amberley		
Amberley Castle	3 Red Star	19
Pulborough		
Roundabout	3 star	25
Chequers	2 star	10
Billinghurst		
Travelodge Billinghurst	Budget	26
Bognor Regis		
Royal Norfolk	3 star	42
Inglenook, Pagham	3 star	18
Beachcroft	2 star	34
The Royal	2 star	32
The Aldwick	2 star	20
Premier Travel Inn	Budget	24
Emsworth/ Havant/ Hayling Island		
The Langstone	4 star	103
Bear, Havant	3 star	42
Brookfield, Emsworth	3 star	40
Travelodge Chichester, Emsworth	Budget	36
Premier Travel Inn Havant	Budget	36
Innkeeper's Lodge Portsmouth North, Rowlands Castle	Budget	21
Petersfield		
Langrish House	2 star	13

Current Hotel Supply – Surrounding Area – by Standard – January 2006

Standard	Estabs	Rooms	% of Rooms
4 star	2	242	32.6
3 star	6	186	25.1
2 star	4	109	14.7
Budget	6	205	27.6
Total Supply	19	742	100.0

Current Hotel Supply – Surrounding Area – by Size – January 2006

Size of Hotel	Estabs	Rooms	% Rooms
Under 10 rooms	0	0	0
10-20 rooms	4	60	8.1
21-30 rooms	5	116	15.6
31-50 rooms	7	262	35.3
51-100 rooms	1	62	8.4
101 room +	2	242	32.6
Total Supply	19	742	100.0

Current Hotel Supply – Surrounding Area – by Location – January 2006

Location	Estabs	Rooms	% Rooms
Fontwell/ Walberton	2	201	27.1
Amberley	1	19	2.6
Pulborough	2	35	4.7
Billinghurst	1	26	3.5
Bognor Regis	6	170	22.9
Havant/ Emsworth/ Hayling Island	6	278	37.5
Petersfield	1	13	1.7
Total Supply	19	742	100.0

Current Hotel Supply – Surrounding Area – Representation of Hotel Chains

Hotel Chain	Hotel
Hilton	Hilton Avisford Park
Relais et Chateaux ¹	Amberley Castle
Best Western ²	Roundabout, Pulborough
Old English Inns ³	Bear, Havant
Travelodge	Travelodge Arundel (Fontwell) Travelodge Chichester (Emsworth) Travelodge Billinghurst (Five Oaks)
Premier Travel Inn	Premier Travel Inn Bognor Regis Premier Travel Inn Havant
Innkeeper's Lodge	Innkeeper's Lodge Portsmouth North, Rowland's Castle

Notes:

1. Relais et Chateaux is an international marketing consortium of some of the world's top luxury country house hotels
2. Best Western is an international marketing consortium of independent hotels representing around 300 (mainly 3 star) hotels in the UK.
3. Old English Inns is a chain of 60 character inns and hotels across the Midlands, Eastern and Southern England. It is part of Greene King.

Key observations from our analysis of the current hotel supply in the area surrounding Chichester District are as follows:

- There are two large 4 star hotels in the area immediately surrounding the District – the Hilton Avisford Park at Walberton and the Langstone at Hayling Island. The Hilton Avisford Park is a direct competitor to the Marriott Goodwood Park. It also has a golf course and extensive conference and leisure facilities.
- Amberley Castle is one of the top hotels in the UK.
- There are a number of budget hotels in the surrounding area, primarily Travelodges and Premier Travel Inns. Most are relatively small , old roadside budget hotels. The largest is the Travelodge Arundel on the A27 at Fontwell (62 bedrooms), which draws business from Chichester.
- Bognor Regis has a number of small to medium-sized 2 and 3 star hotels and one small budget hotel. The resort also has a number of diamond-rated and lower grade non-inspected hotels. Butlin’s has recently opened the Shoreline Hotel (160 bedrooms) at its Bognor Regis holiday centre.
- There are a number of hotels in the Emsworth/ Havant/ Hayling Island area. They do not appear to compete directly with Chichester hotels for corporate business, however.
- Petersfield has a very limited supply of hotel accommodation. Some hotel demand from Petersfield companies is displaced to Midhurst hotels as a result.
- Pulborough and Billingshurst are also poorly served by hotels.

3.6 Recent Changes in Hotel Supply – Surrounding Area

Our research has identified the following recent changes in the hotel supply in the surrounding area:

- The Hilton Avisford Park is currently midway through a £2.3 million refurbishment programme.
- The 160-bedroom Shoreline Hotel opened at Butlin's Bognor Regis holiday centre in 2005. It caters primarily for the family leisure market.
- The Innkeeper's Lodge Portsmouth North at Rowland's Castle opened in 2003.

3.7 Planned Hotel Development – Surrounding Area

Our research has identified the following planned new hotels in the surrounding area:

- A 60-bedroom Premier Travel Inn is due to open at Petersfield in Spring 2006.
- We understand that there are plans for a 40 bedroom Innkeeper's Lodge budget hotel at Fontwell racecourse.

3.8 Current Hotel Supply – Summary

- Chichester District has a good supply of hotel accommodation concentrated in the Chichester area, and in and around Midhurst. The hotel supply in Chichester city centre is limited, however, and has reduced. There is no hotel in Petworth.
- The District's hotel supply is dominated by 3 star hotels. The District has one 4 star hotel (the Marriott Goodwood Park) and one budget hotel (the Chichester Premier Travel Inn). There is a good supply of quality pub accommodation across the District, much of it of a very high standard.
- The quality of hotels in the District is generally very high, other than in Chichester, where standards appear to be more variable. The District has a number of very high quality hotels and inns, with VisitBritain Gold and Silver Awards and AA rosettes for food.

- The District's hotels are mainly small in size. There are only 3 larger hotels in the District.
- Most hotels increase their prices between April and September, particularly their weekend rates. Hotels generally achieve rack rate at weekends in the summer, and many hotels will only take minimum 2-night stays at these times. All hotels significantly increase their rates for the 3 major Goodwood events.
- The Chichester hotel supply increased significantly in 2003 with the opening of the Premier Lodge (now the Premier Travel Inn). The only other change in the District's hotel supply in recent years has been the gradual expansion of the pub accommodation sector, both in terms of the opening of new pub accommodation provision and the expansion of existing inns. There has been no significant investment in the expansion or upgrading of the District's 3 star hotels.
- There is currently one major hotel proposal in the District, at Fernhurst, for over 100 rooms as part of the ICI/Syngenta site redevelopment. Other than two small hotel extensions planned in the District, there are also a number of hotels planning to refurbish or add conference and function facilities.
- In the areas immediately surrounding the District, Bognor Regis and the Emsworth/Havant/Hayling island area have good supplies of hotel accommodation. Petersfield has a limited hotel supply, although a 60-bedroom Premier Travel Inn is due to open here in 2006. Pulborough and Billingham are also poorly served by hotels. The Hilton Avisford Park at Walberton is a direct competitor to the Marriott Goodwood Park. The Travelodge Arundel at Fontwell draws business from the Chichester area. A 40 bedroom Innkeepers Lodge is due to start on site in Spring 2006 at Fontwell racecourse.

4. CURRENT HOTEL DEMAND

4.1 Room Occupancy

On the basis of our research we estimate average annual room occupancies for hotels in Chichester District as follows for 2003 to 2005:

Average Annual Room Occupancy – Chichester District 2003-2005

Year	Average Annual Room Occupancy %					
	3/4 Star Chichester ¹	2 Star/ Inns Chichester ²	Budget Hotels Chichester/ Emsworth/ Fontwell ³	3 Star Midhurst ⁴	2 Star/ Diamond- rated/ Inns Rural Areas ⁵	UK Provincial 3/4 Star Chain Hotels ⁶
2003	70	68	77	48	n/a	69.8
2004	66	65	78	47	n/a	70.8
2005 ⁷	71	68	79	47	60	71.5

Notes:

1. Sample: Marriott Goodwood Park, Ramada, Ship, Millstream, Crouchers Country
2. Sample: Suffolk House, George & Dragon
3. Sample: Premier Travel Inn Chichester, Travelodge Chichester (Emsworth), Travelodge Arundel (Fontwell)
4. Sample: Spread Eagle, Southdowns Country, Angel, Park House
5. Sample: Woodstock House, Old Railway Station, Chequers (Pulborough), Royal Oak, Horse & Groom, Halfway Bridge Inn
6. Source: TRI Hospitality Consulting Hotstats UK Chain Hotel Market Review
7. Based on projected estimates provided by hotel managers

Occupancy Levels – Key Findings

The key findings of our research regarding occupancy levels in the District are summarised as follows:

- The average annual room occupancy for Chichester's 3/4 star hotels is set to be broadly in line with the national average in 2005. There is a significant variation in occupancy performance between hotels, however, with average annual room occupancies in 2005 ranging between 65% and 81%. Three hotels are currently trading at occupancies below the national average: two are achieving significantly above average occupancies.

- Occupancies achieved by 2 star hotels and inns in Chichester are broadly in line with some of Chichester's 3/4 star hotels, but marginally below the 3/4 star average for Chichester as a whole.
- Budget hotel occupancies are very high in the Chichester area, although vary between hotels. The Chichester Premier Travel Inn and Travelodge Arundel at Fontwell trade at particularly high levels of occupancy (80%+).
- 3 star hotels in and around Midhurst achieve very low occupancies. There is some variation in occupancy between the area's hotels, but no hotels here are trading at occupancy levels much above 50%.
- Occupancies achieved by hotels and inns in the rural parts of the District vary significantly, ranging from 37% to 85%. High quality (5 diamond) establishments generally achieve high occupancies (75-85%).

Occupancy Trends – Key Findings

The key findings of our research in terms of trends in hotel occupancy are as follows:

- Occupancies dropped sharply for most existing hotels in the Chichester area in 2004 as a result of the combined effects of the completion of the Rolls Royce plant and the opening of the Premier Travel Inn in 2003. Most hotels have seen an increase in occupancies in 2005, however, as a result of having won new corporate contracts for project-related work; having taken more group tours; and/or improved marketing and sales activity.
- Budget hotel occupancies have steadily increased as the Premier Travel Inn has become more established.
- Occupancies have remained broadly static for 3 star hotels in the Midhurst area. Increases in weekend occupancy achieved by some hotels, through additional weddings business, have been largely offset by reduced midweek occupancies due to falling corporate and residential conference demand. Occupancies have dropped significantly for Midhurst hotels since the closure of the Syngenta plant at Fernhurst in 2001.

4.2 Achieved Room Rates

On the basis of our research we estimate average annual achieved room rates⁶ for 3/4 star hotels in Chichester District as follows for 2003 to 2005:

Average Annual Achieved Room Rates – 3/4 Star Hotels - Chichester District 2003-2005

Year	Average Annual Achieved Room Rate £		
	3/4 Star Chichester ¹	3 Star Midhurst ²	UK Provincial 3/4 Star Chain Hotels ³
2003	65.96	75.93	62.60
2004	65.98	76.65	63.72
2005 ⁴	65.84	77.07	65.08

Notes:

1. Sample: Marriott Goodwood Park, Ramada, Ship, Millstream, Crouchers Country
2. Sample: Spread Eagle, Southdowns Country, Angel, Park House
3. Source: TRI Hospitality Consulting Hotstats UK Chain Hotel Market Review
4. Based on projected estimates provided by hotel managers

Achieved Room Rates – Key Findings

The key findings of our research regarding achieved room rates are as follows:

- Achieved room rates for Chichester 3/4 star hotels are set to be slightly above the national average in 2005. They had been well ahead of the national figure in 2003 and 2004, but have not increased over the last 3 years in contrast to steady growth in the national average.
- Achieved room rates vary significantly between Chichester 3/4 star hotels. Two hotels achieve average room rates significantly below the national average, while two trade at levels well ahead of the national figure. The difference relates primarily to the standard of hotels, with the area's higher quality hotels achieving high average room rates (£75 +).

⁶ The average amount of rooms revenue that hotels achieve per occupied room, net of VAT, breakfast (if included), discounts and agents' commission

- The average achieved room rate for Midhurst 3 star hotels is well above the national average. Achieved room rates vary significantly between hotels, however. Two hotels achieve very high average room rates (£90-100+), while two trade at much lower average room rates.
- Some of the District's 5 diamond hotels and inns achieve average room rates on a par with the District's better quality 3 star hotels. Other inns appear to achieve average room rates that are more in line with those achieved by budget hotels (£40-44).

Achieved Room Rate Trends – Key Findings

The key findings of our research regarding trends in achieved room rates are summarised as follows:

- The average annual achieved room rate for Chichester 3/4 star hotels has remained static since 2003, and declined slightly in 2005. This is primarily due to a sharp drop in achieved room rates for one hotel that has taken more group tour business in 2005 to boost its occupancies. Three hotels have seen strong growth in achieved room rates in 2005, however, as a result of price increases and reduced levels of discounted business.
- The average annual achieved room rate for Midhurst 3 star hotels has increased slightly in the last 3 years. This overall trend masks differences in achieved room rate trends between hotels, however. Two hotels have seen a slight drop in achieved room rates since 2003, as a result of increased discounting to retain corporate business and boost leisure break demand. Two hotels have seen steady growth in achieved room rates through strategies aimed at driving rate rather than occupancy. Again the difference appears to be primarily to do with the quality of hotels.

4.3 Patterns of Demand

4.3.1. Weekday/ Weekend Demand

On the basis of our research we estimate weekday and weekend occupancies for hotels in Chichester District as follows for 2005:

Weekday/ Weekend Occupancies - Chichester District - 2005

	Average Annual Room Occupancy %				
	3/4 Star Chichester ¹	2 Star/ Inns Chichester ²	Budget Hotels Chichester/ Emsworth/ Fontwell ³	3 Star Midhurst ⁴	Inns Rural Areas ⁵
Mon-Thurs	74	65	80	39	73
Fri	79	68	91	64	65
Sat	93	86	91	83	80
Sun	39	53	42	25	23

Notes:

1. Sample: Marriott Goodwood Park, Ramada, Ship, Millstream, Crouchers Country
2. Sample: Suffolk House, George & Dragon
3. Sample: Premier Travel Inn Chichester, Travelodge Chichester (Emsworth), Travelodge Arundel (Fontwell)
4. Sample: Spread Eagle, Southdowns Country, Angel, Park House
5. Sample: Royal Oak, Horse & Groom, Halfway Bridge Inn

- Most hotels and inns in the District achieve very high Saturday occupancies throughout the year, and often fill on this night of the week.
- Friday occupancies are strong for 3/4 star hotels in the Chichester area and budget hotels.
- Sunday occupancies are low for most hotels. One 3 star hotel achieves good Sunday occupancies through special offer leisure break rates.

- Midweek occupancies are strong for 3/4 star hotels in the Chichester area, and very strong for the Chichester Premier Travel Inn. Some inns in the District also achieve good midweek occupancies. Monday to Wednesday nights are the strongest, with hotels usually filling on these nights. Thursday night tends to be a little quieter.
- Midweek occupancies are very low for 3 star hotels in the Midhurst area due to the lack of corporate demand here.

4.3.2. Seasonality

- Our research shows the Chichester hotel market to be seasonal in nature. Hotels are generally quieter between November and March, particularly during the week. Saturday occupancies tend to hold up well, other than in January. Hotels are busy between April and October, with peak levels of demand between June and September.
- Summer weekends are very strong for hotels and inns in the District, with most hotels consistently filling and turning away business at this time of year. Many hotels will only take minimum 2 night stays for summer weekends, and most achieve rack rate at these times.
- The hotel market in Midhurst is even more seasonal, due to the primarily leisure driven market here.

4.4 Market Mix

3/4 Star Hotels

On the basis of our research, we estimate the market mix for Chichester 3/4 star and Midhurst 3 star hotels as follows for 2005:

Chichester 3/4 Star Hotels/ Midhurst 3 Star Hotels – Market Mix 2005

Market Segment	Chichester 3/4 Star Hotels Market Mix %	Midhurst 3 Star Hotels Market Mix %
Corporate	30	17
Residential Conferences	8	12
Leisure Breaks	42	39
Group Tours	4	2
Weddings/ Functions	10	27
Other	6	3
	100	100

Source: Tourism Solutions/ ACK Tourism

Our estimates of the weekday and weekend market mixes for Chichester 3/4 star and Midhurst 3 star hotels as follows:

Chichester 3/4 Star Hotels/ Midhurst 3 Star Hotels Weekday/ Weekend Market Mix 2005

Market Segment	Chichester 3/4 Star Hotels		Midhurst 3 Star Hotels	
	Weekday Market Mix %	Weekend Market Mix %	Weekday Market Mix %	Weekend Market Mix %
Corporate	47	7	34	1
Residential Conferences	14	0	23	1
Leisure Breaks	27	62	34	45
Group Tours	7	0	2	2
Weddings/ Functions	1	23	3	49
Other	4	8	4	2
	100	100	100	100

- Other markets are events, golf breaks, bridge weekends, shooting parties, and people visiting friends and relatives.
- The market mix for Chichester and Midhurst 3/4 star hotels is strongly biased towards leisure demand, accounting for 60% of total roomnights for Chichester hotels and 70% for Midhurst hotels. This is as a result of the strength of the District as a leisure break destination and the relative weakness of the local corporate market in the District. It contrasts with the market mixes for hotels in neighbouring districts or comparator historic town and city destinations, which are biased towards business and conference demand:

3/4 Star Hotel Market Mix – Neighbouring Districts and Comparator Historic Town and City Destinations

District/ Destination	Market Mix	
	Business/ Conference %	Leisure %
Royal Tunbridge Wells	70-80	20-30
Winchester	60-70	30-40
Havant	70-80	20-30
East Hampshire	70-80	20-30

Source: Tourism Solutions/ ACK Tourism hotel demand studies

- Leisure break demand is very strong in the Chichester and Midhurst 3/4 star midweek and weekend market mixes. Midweek breaks account for 27% of weekday roomnights for Chichester 3/4 star hotels and 34% for Midhurst 3 star hotels. This compares to figures of 10-15% for 3/4 star hotels in Royal Tunbridge Wells and under 10% for East Hampshire 3 star hotels. Weekend breaks are the key weekend market for Chichester hotels and a strong market for hotels in Midhurst. This contrasts with Royal Tunbridge Wells, where weddings are the main weekend market for most 3/4 star hotels and Winchester, where weddings are of equal importance to leisure breaks at the weekend. In East Hampshire, weddings are the main market for most 3 star hotels.

Budget, 2 Star and Diamond-Rated Hotels and Inns

- The tables below summarise the key findings of our research regarding the main, secondary and minor weekday and weekend markets that budget, 2 star and diamond-rated hotels and inns in the District are currently catering for:

**Chichester District Budget, 2 Star and Diamond-Rated Hotels and Inns
Weekday Market Mix - 2005**

	Main Markets	Secondary Markets	Minor Markets
Budget Hotels – Chichester/ Emsworth/ Fontwell	<ul style="list-style-type: none"> • Contractors 	<ul style="list-style-type: none"> • Corporate – local companies + transient 	
2 Star/ Inns - Chichester	<ul style="list-style-type: none"> • Contractors • Leisure breaks – particularly coming for the theatre • Corporate 		<ul style="list-style-type: none"> • VFR • Parents visiting University students
2 Star/ Diamond-rated/ Inns – Rural Areas	<ul style="list-style-type: none"> • Leisure breaks • Corporate • Contractors 		<ul style="list-style-type: none"> • VFR • Funerals • Shooting parties • Fishing parties • Goodwood race meetings

**Chichester District Budget, 2 Star and Diamond-Rated Hotels and Inns
Weekend Market Mix - 2005
2004**

	Main Markets	Secondary Markets	Minor Markets
Budget Hotels – Chichester/ Emsworth/ Fontwell	<ul style="list-style-type: none"> • Leisure stop-overs (1 night) • Wedding guests 	<ul style="list-style-type: none"> • VFR 	<ul style="list-style-type: none"> • Ferry passengers en-route to/from Portsmouth • Transient touring visitors – primarily overseas • Events
2 Star/ Inns - Chichester	<ul style="list-style-type: none"> • Leisure breaks – particularly coming for the theatre • Wedding guests 		<ul style="list-style-type: none"> • VFR • Events • Overseas tourists
2 Star/ Diamond-rated/ Inns – Rural Areas	<ul style="list-style-type: none"> • Leisure breaks (for most establishments) • Wedding guests (for one inn) 	<ul style="list-style-type: none"> • Wedding guests 	<ul style="list-style-type: none"> • VFR • Shooting parties • Fishing parties • House hunters • Overseas tourists • Events

4.5 Market Insight

4.5.1. The Corporate Market

- The corporate market is not particularly strong in Chichester and very weak in Midhurst and the rural parts of the District. It accounts for 47% of midweek demand for Chichester 3/4 star hotels and 34% for Midhurst 3 star hotels. In many other parts of the South East where we have undertaken Hotel Futures studies, corporate demand typically accounts for 70-80% of weekday business for 3/4 star hotels.
- There are few major corporate users of hotel accommodation in and around Chichester, other than Rolls Royce. Corporate business here is primarily small amounts of business from small companies. Much of the corporate demand that Chichester hotels attract also comes from further afield from Bognor Regis, Worthing, Havant, Emsworth and Portsmouth. Chichester hotels also pick up some trade from transient business travellers.

- One hotel in the Chichester area does not particularly want corporate business during the summer as it can fill with midweek leisure break guests on double occupancy.
- There is very little corporate business in Midhurst, Petworth and Pulborough. There are no major corporate users of hotel accommodation in these areas. The corporate business that hotels and inns attract is primarily small amounts of business from small local companies. Hotels in the Midhurst area also attract some corporate business from Petersfield companies, due to the lack of hotel accommodation here. Midhurst hotels used to attract significant corporate business from the Syngenta site at Fernhurst.

4.5.2. The Contractors Market

- The contractors market is the main midweek market for budget hotels in the area, and a key weekday market for some inns and lower grade hotels in and around Chichester.

4.5.3. Residential Conferences

- Residential conferences are an important midweek market for the Marriott Goodwood Park (typical for this type of golf/ country club hotel) and for one Midhurst 3 star hotel. They are a minor market for other 3 star hotels in the District, however, accounting for no more than 5-10% of weekday demand.
- One Chichester 3 star hotel reported attracting minimal levels of residential conference business despite efforts to attract it. Another Chichester hotel indicated that it does not particularly want residential conference business as it would not mix well with its midweek leisure break trade and can result in reduced occupancy for the other nights of the week, as 2-3 night bookings from other markets may be lost.
- Residential conferences are typically training events for 10-20 delegates usually staying for 1-3 nights. Two hotels reported some larger residential conferences of 30-40 delegates, and one hotel reported occasional large residential meetings and events.

- Two high quality hotels in the Midhurst area attract small senior management and board level residential meetings, particularly from London.

4.5.4. Leisure Breaks

- Leisure break demand is very strong in the District, with hotels and inns attracting both midweek and weekend break business throughout most of the year.
- Most hotels in the District achieve rack rate for leisure breaks in the summer months, and most stipulate a minimum stay of 2 nights at weekends between April and October: there is no need for them to offer reduced leisure break rates in the summer as demand is so strong. Hotels do, however, promote leisure break offers in the winter months and some may discount their rates for midweek leisure breaks at other times of the year.
- Chichester Festival Theatre is a particularly strong draw for leisure break stays between April and October.
- London is a key leisure break market for the District's hotels. Emptynester and retired couples are attracted for midweek breaks. Career couples are a key market for weekend breaks.

4.5.5. Group Tours

- Group tours are a secondary weekday market for some of the District's 3 star hotels, accounting for 5-20% of their midweek demand. Only one Chichester hotel attracts significant group tour business, which it takes to boost midweek occupancies due to the lack of corporate business in the area.
- The rates sought by group tours are generally very low, typically £27.50 to £32 dinner, bed and breakfast per person per night. As a result, hotels do not usually want such business if they can attract demand from other higher paying markets, or unless it helps to fill real trough periods, such as Sunday nights or weekday nights in the winter and possibly also August. Some hotels indicated that they would be interested in group tour business at rates of £40-50 DBB per person. Few group tours pay these sort of rates, however.

- The group tour business that hotels in the District are taking is primarily from overseas, either from the US and Australia, or Continental Europe and Scandinavia. US tours tend to want one-night stays, which hotels do not usually want, other than on Sunday nights, as they will block out rooms for longer stay bookings from other markets. European tours will stay for 3-4 nights, and are more attractive for hotels, therefore.
- One Chichester 3 star hotel indicated that it has no interest in group tours as they do not mix with its core leisure break trade.
- Hotels in the District have no interest in group tour business at weekends in the summer as they know that they can easily fill with rack rate leisure break business.

4.5.6. Weddings and Functions

- Guests attending weddings and other functions are an important secondary weekend market for Chichester hotels and inns, and a key weekend market for hotels and inns in Midhurst and the rural parts of the District.
- Demand from wedding and function guests is usually for one-night stays. Many hotels will refuse such bookings, however, due to their minimum 2-night stay policy at weekends.

4.5.7. Overseas Tourists

- Independent overseas tourists are an important market for some of the District's 3 star hotels, accounting for 10-35% of their leisure demand. They are a very small market for other hotels and inns, and a minor market for budget hotels. Key nationalities are US, Canadians, Australians, Germans, Dutch, French and Belgians. Overseas visitors tend to be either touring along the South Coast, visiting friends and relatives in the area, or travelling from and to Portsmouth, the Channel Tunnel or the other ferry ports on the South Coast. Many are only looking for one-night stays, which some hotels will not usually take in the summer, other than on a last minute basis if they have availability.

4.5.8. The VFR Market

- People visiting friends and relatives are a key weekend market for budget hotels in the area and a secondary weekend market for some 2 star and diamond-rated hotels and inns.

4.5.9. Events

- All hotels and inns in the District attract significant business from the three major Goodwood events – the Festival of Speed, Goodwood Revival and Glorious Goodwood. All hotels are full a long way in advance for these events, and most increase their rates, typically by 50%.
- Weekend and evening race meetings at Goodwood also generate business for hotels in the District, although not to the same extent as Glorious Goodwood.
- Hotels in Chichester attract a small amount of business from race meetings at Fontwell Park.
- Other events that some of the District's hotels reported as generating business for them are as follows:
 - Portsmouth Festival of the Sea;
 - The Trafalgar 2000 celebrations in 2005;
 - Southampton Boat Show;
 - Emsworth Food Festival;
 - Chichester Real Ale & Jazz Festival;
 - Chichester University graduations;
 - Blues on the Farm, Apuldrum Farm;
 - Cowdray Park Gold Cup (Midhurst hotels);
 - Petworth Park open air concerts (Petworth/ Pulborough hotels);
 - Farnborough Air Show (one Midhurst hotel).
- Hotels in Chichester attract few visitors staying for the Chichester Festivities.

4.5.10 Other Markets

- Golf breaks are an important market for the Marriott Goodwood Park. Much of this business is price driven, however, at significantly reduced rates.
- Other markets that hotels attract business from include people coming for track days at the Goodwood motor racing circuit, shooting and fishing parties, bridge weekends and house hunters.

4.6 Market Trends

Our research has identified the following key market trends in the District's hotel market:

- The corporate market increased significantly in Chichester during the development of the Rolls Royce plant, but has dropped back since 2004 following its completion. One Chichester hotel also reported a downturn in business from Shippams and John Wiley & Sons in 2004 and 2005. One hotel reported growth in corporate demand, however, and another has been successful in securing new corporate contracts in 2005 related to project work happening further afield.
- The corporate market dropped significantly for Midhurst following the closure of the Syngenta plant at Fernhurst in 2001.
- The contractors market has grown for budget hotels and 2 star and diamond-rated hotels and inns in the Chichester area in 2005.
- In line with the national trend, the residential conference market generally appears to have reduced for the District's hotels, with fewer conferences taking place, conference durations reducing, and delegate numbers declining, as companies have cut back on training budgets, and developed their own in-house training and meeting facilities.
- Some hotels reported growth in leisure break business in the last 3-4 years. Most hotels are already at capacity for weekend breaks in the summer months, however, with room for growth only in midweek breaks and winter leisure break business.

- One Chichester hotel has taken more group tour business in 2005 to compensate for the downturn in its corporate trade. This has helped it to increase its occupancy, but its average achieved room rate has dropped.
- A number of hotels reported growth in weddings business as a result of them now having licences for civil marriages. One hotel has seen a drop in weddings trade as a result of a change in policy not to do evening receptions.
- The US independent tourist and group tour market declined sharply in the aftermath of 9/11, but is now starting to come back. Business from European tourists has also reduced as a result of the strength of sterling.
- One hotel reported recent growth in demand for shooting parties from the US and Europe.

4.7 Denied⁷ and Lost Business

The key findings of our research regarding denied and lost business are summarised as follows:

Weekend Denials

- Almost all hotels in the District regularly deny significant levels of business on Friday and Saturday nights during the summer, due to the strength of leisure break and weddings demand. Most hotels are typically turning away 10-20 bookings per night for summer weekends. One 3/4 star hotel reported frequently refusing at least 200 bookings on Friday and Saturday nights between June and September. One budget hotel reported regularly denying 200-300 roomnights on Friday and Saturday nights for much of the year.
- Many hotels will not take one-night stays at weekends in the summer from wedding guests or overseas touring visitors passing through the area.
- The District's hotels will not normally reduce their rates at weekends in the summer, and will deny enquiries from people looking for lower-priced accommodation.

⁷ Business that hotels turn away because they are fully booked.

Midweek Denials

- Midweek denials are much less common and significant for 3/4 star hotels, although budget hotels are regularly denying significant weekday business, particularly in the summer. Most 3/4 star hotels in the Chichester area occasionally deny business on Tuesday and Wednesday nights, but not usually more than 5-8 rooms per night. Midweek denials can be more frequent in the summer, however, although are still not significant. Midhurst hotels rarely deny midweek business. One budget hotel reported regularly denying upwards of 100 rooms per night during the week.
- Our research showed evidence of some corporate business from Rolls Royce being displaced to Amberley Castle, due to a requirement for this level of luxury hotel accommodation that is not currently available in the District.

Residential Conferences

- Two hotels reported denying enquiries for larger residential conferences of 100-150+ delegates, that they do not have the bedroom capacity to accommodate. Most hotels would not want to accept such business, however, unless they have a significant number of bedrooms, as it would block out the week for corporate customers.

Goodwood Events

- All hotels in the District deny significant levels of business for the three major Goodwood events. Demand for these events is displaced to hotels some considerable distance away. Local companies usually have difficulty in finding hotel accommodation during Goodwood events, and will often encourage their visitors not to come at these times.

Weddings Business

- One hotel and one inn reported denying leisure break business as they fill with weddings business on a Saturday night. Other hotels reported denying one-night stays for weddings, due to their stipulation of minimum 2-night stays at weekends.

Group Tour Business

- The District Council's Tourism Marketing and Development Manager reported difficulties in securing hotel accommodation in Chichester for overseas group tours interested in visiting the city, as hotels in the area are not prepared to offer the rates that group tours are looking for, or in some cases refuse to take group tour business. Due to its low-rated nature, however, hotels are not really interested in group tour business unless it helps them to boost particularly quiet periods such as Sunday nights or weekdays in the winter and August (for some hotels): they will not accept group tour bookings at times when they know they can fill with higher-rated business from other markets. Some hotels are not interested in group tour business, either because it would take too many of their rooms (thus blocking out rooms for other markets), or because it does not mix well with their other customer groups e.g. leisure break guests.

4.8 The Market for Hotel Accommodation on the Manhood Peninsula

Our research provides the following insight into the market for hotel accommodation on the Manhood Peninsula⁸:

- The market for hotel accommodation on the Manhood Peninsula appears to be highly seasonal. Demand is strong for summer weekends, particularly for Saturday nights and if the weather is good. Weekdays are much quieter, and demand is very low in the winter.
- The strongest market for hotel accommodation appears to be from people visiting friends and relatives on the Peninsula, or attending family celebrations and gatherings. Other markets are leisure breaks, special interest visitors (birdwatchers, beach combers, walkers), business visitors and workmen.
- There is some evidence of denied business at weekends in the summer and for the three major Goodwood events. Our research also suggested some unmet demand for quality hotel accommodation at West Wittering for summer weekends.

⁸ These findings are based on discussions with the one diamond-rated hotel on the Peninsula and other insight gained from our discussions with the Chichester TIC manager and from our local company survey.

4.9 Current Hotel Demand – Summary

- The average annual room occupancy and achieved room rate for Chichester 3/4 star hotels will be broadly on a par with the national average for UK 3/4 star chain hotels in 2005. Occupancy and achieved room rate performance varies significantly between hotels, however. Better quality hotels are set to achieve high average room rates (£75+), and in some cases high room occupancies (80%+). Other hotels will achieve room rates significantly below the national average, however.
- Occupancies dropped for Chichester hotels in 2004 due to the combined effects of the reduction in Rolls Royce business following the completion of the Westhampnett plant and the opening of the Premier Lodge (now the Premier Travel Inn) in 2003. Chichester hotels have seen little growth in achieved room rates over the last 3 years, and a slight drop in 2005 as one hotel has taken more group tour business to boost its occupancy levels.
- Midhurst 3 star hotels trade at very low occupancies (not much more than 50%, and much lower in some cases). Some hotels here are achieving very high average room rates, however.
- Budget hotels in the Chichester area are achieving very high occupancies (80%+), and turning away significant levels of business both during the week and at weekends.
- High quality (5 diamond) inns and hotels in the District are achieving high occupancies and room rates above some of the District's 3 star hotels.
- Hotels in the District achieve very high Saturday occupancies throughout the year, and high Friday occupancies in the summer months (between April and October). Sunday occupancies are low all year for the majority of hotels.
- Midweek occupancies are strong for Chichester 3/4 star hotels and budget hotels, but low for Midhurst hotels.

- The hotel market in the District is seasonal, with hotels busy and often filling between April and September (particularly at weekends), but quieter between November and March, other than on Saturday nights. Demand is particularly seasonal in Midhurst, Petworth, the rural parts of the District and the Manhood Peninsula, due to the lack of corporate demand in these areas.
- The market mix for the District's 3/4 star hotels is strongly biased towards leisure demand (accounting for 60% of total roomnights), in contrast to the market mixes for 3/4 star hotels in neighbouring areas and other historic city and town destinations, where leisure demand typically accounts for 20-40% of total business.
- Leisure break demand is very strong for hotels in the District, and is the key factor contributing to the high weekend occupancies that the District's hotels achieve in the summer. Hotels generally achieve rack rate for leisure breaks between April and October, and most stipulate a minimum stay of 2 nights, particularly for summer weekends. The District's hotels also attract good midweek break business.
- Corporate demand for hotel accommodation in the District is relatively weak, with few major corporate users of hotels. The District's hotels thus rely on corporate business from further afield, or midweek break and group tour business, to achieve good weekday occupancies. There is very little corporate demand in Midhurst.
- The local corporate market increased significantly during the construction of the Rolls Royce plant at Goodwood, but dropped back in 2004 following its completion. Some of Chichester's other major companies have also reduced their requirements for hotel accommodation. Midhurst hotels saw a significant drop in corporate business following the closure of the Syngenta plant at Fernhurst in 2001.
- Residential conferences are an important market for the Marriott Goodwood Park and for one Midhurst 3 star hotel that attracts senior management/ board level meetings from London companies. Other hotels in the District attract relatively low levels of residential conference business. In line with the national trend, the residential conference market generally appears to have reduced for the District's hotels as companies have cut back on training budgets and developed their own in-house training and meeting facilities. Two hotels reported denying enquiries for large (100-150+ delegate) residential conferences that they do not

have the bedroom capacity to accommodate. Most hotels would not want to accept such business, however (unless they have a significant number of bedrooms) as it will block out the week for corporate customers.

- The contractors market is the main midweek market for budget hotels in the area, and a key weekday market for some inns and lower-grade hotels.
- The three major Goodwood events (Festival of Speed, Revival, Glorious Goodwood) generate significant demand for hotel accommodation, with all hotels fully booked well in advance, and increasing their rates during the events.
- Group tours are a significant market for one Chichester 3 star hotel. It takes such business to boost midweek occupancies due to the lack of corporate business in the area. Other hotels are not usually interested in group tour business unless it helps to boost particularly quiet times (e.g. Sunday nights) as it is too low rated, and they know that they can fill with higher rated business from other markets.
- Guests attending weddings and other functions are an important secondary weekend market for Chichester hotels and a key weekend market for Midhurst hotels, and inns in the rural parts of the District. Most of the hotels that stipulate a minimum 2-night stay at weekends deny business from wedding guests that only require a one-night stay.
- Independent overseas tourists are an important market for some of the District's 3 star hotels, but a minor market for other hotels and inns, and budget hotels. Many are touring visitors looking only for a one-night stay, which some hotels will refuse due to their minimum 2-night stay policy in the summer.
- The market for hotel accommodation on the Manhood Peninsula does not appear to be particularly strong and is largely seasonal. The strongest demand appears to be from people visiting family and friends or attending family celebrations. There is also some demand for leisure breaks on the coast and some business and contractor demand.

5. HOTEL DEVELOPER INTEREST AND POTENTIAL

5.1 Developer Requirements

Hotel companies generally work to a set of key investment criteria that they use to help them put together their national development strategy and trawl for sites. Clearly there is some variation between different types of hotel product, but below we set out some of the main criteria in outline:

- **Location** – achieving critical mass and geographic spread is important to all national hotel brands. They will target primary locations first, which tend to be larger regional cities, then move on to secondary and tertiary locations, which can be better supported by the rest of the group once brand awareness is high.

- **Site requirements** include:
 - Strategic locations with good access;
 - Visibility to passing traffic;
 - A strong business base close by, with sectors that are productive for hotel roomnights (e.g. financial and business services, regional and national headquarters);
 - Leisure drivers to fill the rooms at weekends (proximity to attractions, speciality shopping, restaurants, events);
 - Site areas of 0.5-6 acres (dependent upon range of offer and ability to develop vertically);
 - Land values that reflect hotel economics (£5,000-£15,000 per room);
 - An attractive environment;
 - Minimum population of 50,000-100,000 for smaller units and budget/ mid-market offers, 100,000-150,000+ for larger developments and products at the quality end of the market;
 - City centre and out-of-town sites;
 - The need for associated development where land values are high;
 - Redevelopment sites where opportunities are limited and competition for sites strong.

- **Development costs** – the control of costs is critical to hotel viability, but land and building costs have been driven upwards since the recovery from the recession of the early 1990s. This has resulted in:
 - A move towards larger hotels
 - The need to tailor the hotel product and design to the site
 - The development of hotels in association with other uses (restaurants, bars, leisure clubs, residential).

- **Financial and performance criteria** – viability is a function of development cost, occupancy and achieved room rate, and performance ranges will vary by product type. Typically:
 - Occupancy targets of 70-75% - or 80%+ for smaller budget hotels;
 - ARR (Achieved Room Revenue, ex discounts, VAT and breakfast)) targets of £35-£45 (budget), £55-£70 for upper tier budget and new generation 3 star offers, and £70+ for 4 star products, with luxury 4/5 star, country house and boutique/ town house hotels often looking to achieve £100+;
 - Return on investment ranges of 15%-25%.

5.2 The Nature of Hotel Investment

As a backcloth to assessing potential hotel company interest in Chichester, it is important to have an appreciation of the nature of hotel investment and operation, as well as the structures that are used for the financing of hotels. There are four principal vehicles for hotel development and operation:

- Some hotel companies wholly own and manage their hotels themselves. They raise the capital, and as hotel development is capital intensive and returns longer term, this can restrict the pace at which such companies can develop.

- Other hotels are run via management contract – an agreement between the owner of the hotel and a hotel company for the latter to run the hotel. The hotel would still appear to the public to be part of the operating chain. The hotel operator gets a fee for this task, usually a percentage of turnover.

- A further option is a lease, whereby an operator pays a rent for use of the building or land; the risks are then with the operator not the owner, as the latter has a fixed return.
- Franchise agreements are also commonly used in the hotel industry, giving an operator or investor the right to use a brand name although the hotel is in separate ownership from the chain. Fees are charged for this relating to royalties, reservations and marketing.

The levels of risk and capital outlay required by a hotel company therefore vary considerably between these options. Many more operators are likely to be interested in options put to them that involve management contracts than in building and funding development themselves, as access to capital will naturally restrict the latter and require hotel companies to prioritise their investment locations. Many of the chain hotel companies will have a mix of the above structures in place, though some do prefer a single route. It can be seen from the above that the owners of hotels need not themselves be hotel companies, and include property and institutional investors. Due to the levels of investment involved in larger high quality 4 star hotels, there is a greater likelihood of these being developed via management contract, franchise and lease. A number of the newer, expanding brands such as Tulip Inn and Days Inn are also going down the franchise route in order to expand the brand quickly.

5.3 Hotel Developer Interest in Chichester

Interest in new hotel development in an area is by definition an indication of the perceived strength of the market – hotel companies have millions to spend on hotel development, and can seek to locate anywhere in the UK or indeed overseas; if they are interested in developing in a destination, then clearly they have identified that the market exists for their product.

As the basis for establishing hotel developer/operator interest in Chichester, Tourism Solutions/ACK Tourism conducted a series of structured telephone interviews with key personnel (at Managing Director or Development/Acquisitions Director level) in the principal and emerging branded hotel chains to establish:

- Their current or potential interest in developing in Chichester;
- The locations and specific sites that they were considering;
- Their view of Chichester as an investment location;
- Key issues influencing their investment decisions;
- The size and standard of hotel they would be seeking to develop;
- Their specific site requirements;
- Obstacles to development and how these could be overcome;
- Support required in furthering any interest they may have;
- In the case of those companies not interested in investing in Chichester, the identification of reasons behind this, as well as the conditions that would be required for this to change.

Time allocations within the study have not allowed for a total trawl of hotel companies, but sampling has been used to test the water across the spectrum of provision, from budget hotels through to luxury operators. The selection of developer/operators to sample was also informed by our market research, with a particular focus on those products for which the research had identified market potential.

Specific comments from these operators have been incorporated into the sections following, but at an overall level, the responses received indicate:

- A mixed reaction from hotel operators depending upon the product type, their existing exposure nationally and in the South East, and their knowledge and awareness of the town and District-specific locations tested.
- Those discounting Chichester as an investment location were primarily the larger 3 and 4 star operators with products of 100-150+ rooms, leisure and conferencing. For them Chichester was perceived to be too small, and lacking in a sufficiently large and diverse corporate base to generate the volumes of business tourism required to drive their business models. The focus for most of these operators was Portsmouth, Southampton and Brighton.

- A number of the country house hotel and destination hotel developers and operators that we contacted failed to respond; one country house hotel operator who was known to have been interested in a historic property near Petersfield in 2005 responded negatively on this occasion on the grounds that they have just recently purchased another property. However, Warner, developers and operators of Just for Adults, could be interested in a similar hotel marketed under the Chichester leisure destination image.
- We established interest from one 3 star operator, Park Inn, part of the Rezidor Group. Other 3 star chain operators like De Vere felt the town and surrounds were too small in terms of both business drivers and local population to feed their leisure club.
- The majority of interest in developing and operating a hotel in Chichester and the wider District came from budget and upper tier budget hotel companies. These included Travelodge and franchisees/operators of Days Inn, Express by Holiday Inn and Ramada Encore. There was also potentially interest from Golden Tulip, despite having a hotel to the north of Portsmouth. Two of the standard budget hotel operators who we would expect to be interested in a location like Chichester are already represented here or nearby – Premier Travel Inn and Innkeepers Lodge.
- It has to be said that much of this interest was uninformed. Two of these developer/operators had been to Chichester actively looking for sites. The others however didn't have Chichester on their hit list of requirements, and were responding to the evidence we presented to them in terms of current hotel performance and future potential.
- The study also established some potential interest in boutique hotel development in central Chichester. This included Alias Hotels who have hotels in Exeter, Cheltenham, Brighton and Manchester and are to develop in Liverpool. A regional 'lifestyle hotel' developer and operator also expressed interest in the city and had been actively looking for property. Hotel du Vin, whom Council Officers suspected had been looking at Chichester in the past confirmed that the city was just right for their offering, but that current commitments elsewhere meant they were not in a position to move forward currently.

- The current state of flux in the pub company sector has meant it has been difficult to get a firm response from the key brewery and pub company contacts we approached as part of the study. Gales has just been taken over by Fullers so the future of their estate is under review. Eldridge Pope (owners of The Ship) have also been going through some financial difficulties and restructuring which has taken the eye off the ball as far as accommodation development (a non-core and capital-intensive business activity) is concerned. However, we know from our work for TSE on the rural pub accommodation sector that these and others have been looking to invest in individual properties as the opportunity arises, and that these quality rooms and food offers have been very successful and a way of spreading benefit and securing the long term future of rural pubs. Greene King with their Old English Inns brand have also made similar investments across the South East and indeed nationally since recent acquisitions have taken their portfolio into the Midlands and the North. One local operator of three units in Chichester District certainly sees potential for more and is currently developing rooms at one establishment.
- The general appeal of the South East as an investment location, relative proximity to London via arterial routes, the widespread difficulty of securing hotel sites in the South East, and the potential for strong rates due to the perceived affluence of the location were all positive reasons given for hotel investment in Chichester.
- Geographically, the majority of interest was in Chichester itself, either central locations or the A27 and approaches. Destination offers and rural pubs are clearly focused on the countryside and market towns, and one regional operator was prepared to look at a coastal location.

The table overleaf summarises the potential interest established to date. Bearing in mind that we have only sampled a part of the market, the interest expressed should be taken as an indication of likely wider take up of opportunities were they to become available. It may also be possible to attract investment interest from local entrepreneurs and independent operators, for small quality hotels both in the city and the rural area/market towns, combined with a strong food offer. It is difficult for this type of study to test this interest unless enquiries have been made to the local authority, but the fact that these type of investments have been undertaken

successfully elsewhere in the District – and that several are turning business away - is indicative of further potential.

Full details of the responses received during the survey can be found in the separate Confidential Appendix 3, including some background where supplied of investor/developer product interest, requirements and development strategy

5.4 Obstacles to Investment

The hotel developer and operator consultations identified a number of obstacles to delivering hotel investment in Chichester, detailed below:

- There is some uncertainty about the breadth and depth of the corporate market currently. The issue of a critical mass of businesses to generate the volumes required for developments of any scale was raised by a number of potential investors. Rate could also be an issue, in terms of how much the market will pay for rooms, impacting particularly on upper end hotel products.
- The business survey conducted as part of this study (Appendix 2), and the information provided by existing hotels to some extent backs this up. Corporate use accounts for less than 50% of demand in 3 and 4 star hotels mid-week, compared to 70-80% in many other South East locations. One of the major hotels was taking group leisure business mid-week which is lower rated and wouldn't happen where business demand was strong, and where there were significant mid-week denials this seemed to be coming from the contractor market in budget hotels.
- The population of the city was also a perceived obstacle for a number of developers/operators. A minimum population of 100,000 is the normal benchmark for any hotel of 80-100 rooms+, and Chichester city falls well short of this at 26,000 (although the Chichester District comes out just in excess of 100,000). There are two implications to this. The first is the indicative level of development in the destination associated with a town of this size – this includes the likely level of business development. The second is the local catchment for leisure club, restaurants and function facilities – particularly for larger 3 and 4 star hotels.

Hotel Developer and Operator Interest in Chichester District

Location	4 Star/ Conference	3 Star	Budget/ Upper Tier	Boutique	Quality Pub Rooms	Destination Hotels (Country House/ Golf/ Resort)
City Centre		<ul style="list-style-type: none"> • Park Inn 	<ul style="list-style-type: none"> • Ramada Encore Express by Holiday Inn Travelodge Days Inn Tulip Inn? 	<ul style="list-style-type: none"> • Alias Regional operator (Hotel du Vin)³ Finesse^{\$} 	<ul style="list-style-type: none"> • Greene King¹ Gales/Fullers² Local 	
A27/City Approaches		<ul style="list-style-type: none"> • Park Inn 	<ul style="list-style-type: none"> • Ramada Encore Express by Holiday Inn Days Inn Tulip Inn? 		<ul style="list-style-type: none"> • Greene King¹ Gales/Fullers² Local 	
Rural Area				<ul style="list-style-type: none"> • Regional operator 	<ul style="list-style-type: none"> • Greene King¹ Gales/Fullers² Local 	<ul style="list-style-type: none"> • Warner Simon Matthews-Williams⁵

Notes

1. Unconfirmed - strategic requirement for the South East for Old English Inns and food and drink-led quality pub accommodation.
 2. Estate under review after takeover but potential interest based upon past activity by Gales in neighbouring East Hampshire and Fullers commitment to a rooms offer as part of its estate.
 3. Identified target but not in a position to proceed currently.
 4. Potential interest, medium-term.
 5. National requirement for rural properties for conversion to destination hotel, leisure and conference offers.
- ? Possible interest, subject to further research.

- Whilst general location on the busy A27 was felt to be an advantage for Chichester, congestion in the city and the myriad of one way systems was felt to be a limitation by some who knew the destination.
- For those who had already been looking at Chichester locations and researched the market, one of their principal frustrations currently was the lack of available sites. Indeed, a number of the sites we have assessed as part of this study are longer-term, and/or have additional complexities relating to ownership, associated development or other factors that mean they are not straightforward or quick to secure and develop.
- The fact that some of the sites suitable for hotel development are likely to be mixed development schemes potentially brings its own particular problems for hotel developers. Although many have worked with development companies and have 'preferred' arrangements with them, the complications of these dealings and the lack of direct control over the scheme and the siting of the hotel within the scheme, were clearly felt to be against this approach. Many had had bad experiences elsewhere, with the hotel use effectively getting 'squeezed out' by higher value uses. Some hotel companies will take leases, but for those that will not, they are looking to buy a site for a free-standing hotel use, and wouldn't be interested in a mixed use lease option.
- In other locations, in spite of the local authority specifying a hotel use within the scheme, frequently hoteliers have found themselves moved to a third rate location within the site, often with insufficient land or parking, and possibly with an unsuitable aspect to meet their desired requirements. Value is always an issue, as developers will be looking to secure as much for the total site as they can, and hotel site values cannot compete with residential, retail or many commercial uses.
- Hotel companies are often not brought into negotiations at an early enough stage to get the above right, and in some cases a hotel use has become undeliverable. Chichester District Council needs to protect against this situation arising. All those we consulted are willing to get involved early to ensure the right site is allocated on the right terms, and certainly some would prefer direct disposal if the scheme/site permits.

- The value issue has become even more of an obstacle as the South East seeks to accommodate more housing. However, there have been examples of local authorities enabling hotel development to happen through permitting a higher value use elsewhere on a site, both in city centres and indeed on rural sites involving the conversion of an historic building.
- Hotel companies expressed frustration at the difficulty they generally experience in getting information on sites and other information needed as background to their feasibility assessments. The Local Authority is the natural first port of call, but hotel operators frequently have to speak to 6 contacts or more (Tourism Officer, Planning Officer, TIC Manager, Economic Development Officer, Highways Officer, Estates Officer etc) to get the data they want – and still often don't secure what they need.

In spite of the above obstacles, there remains a desire to develop hotels in and around Chichester, though many have turned to other areas of the country and concentrated on getting development off the ground there whilst waiting on schemes and sites here and elsewhere in the South East.

At the end of the day, hotels are an important part of any destination's support infrastructure for business development and economic growth, with the added advantage of being available for leisure use at weekends and holiday periods. These obstacles are not going away in a hurry, but tackling them and creating a more enabling framework for the hotel sector will be key to securing new development in the future.

5.5 Site-Related Issues

A detailed discussion of potential hotel sites is presented in Appendix 4; these sites have come together from a mixture of sources, including:

- Sites put forward by the Policy Team preparing the LDF, including some potential strategic housing allocations on the outskirts of Chichester and some mixed use sites in the town centre;
- Sites suggested by hotel developers and operators, or where there has been previous developer interest;
- Other sites emerging from brainstorming with the Planning Team and from visual inspection or site-spotting by the consultants.

There is an element of confidentiality relating to the above whilst the LDF is in preparation, and as such the detail of these appraisals has been separated out into the Appendix. However, an analysis of potential hotel sites and allocations forms an important part of the wider debate concerning site availability in relation to hotel development. We offer the following comments, both from feedback coming out of our developer consultations, and from our own evaluation of the site opportunities presented.

- A large number of sites have been put forward and considered as part of this evaluation, many of which have potential in terms of meeting developer requirements. Some are very strong sites indeed from this perspective.
- However, deliverability would seem to be the key issue here. The principal difficulties would seem to be:
 - Timeframe – there is little here that would seem to be immediately deliverable; many of the sites would more likely be medium to longer term; developer interest is there and ready to go however.
 - Value – particularly in terms of city centre sites where residential, retail and office uses are typically competing for sites that would meet hotel needs. The values that hotel schemes can generate are significantly lower.
 - Complexity of delivering mixed-use sites, and the danger of the hotel use being squeezed out.
 - Ownership – little in public sector/Council ownership, making it more difficult to influence end use than where the Council owns the land themselves.
- Sites along the A27 clearly appealed to a number of hotel developers; however, out of town sites are generally less-favoured by the Council on sequential test grounds. There is some appeal for certain types of hotel product to locate close to the A27, primarily because of the severe problems of traffic and congestion in the historic central core. Whilst the new SE Plan sees hotels primarily as a town centre use, it does not recommend the use of the sequential test in relation to hotels, so there could be some flexibility here.

- In relation to sites along the A27, the detail of the road improvements here will need to be clearly understood before these can be prioritised. Any developer would want ideally a roundabout junction with the A27 to maximise accessibility into their site from both directions. Some developers preferred locations to the east of Chichester on the A27 because of proximity to Rolls Royce as a key booker of rooms.
- Sites in a considerable swathe of the rural area face the problem of AONB status, and ultimately National Park; to a developer this brings with it the potential for delays, cost, and additional risk.
- Historic properties and other sites where a major redevelopment is sought may offer some potential and planning scope for enabling development; again the level of risk to the developer/operator would need to be minimised or at least understood and negotiated upon to glean any serious interest.

Whilst we offer some initial comments on the various sites in this report, there is a real need to refine this list by taking out those that will not meet developer requirements and then pulling out which are realistically achievable and which are not. The prioritisation process should take account also of where the Council is best able to influence development to make a hotel use happen.

We also suggest that an integral part of the prioritisation process should involve some direct consultations/meetings with interested hotel developers. One or two could comment on specific sites but a larger number had not visited the city to evaluate the options. This would add a further evidence based input to any future allocation.

6. THE POLICY CONTEXT

6.1 The Big Picture

Clearly it is important that the hotel infrastructure of Chichester helps to support and grow the tourism industry and the wider economy, and deliver the strategic objectives as identified by the public and private sector partners across the District.

The past five years has been a time of significant change and review in the national, regional and local planning and tourism policy framework, with on-going developments in this field that will impact upon the context in which hotel development will take place in the District.

National Planning Guidance

Planning Guidance for tourism was contained in PPG 21 until its recent cancellation. This PPG is to be replaced by Good Practice Guidance (currently in preparation) together with a review of the remaining PPGs to ensure that tourism focused issues are adequately addressed.

The reasoning behind this was that the issues surrounding tourism development could be adequately dealt with by other guidance, most notably PPS6 (Planning for Town Centres) and PPG13 (Transport). There has however been a lack of clarity over the application of the inherent principles of these Guidance notes to tourism land-uses.

Following the Planning and Compulsory Purchase Act 2004, Local Development Frameworks complemented by Regional Spatial Strategies will replace structure plans and local plans. The new arrangements should allow for faster preparation of planning policy and better integration with tourism strategy, at local, sub-regional and regional level.

The proposed changes in Development Control also aim to improve the quality and speed of decision-making, requiring a more customer-focused approach.

Regional Planning Guidance

SEERA took up responsibility for regional planning and transport in April 2001. The Government required them to undertake early reviews of selected policies in Regional Planning Guidance (RPG9). Tourism was one of these policy areas, and a consultation document 'Destination South East' was produced in October 2002. Following a process of consultation and Public Examination, these policies have been refined and now form part of the Draft South East Plan. Further consultations are underway on this document, but Part 1 of the Plan was handed to Government on 29 July 2005. The full Plan will be submitted for Government for approval in Spring 2006. After this it will be a legal document. The Plan sets out a vision for the region through to 2026, addressing issues such as housing, transport, economy, environment and tourism.

RPG9 and Part 1 of the Draft South East Plan incorporate specific policies relating to the tourist accommodation sector. These policies seek to:

1. facilitate a consistent approach to planning for accommodation
2. ensure planning policies reflect both the diversity of the sector and market reality
3. provide clear guidance on the location of development.

These policies are set out in TSR5. Part I) sets out six aspects of tourist accommodation that should be addressed in development plans, whilst Part ii) advocates that the Regional Tourist Board and local authorities should jointly monitor the demand for and supply of accommodation. The policies are detailed below.

POLICY TSR 5

The diversity of the accommodation sector should be positively reflected in tourism and planning policies.

1) In formulating planning policies and making decisions local planning authorities should:

- 1. Consider the need for hotel developments to be in the proposed location, including links with the particular location, transport interchange or visitor***

- attraction, and seek measures to increase access by sustainable transport modes.*
- 2. Provide specific guidance on the appropriate location for relevant accommodation sub-sectors. This should be informed by their different site requirements and market characteristics and how these relate to local planning objectives.*
 - 3. Encourage the extension of hotels where this is required to upgrade the quality of the existing stock to meet changing consumer demands.*
 - 4. Include policies to protect the accommodation stock where there is evidence of market demand.*
 - 5. Strongly encourage the provision of affordable staff accommodation as part of new and existing accommodation facilities in areas of housing pressure. The criteria for the application of such a requirement should be clearly set out in the development plans.*
 - 6. Facilitate the upgrading and enhancement of existing unserviced accommodation, including extensions where this will not harm landscape quality or identified environmental assets. Particular attention should be paid to identifying suitable sites for the relocation of holiday parks under threat from coastal erosion or flooding.*
- II) Tourism South East and local authorities should, working together, undertake active monitoring of the demand for and supply of tourism accommodation on a regional and sub-regional basis.*

The supporting text identifies a number of issues that inform this policy, including:

- 1. Development plans should be based on a thorough understanding of the needs of accommodation developers and operators and the demands of their markets.*
- 2. This should be built upon an on-going dialogue between planners and the industry.*
- 3. And supported by regular monitoring and assessment of both demand and supply.*
- 4. Hotel developers find it difficult to compete with land values in many urban areas.*
- 5. Mixed-use developments may be the only way to achieve town centre hotel development.*

6. *The exceptions to sequential testing for hotels out of town are country house hotels and provision associated with key transport gateways and regionally significant visitor and sporting attractions.*

The South East Plan and the Regional Economic Strategy also identify a number of priority areas for the development of the South East economy. Chichester District features in terms of its coastline, with Selsey forming part of an area identified for regeneration along the Sussex coast, where improved employment and tourism provision are sought.

The other significant implication coming out of the Draft South East Plan is the onus on local authorities to accommodate a specified number of new dwellings over the plan period. This is likely to make it even more difficult for hotels to secure sites for development, as already they are struggling to compete against higher value residential uses; a policy preference in favour of residential use and allocations presents a double whammy for the hotel sector.

At a time of such change in the national and regional planning framework, there is a clear opportunity to influence the emerging policies and guidance as required, but this should be based on an informed approach to the issues with the evidence to back arguments up. The Hotel Futures report will provide a sound research base for issues relating to hotel needs.

6.2 Local Policy and Development Priorities

The adopted West Sussex **Structure Plan** remains the strategic planning document until the new regional plan is in place - likely a 2-3 year period. It was adopted in 2004 and so reflects the regional planning guidance. The Chichester Local Plan (1999) remains the policy basis for decisions on planning at a local level prior to the preparation of Local Development Framework. This is underway, and the LDF is programmed for completion by 2008.

In terms of the overall **spatial strategy**, much of the pressure for development is on the north east of the county around Crawley and Gatwick, and strategic locations for major mixed-use development on greenfield sites are identified here. However, in line with regenerating the coast, strategic locations are also identified in the coastal area that includes Chichester.

The key tourism policy at County level is NE12, which covers leisure, cultural and tourism facilities. There are no separate policies for tourist accommodation/hotels. Clearly, elements of other policies are of relevance eg policies relating to the regeneration of the coast, development in the countryside, but NE12 is the main policy.

NE12 Leisure Cultural and Tourism Facilities

a) New or improved leisure, cultural and tourism facilities, including the provision of tourist accommodation, should be permitted provided that they accord with Policy NE9 and are located within built-up area boundaries unless the development requires, and is compatible with, a countryside location;

b) Local plans will include policies to ensure that:

1) where possible, identified needs will be met including the allocation of sites for leisure, cultural and tourism facilities, giving priority to the improvement of existing facilities;

2) development is of a scale and nature which meets the needs of local people or increases the range and improves the quality of attractions and experiences for tourists and day visitors to the County;

3) development does not adversely affect the vitality and viability of any nearby centre as a whole, either individually or cumulatively with similar existing or proposed developments;

4) within built-up areas, a sequential approach has been applied which gives priority to suitable sites or buildings within or adjacent to established town, village, district or neighbourhood centres;

5) leisure, cultural and tourism facilities are only permitted outside built-up area boundaries if they require, and are compatible with, countryside locations; and

6) new development does not result in the loss of an important cultural resource unless a new resource is provided which is of at least equivalent value except where this would not be practicable or it would conflict with an important policy or policies in this Plan.

In terms of **local policy development**, the Local Plan has specific planning policies relating to the development of additional tourist accommodation – presumed to cover new hotels and extensions to existing hotels although this is not specified in the

policy itself. There is a general policy (T1) and two area policies relating to development in main settlements (T2) and in the countryside (T3).

T1 Accommodation and Facilities

Proposals for the development of additional tourist accommodation and facilities will be permitted provided that they do not cause demonstrable harm to the environment of the area which is the source of the attraction to visitors and that they are appropriate to the character of their location. The acceptability of individual schemes will depend upon the type and form of development and the sensitivity of the location.

T2 Provision in Settlement Policy Areas

Within the settlement policy areas the provision of tourist facilities and serviced or self-catering tourist accommodation will be permitted provided that:

- 1) There is no adverse effect on the character and appearance of the surrounding environment, particularly in conservation areas;*
- 2) Any extensions or alterations to existing buildings, particularly those of architectural interest are appropriately sited and designed in accordance with policies BE6 and BE7.*

T3 Provision in Rural Areas

Within the rural area the provision of tourist accommodation and facilities will only be permitted provided that:

- 1) They involve the redevelopment of existing sites, the re-use of existing buildings or the extension of existing facilities, or*
- 2) They are small in scale and do not include the provision of new major built facilities such as theme parks or holiday centres*

Proposals should not cause adverse effect on the character and appearance of the surrounding landscape as a result of development, ancillary works or cartilages created and where appropriate there should be no conflict with the policy for the conversion of buildings in the rural area (RE14) or that for major institutions in the rural area (RE15).

Where planning permission is given for the development of tourist accommodation within the rural area, permission will not be given for its subsequent use or conversion to permanent residential accommodation. Permission will only be granted for tourist

facilities in the rural area providing that they are related to the character and use of the countryside.

There is no policy relating to the retention of hotel accommodation, although there is a business floorspace retention policy (B8) that applications can be considered against; it is most usually applied for example to pubs applying for change of use. This policy is not backed up with formalised criteria under which the loss of accommodation would be considered, or benchmark data against which to measure the case put forward, although in discussions, development control would normally advise applicants to demonstrate they have marketed their business for sale and ask them to demonstrate why it is no longer viable for that use.

There are no sites allocated in the Local Plan currently for new hotel development.

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6.3 Hotel Sector Planning Policy Guidance

In the absence of any national planning guidance relating to the hotel sector, we draw the attention of the client group to three pieces of work initiated by Tourism South East, the regional tourist board for South East England, that we believe could be of benefit to this study and the implementation of its findings. Tourism Solutions and ACK Tourism have been the consultants commissioned to undertake this work for TSE in each case, and they have developed the outputs to share across their local authority Counties and Districts.

The first of these relates to hotel accommodation retention. Studies for Tunbridge Wells, Lewes, Wealden, Oxford City and the Isle of Wight have helped to develop an embryonic **Accommodation Retention Planning Policy Guidance** Note being put together by Tourism South East. The Guidance has also been informed by a series of good practice reviews of retention policies in resorts and historic towns.

The Draft Guidance identifies a number of retention policy principles and key planning issues emerging from the retention policy research, and then outlines an approach to policy development and implementation.

In summary, the principles that should form the backbone of a Local Authority's approach to the retention of tourist accommodation are that the policies should be:

- Well-defined – clearly spelled out so that there is transparency in the policy itself, the rationale behind it, and how it will be implemented;
- Consistently applied – out of both fairness to applicants but also so that Officers, Members, Inspectors and applicants/their advisors cannot challenge the Council in its approach;
- Objective – criteria-based policies seem to be the way forward, and provide a set of requirements that the applicant must respond to and provide evidence against;
- Economically realistic – the issue of viability is at the core of many of the change of use arguments and the Council should understand these arguments fully;
- Reasonable – this is about understanding the arguments and when it is appropriate to let accommodation go, (having met the specified criteria) both in terms of the individual circumstances surrounding a property and the contribution it is making to the bigger picture;
- Prioritise needs – defining core areas where it is desirable that accommodation be retained, in order to guarantee maximum benefit from the retention policy;
- Linked to tourism strategy – policies should support the destination’s broader tourism objectives;
- Flexible – this is about being responsive to destination and market need; an adequate supply is not an absolute, but will change according to market need, other changes in supply through new accommodation coming on stream and other economic, destination and market factors;
- Market-led – linked to the above point on flexibility, it will be important to closely monitor trends in both demand and supply in order to inform planning decisions;
- Not be used to perpetuate forms of accommodation for which there is no market.

Incorporating these key principles into the planning approach where required in Chichester will, we believe, ensure a robust and fair policy that should meet the tourism needs of the destinations and be responsive to future needs over the plan period. The guidance goes on to take a closer look at how these principles can be delivered, relative to destination needs, and in particular the detail in terms of criteria and assessment procedures that will form the basis for considering applications under this policy.

In terms of policy development and implementation, putting a system in place that will equip the Local Authority planning and tourism teams to assess the current and future trading potential of any accommodation business that applies for change of use, within the context of the destination’s wider planning and tourism objectives,

should enable a systematic and informed view to be arrived at that can be consistently and fairly applied.

Some seaside resorts find themselves in considerable oversupply, and require a process that can manage the loss of hotel accommodation but that does not undermine the viability of the resort by reducing its stock to a point of no return – especially where there is no new hotel development taking place. Many historic towns and cities are facing a different scenario, where the pressure for residential development and the much higher value it can command for a property compared to its hotel value, is encouraging owners to apply for change of use which does not necessarily relate to a lack of market demand.

In both situations it is desirable for the destination managers and planners to identify core areas and/or key properties that it wishes to protect from change of use. Usually these would be properties of character, in a key part of the destination visited or accessed by leisure and business visitors, and should particularly apply to offers that it would be difficult to replace with new hotel accommodation development. Clear criteria need to be set down to guide potential change of use applicants and to provide a process for the assessment of applications that is transparent.

The cornerstone of the strongest retention policies reviewed in the TSE work were proof of (1) endeavours to sell the business as a going concern and (2) non-viability.

Evidence to support proof of marketing for sale could include:

- A minimum period of marketing for sale of 12 months;
- The use of reputable local or specialist national agents;
- Marketing at a realistic/competitive price – determined through independent valuation;
- The supply of evidence of sale marketing (brochures, advertisements) and of response (interest and offers).

Evidence of non-viability (economic and operational) it is suggested should involve assessing the hotel against a number of benchmarks, based upon the approach it would be reasonable to expect a professional operator to take to their business, (demonstrating that the business has not been deliberately run down) together with an assessment of the wider potential. They could include:

- Trading potential – location in relation to drivers of demand and tourism strategy priority areas; character of building and potential to add to distinctiveness of hotel offer in the destination.
- Standards and investment – Has it had investment? Is it inspected/graded? What would it cost to put right?
- Parking, access and environment – any problems?
- Management – the maturity of the business/ management skills;
- Business performance – occupancy achieved over the past 3 years; profitability; accounts and business plan materials to support the case.
- Marketing – evidence of attempts to attract business.
- Competition analysis – benchmark trading performance.
- Change to area supply – is the destination under or over-supplied?
- Area demand – trends in occupancy; is the market expanding or declining?

The research and guidance suggests that it is important to relate the individual circumstance of any case under consideration, both in terms of change of use and new development applications, to the bigger picture of demand and supply of tourist accommodation in the competitive market. As this will inevitably change over time, some flexibility and tools to monitor change will be required. The Draft Guidance contains a lot more detail than it has been possible to provide here. Over the next 6 months a working group of interested Local Authorities in the South East is to be drawn together to refine the Guidance further. Chichester could clearly benefit from tapping into this.

Tourism South East has also issued Planning Guidance for Local Authorities on **Attracting Hotel Investment** (September 2004). This Guidance was also prepared by Tourism Solutions and has been put forward to the ODPM for inclusion in the national best practice guidance for tourism currently in preparation.

The guidance identifies four cornerstones of good practice in attracting hotel investment:

- Effective communication
- Positive planning
- Pro-active inward investment
- Market-focused monitoring.

Finally, in 2004 Tourism South East also published a **Rural Pub Accommodation Study**, also written by Tourism Solutions. One output of this study was local authority planning advisory guidance on developing rural pub accommodation. The guidance aims to provide local authorities with better information on the opportunity for pub accommodation development, typical performance indicators, the key drivers to success, and to identify both planning issues surrounding development and the obstacles to investment as well as how the local authority can help overcome these. It provides a toolkit to help assess applications and to identify any weaknesses in the business case which can also be used to signpost applicants to sources of help and therefore assist in ensuring the sustainability of the operation in the longer term.

The key principles outlined in the recommendations from all three pieces of hotel / pub accommodation sector planning guidance will be built into the 'Moving Forward' section of this report, adapted as necessary to any new or emerging factors coming out of the Chichester Hotel Futures research and any local circumstances particular to Chichester and its key destinations. However, we do recommend that the Council obtains copies of all three sets of guidance which contain a great deal more detail than can be presented here which we feel sure would be of benefit both in formulating policy and in development control and inward investment activities in the longer term.

7. THE POTENTIAL FOR GROWTH

7.1 Future Market Prospects

7.1.1 The Corporate Market

The planned production commencing in 2006 of the new Rolls Royce convertible model at the Rolls Royce plant at Westhampnett, and possible further new models in the future, is likely to result in periodic increases in demand for hotel accommodation from Rolls Royce, particularly at the upper end of the market.

Growth in corporate demand for hotel accommodation in the District is otherwise likely to be slow. There are no other clear indicators currently of significant sustained growth in employment and business development that could result in substantial growth in the local corporate market for hotel accommodation. Chichester hotels attract corporate demand from other areas, such as Bognor Regis, Worthing, Havant and Emsworth. Employment forecasts for these areas also suggest only slow employment growth, and a slight decline in the case of Havant.

The LDF will identify new employment sites, which could eventually attract new companies, potentially resulting in increased corporate demand for hotel accommodation, particularly if companies can be attracted from target sectors⁹ such as professional, business and financial services; marine technology; advanced engineering; high value light industrial uses; and new media, ICT and creative industries.

There are no indications of anything other than very slow growth in corporate demand in Midhurst. Corporate business may even reduce for some hotels as a result of the opening of the new Premier Travel Inn at Petersfield, which is likely to reduce the need for Petersfield companies to use hotels in the Midhurst area.

⁹ As identified in the Atkins report - 'Arun and Chichester Districts - Assessment of Employment Needs', September 2005

7.1.2 Contractors

Demand from the contractors market (for budget-priced hotel accommodation) is likely to remain strong, and possibly increase in the foreseeable future as a result of the planned retail and residential developments - eg Shippams, Eastgate, Greylingwell Hospital, the Military Barracks, ICI Fernhurst site and King Edward 7 Hospital - road improvement schemes on the A27, and developments planned at Chichester University.

7.1.3 Residential Conferences

The residential conference and training course market is generally declining regionally and nationally as companies have cut back on training budgets and/or developed their own in-house training and meeting facilities: fewer residential conferences are being held in hotels, they are becoming shorter in duration, and delegate numbers are generally reducing. There are some signs of recovery in residential conference business from US companies based in the South East (which declined sharply in the wake of 9/11), but otherwise no clear signs of recovery or renewed growth in the residential conference market. The District's hotels will thus need to work ever harder to maintain, let alone increase their residential conference business.

Our research identified some evidence of the District losing large residential conferences of 100-150+ delegates that could be attracted given major expansion of existing hotels (e.g. the Marriott Goodwood Park or the Ramada), or the development of a new large 150-200 bedroom hotel in the District. Such business would not support a new hotel or major hotel expansion project on its own, however. Hotels would also need to be sure of filling their rooms on other days of the week and at weekends. Our research suggests that they may be able to fill at weekends, but would have difficulty in filling on midweek nights. It must also be recognised that large conferences are not necessarily good business for hotels as they will often block out the potential for bookings on other weekday nights, potentially resulting in sharp peaks and troughs in midweek occupancy.

There would appear to be potential for small high quality hotels to attract senior management/ board level meetings, particularly from London companies. The Park House Hotel at Bepton is currently developing a conference room specifically to

target this market. A boutique hotel in Chichester is also likely to be able to tap into this market.

7.1.4 Leisure Breaks

Our research suggests clear potential for growth in weekend break business in the District, given the development of further hotels. All indicators suggest continued growth in the UK leisure break market, particularly given the growth in the emptynester/ early retired age groups, and the trend for people to take more, but shorter holidays. The District is clearly a very strong leisure break destination. Other recent and proposed investment in the city will help boost this further eg the retail developments on Eastgate and an £8million investment in the Pallant Gallery which alongside the theatre and festivals will help develop the cultural offer. Most hotels in the District are already at capacity at weekends and turning away significant levels of weekend break business in the summer. There should also be scope for hotels to attract increased midweek break business. The establishment of the South Downs National Park is likely to provide a further boost to leisure break demand in the District. There is also potential for supply-led growth in leisure break business as new hotels that may open attract their own leisure break demand.

7.1.5 Group Tours

Our research identified anecdotal evidence of the District losing group tour business currently as many hotels in the District will not take it due to its low-rated nature, unless it helps them to boost particularly quiet times. It is difficult to see this situation changing unless there is a significant increase in hotel provision in the area, leaving hotels with spare capacity that they may be prepared to fill with group tour business. Hotels will not otherwise want to take low-rated group tour bookings when they know they can fill with higher-rated business from other markets. The potential to attract group tour business is unlikely to be a significant factor in securing new hotel development, however, due to its low-rated nature. Some of the hotels that currently take group tours may seek to reduce the levels of business they accept from this market as demand from other higher-paying marketing increases.

7.1.6 Weddings and Functions

Growth in the weddings and functions market is likely to be closely linked to population growth in the District. Population forecasts for the District show a 9.6% growth between 2001 and 2021, equivalent to an average annual growth rate of 0.48%. They show very little growth in the 20-29 age group and a reduction in the 30-44 age group, suggesting that the weddings market is unlikely to grow much in the District. There may, however, be some growth in second and third marriages, and civil partnership ceremonies. With more significant growth in the 45-64 and 65+ age groups, there could be a greater increase in demand for hotel accommodation related to other family functions, e.g. Ruby and Golden Weddings, 80th and 90th birthdays, and funerals.

7.1.7 Overseas Tourists

Overseas tourist visits to the UK are forecast to grow steadily in the next 5-10 years, barring further terrorist attacks and national and international crises. There is no reason to suggest that Chichester should not benefit from this growth.

7.1.8 The VFR Market

With only slow growth forecast in the District's population, the visiting friends and relatives market is unlikely to grow significantly, although may benefit from the stronger growth in the 45-64 and 65+ age groups.

7.2 Projected Growth in Hotel Demand

7.2.1 Business and Conference Demand

The latest employment forecasts for West Sussex¹⁰ put employment growth in the Coastal Districts and county as a whole at an average annual rate of 0.52 – 0.53% between 2001 and 2016. The expansion of the Rolls Royce plant is likely to result in a significant increase in demand for hotel accommodation from Rolls Royce in the Chichester area, suggesting higher rates of growth in corporate demand than these employment forecasts might indicate, at least periodically as new models go into production. Growth in corporate demand in Midhurst is likely to be very limited, and may even decline for some hotels as a result of the opening of the Premier Travel Inn at Petersfield.

There are no forecasts available that can be used to estimate potential growth in residential conference demand in the District.

Taking account of these forecasts we have assumed the following average annual growth rates for business and conference demand for hotel accommodation in the District through to 2023:

Chichester

Low Growth: 1% p.a.

High Growth: 2% p.a.

Midhurst

Low Growth: 0%

High Growth: 0.5%

¹⁰ Source: Cambridge Econometrics – forecasts prepared for the West Sussex Structure Plan, 2002

7.2.2 Leisure Demand

There are currently no forecasts available for growth in the UK leisure breaks market, and no trend data available, due to problems with the United Kingdom Tourism Survey (UKTS) in 2003 and 2004. Given the strength of the District as a leisure break destination, and the establishment of the South Downs National Park, there is likely to be strong growth in leisure break demand in the District, given further hotel development.

Overseas visits to the UK grew by 9% between 1999 and 2004, equivalent to an average annual growth of 1.8% p.a. The latest VisitBritain forecasts for overseas visitor arrivals to the UK project a 4.4% growth in 2006. This includes growth in business and VFR visits, which are expected to grow more strongly than holiday visits.

The population of the District is forecast to increase at an average annual growth rate of 0.5%. A similar level of growth might be expected in the weddings and functions, and visiting friends and relatives market.

In the absence of reliable market trend data or leisure market forecasts, we have assumed the following average annual growth rates for leisure-related demand for hotel accommodation in the District through until 2023:

Low Growth:	2% p.a.
High Growth:	3% p.a.

7.2.3 Projected Future Hotel Demand

In order to provide an indication of the number of new hotel bedrooms that might be needed in the District over the next 18 years, we have prepared projections for the future growth in roomnights for 3/4 star hotels in Chichester and Midhurst, and budget hotels in Chichester to 2008, 2013, 2018 and 2023 based on the business/ conference and leisure growth rates outlined above, and taking account of our estimates of currently displaced roomnights, drawing on the information supplied to us by the hotel managers that we interviewed. These projections are summarised in the tables overleaf.

We have then calculated the number of hotel bedrooms of each standard that could be supported by these roomnight projections, based on an average annual room occupancy of 70% for all hotels (the level at which it is generally accepted that hotel demand starts to be denied).

Making any sort of market forecast is an uncertain process: all forecasts are based on judgement and assumptions, and are susceptible to unforeseen changes. The projections should thus be taken as indicative only. They have been prepared to provide an illustration of the numbers of new hotel bedrooms that might be needed under the different growth scenarios. They are not intended to be accurate predictions of how the hotel market will grow in the District

Whilst a low growth forecast may look more realistic in the short term, given the current climate, it is extremely difficult to forecast accurately over such a long period of time. For this reason we recommend regular review of hotel demand and supply in the District, and sufficient flexibility in the LDF to respond to a higher rate of growth should it transpire.

Projected Growth in Hotel Roomnights – Chichester District 2005-2008

Standard of Hotel	Current Supply 2005 (Rooms)	Forecast Roomnights 2008		Number of Bedrooms Supported @70% Av. Annual Room Occ.		Potential Number of New Hotel Bedrooms	
		Low Growth	High Growth	Low Growth	High Growth	Low Growth	High Growth
Chichester 3/4 Star¹	260	77758	80075	304	313	44	53
Midhurst 3 Star²	104	20122	20645	79	81	0	0
Budget³	181	75585	77843	295	305	115	124

Source: Tourism Solutions/ACK Tourism

Note: These projections should be taken as indicative only. They are not intended to be accurate predictions of future hotel demand.

1. Baseline supply and roomnights: Marriott Goodwood Park, Ramada, Millstream, Crouchers Country, Ship
2. Baseline supply and roomnights: Spread Eagle, Angel, Southdowns Country, Park House
3. Baseline supply and roomnights: Premier Travel Inn Chichester, Travelodge Chichester (Emsworth), Travelodge Arundel (Fontwell)

Projected Growth in Hotel Roomnights – Chichester District 2005-2013

Standard of Hotel	Current Supply 2005 (Rooms)	Forecast Roomnights 2013		Number of Bedrooms Supported @70% Av. Annual Room Occ.		Potential Number of New Hotel Bedrooms	
		Low Growth	High Growth	Low Growth	High Growth	Low Growth	High Growth
Chichester 3/4 Star¹	260	84352	91226	330	357	70	97
Midhurst 3 Star²	104	21685	23239	85	91	0	0
Budget³	181	81159	87790	318	344	137	165

Source: Tourism Solutions/ACK Tourism

Note: These projections should be taken as indicative only. They are not intended to be accurate predictions of future hotel demand.

1. Baseline supply and roomnights: Marriott Goodwood Park, Ramada, Millstream, Crouchers Country, Ship
2. Baseline supply and roomnights: Spread Eagle, Angel, Southdowns Country, Park House
3. Baseline supply and roomnights: Premier Travel Inn Chichester, Travelodge Chichester (Emsworth), Travelodge Arundel (Fontwell)

Projected Growth in Hotel Roomnights – Chichester District 2005-2018

Standard of Hotel	Current Supply 2005 (Rooms)	Forecast Roomnights 2018		Number of Bedrooms Supported @70% Av. Annual Room Occ.		Potential Number of New Hotel Bedrooms	
		Low Growth	High Growth	Low Growth	High Growth	Low Growth	High Growth
Chichester 3/4 Star¹	260	91552	103975	358	407	98	147
Midhurst 3 Star²	104	23137	26227	90	102	0	0
Budget³	181	87199	99057	341	388	160	207

Source: Tourism Solutions/ACK Tourism

Note: These projections should be taken as indicative only. They are not intended to be accurate predictions of future hotel demand.

1. Baseline supply and roomnights: Marriott Goodwood Park, Ramada, Millstream, Crouchers Country, Ship
2. Baseline supply and roomnights: Spread Eagle, Angel, Southdowns Country, Park House
3. Baseline supply and roomnights: Premier Travel Inn Chichester, Travelodge Chichester (Emsworth), Travelodge Arundel (Fontwell)

Projected Growth in Hotel Roomnights – Chichester District 2005-2023

Standard of Hotel	Current Supply 2005 (Rooms)	Forecast Roomnights 2023		Number of Bedrooms Supported @70% Av. Annual Room Occ.		Potential Number of New Hotel Bedrooms	
		Low Growth	High Growth	Low Growth	High Growth	Low Growth	High Growth
Chichester 3/4 Star ¹	260	99420	118576	389	464	129	204
Midhurst 3 Star ²	104	25315	29674	99	116	0	12
Budget ³	181	93740	111839	367	438	186	257

Source: Tourism Solutions/ACK Tourism

Note: These projections should be taken as indicative only. They are not intended to be accurate predictions of future hotel demand.

1. Baseline supply and roomnights: Marriott Goodwood Park, Ramada, Millstream, Crouchers Country, Ship
2. Baseline supply and roomnights: Spread Eagle, Angel, Southdowns Country, Park House
3. Baseline supply and roomnights: Premier Travel Inn Chichester, Travelodge Chichester (Emsworth), Travelodge Arundel (Fontwell)

8. FUTURE HOTEL DEVELOPMENT OPPORTUNITIES

8.1 Market Opportunities by Type of Hotel

8.1.1 Overview

Our research shows evidence of a strong leisure market for hotels in the District, and significant levels of denied leisure business at weekends and during the week in the summer months. Corporate demand for hotel accommodation is relatively weak, however, and forecast to grow only slowly. There is strong demand for budget hotel accommodation, particularly from the contractors market and leisure and VFR visitors at weekends, with evidence of significant levels of business currently being denied at this end of the market, both at weekends and during the week. This suggests that opportunities for new hotel development in the District are primarily for hotel products that have strong appeal to the leisure break market (boutique and country house hotels, quality pub accommodation, and destination hotels, such as Warners adult only hotels), and budget/upper tier budget hotels. The potential for larger branded 3/4 star and limited service 3 star hotels is likely to be more long term, and dependant on further business development in the area.

8.1.2 Chichester City Centre Boutique Hotels

Our research suggests a clear immediate opportunity for a boutique hotel in Chichester city centre of around 50 rooms, and possible longer term potential for further boutique hotels in the city, given suitable properties for conversion. Our growth projections for 3/4 star hotel demand in the Chichester area suggest scope for an additional 44-53 3/4 star bedrooms by 2008. Boutique hotels are typically developed to this size, so could adequately meet this need. Branded 3/4 star hotel operators would not be interested in developing hotels of this scale. A number of commentators identified a need for high quality hotel accommodation in the city centre to meet the needs of both corporate and leisure customers, which a boutique hotel could well satisfy. A boutique hotel would also fit well with the historic city tourism offer of Chichester, and would help to extend choice at the upper end of the city's hotel market. It should also be capable of attracting new leisure break business. Our longer term projections suggest possible scope for further boutique hotels in the city by 2023.

8.1.3 Budget Hotels

Our research and growth projections suggest clear immediate potential for a second sizeable (100+ room) budget hotel in Chichester, based on the current strong performance of the Premier Travel Inn, and the levels of denied business that this hotel reported. Our growth projections show potential for an additional 115-124 budget hotel rooms in Chichester by 2008, and 186-257 by 2023, suggesting potential for a third budget hotel in the longer term. These hotels could be either standard budget offers or upper tier budget products, depending upon the rate sought by operators.

8.1.4 Luxury Country House Hotels

Our research suggests possible scope for the development of luxury country house hotels in the District, given suitable properties for conversion. Such hotels are usually destinations in their own right, trading at the top end of the leisure break and residential conference markets. The District is clearly a strong leisure break destination, and is well located to attract the London market for short breaks. A number of the District's higher quality hotels already attract senior management and board level residential meetings out of London, Hampshire and other parts of West Sussex. Rolls Royce also have periodic requirements for luxury hotel accommodation that they are currently placing at Amberley Castle. There could also be potential for luxury country house hotels with spa facilities to develop strong spa break business.

8.1.5 Large Branded 3/4 Star Hotels

On the basis of our research and growth projections, it is difficult to see Chichester supporting a new large (100 + room) branded 3/4 star hotel, at least in the short to medium term. Such hotels need a strong base of corporate demand, which is not currently apparent in the Chichester area. Significant growth in the local corporate market would be needed before such a hotel could be supported, therefore.

Our low growth projections for the Chichester 3/4 star market show potential for an additional 129 3/4 star bedrooms by 2023. This potential is more likely to be met by boutique, and possibly country house hotels, and the expansion of existing hotels, than by a new large branded hotel, we would suggest. Our high growth projections show scope for an additional 204 3/4 star bedrooms by 2023. Much of the growth is in leisure markets, however. Much lower levels of growth are anticipated in corporate

and conference demand, which would be needed to produce good year-round weekday occupancies for a large branded hotel.

The longer term potential for a large branded hotel will depend on growth in the area's economy and the extent to which new companies are attracted. New business park developments may give rise to opportunities for new branded 3/4 star hotels, or possibly limited service 3 star hotels.

We think it highly unlikely that Chichester will be able to support a larger 3/4 star conference hotel of 150-200+ rooms. While the area is currently losing potential bookings for large 100-150+ delegate residential conferences, such business would not be sufficient in itself to sustain a large conference hotel. A much stronger base of corporate demand than there is currently in the area would also be needed to ensure sufficiently high weekday occupancies.

8.1.6 Golf/ Country Club Hotels

On the basis of the current performance of the Marriott Goodwood Park and the Hilton Avisford Park, we think it unlikely that the District can support a further golf/ country club hotel. The issue again is the weakness of the local corporate market.

8.1.7 Inns/ Pub Accommodation

Our research suggests potential for further high quality pub accommodation, based on the strong performance currently of such establishments in the District (particularly 5 diamond establishments). This might be in the rural area, the market towns, or indeed Chichester itself.

8.1.8 Niche Hotel Products

Given the availability of suitable properties for conversion, the District could have potential for the development of niche hotel products, such as Warners adult only hotels, and luxury family hotels, based on the strong performance of these types of hotel elsewhere in the country, and potential developer/operator interest.

8.1.9 The Development of Existing Hotels

Our research and growth projections suggest possible scope for bedroom extensions to existing 3/4 star hotels to meet some of the anticipated growth in hotel demand, or to enable hotels to target new markets e.g. larger residential conferences. There may also be scope for existing hotels to develop conference and banqueting facilities to develop conference, weddings and function business, and/or leisure and spa facilities to further develop their leisure break trade. Clearly other types of hotel, including quality pub accommodation offers in the countryside, may also seek to extend where they are turning business away.

8.2 Market Opportunities by Location

8.2.1 Chichester

The greatest opportunities for new hotel development in the District are likely to be in Chichester, due to the city's strength as a leisure break destination (particularly with the Festival Theatre and proximity to Goodwood), and its role as the main focus of corporate activity and possible future business development. There is clear immediate potential for new boutique and budget hotels in the city, and possible longer term potential for such types of hotel in the future. There may also be longer term scope for a large branded 3/4 star hotel, or limited service 3 star hotel, possibly linked to a major business park development, should one materialise. The city should also be able to support the development of further good quality pub accommodation.

8.2.2 Midhurst

Our research shows no clear potential for new hotel development in Midhurst. The town is already well served by hotels, none of which are trading particularly strongly or denying business to a significant degree. Future growth is only likely to be strong here in terms of leisure break demand. Growth is not anticipated in corporate demand. It is difficult to see the town supporting new hotel development, therefore. The opportunities are likely to lie more in the upgrading of existing hotels, and possible development of leisure and spa facilities, and or meeting and function rooms. There could also be potential for quality pub accommodation here.

8.2.3 Petworth

There may possibly be scope for a small quality hotel or quality pub accommodation in Petworth, primarily to cater for leisure break business and local weddings trade. Corporate demand is unlikely to be significant here. Indeed it is surprising that there is no hotel or pub accommodation in the town, as it would seem to be of a sufficient size and touristic appeal to support a small hotel or quality pub accommodation business.

8.2.4 Selsey and the Witterings

We think it unlikely that Selsey or East Wittering will attract new hotel development for the foreseeable future. The market for accommodation here appears to be primarily from people visiting friends and relatives or attending family functions, which is more likely to be looking for guest accommodation and B&Bs, we would suggest. The quality of the built environment here is unlikely to enable Selsey and East Wittering to attract a strong hotel-accommodated leisure breaks trade, and there is very little corporate business that might support a hotel here. The seasonal nature of demand here is also likely to limit the potential for new hotel development.

The Chichester TIC manager reported anecdotal evidence of demand for quality hotel accommodation in West Wittering in the summer. Another commentator suggested possible potential for a boutique hotel on the Manhood Peninsula along the lines of The Place at Camber Sands in East Sussex. While our research is unable to confirm whether such a proposal could be viable, it should not be ruled out as a possibility if an entrepreneur is willing to invest in the development of such a hotel.

8.3 Matching Market Potential and Developer Interest

The table overleaf summarises the market potential for new hotel development in the District identified above, and matches this to the interest expressed by hotel developers from our developer survey.

Matching Market Potential for New Hotel Development and Developer Interest

Type of Hotel	Chichester		Rural Parts of the District	
	Market Potential	Developer Interest	Market Potential	Developer Interest
Major branded 3/4 star (100 rooms+)		✓ ³		
Expansion/ upgrading of existing hotels to 3/4 star				
Boutique	✓	✓	✓ ²	✓ ²
Budget	✓	✓		
Upper-tier budget	✓ ¹	✓		
Country house hotels			✓	✓
Niche/destination hotels			✓	✓
Golf/ country club hotels				
Inns/ pub accommodation	✓	✓	✓	✓

Notes:

4. Potential dependent upon achieved rate sought
5. Possible potential for a small niche offer developed by an independent operator
6. Uninformed interest from a new generation 3 star hotel

From the table it can be seen that in most cases the developer interest that we identified matches well with the market potential for new hotel development that our research and growth projections suggest there could be in the District over the next 5 to 18 years. We did, however, identify interest in developing a new generation 3 star brand in Chichester from an international chain. This was largely uninformed interest, which could well wane once they have looked more closely into the market potential in the town. Rate we believe could be an issue for them. However, we have seen similar situations where an operator like this will take the view that they can make their hotel work in the town through the additional business they can generate through their brand and marketing, and their ability to compete for business with existing hotel in the town.

8.4 The Impact of New Hotel Development on Existing Hotels

New hotels nearly always have at least a short-term impact on existing hotels. New boutique hotels in Chichester city centre are likely to take some corporate business from existing 3/4 star hotels. They are likely to generate their own leisure break business, however, and are less likely to affect leisure break business for other hotels, therefore. They may compete for weddings business, however.

New budget hotels in Chichester are likely to take business from lower grade hotels and inns in and around the city, particularly those that currently cater for the contractors market. The Suffolk House and George & Dragon are likely to be particularly affected by a city centre budget hotel in Chichester, possibly to the point of undermining their future viability, unless they can successfully reposition themselves in the market. A new budget hotel in Chichester is unlikely to have a significant impact on the Premier Travel Inn, however, due to the levels of business that this hotel is currently denying.

Luxury country house hotels tend to attract their own business: they act more as destination hotels, attracting leisure break and residential conference business, rather than trading mainly in the local corporate market. They may, however, compete for local weddings trade.

A major branded 3/4 star hotel would significantly affect existing 3/4 star hotels if it were to be developed in the short to medium term, ahead of significant growth in the area's business economy. Such a hotel is unlikely to be developed, however, we feel.

9. MOVING FORWARD

9.1 Introduction

With the changing regional planning and tourism policy context, and the preparation of the Local Development Framework underway, this study has a very practical role to play in informing action and enabling the hotel sector to flourish. The hotel sector has an important part to play in the development of leisure tourism in Chichester, but also acts as a fundamental component of the District's business infrastructure, and as such is integral to supporting future business and employment growth.

The research has shown both market potential for and developer interest in new hotel development in Chichester and the wider District. However, given the difficulties currently being experienced in securing sites, together with the pressure on land from the changing policy and development context in the South East, a number of issues will need to be addressed to make this development happen.

Key areas for action will be:

- Planning positively for hotels
- Tackling the sites issue
- Facilitating the investment process
- Strengthening the market
- Communicating key messages
- Making intelligent progress
- Drawing up a route map for delivery

9.2 Planning Positively for Hotels

The preparation of the Local Development Framework was one of the motivating factors behind commissioning this study, so this is the ideal time to be framing policies that will support the hotel sector and enable development to happen.

Some specific recommendations relating to policy development:

- The **policy review** should draw extensively on the **guidance published by TSE** relating to attracting new hotel investment and the retention of tourist accommodation, as well as the development of quality accommodation on rural pubs. The key principles have been woven into this report, but there is more detail to refer to that could be of use in tackling particular issues and concerns. These documents are available from TSE and on their website.
- It will be important to frame the policy wordings in the new LDF to **ensure that all of the hotel development opportunities and locations identified can be delivered in principle**, both in the built up area and the countryside. If suitable properties could be identified/come to market, the country house hotel and destination hotel that may require enabling development needs some particular focus bearing in mind the restrictions of the AONB/future National Park. It is important not to waste the time of developers if there is no way through these constraints.
- In terms of locational priorities, there are clear reasons for wanting to direct hotel development to the town centre of Chichester in terms of the benefit this can bring, and for certain products like the boutique hotel this environment is preferable. However, in view of the **shift on sequential testing** in relation to hotels coming out of the South East Plan, other appropriate opportunities should not be discounted where developer interest has been identified. In particular, if the town centre sites cannot be delivered on value, and in relation to specific products requiring easy access (possibly a meeting point hotel to serve a wider market and needing to avoid the congested core) or a rural location (such as country house and destination offers).

Accommodation retention policy deserves a separate mention here, as this is not an area that has received separate treatment in policy terms in previous Local Plans. However, there does seem to be evidence of continued pressure for change of use to residential and the potential to lose some properties of character that it would be

difficult to replace in terms of their intrinsic value and location. The planning and tourism teams will need to work together to identify where these might be, but they could well be in central Chichester, market towns like Midhurst or in the rural area. The guidance issued by TSE identifies a detailed set of recommendations that could be taken on board in the LDF preparation. The principal recommendations in terms of policy development and support are:

- The inclusion of a specific hotel accommodation retention policy – or where they already exist a strengthening of current policies - including consideration of the two-staged approach introducing the ‘marketing for sale’ criteria, and the set process laid out in the guidance that supports this
- The integration of retention policies with the area’s tourism objectives which should clearly articulate the tourist accommodation requirements of the destination – both in terms of product type and locational focus - and feed this through to the planning team.
- Supporting revised policies with a detailed explanation of the rationale behind them and the criteria that will be used to assess applications. The level of detail required may well be better dealt with in **Supplementary Planning Documents**.
- An on-going programme of research to support the policies in terms of monitoring changes in both demand and supply. This requires resourcing, both within the planning and tourism teams.
- Other professional support to be accessed on a case-by-case basis to properly evaluate the evidence presented.
- The development of a series of detailed business models (possibly with other local authorities) that will provide benchmark data on which to consider viability arguments. A number of local authorities have been challenged on this at appeal. The difficulty of applying viability and return on investment arguments to lifestyle businesses is a particular issue to explore.
- The importance of establishing dialogue between the Local Authority and accommodation operators/developers is strongly emphasised; pre-application discussions should be encouraged to steer schemes in the best possible direction to meet the destination need. Opportunities for negotiating some managed loss in return for a smaller but higher quality offer should be actively pursued. It is important to recognise that a more pro-active approach will have resource implications in terms of planner time, as planning teams - typically of the South East - are greatly stretched by the current pressure for development.

- Retention policy is being closely examined by a number of local authorities, and we strongly recommend that Chichester District Council keeps abreast of latest developments in this field and takes advantage if any opportunities for discussion and participation with other local authorities. TSE can advise on this.

9.3 Tackling the Sites Issues

The preparation of the Local Development Framework also offers an opportunity to help address one of the major obstacles to hotel investment in Chichester – the availability of sites, in the right location, and at the right price. We strongly support the allocation of sites in the LDF for hotel use, once optimum deliverable sites have been identified, to ensure that hotel uses don't get squeezed out of future developments.

However, we also recommend the following action in relation to sites for hotel development:

- The policies relating to hotel development are yet to be written, but where they relate to mixed use sites they should avoid including hotel on an 'and/or' basis with residential, retail, office and leisure – this could leave a loophole resulting in the hotel use not coming forward. As the likely lowest value use, developers may well look to squeeze the hotel use out. CDC will need to think through how to avoid this scenario to ensure the hotel sites can be delivered.
- Some thought also needs to be given to the 'what if' scenario in relation to hotel development not being delivered on the allocated sites. An element of flexibility in relation to other sites would be advantageous, so that there is scope to respond to changing demand and supply situations.
- Without an allocation it becomes more difficult to influence development, but opportunities should be taken to work with developers and if necessary to look at adding value to enable development to happen.
- Few of the developers we spoke to were aware of sites or potential sites in the District; in terms of refining site priorities it would be worth getting a firmer view from those who have expressed interest at an early stage. They will give a sound

view on the practicalities of development in each case that can be built into any design brief.

- Timescale remains an issue as there is live interest and market potential currently, and no sites ready to go. Thought should be given to ways of speeding up the process, particularly in relation to suitable budget sites.

9.4 Facilitating the Investment Process

The level of interest expressed by hotel developers and operators during the course of this study has been relatively high compared to the market potential identified. There is no real need therefore to undertake a major campaign targeting the sector. However, action does need to be taken to move this interest on.

This will require an element of **pro-activity** on behalf of the Local Authority, but in a focused way and to specific ends. **Following up the interest expressed** is the starting point, with a view to:

- Establishing site and location requirements in more detail;
- Identifying sites already being pursued and any difficulties in moving these forward;
- Getting an input on potential sites and if necessary Identifying additional sites with input from these hotel operators;
- Establishing what support they need in progressing their interest.

This input is best secured through face-to-face meetings in the destination, providing an opportunity to **build up a dialogue** with them, and if required to visit key locations and sites to generate additional feedback.

The two most frequently mentioned areas of support requested by hotel companies during our research were to provide details of sites, and to provide information to help them put together their market feasibility studies. **Supporting hotel operators' information needs** principally focuses on providing key data on:

- Major companies;
- Economic and population profiles and forecasts;
- Existing hotels represented, standard, size, location;
- Performance data on these hotels (occupancy and rate);

- o Development proposals for new hotels;
- o Other developments that might impact on the market;
- o Sites available with details of planning status, size, ownership;
- o Grants available and other sources of help;
- o Contacts within the local authority and other key agencies;
- o Relevant strategies and sector reports.

There is an opportunity to tap into a hotel investment campaign currently being undertaken by TSE, with print and web based materials. TSE can help with putting these materials together to a standard template, directing enquiries to the Council, and helping set up familiarisation visits with hotel developers and operators.

9.4 Strengthening the District's Hotel Market

Our research and discussions with the District's hoteliers, suggest two key requirements for strengthening the District's hotel market:

a) The Development of the Corporate Market

Growth in the corporate market will undoubtedly be a key determinant of improved hotel performance in the District, and a driver for new hotel development. It is the primary source of high-rated and midweek business for hotels. Growth in the corporate market will thus be a key driver for increasing hotel occupancy and average room rates.

The District Council should thus seek to encourage and support:

- The further development and expansion of existing companies in the District;
- The attraction of new companies, ideally major companies if they can be attracted; financial and professional service are sectors productive for the hotel sector, as are regional and national headquarters;
- The development of new offices (with office users usually generating higher levels of hotel business than industrial or distribution units).

b) The Development of Off-Peak Leisure Business

Hotels in the District generally have few problems attracting leisure business in the summer. Most are usually fully booked at weekends and often during the week

between April and October. Hotels most need additional business between November and March, particularly midweek. A key requirement, therefore, in terms of strengthening the District's hotel market is the development of winter leisure business through for example:

- Off-peak marketing campaigns targeting the emptynester/ early retired market in London and the South East, through the tactical marketing of midweek break offers through the Internet and more traditional channels of communication;
- The establishment of winter events;
- Year-round opening of the Chichester Festival Theatre, if viable;
- Marketing activity to attract other potential off-peak markets, such as shooting parties, bird watchers, and other special interest markets.

Hotels in Midhurst also felt that there needed to be stronger marketing of Midhurst as a leisure break destination, something that the Midhurst Tourism Partnership is seeking to address.

9.5. Communicating Key Messages

There are a number of audiences to whom the Local Authority will need to address the findings of this report, including:

- **Hotel developers and operators** – the importance of establishing a dialogue with them, following up their interest, listening to their needs and taking action in the areas they identify for support will all be key to making hotel investment happen on the ground.
- **Chichester District Council** – internal communication will be required with key officers across departments – Planning (Policy and Development Control), Estates, Economic Development and Tourism – and Members in terms of securing support for the recommended action and putting joint working in areas such as site identification into place.
- **Local and Regional Partners** – there may be opportunities to work with neighbouring Districts, the County and Regional Partners like TSE in taking forward the recommendations of this study – preparing investment materials, hosting visits from hotel developers, co-ordinating site identification and promotion, and tackling some of the more strategic issues e.g. re AONB, enabling development may be such areas.

There is also an opportunity to work with other destinations in the region that are facing common challenges in areas like retention policy development. TSE hopes to host a working group on this subject to move the planning guidance on, and perhaps to engage on some joint initiatives that could help policy development and implementation for all.

9.6 Making Intelligent Progress

This report is an important step in providing up-to-date, sound intelligence about the hotel sector, its performance and future development potential. There will be an on-going need to **monitor future demand and supply** trends at a level that will be meaningful to destinations and developers.

It may also be useful to look at **hotel performance modelling** – the development of typical business models against which to benchmark applications for change of use on viability grounds; this could possibly be commissioned with other local authority partners also interested in retaining hotel accommodation.

9.7 The Route Map and Delivery Package

Having identified the opportunities and made recommendations about supporting their implementation and the sector generally, a route map to delivering these on the ground needs to be agreed, both internally and with key partners. We would suggest that a key findings document with an Action Plan be put together based upon the recommendations of this study that can be fed into other on-going work, both to inform and to ensure that the needs and opportunities relating to the hotel sector are taken account of.

Bearing in mind the range of Officers at Chichester dealing, with hotel development enquiries, responsibility should be allocated for leading on this to ensure that someone has an overview of the big picture, and can co-ordinate response as well as pro-activity in this area.

On-going monitoring and review of demand and supply should be undertaken to ensure a continuing understanding of the market and product needs over the plan period, enabling the Council and its partners to be responsive to changing market

conditions – as well as any specific demand-generating initiatives that might come on stream.

Clearly this report is a beginning rather than an end in itself. There needs to be some agreement about how the findings of this study are to be used and publicised. Not all the messages are positive and there are elements of the report that need to be treated in confidence currently. In its current format it is hoped it will be of maximum use to the Council, but depending upon the sensitivity of its contents it may need presenting differently for public consumption.

Publicising an Executive Summary version may be the solution, focusing on the positive messages and potential rather than any areas of poor performance and unidentified demand.

There is much in these findings to be positive about, and there is a real opportunity for Chichester District Council to both re-set the framework and adopt a joined-up and market-led approach to attracting hotel investment that should enable the sector to play its full part in delivering the vision for the District's future.

APPENDICES

APPENDIX 1

HOTELS INTERVIEWED

APPENDIX 1

HOTELS INTERVIEWED

Hotel	Interviewee	Personal/ Telephone
Marriott Goodwood Park	Susan Thornton, Revenue Manager	P
Ramada Chichester	Steve Wilson, General Manager	P
Millstream	Antony Wallace, Proprietor	P
Crouchers Country	Lloyd van Rooyen, Proprietor	P
The Ship	Eve Gregory, General Manager	P
Suffolk House	Charlie Eustace, Proprietor	P
George & Dragon	Don Hoare, Proprietor	P
Inglenook, Pagham	Rebecca	T
Hilton Avisford Park	Steven Henderson, General Manager	P
Southdowns Country	Richard Lion, General Manager	P
Spread Eagle	Ted James, General Manager	T
Angel	Ian Webb, Proprietor	P
Park House	Richard Tree	P
Woodstock House	Aidan Nugent, Proprietor	P
Premier Travel Inn	Richard Powell	P
Travelodge Fontwell/ Emsworth	Amy Lloyd, Area Manager	T
The Old Railway Station	Mr Olafsson	P
Chequers, Pulborough	Kevin McCluskie, Proprietor	P
Horse & Groom	Michelle Martell, Proprietor	P
Royal Oak	Nick Sutherland, Proprietor	T
Halfway Bridge Inn	Annie Burdsfield, General Manager	P
St Andrew's Lodge, Selsey	Mr Humphrey, Proprietor	T

APPENDIX 2
LOCAL COMPANY SURVEY

CHICHESTER HOTEL FUTURES STUDY LOCAL COMPANY SURVEY

1. Approach to the Survey

1.1 Introduction

Tourism Solutions contacted a range of local businesses based in Chichester District, as part of the Chichester Hotel Futures Study. Structured interviews were conducted by telephone using a questionnaire. The purpose of the interviews was to elicit information on companies':

- Hotel booking behaviour;
- Views on current hotel and meeting/conference facility provision and usage;
- Future needs regarding accommodation and meeting/conference facilities.

1.2 Profile of Companies Surveyed

The table below outlines the companies that were interviewed during the course of this survey including location details. Detailed interviews were undertaken with companies that currently have demand for hotel accommodation.

Table 1

PROFILE OF COMPANIES CONTACTED	
Company Contacted	Location
Nature's Way Foods Ltd	Selsey
Mercer Human Resource Consulting	Chichester
Sofa Workshop	Petworth
Teknoflex Ltd	Chichester
Profile Therapeutics*	Bognor Regis
David Cover and Sons Ltd	Chichester
Barfoots	Pagham
John Wiley & Sons	Chichester
Princes Foods	Chichester
Rolls Royce Motor Cars Ltd	Westhampnett

* Relocating to Tangmere in 2006

2.1 Survey Results

A total of 10 detailed interviews were undertaken. The key findings are outlined below.

2.1.1 Hotel Booking Requirements

Factors Impacting on Choice of Hotel

Respondents were asked to rate the importance of a range of factors when choosing hotel accommodation for employees/visitors to the company, based on a scale of 1-5, where 1 is considered as *Very Important* and 5 is considered *Not Important*. A summary of the findings is presented below.

Table 2

FACTORS IMPACTING ON CHOICE OF HOTEL					
	<i>Very Important</i>				<i>Not Important</i>
	1	2	3	4	5
Ease of access	3	7			
Parking	2	5	2	1	
Tariff	5	4	1		
Standard of accommodation	8	1	1		
Quality of food	8	1	1		
Level of service	8	1	1		
Bar facilities	1	1	4	2	
Meeting room availability		2	3	1	4
Leisure facilities		1	2	3	3

- Standard of accommodation, quality of food and level of service are the key considerations when choosing hotel accommodation. Price also has an important bearing on the selection of hotel.
- Those aspects considered of much less importance are availability of meeting rooms and leisure facilities.
- The most important aspect in location terms is relative proximity to the company's office or site. However, if the a hotel has limited restaurant and bar facilities, companies tend to prefer to have their visitors/client stay in a hotel close to Chichester city centre.

Hotel Usage

- Average monthly roomnights booked, amongst those companies using hotel accommodation ranges considerably from 1 to 300 roomnights.

Table 3

COMPANIES - HOTEL USAGE	
Company Name	Average Room Nights/Month
Nature's Way Foods Ltd	12-21
Mercer Human Resource Consulting	70-95
Sofa Workshop	10-15
Teknoflex Ltd	1-2
Profile Therapeutics	10
David Cover and Sons Ltd	2-3
Barfoots	1-2*
John Wiley & Sons	???
Princes Foods	1
Rolls Royce Motor Cars Ltd	300

* Demand is very seasonal and in summer can rise to as much as 60-75 room nights in August, associated with the Growers Conference

- Rolls Royce Motors Ltd has the highest demand averaging 300 roomnights per month. Evidence from the representatives interviewed as part of the corporate survey indicates that their hotel demand is anticipated to increase from mid-2006 to mid-2007, during the production phase of the 'Cabriolet' due to take place at the Chichester plant. We understand that there has been press speculation as reported by the company representative, of the production of a new car at the Chichester plant, post 2007. This has yet to be confirmed.
- Mercer Human Resource Consulting also has a relatively high monthly demand, estimated at 70-95 roomnights per month. The company are currently going through a period of transition and as such staff from other branches of the company are assisting with this transition phase. Over the short term, monthly roomnight demand is unusually high, and is approximately one-third higher at present, than usual.

Tariffs

- Amongst companies currently requiring hotel accommodation in the Chichester area, tariffs paid range from £50.00 to £100.00 per person per night on a B&B basis. The average reported tariff was £75.00.

Training Courses/Conference Demand

- Three of the ten companies reported usage of external meeting/conference facilities:
 - Nature's Way host meetings on a monthly basis some of which are day only meetings with some having associated overnight stays;
 - David Cover & Sons Ltd host 1-2 day long only meetings annually. Goodwood House is the venue usually used;
 - Rolls Royce Motors Ltd host meetings/seminars once every 3 months with associated overnight stays.

2.1.2 Current Hotel Usage

Hotels Used

- Hotels used by the survey participants are outlined in the table below.

Table 4

COMPANIES - CURRENT HOTEL USAGE		
Hotels Used	No of companies using hotel	Reason
<ul style="list-style-type: none"> • The Ship 	7	<ul style="list-style-type: none"> • Convenient for visitors travelling by train • Convenient Location/ proximity to offices • For younger visiting executives • Within walking distance of company • Proximity and negotiated corporate rate
<ul style="list-style-type: none"> • Ramada 	5	<ul style="list-style-type: none"> • Only use this hotel when can't get availability at the preferred hotels – quality is an issue here • Convenient Location/ proximity to offices (no problems with the quality of the Ramada whatsoever) • Use as a last resort – quality is OK it's just not that conveniently located • Occasionally usage only but comments from visitors regarding quality have been made
<ul style="list-style-type: none"> • Marriott Goodwood Park 	4	<ul style="list-style-type: none"> • Good Standard • For managerial level visitors • Good range of facilities
<ul style="list-style-type: none"> • The Vestry 	4	<ul style="list-style-type: none"> • Convenient for visitors travelling by train • Convenient Location/ proximity to offices • Proximity and negotiated corporate rate

Chichester Hotel Futures

• Premier Travel Inn	3	• Mainly as an overspill hotel
• The Millstream, Bosham	2	• Superb quality hotel
• The Inglebrook, Pagham	2	• Convenient location/ proximity to offices • Olde Worlde hotel
• Hilton Avisford Park	2	• Good range of facilities
• St Andrew's Lodge, Selsey	1	• Convenient location
• Crouchers Country	1	• Convenient location
• White Horse, Chilgrove	1	• Superb quality hotel
• The Angel	1	• Convenient location/ proximity to offices
• Halfway Bridge Inn, Midhurst	1	• Convenient location/ proximity to offices
• Lythe Hill	1	• Convenient location /proximity to offices
• The Nags Head	1	• Convenient location/ proximity to offices
• The Royal Oak	1	• Quaint
• Spread Eagle, Midhurst	1	• Occasional usage

- From a usage point of view, The Ship is the most frequently mentioned hotel by the companies participating in the corporate survey. Convenience of location is reported as being this hotel's key selling point.
- Although 5 companies reported using the Ramada, this hotel tends not to be the first choice hotel for these companies. As the comments in the table above highlight, some companies feel that quality is an issue in relation to this hotel.
- The Marriott Goodwood Park tends to be the preference for companies requiring to accommodate managerial level executives.
- The Vestry is also a popular choice of hotel accommodation due to its central Chichester location.
- Beyond the above 4 hotels, companies tend to use a diverse spread of hotel accommodation and for various reasons, as detailed in table 4 above.

2.1.3 Future Hotel Needs

- Eight respondents indicated difficulty in finding accommodation in the Chichester area. On the whole, this tends to coincide with events being hosted in Goodwood. In this regard, the following was reported:
 - *During, July, August and December availability can be difficult but we have corporate rates with the hotels we use, so can usually get availability.*
 - *During Goodwood Festival week availability can prove a problem, but we ensure that people don't visit the company during this period – it's not very often that we can't get availability at our preferred hotels – if that does happen we just go to the Premier Travel Inn*
 - *Availability is an issue during Goodwood Festival week and when there are other events on in the summer, but we can always get availability in local B&Bs or the Millstream at Bosham.*
 - *Major events hosted at Goodwood can prove problematic in terms of getting availability – we tend to re-arrange when visitors come to the company or on occasion we have had to go to Brighton or Portsmouth*
 - *Goodwood Festival week can be really busy so have to try a selection of the local hotels*
 - *During Goodwood Festival week we had a plane full of people to accommodate – had to go to the Hilton Avisford Park but that many people would have caused a difficulty anyway*
 - *When Goodwood events are on availability can be an issue. In this instance we use the Premier Travel Inn or B&Bs in Chichester*
 - *Availability is a challenge when Goodwood events are on but we can always get availability (Rolls Royce). The issue is more related to a lack of hotel accommodation at the 5 star end of the market (in central Chichester) and at the luxury end of the market in a rural location – in these instances we have had to travel out as far as Amberley Castle (15 miles away)*

- Comments received from those not experiencing any difficulty with availability included:
 - *Can always get availability (at hotels in Midhurst that is)*
 - *Obtaining availability is no longer an issue - the opening of the Premier Travel Inn (opened about a year ago) made a big difference in terms of availability*
- With the above comments in mind, six of the ten respondents indicated that they would support the provision of an additional hotel for the following reasons:
 - *A new good standard business hotel would be a nice addition to the hotel stock in Chichester*
 - *A good quality hotel is needed in central Chichester - used to use the Marriott but it's been a while since it always tended to be booked up by Rolls Royce Motors Ltd*
 - *A new, more modern, yet homely style hotel would be a nice option in addition to the three hotels which we currently use (The Angel, Halfway Bridge Inn and the Lythe Hill) which are all quite old-fashioned*
 - *The area is limited in terms of quality of hotels*
 - *There is a need for more hotels especially in central Chichester, of good 4 star or boutique style*
 - *There is a need for more hotel accommodation at the 5 star end of the market in central Chichester and also for a luxury hotel in a rural location within 5 miles of Chichester. Wouldn't be interested to using a new hotel on the east side (i.e. Portsmouth side) of Chichester though*

- Preferences for the style and standard of new hotel accommodation in Chichester district varied as follows:
 - 3 companies highlighted demand for a 4 star business hotel within the £60-£100 per night B&B range. 2 companies expressed a preference for a central Chichester location compared with one company expressing a preference for a Selsey location
 - 3 companies indicated that a boutique style hotel in central Chichester would meet their hotel requirements. Specific reference was made to a Malmaison-style hotel. Associated parking was considered imperative. Tariffs which these companies would be willing to pay ranged between £60-£100, dependent upon the quality of the offer
 - 2 companies expressed a preference for a country house hotel to be located in the rural district. One company's preference was for a location near Midhurst compared with the other company's preference for a rural location within, ideally, a 5 mile drive of Chichester.

2.2 Summary of Findings

- Average monthly roomnights booked, amongst those companies using hotel accommodation ranges considerably from 1 to 300 roomnights. Tariffs paid range from £50.00 to £100.00 per night on a B&B basis, with the average being £75.
- From a usage point of view, The Ship is the most frequently mentioned hotel by the companies participating in the corporate survey. Convenience of location is reported as being this hotel's key selling point. Although 5 companies reported using the Ramada, this hotel tends not to be the first choice hotel for these companies; quality is also an issue in relation to this hotel as reported by some companies. The Marriott Goodwood Park tends to be the preference for companies requiring to accommodate managerial level executives.
- Three of the ten companies reported usage of external meeting/conference facilities.
- Standard of accommodation, quality of food and level of service are the key considerations when choosing hotel accommodation. Price also has an important bearing on the selection of hotel. The most important aspect in location terms is relative proximity to the company's office or site.

- Eight respondents indicated difficulty in finding accommodation in the Chichester area. On the whole, this tends to coincide with events being hosted in Goodwood. Despite this, most companies reported being able to get availability.
- Six of the ten respondents supported the need for additional hotel provision in the district. This related mainly to the need for more higher quality hotel accommodation, as follows:
 - 3 companies highlighted demand for a 4 star business hotel within the £60-£100 per night B&B range. 2 companies expressed a preference for a central Chichester location compared with one company expressing a preference for a Selsey location
 - 3 companies indicated that a boutique hotel in central Chichester would meet their hotel requirements. Specific reference was made to a Malmaison-style hotel. Associated parking was considered imperative. Tariffs which these companies would be willing to pay ranged between £60-£100, dependent upon the quality of the offer
 - 2 companies expressed a preference for a country house hotel to be located in the rural district. One company's preference was for a location near Midhurst compared with the other company's preference for a rural location within, ideally, a 5 mile drive time of Chichester.

APPENDIX 3
DEVELOPER/OPERATOR RESPONSES

CHICHESTER SUMMARY OF DEVELOPER RESPONSES

COMPANY	LIKELY DEVELOPMENT INTEREST IN CHICHESTER
4 STAR	
MARSTON	Response received by email – “Chichester is not an area we would rush to”. From previous consultations with Marstons re their development programme, we are aware that they are looking to develop large (150 room) 4 star hotels with full conference and leisure, generally targeting cities of 100,000-150,000 minimum population and a large corporate base. The fact that Chichester has the Marriott and the Ramada in this market is likely also an obstacle.
COUNTRY HOUSE/RESORT	
EXCLUSIVE	Not currently interested as have just bought another property.
HAND-PICKED	No response to date
ELITE	No response to date
SIMON MATTHEWS-WILLIAMS	Developer and operator of country house hotels with conference, function and leisure, currently developing Cadbury House just outside Bristol. Former franchisee of Holiday In and owner of their hotels in the South East and North West England. Actively looking for rural sites with access to business and leisure markets for this type of use across the UK. Hotel would be around 50 rooms. Interested in this part of Sussex if a suitable property could be found at the right price. Enabling development is sometimes required to make these units stack up.
VON ESSEN	No response to date. Bought Luxury Family hotels to run as a brand alongside Classic Hotels and Country Hotels. Expanding into France and Italy. Hoping to buy a large London hotel and roll out its Bath House Spa brand.
WARNER Just For Adults	Warner has two Just For Adults hotels in relative proximity to Chichester, on Hayling Island. Neither of these, however, are part of their historic group, so there could be some product differentiation with a rurally-based hotel in a character, heritage building. He company has looked and is still looking for opportunities across the South East. However, these are destination-led, leisure break products, so they need the appeal and awareness of a leisure destination. The company felt Chichester and the South Downs could have that appeal, and they would be interested to be notified of suitable properties. These are capital intensive investments – the total cost would need to be around £12-£13 million for acquisition and conversion/fit out, for 200 rooms plus entertainment facilities. A site of 30 acres is usually sought, not on a main road. They will build new as well as convert. Former hospitals and schools and historic

	houses are typical aites. As cost is an issue enabling development may be necessary – the company are well-known to English Heritage and they know they deliver as promised.
3 STAR/ UPPER TIER BUDGET	
BDL	Currently developing another 3-5 Express by Holiday Inns, then rolling out 40 Ramada Encores over 3 years. Chichester doesn't make the top 40 cities in the UK (south coast is Portsmouth, Southampton, Brighton), but that doesn't mean they wouldn't look at it – a lot of development is opportunistic. Levels of denials at Premier Travel Inn impressive. Like the mix of one or two larger companies booking lots of rooms then many small companies – means that business it not dependent on a key player that leaves them exposed if they relocate. In terms of location ideally would like to be in the town centre as this gives uplift on rate over a fringe site. However, don't do lease deals, so need to be able to build a free standing unit on say an acre of land. Could this be built into one of the larger sites?
DE VERE	Chichester is not on their published 'hit list' because of its level of population; most towns they target have a population of 100,000-150,000 minimum to feed their leisure club offer. Happy to run an analysis based on postcode for a site, in town and out of town. Level of corporate business also an issue – dominated by Rolls Royce, although public services can pay rates they aspire to. Concern that contractor business may run out and be the reason for strong levels of denials currently. Would need a site of minimum 3 acres which immediately pushes the Village offer to the town fringes or A27 corridor. Value also an issue in an area like this – indeed in most of the South East where residential market strong. Concentrating on larger cities in the wider region – Southampton, Portsmouth, Brighton.
GOLDEN TULIP	Not on their hit list – their statistical analysis shows the demographics coming up at 100,000 population, but they will run a more detailed analysis and come back with comments. Proximity to their Portsmouth site a possible issue. Leisure demand at weekends and holiday periods attractive to balance the business.
BROPAR	Definitely interested in Chichester and the A27 corridor – are looking at something at Havant but would do both. Could be an Express by Holiday Inn, a Ramada Encore or a Days Inn. Need good access and good parking and ideally visibility from the A27. If the Council has control over any sites these would be preferred. Central sites are of interest but may be an issue re value and trying to compete with residential. They have visited the city and met with some agents – looked around the canal and other areas – but availability and prices were real barriers. In order to make development happen concentrate on one hotel initially, ideally a limited service brand as these are lower risk and bring the strength of the brand/support with them.
JURYS	Chichester is too small for Jurys – normally develop hotels of 200-250 rooms and target major cities like Portsmouth, Southampton

	(recently opened) and Brighton (currently developing). Size of destination is critical as an indicator of level or corporate demand.
CENDANT	Interested in developing the Days Inn brand here. Has a number of franchisees that may be interested including one that is a joint venture with McAlpine (New World Leisure) that could deliver bigger mixed use schemes (aiming to develop 30 hotels). Will consult franchisees and come back to us.
HARRELL HOSPITALITY	Interested to discuss opportunity further; will come back with comments and questions.
PARK INN (RezidorSAS)	Would be interested for their Park Inn brand – essentially a 3 star offer being developed in the UK – 2 in place and recent acquisition of 9 Moat House Hotels that will be re-branded. Targetting all major and secondary cities in the UK. Consultee had only recently moved to RezidorSAS (also owners of Radisson 4 star offer), but had looked at the Chichester area previously for a Days Inn when with Cendant. Likely to be a site on the outskirts for 90-100 rooms. New build will develop and own. Bigger scheme or acquisition of existing hotel will tend to be done with a developer/investor with management agreement.
SOMERSTON CAPITAL	Have recently bought BDL hotels HIX portfolio and are actively expanding. Very difficult to get sites in the South East – although Chichester is not on the hit list they probably would look because under-represented here; nearest HIX is Portsmouth Gunwharf Quays. Did look at Chichester around 6 months ago but not in detail at sites. Likely prefer A27 sites because feel the city can't support a large hotel on its own – important to mop up strategic business from the A27 therefore. Weakness of the corporate base an issue. Would need to look at sites and re-visit but attractive to be close to Rolls Royce as main user of hotels in the area. Would look at other A27 junctions however. Interested to receive more information and consider opportunities on their own merits.
BOUTIQUE	
HOTEL DU VIN	"Although Chichester is exactly right for Hotel du Vin it is not currently on our radar screen due to other commitments".
ALIAS	Prepared to take a look – historic cities can work well for boutique hotels providing they have a critical mass of businesses to generate corporate demand (Alias are currently in Exeter and Cheltenham for example). Leisure market should do well here and sounds to be a good market for the restaurant offer. Prefer to be in the centre with some quality residential nearby, but might look at a slightly more fringe location provided the residential was there for the restaurant. Would like to look into it further.
ABODE	No response to date. Second Abode opened recently in Glasgow, The Arthouse (60 rooms); also have Abode Exeter. Abode Canterbury (County) opening Spring 2006 and Abode Gidleigh Park in Devon summer 2006. Michelin Chef Michael Caines and hotelier Andrew Brownsford. Aiming for 15 Abode hotels in the next 5 years, targeting

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	major cities and towns across the UK.
NICHE HOTELS	No response to date. Development Director on leave until early February but details have been sent to his PA and they will respond as soon as he is back in the office.
FINESSE	Currently targeting the Midlands for further expansion to 5 properties for management reasons, though interested in principle. The medium term strategy will involve expansion further afield. Cathedral cities with an affluent local population seem to push all the right buttons for boutique hotels.
BESPOKE	No response to date. Currently have 9 hotels; a number of acquisitions that they have re-positioned and up-graded as quality and boutique hotels. Most recently The New Pinewood at Slough and the Dolphin at Southampton.
CORE BUDGET	
TRAVELODGE	Do have an active requirement in Chichester for a 40-50 room budget hotel in the city centre. Happy to be part of a mixed use scheme, or to convert an office. Also don't necessarily need to be on the ground floor where an alternative higher value use would work – can take space on upper floors including reception. Haven't visited to search for sites as yet as have representation in the area and is a smaller scheme, so such locations tend to be more reactive than pro-active, but very interested and would welcome the opportunity to learn about sites and to talk to the Council about mixed-use opportunities and how these have worked in other locations and deals. Opened 38 lodges last year and 30 of them were part of mixed-use schemes. Will also consider sharing parking and delivering less parking if car parks available nearby nb PPG13; find that Local Authority response to this varies. District Council needs to push developers to make part of site/scheme available for hotel – they will claim there is no hotel requirement to get higher value residential. This study should show through consultation where there is an active requirement.
INNKEEPERS LODGE	About to start work on a Vintage Inn and 40 room lodge at Fontwell Racecourse (March 2006) which will draw to some extent on the Chichester market. Also have 2 hotels/lodges at Portsmouth and so unlikely to develop at Chichester. However would invest in a pub/food offer here – would need to be a free-standing building. Lodges are not their main business area but an add-on to the food and beverage business – develop around 5 per year, compared to 15-20 pub restaurants
PUB ROOMS	
OEI	Strategic requirement for acquisition and development of destination dining pubs with a quality rooms offer in the South East, should any come forward in this District. May be rural or urban sites, most likely relating to Chichester or one of the market towns. Had

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		looked at The Angel when it was on the market but very expensive.
GALES		Have just been taken over by Fullers so estate and development strategy under review. In the past Gales has developed rooms on its good food pubs and Fullers also has a rooms/hotel estate, so chance are they will be looking to continue investing where appropriate.
SUSSEX COMPANY	PUB	Developers and operators of two quality pubs with rooms (Royal Oak and Halfway Bridge Inn), currently developing rooms at a property in Chichester (Trents). Owner sees the potential for further similar developments with quality food offer, in Chgichester, market towns and the rural area.
OTHER		
GOODWOOD ESTATE		No response to date re the future of the Marriott
WAW LEISURE (The Place Hotels)		Interview conducted in confidence.

APPENDIX 4
SITE ASSESSMENTS

CHICHESTER

POTENTIAL HOTEL SITES & PROPOSALS

LOCATION	SITE DETAILS	COMMENTS
CENTRAL CHICHESTER		
	<ul style="list-style-type: none"> Telephone Exchange 	<ul style="list-style-type: none"> Outstanding setting opposite the Cathedral, with retail fronting the road and parking plus County Hall offices behind it. Office buildings being marketed – potential office and residential? Value issue for a hotel unless this can be built into any planning agreement.
	<ul style="list-style-type: none"> Northgate House * 	<ul style="list-style-type: none"> Attractive building and location in heart of old town, close to Ship, shopping and restaurants. Potential for boutique hotel conversion? Currently offices for County Council. Parking?
	<ul style="list-style-type: none"> 16-17 Northgate 	<ul style="list-style-type: none"> Within the gyratory system at the north of the city; office block and adjacent derelict buildings (Metro House and North Lodge). Busy location with proximity to shopping and restaurants; plus theatre and adjacent facilities including large car park opposite. Good site.
	<ul style="list-style-type: none"> Osbornes * (timber merchant) 	<ul style="list-style-type: none"> Possible relocation from this site. Good location on busy route into the city (southern gateway), opposite the Premier Travel Inn and new leisure park. Value an issue if residential and office uses likely to be granted here. Hotel would want frontage/visibility to the main road. Could make something of the canal basin, waterside bar/restaurant etc.
	<ul style="list-style-type: none"> Royal Mail sorting office/ Canal Basin 	<ul style="list-style-type: none"> Good site – more open surrounds than the Osborne site, though clearly would lend itself to residential; competing land values an issue. As with Osborne's, a key route into the city centre from the main A27
	<ul style="list-style-type: none"> Bus station and adjacent garage 	<ul style="list-style-type: none"> Split site; it adjoins the railway so could be noisy. Frontage to or at least visibility from the A286 preferable. Likely 3 storey.
	<ul style="list-style-type: none"> Shippams redevelopment 	<ul style="list-style-type: none"> Being developed for retail with residential, on site

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	site, Eastgate	
	<ul style="list-style-type: none"> Eastgate 	<ul style="list-style-type: none"> Retail scheme adjacent to Shippams with residential, with planning – timescale 1-2 years. Good general location if could include hotel – value issue and parking would need to be adjacent.
	<ul style="list-style-type: none"> Graylingwell Hospital 	<ul style="list-style-type: none"> Redundant mental health hospital to be a major housing area with B1 also; brief being written with English Partnerships. Off-pitch re main traffic flows to the south of the city and the town centre; other better-located sites in these areas. Access will improve with new link road from the east/Barnfield Road.
	<ul style="list-style-type: none"> Royal Military Police Barracks 	<ul style="list-style-type: none"> Surplus to requirements; included in the Graylingwell brief; housing and affordable housing. Comments re location as above, though there is some frontage to the Midhurst road A286.
	<ul style="list-style-type: none"> Buildings in Cathedral ownership for boutique conversion? 	<ul style="list-style-type: none"> Potential area of search? Significant ownership in south-west quadrant of the city centre, though largely medieval and Georgian properties, might be difficult to knock together due to quality of architecture, and likely only small units.
	<ul style="list-style-type: none"> Suffolk House Hotel 	<ul style="list-style-type: none"> Lack of parking a limitation; attractive building in developing location. Off East St. Future pressure for change of use?
CHICHESTER SURROUNDS		
	<ul style="list-style-type: none"> A27 Fishbourne roundabout 	<ul style="list-style-type: none"> Two undeveloped sites either side of Terminus Rd (industrial, car sales, distribution uses plus Shippam’s factory); good out of town sites with visibility. Possible park and ride sites? Once surface level car parks at capacity timescale issue therefore. Unclear how they will be affected by the A27 improvements, link road and flyover.
	<ul style="list-style-type: none"> Potential South West Chichester strategic location 	<ul style="list-style-type: none"> Site adjacent to the garage on the A27 westbound; good visibility to A27, but dislocated from town centre and restaurants etc as on south side of the dual carriageway. Access currently only off the A27 westbound, is a limitation also – opportunity to improve this with new link road and A27 improvements?
	<ul style="list-style-type: none"> Potential West Chichester 	<ul style="list-style-type: none"> Site has poor access and is isolated from business uses, accessed through

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	strategic location	poor quality housing. Seen by Development Control planners as in a strategic gap of countryside. Possible housing allocation here, but without improved access to the A27 would not interest hotel developers.
	<ul style="list-style-type: none"> Potential East Chichester strategic location 	<ul style="list-style-type: none"> Industrial site, mineral extraction - poor environment, though proximity to major users like Rolls Royce an advantage, as would be visibility and direct access from A27 dual carriageway
	<ul style="list-style-type: none"> Potential North East Chichester strategic location 	<ul style="list-style-type: none"> On the edge of the Graylingwell Hospital site and Barnfield Road where there is some business use; new road that will link them. Longer term and off-pitch compared to other sites put forward.
	<ul style="list-style-type: none"> Potential West Tangmere strategic location 	<ul style="list-style-type: none"> New business park with Virgin Vie. Espicom and Carte Blanche here. Distribution but aspirations for higher end research and development. National HQ of a medical manufacturer with an international market being built. Small presence as yet. Distance from Chichester a disadvantage compared to other strategic sites
	<ul style="list-style-type: none"> Potential West Fishbourne strategic location 	<ul style="list-style-type: none"> Currently no access to or from the A27 – visibility alone will not satisfy operator site needs. Unclear whether access will be enhanced by new link road connection. Still distant from town centre and businesses compared to some of the other sites proposed. Visibility from the A27 a plus, and potentially a larger site available if required.
RURAL AREA		
MIDHURST (Woolbeding)	<ul style="list-style-type: none"> St Cuthman's School 	<ul style="list-style-type: none"> A Listed house previously a special school owned by the County Council. A developer has bought this for residential conversion and some new-build. Unable to view property. Access is difficult, but could have some potential for a destination offer.
PETWORTH	<ul style="list-style-type: none"> Golf club 	<ul style="list-style-type: none"> Interest in addition of tourist accommodation through the conversion of outbuildings. Unclear whether this is being operated on a self-catering or serviced basis.
SELSEY & THE	<ul style="list-style-type: none"> Possible 	<ul style="list-style-type: none"> Long term investment proposals to up-

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WITTERINGS	development of hotel accommodation on existing caravan sites	grade sites; area suffers from poor infrastructure
	<ul style="list-style-type: none">• West Wittering car park	<ul style="list-style-type: none">• Potential interest from local/regional hotel operator in development here• Wealthy area in contrast to Selsey and East Wittering
FERNHURST	<ul style="list-style-type: none">• Fernhurst Park (ICI HQ)	<ul style="list-style-type: none">• Hotel included within this proposal – 150 rooms plus 350-400 houses. Somewhat isolated for a budget hotel and doesn't appear to be a destination hotel location/site, though unable to access the property. An alternative might be management training centre use.

- **Confidential**

APPENDIX 5
HOTEL DEVELOPER/OPERATOR CONTACTS

HOTEL DEVELOPERS AND OPERATORS EXPRESSING INTEREST IN CHICHESTER

HOTEL COMPANY NAME	CONTACT/POSITION	ADDRESS/TELEPHONE
Alias LHM	Nigel Chapman Finance Director m. 07710 504804 e. nigel.chapman@lhmplc.com	Alias LHM 103 Farrendell Road Emerald Park Bristol BS16 7FF
BDL - Express by Holiday Inn - Ramada Encore -	Steve Terry Development Director t. 07931 901 728 e. steve.terry@bdlhotels.co.uk	B D L Hotels Ltd Holiday Inn Heathrow Sipson Way Bath Rd West Drayton Middlesex UB7 0EA
Bropar - Express by Holiday Inn - Ramada Encore - Days Inn	Andrew Parry Director m. 07765 257220 e. apjparry@aol.com	2 The Gables Corseley Road Groombridge Nr Tunbridge Wells Kent TN3 9SG 01892 864360
Cendant - Days Hotel - Days Inn - Days Apartments - Ramada Encore - Ramada International	Stephen Wright Head of Franchise Services t. 020 8762 6617 m. 07793 696722 e. stephen.wright@cendanteuropa.com	Cendant Hotels Landmark House Hammersmith Bridge Road London W6 9EJ

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Finesse	James Blick Group Managing Director t. 0115 852 3202	Finesse Hotels 50 St Mary's Gate 2 nd Floor Nottingham NG1 1QA
Gales/Fullers	Derek Beaves Head of Marketing t. 023 9257 1212 e. d.beaves@gales.co.uk	George Gale 7 Co. The Hampshire Brewery Horndean Hampshire PO8 ODA
Golden Tulip	Peter Roberts Managing Director t. 01765 658911 e. peter.Roberts@goldentulip.com Angela Crawshaw, Senior Researcher	Golden Tulip Hotels The Hutts Grewelthorpe Ripn N Yorkshire HG4 3DA
Greene King	Donald Stevenson Property Director t. 01284 763222 m. 07974 132321	Greene King plc Abbott House Westgate Brewery Bury St Edmunds Suffolk IP33 1QT
Hotel du Vin	Bruce Cave Acquisitions Director t. 0207 706 2121 e. bcave@mwb.co.uk	MWB 1 West Garden Place London W2 2AQ 0207 479 9512
Rezidor/ Park Inn	Lee Syrett Director, Business Development t. 0032 2702 9226 m/ 0032 473 846 863	Rezidor SAS Hospitality Avenue de Bourget, 44 B-1130 Brussels Belgium 20
Simon Matthews-	t. 0151 236 1470	26 Exchange Street

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Williams - Country House and Destination Hotels	e. jools.hicks@ukonline.co.uk	Liverpool
Somerston Hotels	James Hodson t. 0207 968 0633	Somerston Hotels Langley Barn 390 Birmingham Rd Stratfords upon Avon Warwickshire CV37 0RE 0870 444 5190
Travelodge	Tony O'Brien e. tony_obrien@travelodge.com m. 07785 115628	Travelodge Head Office Oxford House Oxford Road Thame OX9 2AH
Warner (Just for Adults)	Ruth Shaw Property Surveyor t. 01442 239 300 x 3908 e. ruth.shaw@bourne-leisure.co.uk	Bourne Leisure Ltd 1 Park Lane Hemel Herts HP2 4YL

Appendix Three

1 Introduction

This study document is a broad appraisal of the existing infrastructure and accommodation options for visitors compiled with a view to forming the basis of a more detailed feasibility product/market study. The appraisal will form the basis of information to guide the formulation of policies in the LDF.

1.1 Methodology

An extensive desk top audit has been conducted using a variety of sources including the internet and telephone directories as well as contacts developed through TSE's expertise in cycling and equestrian tourism in the region. General sources of information are detailed in Table 1 below. Sources specific to each activity are detailed under the relevant section.

Table 1. – General Sources of information

Source of information	Description
www.yell.com and Yellow pages	Yellow pages on-line and directory
www.thompsonlocal.com	Thompson directory and on-line
www.chichester.gov.uk	Chichester District Council home page
www.chichesterweb.co.uk	Community website directory
www.chichesteruk.co.uk	Unofficial Chichester directory
www.vic.org.uk	South Downs Website
www.sportfocus.com	UK Sports Network

The audit includes all significant operators in Chichester District. The information from the audit is presented below. The spatial distribution of the operators has also been examined and can be seen on corresponding maps.

A SWOT analysis of the cycling and equestrian product in Chichester District has also been conducted to supplement the information contained in the audit. Finally, a range of potential market segments have been identified as well as a number of suggested action points.

2 Analysis of the Current Cycling Product in Chichester District

The audit of the cycling tourism product in Chichester attempted to identify all cycle hire outlets, bicycle retailers, cycling tour operators, cycle clubs and cycling based events in the District. The audit also uncovered selected cycling friendly accommodation providers and a number of publications aimed specifically at cycling in the district. In addition the promoted cycle network in the district has been identified from 'Sustrans', the Sustainable Transport Charity.

Table 2. Sources of information for cycling activity

Source of information	Description
www.countrylanes.co.uk	Active travel specialists - cycling and walking
www.cycleweb.co.uk	Database of companies providing cycle hire, clubs.
www.ctc.org.uk	UK National Cyclist organisation
www.sustrans.org.uk	Sustainable Transport Charity
www.nationacyclenetwork.org.uk	Sustrans cycle network
www.cycle-routes.org	Cycle routes website
www.timeoutdoors.com	Cycling information
www.ba-gb.com	British Bicycle association
www.bcf.uk.com	British Cycling
www.bikeforall.net	Bicycle Association and department for transport
www.bikebiz.com	Bicycle Trade Directory
www.cycle-n-sleep.co.uk	Directory of cycling friendly accommodation providers

2.1 Cycle Hire

A total of 5 cycle hire outlets have been identified within the Chichester District area (See map 1). A number of bicycle retailers may also provide cycle hire; however, if this is not actively promoted by the retailer via websites or listings in directories they have not been included as a cycle hire outlet. Three of the cycle hire outlets are concentrated in and around Chichester itself. One of the outlets is located nearby on the edge of the Manhood Peninsula. The remaining outlet is located just North of the South Downs Way in Midhurst.

Table 3. Cycle Hire

Operator Name	Location
Barreg Cycles	Fishbourne, Nr. Chichester
Chain Reaction	North Bersted
Hargroves Cycles	Chichester
Midhurst Sports and Cycles	Midhurst
Shed End Bikes	Chichester

Map 1. Cycle Facilities.



2.2 Bicycle Retailers

13 bicycle retailers were identified in the audit. 3 geographical clusters can be identified from table 4 and the corresponding map of these retailers. 6 retailers are located in and around Chichester itself. A further 3 are located along the coastline of the Manhood Peninsula. The remaining retailers are located to the North of the district close to the South Downs, for example, 2 are in Midhurst.

Table 4. Bicycle Retailers

Retailer Name	Location
2XS	West Wittering
Arun Cycles	Chichester
C G Stenning	Chichester
Camza	Midhurst
City Cycles (Chichester)	Chichester
Hargroves Cycles	Chichester
Pedal Pushers	Selsey
Serious Mileage	West Wittering
Shore Bikes	Chichester
The Cycle Shop	Chichester
Two wheels plus cycles	Billingshurst
Ultimate Sports Engineering Ltd	Petworth
Weald Bikes	Midhurst

2.3 Cycling Tour Operators

Only 2 tour operators providing trips involving areas in Chichester District, specifically areas of the South Downs, have been identified. Red Spokes Adventure Tours run a twice yearly, 3 day, South Downs Tour costing £165. Red

Spokes Adventure Tours are a London Based company and specialise in international adventure tours. Lets Off Road Mountain Biking Adventure Holidays run a 1 day guided tour of the South Downs in July. The cost of this tour is £35. Lets Off Road are based in Kent. A wealth of companies provide cycling tours in the UK. These companies generally concentrate their tours in geographical areas. For example, Bicycle Beano Cycling Holidays operate in Wales and Shropshire, Suffolk and Norfolk Cycle Breaks operate in East Anglia, Discovery Travel operate in the North of England and Wildcat Bike Tours operate solely in Scotland. A number of tour companies operate throughout the UK. For example, Country Lanes organise tours in the Cotswolds, the New Forest, the Isle of Wight and the Lake District and Sherpa Expeditions also operate cycling tours in the Cotswolds as well as the Yorkshire Dales.

2.4 Cycling Routes and Publications

A number of cycling routes in Chichester District have been identified. The main source of this information is from Sustrans, the Sustainable Transport Charity who work on projects to encourage people to walk, cycle or use public transport. Such projects include developing the National Cycle network. In 2004 it has been estimated over 77 million trips were made by cyclists across this network nationally.

4 cycle routes forming part of the National Cycle Network have been identified as located in Chichester District and these can be seen on a corresponding map. Chichester District will be able to increase its share of this market when National Route 2 is completed.

Table 5. Cycle Routes in Chichester District

Route Name	Location
The South Downs Way	Eastbourne to Winchester
The Centurion Way	Chichester to West Dean
National Cycle Route 2	South of Chichester
Cycle Chichester	In and around Chichester

In addition 5 cycling publications have been identified relating specifically to cycling opportunities in Chichester District. The principal author of these is the UK National Cyclist Organisation. These publications include 'The Downs Link-a Six Stage Guide', 'Ride the Big Weald', 'Cycle West Sussex', 'Cycle Chichester Map' and 'Centurion Way Railway Path'.

Map 2. Cycle Routes In Chichester District



2.5 Cycling Clubs

The Bognor Regis and Chichester Cycling Club is the local group for members of the Cyclists Touring Club. A number of other cycling clubs and organisations operate on a larger scale for example South East Cycling is the regional arm of the British Cycling Federation. Rother Valley Cycling Club is also listed on Chichester District Council's Leisure web pages.

2.6 Cycling Events

A number of specific cycling events in the Chichester District take place annually. These are Chichester Bike Week in June, which is organised by Bike Week as part of National Bike Week and the City of Chichester International Challenge which will be held on the 16th July 2006 and is organised by the Rotary Club and City Council.

2.7 Cycling Friendly Accommodation and Eateries

The audit identified a number of cycling friendly accommodation providers and eateries. The following is unlikely to be a full audit of all such operators in Chichester District but covers only those that specified that they provide a service to cyclists. The information is provided by the Cyclists Touring Club. Other directories were consulted for example 'Cycle and Sleep' and no further listings were found for Chichester District.

Table 6. Cycling Friendly Accommodation providers and eateries

Accommodation Provider	Location
Aldingbourne Country Centre	Chichester
Brook Barn	Grafham
Eedes Cottage	Pulborough
The Cricketers Arms	Wisborough Green

3. Analysis of the Current Equestrian Product in Chichester District

The audit of the current equestrian product in Chichester District attempted to identify a range of equestrian enterprises, opportunities and events in the District. This includes Riding Centres, Stables and Schools, Riding Clubs and Organisations, Polo Clubs, established riding trails, accommodation providers and attractions and venues. The audit often only established one main equestrian function for an identified contact, but it was clear that many establishments are multi-functional.

Table 7. Sources of information for equestrian activity

Source of information	Description
www.bef.co.uk	British Equestrian Federation
www.bhs.org.uk	British Horse Society
www.abrs.org	Association of British Riding Schools
www.horseweb-uk.com	Directory of businesses
www.horse-directory.co.uk	Directory of businesses
www.rideuk.org	National Bridleway Network

In addition DEFRA were contacted for information on any agricultural holdings who are recipients of DEFRA/RES grant funding for diversification to equestrianism. The British Equestrian Federation produce a directory of tourism businesses and this has also been consulted along with the publication 'Bed and Breakfast for Horses'.

3.1 Riding Centres, Stables and Schools

A total of 27 Equestrian operators were found in Chichester District. Such operators include riding centres and stables and riding schools. Due to the nature of the South Downs, operators which sit on the border of Chichester District but just outside have been included in this audit. Of the 27, five can be classed as riding schools; six can be classed as riding centres and the remainder as stables. A number of the riding stables identified in this audit will comprise professional stables and therefore may not offer opportunities for leisure visitors.

Looking at table 8 and the corresponding maps, equestrian operators are relatively geographically spread throughout the district. However, there are a number of small concentrations of equestrian activity. One concentration is to the West of Chichester. The others are around the Manhood Peninsula and around Midhurst on the South Downs.

Table 8. Equestrian Operators

Operator Name	Location
A.B.R.S Riding School	Albourne
B.H.S Riding School	Arundel
Berrywood Livery and Riding Stables	Midhurst
Boxgrove Competiton Stables	Boxgrove, Nr Chichester
C and C Equine Services Ltd	Wisborough Green
Cakeham Stables	West Wittering
Cockleberry Farm	Bosham, Nr Chichester
Eastmere Stables	Eastergate, Nr Chichester
Eastwood Stud Farm and Riding School	Graffham
Hedgers Horse Transport	Eastergate, Nr Chichester
Hunters Lodge Riding Centre	Chichester
J Reilly Riding School	Midhurst
J.H. Kendall Livery Stables	West Dean Chichester
J.K. Wason	Emsworth
Lavant House Stables	Lavant, Nr. Chichester
Lordington Livery	Lordington, Nr.Chichester
Morecombe Stud t/a Equine Entertainments	Goodwood
Norwood Equestrian Centre	Gratham
Parkers Stables	East Lavant, Nr. Chichester
Rookmore Riding and Driving School	Hambrook, Nr.Chichester
Sandilands Equestrian Centre	Nr.Petersfield
Selsey Riding Centre	Selsey
The Cowdray Viscount	Midhurst
Valley Farm Livery Stable	Emsworth
Willowbrook Riding Centre	Hambrook
Woolbeding Riding School	Midhurst
Zara Stud and training centre	Sidlesham, Nr. Chichester

3.2 Riding Clubs

6 riding clubs have been identified within Chichester District (See map 3). These are either located on the Manhood Peninsula or the South Downs. Two of the riding clubs organise disabled riding at riding centres in the district and therefore are not illustrated on the corresponding map.

Table 9. Riding Clubs

Club Name	Location
Manhood Riding Club	West Wittering
The Blackdown Endurance Riding Club	Haselmere
Cakeham Equestrian Club	West Wittering
Riding for the disabled	Chichester
Riding for the disabled	Kingley Vale
Rural Rides	Petersfield

In addition 3 Polo Clubs have been identified. The Cowdray Park Polo Club and Adrian Wade Polo are located in Midhurst and HCS Polo Club is located in Petworth.

Map 3. Equestrian facilities



3.3 Riding Trails and Venues

Goodwood Racecourse is a major horseracing attraction holding high profile and prestigious horseracing events throughout the year and is located just to the North of Chichester. Glorious Goodwood is held annually in July and attracts over 100,000 spectators across 5 days of competition.

The South Downs Way is the major riding route passing through the district. 'West Sussex on Horseback', produced by The British Horse Society includes 25 circular routes in West Sussex a number of which feature parts of Chichester District.

3.4 Accommodation Providers

'Bed and Breakfast for Horses' lists accommodation providers that are suitable for horse riders. This is supplemented by a directory on Ride UK's website. 3 such accommodation providers are located in Chichester District.

Table 10. Accommodation Providers

Establishment Name	Location
Compton Farmhouse	Compton Nr. Chichester
Moor Farm	Petworth
Rural Rides	South Harting

3.5 DEFRA funded conversions

As part of the audit DEFRA were contacted for details of any DEFRA/RES funding awarded to land owners in the district for conversion to equestrian activities. No such awards have been made to date in Chichester District. One project has been funded in Storrington, just outside of the District. The project was to convert a Farm Building to a Livery yard.

4. SWOT Analysis of the Cycling Product in Chichester District

Strengths

- Support for Industry from Regional Tourist Board
- Supportive policy framework for sustainable transport
- A large and affluent catchment population in London and North Europe
- Established leisure activity
- Recognised tourism product
- A variety of cycling experiences in the district e.g. South Downs Way, Manhood Peninsula
- Promotable long distance trails e.g. South Downs Way, South Coast Route
- Well supported events e.g. Chichester International Festival, Bike Week
- A range of established cycling operators and tourism activities
- Some established marketing for cycling opportunities
- Established cycling friendly accommodation providers and eateries
- Established tour operators offering packages
- Generates local trade and offers particular opportunities for rural businesses
- Environmentally friendly and sustainable activity

Weaknesses

- Lack of synergy between Cycling operators in the District
- Fragmented industry and lacking in co-ordination
- Limited marketing and information on the cycling tourism product
- Lack of appreciation of quality of infrastructure and scenery
- A lack of a comprehensive cycle network
- Limited packaging of the cycling product in the region

Opportunities

- Sports tourism identified as a growth area
- Emerging healthier lifestyle trends and related market opportunities
- Growing interest in cycling and leisure activities
- Mounting concern over the environment caused by road traffic
- Opportunity to offer increased/improved cycling packages
- Growing demand for domestic and overseas cycling holidays in the region
- A geographical 'hot spot' for cycling
- Working with Rural Ways programme
- Public Sector Interest
- Diversification of established tourism product

Threats

- Growing competition from other leisure-based attractions and activities
- A lack of commitment to attracting cycling tourists
- Lack of co-ordination and communication between key stakeholders
- Lack of investment in visitor facilities and service levels
- Lack of investment in cycle routes and related infrastructure
- Reductions in public sector funding

5. SWOT Analysis of Equestrian Product in Chichester District

Strengths

- Established Governing Bodies with accreditation systems
- Support for Industry from Regional Tourist Board
- All year, high value sector
- Public Policy Support for the equestrian industry and further Development e.g. DEFRA/RES funding for conversions
- A large, affluent catchment population in London and North Europe
- A variety of riding experiences including the South Downs and Manhood Peninsula
- A variety of good quality accommodation
- Promotable long distance trails e.g. South Downs Way
- Important Niche Product e.g. Polo
- Prestigious Festival in Glorious Goodwood
- A range of established equestrian operators and tourism activities

Weaknesses

- Lack of synergy between Equestrian operators in the District
- Image/Product problems for horseracing
- Fragmented industry and lacking in co-ordination
- Limited marketing and information on the equestrian tourism product
- Lack of appreciation of quality of infrastructure and scenery
- A lack of a comprehensive, well maintained riding network
- Shortage of accommodation for riders and horses
- Limited packaging of the equestrian product in the region
- Lack of take up of funding opportunities to convert to equestrianism

Opportunities

- Emerging healthier lifestyle trends and related market opportunities
- Growing interest in riding
- Opportunity to package equestrian activity
- Demand for domestic and overseas riding holidays in the region
- A geographical 'hot spot' of horse racing
- Working with Rural Ways programme
- Capacity to grow in off peak periods
- Public Sector Interest
- Perceived linkages between equestrian development and positive land management
- Opportunity for funding of projects to convert to equestrian activity
- Diversification of established tourism product

Threats

- Growing competition from other leisure-based attractions
- A lack of commitment to attracting equestrian tourists
- Growing concern about conservation issues
- Lack of co-ordination and communication between key stakeholders
- Lack of investment in visitor facilities and service levels
- Riding routes and related infrastructure remain sparse and/or poorly maintained
- Reductions in public sector funding
- Uncertainties over horse racing industry and image of horse riding e.g. fox hunting

6. Cycling Activities

6.1 Potential Market Segments and Opportunities

Off Road

Potential market segments for off road cycling are likely to include groups or friends and young professionals going cycling on day trips and short breaks. These trips are likely to be self organised although there is a potential market for packaged trips. These groups are likely to be involved in other active sports such as skiing. The key product offer in the district for this segment is the South Downs Way.

On Road

Cycling enthusiasts of all ages will remain a key market segment for on road cycling or cycling on designated routes. Existing market research suggests such a market segment consists of independent people with mid to high levels of income.

Those already on holiday in the district and in particular families and older couples are an important market for cycling day trips. Research suggests holidaymakers are increasingly seeking active leisure pursuits whilst on holiday. Infrequent cyclists are likely to take up cycling during extend tourism visits.

Opportunities exist to develop a better linked, better signed route network centred on Chichester City and linking into areas north and south of the City, and to encourage a greater number of cycling-friendly accommodation providers (hotels, B+B's and holiday centres) offering facilities for cyclists, bike hire contacts and route information.

6.2 Suggested Actions

- Network cycle businesses with accommodation providers and holiday centres;
- Raise the profile of Chichester District as a focus for cycling activity;
- Provide better information on all aspects of cycling in Chichester District;
- Focus on accommodation-led product packages;
 - Development of cycle friendly accommodation providers
 - Creation of a greater range of cycling/accommodation packages
- Cycling infrastructure development;
 - Improve and extend existing cycle network
 - Support for development at accommodation providers to cater for cyclists

7. Equestrian Activities

7.1 Potential Market Segments and Opportunities

The equestrian market segments into a number of different customers. This includes experienced riders with their own horses or experienced riders using hired horses covering long distance routes; experienced day riders with their own horses, experienced day riders using hired horses; learners using hired horses; and day trippers' pony trekking with no tuition. Any further work in this area would need to match the current supply with the potential segments and identify gaps.

Initial analysis suggests that potential market segments are likely to be groups or friends and young professionals going riding on hired horses on second holidays and short breaks. These trips can either be packaged or self organised and applies to domestic and overseas visitors. These groups are likely to be involved in other active sports such as cycling and skiing. Other important market segments are likely to include existing horse riding owners and racehorse owners and enthusiasts.

A segment of growing importance will consist of groups and individuals seeking to learn a specialist activity. Those already on holiday in the district will form an important day visitor market as will the potential to target corporate businesses for 'away days'.

The South Downs Way offers an opportunity for long distance riders, and the concentration of supply in the district offers opportunities for other day ride, tuition and corporate segments.

7.2 Suggested Actions

- Network businesses for joint working and identification of development opportunities
- Raise the profile of Chichester District as a focus for equestrian tourism
- Create new products and marketing links and packages between good quality equestrian and tourism products
- Creation of equestrian/accommodation packages
- Riding infrastructure development
 - Support for improvement at existing operators
 - Improve and extend existing bridleway network and signing

Appendix Four

MANHOOD PENINSULA

Draft Framework Report



Prepared by

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&

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**On behalf of
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December 2005



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1. Introduction

This report reviews the opportunities for enhancing the tourism offer of the whole of the Manhood Peninsula, which for the purpose of this study relates to the area south of the A27 bounded by the A286 (west) and the B2145 (east). The primary focus is on the coastal strip and its immediate hinterland.

The objective is to assess the potential for future sustainable tourism development in the Manhood Peninsula and how this will impact on the framing of policies within the Local Development Framework (LDF). The aim is to suggest specific area-related tourism policies for inclusion within the LDF; clearly, there is a close relationship between this report and the other thematic policy suggestions around rural accommodation provision and future product development.

Sustainable tourism, in its purest sense, is an industry which attempts to make a low impact on the environment and local culture, while helping to generate income, employment and the conservation of local ecosystems. A balance needs to be struck between the benefits of tourism development and any potential negative impact on people's lives and the environment.

The Manhood Peninsula has areas of outstanding environmental quality including the extensive coastline and attractive hinterland. It comprises the Witterings, the settlements of Selsey and Bracklesham and several small characteristic hamlets such as Church Norton.

For ease of reference we have structured the report as follows:

- Section One: Introduction
- Section Two: Manhood Peninsula: The Tourism Product, provides an overview of the tourism product in the Manhood Peninsula
- Section Three: Access and Tourism Flows reviews access and movement issues, specifically the opportunity to improve access to the sea and the better management of tourism flows
- Section Four: Sustainable Tourism Development Around the Coast assesses future sustainable tourism development opportunities, particularly the opportunity to build on sea sports such as surfing, windsurfing, sub-aqua, angling and kite surfing
- Section Five: Selsey Regeneration offers an area-review to identify and assess tourism development projects to regenerate Selsey town centre, building on the current regeneration programme
- Section Six: Tourism Implications summarises how the above issues and opportunities will impact on the Local Development Framework

2. Manhood Peninsula: The Tourism Product

2.1 The Local Resident Catchment Area

The Manhood Peninsula includes the settlement of Selsey and the villages of Bracklesham Bay, East Wittering and West Wittering. It has:

- A population of approximately 107,100 in Chichester District (mid estimate 2005)
- An estimated population of over 8-9 million within a two-hour drive time which corresponds to the typical short break catchment

The demographic profile of the Manhood Peninsula including the wards of Selsey North and Selsey South, East Wittering and West Wittering show some interesting variation within the area in terms of density and age profile. Selsey itself has an estimated population just below 10,000 (9,900 - source Chichester DC). Overall it is clear that there is a relatively low density population in the Manhood Peninsula with a higher than national proportion of 60+ and a lower proportion of Under 16's and Working age population.

2.2 Scale and Profile of Visitors

There is little area specific data for the Manhood Peninsula upon which to draw and much of that comes from county-wide sources.

In 2003 direct and indirect income from visitors to West Sussex amounted to £440 million – between 3 and 4% of total GDP. The industry currently employs 8.5% of the population of the county compared with 8% in the South East as a whole.

In terms of the local position, some economic impact data is available from the STEAM model (2004). Key local facts for Chichester District are:

Total tourism expenditure	£147.4m
Total day visitor spend	£75.86m (51.5% of total)
Total tourist days	4.3m
Day visitor days	3m (70% of total days)
Total no. of tourists	3.5m
No of day visitors	3m (85% of total numbers)

Average length of stay 2.45 days
(staying visitors only)

Two thirds of visitor spend are in the six months from April-September showing a strong but not exceptional seasonal bias. It is understood seasonal variations are more pronounced for the Manhood Peninsula than the District as a whole.

It is also interesting to note that the TICs in the district (excluding Selsey as this is not networked) receive some 178,000 visitors per annum and handle a further 57,000 enquiries per annum via telephone, post and email.

Postcode analysis of the enquiry database for staying visitors in the District conducted by Visit Chichester in January 2005 shows that the top ten postcode areas are all located in London and the South East, These are within the primary catchment for short break and special interest visits and reinforces the appeal of the Manhood Peninsula to the major residential markets in South East England. It further shows the predominance of visitors from affluent homes, wealthy retired neighbourhoods and small family private homes (between them accounting for 64% of visitor enquiries).

2.3 Market Trends

The UK tourism market is volatile, subject to the longer-term 'drivers of change' and short-term issues which will have implications for sustainable tourism in the area:

- Macro economic trends
- Demographic trends (particularly in relation to the 'ageing population')
- Social trends including environmental and personal health concerns
- Technical trends (e.g. the growth of online booking and the ability to 'personalise holiday packages')
- Security issues (in relation to terrorism and war which may discourage holiday makers from travelling abroad)
- The weather

No one can say with any certainty what the cumulative impact of the drivers of change will be over the next five to fifteen years and the longer term. Generally speaking, there is a view that current growth is in:

- Day visits, particularly to 'free' destinations such as historic towns and rural honey-pots often linked to informal recreation including eating, drinking, shopping and walking/sightseeing
- Domestic short breaks and additional holidays including VFR
- Growth of activity and adventure based tourism
- Business and conference tourism

There are important qualifications to be made, which will influence future product development and marketing:

- The general outlook for tourism as a whole is promising but areas dependent on overseas visitors are vulnerable to world events
- Visitors are looking for new and different experiences, to indulge special interests and have more active and enriching holidays with a range of things to do
- Visitors are more environmentally aware, many are looking for the same ethic in their destinations
- Local distinctiveness is likely to become increasingly important as a driver of tourism and valued by visitors e.g. heritage, food, shopping, the arts. An interesting example from a recent survey amongst visitors to Devon found that "82% of visitors to Devon are willing to pay more for environmentally responsible products" (Travel GBI)
- Competitors are raising expectations and setting new benchmarks. Higher quality facilities are required with better value services that improve on standards elsewhere
- Visitors will spend less time on planning their holidays - getting more information and booking via the internet and new media
- The role of destination branding has become more important and within an increasingly competitive market place brand can help to differentiate destinations

2.4 Accommodation

The Manhood Peninsula offers a range of accommodation for visitors, which includes:

- 1 hotel (St Andrew's Lodge, Selsey)
- 60 B&Bs or guest houses (44% of the district total)

- 87 self catering properties (65% of the district total)
- 1 inn (6% of the district total)
- 27 camping, caravanning and holiday parks (77% of the district total)

Camping, caravanning and holiday parks provide a key element of the tourism product mix. Bunn Leisure, the largest holiday park in the area, has undertaken significant investment in up-grading the product and providing new facilities, including a new leisure facility.



Photos: Bunn Leisure, Entrance and Leisure Building

The spatial mapping (as set out in Appendix 1 Rural Accommodation report) shows the concentration of camping and holiday park accommodation around Selsey and East Wittering and a similar pattern for other self-catering and B&B's.

It appears that for B&B accommodation the visitor centre staff are often unable to find availability in West Wittering and alternatives in Selsey are often not seen as acceptable.

2.5 Attractions

The area has a limited visitor offer, with no critical mass of built visitor attractions. Despite having few formal attractions, the area is diverse and special, with many points of natural interest.

The area's core attraction is the coast, seafront and surrounding countryside which provides an important recreational resource for the local community and visitors to the area. The coast and seafront continues to be the primary reason for visiting the area. The area is a recognised centre for sea sports, specifically surfing, wind surfing, kite surfing and diving. However there is no dedicated sports pavilion/changing rooms or visitor centre for water sports users.

The western area of Pagham Harbour provides an important attraction in terms of its level of bio-diversity and wildlife. At Church Norton there is an interesting Chapel which has a rich history and the remains of a

Roman Fort with very limited interpretation. The area does have strong appeal in terms of heritage interest notably in terms of its historic churches.

In the traditional sense of built visitor attractions there is the low key Selsey Lifeboat Museum, Earnley Butterflies & Gardens and the Visitor Centre/Education facility at Pagham Nature Reserve.



Photo: Selsey Lifeboat Museum

Also within the coastal vicinity are a number of visitor experiences including the Bosham Walk Art & Craft Centre and Chichester Harbour Water Tours.

The general appearance of the seafront on the whole is diminished by the poor quality of street furniture and underused and vacant areas, notably in and around Selsey. Basic facilities such as toilets, signs, car parking and street furniture need to be maintained in good condition and working order so that the overall visitor experience is not prejudiced by an impression of neglect. Clearly, the presentation of a high quality tourist environment around the seafront at the major access points is crucial. It is interesting to note how investment within the seafront infrastructure at Eastbourne and a number of other traditional seaside resorts in the UK has helped to improve the overall ambience of the area.

2.6 Events

Locally, events are attractive to host communities because it helps to develop local pride and identity. In addition, they play an important role for the national and host community in the context of destination planning, enhancing and linking tourism and commerce. Some positive aspects of strategic events include:

- Events as image makers (e.g. Eastbourne, Isle of Wight)
- Economic impact generators
- Overcoming seasonality
- Contributing to the development of local communities and businesses
- Supporting key industrial sectors

A strong events programme contributes to the broader regeneration of local communities, including renewal of town centres, environmental improvements and general retail shopping development.

A number of local and community events are held within the area, these include the Selsey Carnival and Lifeboat Day. In 2005, Selsey also hosted the 'Sea Selsey' event (linked in with the Sea Britain activities). In addition, The Selsey Festival is an event which runs throughout most of August and hosts a number of local community and arts programmes.

We also understand that a surf shop owner in East Wittering recently, (November 2005) held a vintage surfing event which had some 60 participants.

Within the wider area there are a number of major events, notably at Goodwood including the Festival of Speed, the Revival Meeting and calendar of horse race meetings. There is also the Chichester Festivities, a long established arts based festival with a national reputation, which attracted some 60,000 people in 2005. These major events attract high levels of visitors which impact on tourism providers in the whole district including the Manhood peninsula.

2.7 Manhood Peninsula SWOT

Strengths

- Area of great natural beauty and bio-diversity, both coastal and inland
- AONB designation, although this could limit scale of built development opportunities
- High quality beaches and seafront environment, notably at West Wittering
- Excellent environment for family holidays, beach/sea sports, walking and cycling, nature appreciation
- Proximity to Chichester city (within 8 miles) for shopping, theatre and other leisure
- Established destination for watersport based activities

Weaknesses

- Poor public transport infrastructure - no trains serve peninsula
- Road access has congestion problems at peak times
- Lack of dedicated facilities for watersports users

- Tourism accommodation product is heavily dominated by static caravan holiday parks catering for a particular sector of the market
- Low density residential population outside Selsey South ward limits VFR market potential
- Limited land area near coastal access points at East Wittering and Bracklesham with potential to incorporate new development
- Poor linkages within Peninsula including roads and recreational routes

Opportunities

- Create a single destination brand for Manhood Peninsula highlighting its exceptional qualities
- Realise planned improvements to A27 with flyovers, junction improvements and park and ride scheme
- Potential to raise profile of area as exceptional visitor destination
- Develop walking, cycling and equestrian access to and within the Manhood Peninsula

Threats

- Area is low lying and represents significant flood risk
- Increased traffic movements could exacerbate current congestion issues
- Lack of community support for initiatives (potentially from senior residents)

2.8 Area of Opportunity

It is clear that the Manhood Peninsula has potential to benefit from many of these tourism trends most notably active holidays, high quality environment and the opportunity to create a very distinct and interesting visitor destination.

3. Access and Tourism Flows

Access is a critical element of the tourism product, specifically in terms of getting visitors to an area, enabling them to move around effectively and managing flows so not to impact adversely on local people and the environment. Evidence suggests a high level of tourist traffic in the Manhood Peninsula during the summer months. Access is a particular issue, specifically as over 90% of all tourists are day visitors, which create strong peaks in daily flows particularly during the summer months, with the high volume of visitors to West Wittering. Current trends show an increase in traffic growth and yet road space is limited.

There are specific transport and access issues, which will impact on the future development of sustainable tourism in the Peninsula including:

- Increasing congestion on the A27
- Speed and volume of traffic through villages
- Quality, quantity and reliability of public transport provision in the area
- Inadequate cycle routes in the Peninsula for both daily and leisure journeys
- Quality of environment within local towns and villages

In line with national and regional policy, a key objective is to encourage alternatives to the use of the car as first choice. Clearly, this will entail investment to improve public transport provision and infrastructure to support walking, cycling and equestrian tourism.

A key characteristic and asset of the Peninsula is the coastal strip yet access to much of the seafront is difficult. Signage is also poor. A further issue is the poor east-west connectivity; there is no direct road between East and West Wittering and Selsey. This is a particular issue in terms of managing tourism flows and effectively dispersing visitors away from the main “honey-pot” at West Wittering.

3.1 Road Accessibility

The A27 Chichester bypass causes a significant barrier to movement during the peak hours when congestion and delays are experienced by residents, commuters and visitors. Plans are being formulated within a Local Action Plan to alleviate this issue. The A27 bypass improvements currently being investigated by the Highways Agency will enable the County Council to deliver a more reliable infrastructure to all the communities affected by the bypass, and could specifically enable improved public transport, cycle provision and Park and Ride opportunities; however, forecasts suggest a significant increase in traffic flows on the A27.

The Manhood Peninsula is served by the A286 leading to West and East Wittering, and B2145 to Selsey. Considerable congestion and delays occur, specifically at the inter-section with the A27. The poor east-west links across the Manhood Peninsula make car movement around the area difficult.

There are no rail links into the Peninsula. The bus network is fairly extensive but its effectiveness is limited by delays resulting from traffic congestion. The main bus routes between Chichester, Selsey and The Witterings have recently been improved with the introduction of the Link & Circuit which run every 15 minutes.

Chichester District Council provides and operates public car parks at the following locations:

- Selsey, East Beach
- Selsey, East Street
- Selsey Marine, Hillfield Road

Seasonal charges apply at the following locations:

- Bracklesham Bay
- East Wittering, Marine Drive
- East Wittering, Northern Crescent

There is a car park next to the beach at West Wittering managed by the Wittering Estate although this is unable to meet peak day demand, often resulting in lengthy queues and local congestion. The car park has a basic café and shop facility which the Wittering Estate is currently considering replacing.

3.2 Walking and Cycling

Walking has a major role in transport for journeys under 1 mile – nationally, 80% of journeys fall within this category. It is also an important leisure pursuit within West Sussex. The County Council is developing a Strategy to improve rights of way in West Sussex and maximise the opportunities for access to the countryside. Within this evolving strategy, there are plans to improve rights of way between Chichester and Selsey.

Although a coastal path exists, it suffers from erosion and shingle deposits particularly during high tide. The path could be enhanced to provide an important route by which the public can gain access and enjoy the seafront and coastal strip. Clearly, there are management and maintenance issues in terms of providing a walking experience which is safe as is reasonably practicable taking into account the landscape, nature conservation and ecological interests within the varied coastal environment.

There are many reasons why cycle tourism is becoming an attractive option. Cyclists have the freedom to move at their own pace, and enjoy the scenery to the fullest. It can also be a more sociable, cheaper and

healthier experience than travelling by car. At the same time it is healthy and good for the environment and helps regenerate the rural economy. Cyclists are more likely to spend money when visiting an area than car-drivers, as they tend to stay overnight and buy food and drink whilst out and about. Current provision of designated routes within the Manhood Peninsula is poor. The Area Transport Plan recognises the deficiency in cycling provision:

“Inadequate cycle routes in and between residential communities (especially in the Manhood Peninsula) for both daily and leisure journeys”. Area Transport Plan 2005.

The Manhood Cycle Network outlines a series of proposed cycle routes around the Peninsula. Funding is required to carry out necessary work and improve promotion. It is particularly important to link in with existing neighbouring Sustrans trails and any other cycle based initiatives within the District. This is supported by one of the objectives set out in the Economic Development Strategy 2005 – 2010. As suggested in Section 7 of the main research report, increased emphasis needs to be given to encourage the use of bicycles in line with the National Cycling Strategy and to inform the development of the Manhood Cycle Network.

3.3 Wayfinding

Although there are a significant number of “brown and white” tourist signs in the Manhood Peninsula, current “wayfinding” is ill defined with a variety of directional signage for vehicles and pedestrians. The Manhood Peninsula offers the potential to become a distinct destination and we suggest that a Wayfinding Plan for the Manhood Peninsula is developed covering the following components:

- On arrival - providing a sense of welcome and gateway into the Peninsula (and key settlements within the Peninsula)
- On the move – making it easier for visitors to find their way around the Peninsula
- At the destination – providing key information about particular towns / destinations

3.4 Access and Tourism Flows SWOT

Strengths

- Proximity to Chichester
- Close to major A27 trunk route
- Flat topography
- Parts of coastal path enjoy exceptional scenery

- Reasonable spread of car parking provision

Weaknesses

- Limited public transport provision
- Plethora of signs and information provision
- Poorly developed walking and cycling infrastructure

Opportunities

- Investment into A27
- Improvements in public transport provision
- Upgrade and improve coastal path
- Manhood Cycle Network
- Bridle ways
- Generate increased revenue from car parking year round

Threats

- Increased car usage and further congestion
- Poor public transport provision
- Poor connectivity within Peninsula

3.5 Access: Areas of Opportunity

Whilst the car is likely to remain the primary mode of transport used by visitors, it is important to provide and promote options for more sustainable forms of transport for visitors to use. There is an opportunity to promote a seasonal 'park and ride' scheme that can be used to transport walkers from areas outside of the Peninsula to the study area. This would help to foster a more sustainable approach to managing visitor flows, help to address congestion issues and make the Peninsula more accessible to non car borne visitors from the surrounding areas.

It is interesting to note the experiences in Pembrokeshire - along the Pembrokeshire Coast there is a network of 'hail and ride' bus services, known as the Puffin Shuttle. An initiative such as this could be linked in with the 'Circuit Bus' which currently runs in the area.

Given that access to the local area by public transport is limited, there is some justification for the promotion of leisure drives. Whilst the policy stance is to reduce the amount of travel by private transport, given the need to access the area by car, visitors could be encouraged to seek alternative routes in the form of leisure drives specifically to direct people away from honey-pots such as West Wittering to encourage greater dispersal of visitors. These have been successfully developed in a number of locations elsewhere in the South East, e.g. Romney Marsh Tour.

The local area is conducive to walking, cycling and horse riding for all abilities and co-ordinated action is required to improve public access to the coast and countryside through improved maintenance of existing provision and to open new bridleways, footpaths and cycle ways. In particular, there is potential for the development of a linked network of paths specifically to the coastal route from the west side of Pagham Harbour to West Wittering.

Further support is needed to develop an innovative cycle network, which complements existing cycle routes and wider green transport initiatives. The Peninsula has limited opportunities for 'safe' on and off road cycling. The LDF should support development of a rural cycleway network to create a 'cycle based visitor experience' for The Manhood Peninsula (to include west Pagham Harbour, Sidlesham through to Selsey and the Witterings). The topography of the Peninsula is flat and ideal for touring cycling. There is the potential to introduce designated "quiet lanes" to help walkers, cyclists and riders.

An effective Wayfinding Strategy needs to be developed to improve access and manage tourism flows in the Peninsula. This could incorporate the development of a new graphic identity for the Manhood Peninsula for use on signage, destination and end points.

The seafront is an important local amenity that is to be enjoyed by all those who visit and live within the Peninsula. Future plans and actions need to ensure that it is accessible to all, tackling issues of social exclusion, economic regeneration and sustainability.

Suggested Actions

- Recognise and address the need to improve access and effectively manage tourism flows in the Manhood Peninsula
- Encourage sustainable modes of travel, including investigating the possibility of park and ride provision during the summer months
- Improve the infrastructure and marketing to support walking and cycling in the Peninsula
- Develop a clear and robust Wayfinding Strategy for the Peninsula

4. Sustainable Tourism Development Around the Coast

Clearly there appears to be some latent demand for tourism trips to the Peninsula, particularly linked to specialist activity breaks, which presents an opportunity to create a distinct tourist destination. This needs to be developed in balance with the local environment recognising its exceptional quality and main areas of sensitivity to change.

The built up areas along the south coast of the District, particularly Selsey and East Wittering/Bracklesham Bay have suffered from a lack of capital investment and the tourism sector overall has experienced a decline in the last few decades as people's holiday habits have changed. However, it should be noted that the holiday park sector appears to be thriving with a strong representation on the Peninsula, most notably the Bunn's Leisure complex. Additionally, there has been a growth in watersports activities.

There is a range of opportunities to encourage people to visit the coastal strip and ensure that any visitor activity benefits the local economy. An important issue is the need to manage tourism flows to avoid exacerbating existing traffic congestion problems.

4.2 Sea Sports

The market for holidays linked to active pursuits is already significant and accounts for just over 10% of UK holidays (source: Sports and Resorts, The Tourism Company 2005). This represents some 1 million holidays in the South East Region alone. There is a strong level of interest from consumers in healthy living and there is evidence that people are becoming more active on holiday.

Opportunities for visitors to take part in special interest activities can stimulate trips which would not otherwise take place and can also encourage out of season visits.

Many sea sport activities promote a young and dynamic image which can be used to enhance the destination brand to appeal to younger markets. For example, the Isle of Wight, an established watersports destination with its world renowned Cowes Week, has used active watersports (Kite surfing) to attract additional tourist visits from new market segments including its Wight Air.



Photos: Windsurfers – East Wittering

Sea sports on the Manhood Peninsula are well established and well positioned to take advantage of this growth opportunity. In terms of surfing and body boarding both East and West Wittering have excellent conditions which are unrivalled on the South Coast east of Bournemouth. It is reported that 200 or more surfers are known to be in the water in the best conditions during peak times. The shallow sandy beach brings a high tidal variation which helps to create interesting conditions and a range of challenges for differing abilities. The entry to Chichester Harbour around East Head also creates good surf conditions at certain times. A formal surf club including the surf school was launched in 2005 with its base at East Wittering (covering both East and West Wittering) and currently has between 150 and 200 members. The surf club offers specialist insurance, regular information, surf contests and junior coaching but does not have any built club facilities.

Windsurfing is also well established on the peninsula with a club based at West Wittering with more than 200 members. It has a clubhouse, viewing hut and storage at West Wittering close to the main beach entrance.



Photo: Windsurfing Clubhouse, W. Wittering

There is also casual use at both East Wittering and Bracklesham where it is possible to book lessons with qualified instructors via the specialist sports shops.

Kite-surfing is a relatively new sport but a growing activity and again the exceptional beaches offer an excellent location for this sport. There are some very important safety issues associated with kite-surfing. This sport is supervised closely at West Wittering to maintain a strict separation and to minimise any potential conflict between users. Elsewhere on the Peninsula, supervision is minimal with no formal life-guarding between West Wittering and Selsey apart from an occasional patrol boat.

Kite-buggying (on the sandy beaches) is also a growing activity and there are some 60 members of the West Wittering Buggy Club.

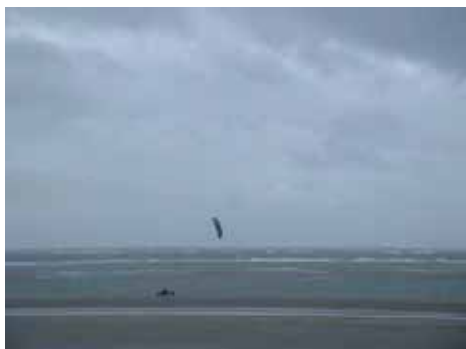


Photo: Kite-Bugying, The Witterings

Scuba diving is also an established activity within the area. We understand that there are some 200 wrecks which are accessible from Selsey. There is a dive shop at Selsey and a sub-aqua club. The club accepts trained divers but because it does not have access to a swimming pool it has limited opportunities for training unqualified divers.

4.3 Visitor Accommodation

As stated in Section 2.5 of the main report, there is very limited hotel accommodation on the peninsula and a shortage of B&Bs notably in and around West Wittering.

The area is characterised by a predominance of static holiday parks and several touring parks although there is limited provision of other forms of self-catering accommodation such as lodges and log cabins.

The holiday parks are understood to trade successfully particularly in the peak season. It is noted however that there are planning conditions which restrict the use of both touring and static parks in the winter months and this greatly impacts upon year round tourism opportunities linked to special activity breaks such as sea sports, cycling and walking holidays.

4.4 SWOT

Sea Sports and Sustainable Development (Including Accommodation)

Strengths

- Existing activities include surfing, wind-surfing kite surfing and diving. Reputed to be the best surf spot along the south coast (east of Dorset)
- Shallow sandy beach with large tidal variation
- Range of wrecks for interesting dives
- Peninsula is relatively quiet with sense of remoteness which is unusual in South East England

- Internal minor roads within the Manhood Peninsula are relatively free of traffic
- Some areas of exceptional natural beauty
- Strong self catering sector with significant supply of static holiday park accommodation and touring pitches



Photo: West Wittering, exceptional natural environment

Weaknesses

- Lack of built facilities at present particularly Selsey and East Wittering
- Limited safety cover at East Wittering
- No clear route available for continuous coastal footpath
- Limited availability of quality hotels or other serviced accommodation
- Limited access for the beaches/coastal strip
- No sense of a 'single' destination

Opportunities

- Create watersports academy with instruction, equipment hire, information and changing facilities. Also as social base (preferably with catering) for watersports enthusiasts and possibly membership organisation
- Opportunity for innovative facility which could be refreshed as new extreme sports are developed and introduced
- Consideration for off-shore reef to calm waves and create more regular surf conditions (eg current project in Bournemouth)

- Link in with other recreational routes in the region including walking, cycling, horse-riding
- Potential to introduce 'leisure drive'
- Create additional purpose built tracks/trails
- Create specialist activity based accommodation
- Expand cultural and education based tourism product
- Improve watersport supervision levels to maximise safety and minimise the risk of accidents

Threats

- High profile watersport accident could cause activities to be prohibited
- Pollution spill
- Vulnerable to pollution/airborne disease such as foot and mouth/ bird flu
- Flood risk may affect any new built development

4.5 Sea Sports: Areas of Opportunity

There is already a tourism product on the Manhood Peninsula although there is scope to realise opportunities to enhance and develop the overall offer which may have implications in terms of tourism planning and marketing.

For sea sports there is a general focus onto younger age groups but this comprises not only families and the youth market but also working age population between 25 and 45. There is a potential market for increased visits from these groups linked to short break packages either independently or in association with instructors via a local club or other organisation. There are good examples, such as the Extreme Sports Academy and Beach Hut Café in Newquay, where dedicated facilities for watersports cater for the needs of visitors and members of the local community and have helped to build a strong year round tourism product. A specialist training / activity facility can help to increase participation in watersports, extend the tourist season and provide year round employment opportunities. Importantly, such a facility can also be central in supporting the overall push towards encouraging water based tourism initiatives and act as a foundation stone for future watersports events and activities. To address the issue of seasonality and help to extend the relatively short tourist season, the potential to introduce an out of season extreme watersports event/festival should be examined. Our initial view is that a site in East Wittering would represent a central location for such a facility capable of bringing a wide range of benefits to the town.

Suggested Actions: Sea Sports

- Identify a potential site for a watersports training and activity centre
- Improve the facilities for people undertaking water-sports activities, e.g. introduce showers, changing facilities etc.
- Provide access solutions to people with mobility difficulties (including beach access and potential to introduce water based equipment for disabled beach users)



Photos: Difficult Access & Movement – Seawall, Selsey

- Monitor artificial reef project in Bournemouth to enhance surf conditions and consider opportunity for Manhood. There may also be significant environmental benefits from such coastal defences
- Develop access points for water-borne users – investigating new access sites for boats, surfers windsurfers and other watersports users focussed in Selsey and the Witterings
- Improve co-ordination and communication among beach users and develop comprehensive Coastal Zone Management Strategy including a review of beach zoning



Photo: Zoning Regulations, West Wittering

By promoting and supporting a more activity based visitor experience, the Peninsula will offer a product which will appeal to a significant and growing market segment. Additionally, it will offer a balance to the

more traditional heritage product which is currently being promoted by the District Council (e.g. Bignor Roman Villa, Fishbourne Roman Palace).

4.6 Accommodation: Areas of Opportunity

The accommodation stock is heavily biased towards the holiday park and touring park sectors and these are restricted by seasonal closures which impact on the tourism sector as a whole. The self catering sector has a strong family market bias and there is a limited supply of accommodation to deal with other core markets, notably the growing short breaks activity market. There would certainly be strong benefits in broadening the accommodation base in the area.

More appropriate development of new accommodation for the specialist watersports markets could be in the form of high quality lodge style of accommodation, on new sites or by converting a proportion of existing static caravan sites (thus reducing environmental disturbance) in the area to log cabin style holiday units. In addition there may be other self catering development opportunities via extensions of existing tourism facilities, sympathetic conversion of farm buildings and possibly a youth hostel.

Design of new accommodation should promote sustainable principles and be tailored to meet the needs of major new growth markets, for example to include the provision of storage facilities for expensive equipment for activity based visitors.

Suggested Actions: Accommodation

- Consider the appropriate development of new accommodation stock to cater, in part, for specialist watersports market and reflect this in LDF statement
- Sympathetic conversion of farm buildings to provide self-catering accommodation or guest house style of accommodation should be supported
- Examine potential to establish an agency for second home holiday lets
- Examine potential to introduce a boutique style hotel adjacent to beach, similar in nature to The Place at Camber Sands in East Sussex

4.7 Other Product Areas: Areas of Opportunity

The Manhood peninsula has potential to build on its cultural and education based product. There are a number of characteristic villages with a range of historic churches and other heritage interest which in our view could form the basis of a range of products from simple circular walks through to special interest package breaks, possibly in conjunction Chichester city centre. The education product based around wildlife and nature on the peninsula includes some basic built visitor facilities at West Pagham and Dell Quay which could be upgraded and expanded to embrace broader field study type activities.



Photo: Education Facility and Visitor Centre, Pagham

The Peninsula is a relatively rural area consisting of a number of distinct villages/towns, which have their own identities in the minds of visitors and local communities. The overall Peninsula appears to lack a clear branded identity and is difficult to market as single visitor destination.

One of the main issues is to develop a branded identity which can benefit and promote the whole of the Peninsula, but at the same time accommodate the diverse needs of different visitor groups, for example, families and extreme sports enthusiasts. A single identity is likely to increase the competitiveness of the Peninsula and it is important that any brand development fits within the wider work being undertaken by Chichester District.

It is clear there are significant opportunities to build on the core existing activities and tourism product to help develop an exceptional destination, unique to South East England.

Suggested Actions: Other

- Examine potential to build on educational product primarily for school groups, with new facilities and/or upgraded facilities at Pagham and Dell Quay. In the longer term this could be further expanded to include residential field study centre
- Consider potential role of events and new development opportunities
- Develop a clear and coordinated branded identity as a single visitor destination

5. Selsey Regeneration

Selsey is a small coastal town situated at the southern most end of the Manhood Peninsula. It is the second largest settlement in the District, with a population of about 9,900 people, which can more than double in the summer with the arrival of tourists visiting the area. Despite the decline in visitor numbers, the population of the town has grown significantly, with many visitors deciding to settle in the town.

This section considers the opportunities for tourism development for the seafront, specifically activities to enhance the tourism offer. Any enhancement of the sustainable tourism product will need to be taken into account particular product strengths and opportunities, as outlined in Section 4.

5.1 Coastal West Sussex AIF

Historically, the local economy has been dependent on fishing and agriculture, but by the 1900's the town had become a popular retreat for the middle classes including writers and musicians. The development of the Selsey Tram in 1897 dramatically increased the number of tourists to the area and led to the development of a tourist infrastructure to cater for the influx of visitors, including the development of a number of holiday camps.

The advent of overseas holidays has seen seaside tourism in the UK fall significantly over the last 20 years from 32 million to 22 million trips (source: UKTS). The demise of the traditional seaside holiday has left many seaside towns unsuited to the modern age and has led to a decline in investment with resorts struggling to compete with the more accessible inland shopping centres with large catchments. This steady long-term decline has, inevitably, had an impact upon the seaside economies and has changed the character and profile of Selsey.

Despite the significant investment made in the three main holiday centres, the town has a limited tourism product offer. The seafront is an important local amenity but has suffered from a lack of investment and offers very little in the way of seafront services and facilities. Access to the main beaches at Selsey, particularly for sea sports is not well defined at present.

The Coastal West Sussex Area Investment Framework has been established to co-ordinate and facilitate public sector investment to stimulate the economy and to overcome social deprivation in a five town's network consisting of Selsey, Bognor Regis, Littlehampton, Worthing and Shoreham by Sea. These are being developed in a complimentary way, saving resource where possible, but looking at the overall picture.

To date, Selsey has received under £20,000 for design and technical work. The ambition is that the town will secure in the region of £500,000 to take forward regeneration proposals for the town. Any future development of tourism needs to be set within the broader regeneration of the town.



Photo: Selsey Coast

5.2 Selsey Town Centre: Priorities and Programme

The Area Investment Framework has funded the Selsey High Street Improvement Study, commissioned in January 2005. The study set out to identify ways of improving the viability and vitality of the High Street, by seeking to improve the character and appearance of Selsey, thereby addressing the decline in retail activity and neglect of the High Street environment. The study outlines a list of imaginative and practical proposals to a range of problems from accessibility to vandalism, open space to traffic.

The study outlines a series of proposals to improve the quality of the public realm / built environment. The focus is on making the town an “exceptionally pleasant place for people who live locally to use, as opposed to regeneration based on larger scale tourism strategy.” The report concludes that it is unrealistic to think of Selsey as a significant tourism destination, despite the fact that the town has three caravan parks close to the town centre. The town has a limited visitor offer although the seafront is a unique and under-utilised asset. The distance between the beach and High Street is a major impediment in any programme of resort renaissance. The focus is on concentrating efforts on making the town an attractive place to live, specifically on retaining as much of the retail spend of local residents into the local economy as possible.

5.3 Selsey SWOT

Strengths

- Long stretch of coast

- Working fishing area with strong maritime heritage

- Well known for local seafood produce including crab and lobster

- Flat topography

- Parts of coastal path enjoy exceptional scenery

- Reasonable spread of car parking provision

Weaknesses

- Limited defining features of character in town centre and seafront
- Uninspiring seafront
- Low level of investment in new facilities over last twenty years
- Limited public transport provision
- Poor signage and information provision
- Poorly developed walking and cycling infrastructure

Opportunities

- Introduce focal point on seafront, possibly combining lifeboat and fishing museum
- Potential to build on area's heritage (Roman villages)
- Pump priming funding through Area Investment Framework
- Planned improvements to High Street / Town Centre
- Improvements in public transport provision
- Upgrade and improve coastal path
- Manhood Cycle Network

Threats

- Development of neighbouring resorts
- Difficulty in retaining young professionals in town
- Limited private sector interest
- Increased car usage and further congestion
- Poor public transport provision
- Poor connectivity between town centre and seafront

5.4 Selsey Tourism Development: Areas of Opportunity

There are a number of opportunities to enhance and develop the visitor offer, which in turn would add to the town's appeal as a place to live.

Selsey Town Centre

A key issue, identified in Section 2, is the importance of quality and distinctiveness. Any proposed development projects should embrace the highest quality of provision and aim to enhance the distinctiveness of the Manhood. Pleasant places to live are also usually popular places to visit. Visitors are looking for attractive destinations in which to wander and explore. Clearly, there is a need to create an attractive mix of things to do and see within and around the town. As part of the High Street improvements, specific issues, which require attention include:

- Defining and enhancing the visitor approaches to the town
- Defining the tourism envelope
- Improved signs / markers, cycling and pedestrian links to connect the town centre and the seafront
- High quality paving, street furniture and landscaping

The most important supplement to the quality of the urban environment is the range and quality of retailing and catering. This is largely to do with market conditions and local demand and therefore difficult to manage. The current regeneration programme has an important role to play to help encourage and secure these types of commercial activities in the town.

The Seafront

The seafront is an important local asset, which has suffered from a lack of investment. There are some interesting features including:

- RNLI lifeboat and station
- Coastal path
- Fishing industry

There has been a steady decline in visitor activity and facilities and the seafront lacks any real vibrancy and vitality. The town will be unable to compete with other seaside resorts, many of which are making a significant investment in developing a 21st century visitor product. However, there is an opportunity to

improve the seafront as a local asset through a coherent programme of action to improve the built and natural environment and public facilities along the seafront. There is a need for a comprehensive framework for the seafront area that will help to revitalise the social and economic fabric of the area and promote the seafront as an investment opportunity. The framework will set down guidelines for development proposals and provide a framework for creative and exciting public realm projects. Critically, it will provide improved integration between the seafront and those in the town centre.

The Selsey Seafront Strategy, focused on the RNLI station, specifically towards the East Beach car park, will need to set out agreed actions to improve the physical environment of the seafront and foster growth in tourism and leisure related facilities. The strategy will include the following actions:

- Enhancing open spaces and public facilities
- Improving accessibility, specifically between the seafront and town centre
- Encouraging quality in the urban form
- Incorporating art and involving the local community
- Improving facilities and access for the disabled

The overarching objective will be to develop and implement a co-ordinated plan of action to create an attractive environment for both local people and visitors to Selsey. One of the key points to note is that the maintenance and strengthening of sea defences is critical to any new major inward investment and development project.

Visitor and Interpretation Centre

As already stated, there are few attractions for visitors to the town. There is an opportunity to enhance the visitor experience through provision of a new visitor and interpretation centre/point, which could include a range of facilities including catering, shops and a re-developed RNLI station. Selsey has an interesting history and heritage, which is closely associated with the sea. There is an opportunity for an innovative facility that will enable a variety of audiences to get a sense of the place as a unique, dynamic and interesting town and to understand the reasons for its development over time. The overall aim will be to provide a “hub” for visitors and to encourage visitors to explore the seafront, town and inland landscapes through increased knowledge of Selsey.

There may be an opportunity to link the attraction to educational tourism in response to the requirements of the national curriculum and fieldwork. This has been a successful market for the Look and Sea Centre in Littlehampton.

Further work is required to test and develop the concept, assess partner and local support, locate a site and prepare a business plan.

Walking and Cycling

As already indicated, there is an opportunity to create a series of new pedestrian and cycle access routes between the town centre and the seafront (and more widely within the Peninsula).

There may be an opportunity to enhance the visitor experience to Selsey through the development of a Town Trail. On-site plaques could provide basic information about key features without detracting from the environment supplemented by the production of a self-guided trail leaflet.

The trail should be designed to not only interpret local heritage and also promote local commerce by reference to relevant commercial opportunities, e.g. pubs and restaurants. This could be extended through the development of a walks network, to encourage visitors to explore beyond the town, spending more time and money in the local area through the creation of a hierarchy of published walking trails and the promotion of a network of footpaths.

The area is conducive to cycling and there is the potential to promote Selsey as a cycling hub from which to explore the Peninsula and beyond (at present there is no cycle hire available in Selsey), One suggestion is to develop a series of circular cycle route, which could include:

- Coastal circuit from Selsey to West Wittering
- A north east route linking to Pagham Harbour

Suggested Actions

- Improve connectivity between the seafront and the High Street, Selsey
- Provide a planning framework for the Selsey seafront area, which aims to stimulate regeneration and protect the natural environment of the area
- Provide detailed supplementary guidance on the design of buildings and their relationship with the surroundings
- Set out planning principles in support of the sustainable development of new facilities and services for visitors and community purposes within the area between the lifeboat station and the East Green car park, Selsey
- Encourage cycle hire provision; potentially as a social enterprise opportunity

6. Planning Implications

Guide to Formulation of Local Development Framework Policies

In respect of tourism development in the Manhood Peninsula, policies within the LDF will need to ensure a sustainable approach to tourism development to reflect not only the physical impact of tourism on the area but also its potential economic and social value. There is an opportunity for the Manhood Peninsula to brand itself as a destination and there are a number of opportunities for tourism to drive the sustainable regeneration of the Manhood Peninsula, specifically in terms of growth areas such as sea sports. It is interesting to note that 90% of respondees to Core Strategy DPD think that the LDF should promote tourism development on the Manhood Peninsula at current scales only if the Peninsula's infrastructure is improved (Sept 2005).

Some of the area's tourism infrastructure is dated and of indifferent quality and needs to be improved. New opportunities also need to be exploited to diversify the economic base and increase the appeal of the area. Although any increase in tourism levels is likely to be gradual, visitor pressure could threaten the character of the coast and rural hinterland. Careful management and sustainable development of tourism can create opportunities to boost the local economy, enhance the natural and built environment and contribute to the social well-being of the area. Although tourism will not be the regenerative driver for Selsey, it can be an important catalyst to stimulate investment, revitalise the area and encourage growth in other employment sectors, specifically catering and retail.

West Wittering is a "honeypot" area, which attracts large numbers of visitors due to its unique appeal and beach environment. It is important that the quality of the area is protected and it is in the interests of tourism development to conserve the environment upon which it relies. Effective visitor management strategies are crucial to the areas sustainability. Measures will need to be considered to disperse visitor numbers away from West Wittering to areas such as Selsey that have the capacity to cope with larger visitor numbers.

In terms of direct planning implications we believe that it is necessary to put in place policies that will improve the range of visitor attractions and the quality of accommodation on offer. Areas of growth such as short breaks, activity (sea sport) holidays and day trips should be promoted. The existing local plan takes a comparatively restrictive approach to tourism. Consideration could be given to adopting a more permissive approach, which allows a broader range of development to encourage higher spending visitor activity.

Access and Tourism Flow

Given that the Manhood is a peninsula by definition, access flows are directly affected by the A27 trunk road and any upgrades and improvements will have significant benefits for the peninsula.

The LDF should include reference to managing travel demand and widening transport choice in general terms across the District. This policy should make reference to tourism access and circulation (to include the Manhood Peninsula) to insure that transport issues are managed in a coordinated way to the benefit of local residents and tourists. In the same way that communities can be designed to minimise the need to travel so too can the design of new tourism facilities and priority given to extend the use of more sustainable transport other than the car. The provision of public transport services can indeed be more easily sustained if planned to accommodate tourist as well as community based journeys.

The possible introduction of Park and Ride schemes (with one option close to Fishbourne roundabout) is likely to improve traffic flows on the Peninsula and hence also benefit visitor flows and movement. The District wide policies on car parking should also give weight to the particular needs and seasonal flows in the main coastal resorts on the Manhood Peninsula.

The LDF should also support initiatives to improve access to the sea particularly in and around Selsey, Bracklesham and East Wittering.

Tourism Product Development

There is potential to develop the tourist sector on the peninsula notably in the specialist activity and short breaks. However to derive significant economic benefits from new growth markets it is recognised that the tourism product needs to be expanded in a coordinated way along with supporting infrastructure development.

By supporting a move towards the provision of a higher quality accommodation stock, the LDF will be encouraging additional overnight stays with associated economic benefits. At the same time the LDF will also be helping to reduce congestion by encouraging overnight stays rather than day visits.

There is merit in considering revised policy to extend the length of season and reduce limitations on use for static holiday parks beyond the typical 10 months in place at present particularly to allow accommodation providers to operate over the Autumn half term period.

Policies should give consideration to extend static holiday park sites where new units will broaden the offer and range of accommodation. This could include for example the addition of log cabin style units either as replacements for static pitches or as new extended facilities for existing sites.

Give consideration to extend touring sites to adjoining land with priorities where existing infrastructure and built facilities can accommodate increased provision of touring pitches.

In terms of developing the sea sports market for the local community as well as tourists, one of the key suggested actions is to identify a potential site for a water sports training and activity centre and to improve the facilities for people undertaking water sports activities. This could become an important centre for information, training, events, social gatherings and supporting facilities for watersports users and spectators.

The LDF should recognise the potential for water sports to become a major focus of the activity based tourism product on the Peninsula and the introduction of a central water sports centre could be a key facility in the expansion and profile of facilities. A location study and detailed concept business plan would be required but the LDF should identify such a facility as a strategic benefit and support its development in the right location (subject to other planning issues such as design and siting).

Where applicable the LDF should also support initiatives to develop access points for water-borne users and provide access solutions to people with mobility difficulties.

The LDF should also support the development of a Coastal Zone Management Strategy including a review of beach zoning to ensure effective management of tourists and to progress an integral approach to tourism issues across the peninsula.

In terms of events, the LDF should ensure that the supporting built facilities (for example, car parking and toilets) and transport infrastructure which will enable an event of regional significance to be hosted in the area are able to be introduced.

Reference to strategic development for cycling and equestrian based tourism should incorporate, and indeed have a strong focus, on the Manhood Peninsula.

Selsey Regeneration

The LDF needs to provide a planning framework for the Selsey seafront area, which aims to stimulate regeneration and protect the natural environment of the area. The framework will need to provide detailed supplementary guidance on the design of buildings and their relationship with the surroundings.

The LDF should set out planning principles in support of the sustainable development of new facilities and services for visitors and community purposes with particular reference to the area between the lifeboat station and the East Green car park, Selsey.

As previously mentioned it is important that Selsey works alongside all tourism providers across the Manhood Peninsula to develop a managed and coordinated approach and to build a positive destination vision and profile.

Local Authority Guidance on Attracting Hotel Investment In The South East

September 2004



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ACKNOWLEDGEMENTS

This pan-regional piece of work builds and expands on the issues arising from several regional, county and local level Hotel Sector Studies conducted over the past four years, with particular relevance to a Hampshire study completed in 2002 for Hampshire County Council in partnership with the Southern Tourist Board.

We are very grateful for the voluntary input from a considerable number of Local Authority staff and are most appreciative to those who put the time and effort into providing case study examples.

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1. INTRODUCTION

Background

- During 2001, the Southern Tourist Board (now Tourism South East) commissioned Tourism Solutions to conduct a hotel sector shortage study for The Southern Region, covering the counties of Oxfordshire, Berkshire, Buckinghamshire, Hampshire, the Isle of Wight, and some parts of Dorset and Wiltshire. The principal objective of that study was to identify where gaps in supply, relative to demand, currently existed in the region, with a view to working with partners to address these gaps and stimulate new product development.
- The success of this study, and the actionable recommendations it produced, has led to more detailed studies being undertaken at County and District level, which have included Hampshire, East Kent, Gosport, Havant, Wycombe, and Andover, with further studies underway in Surrey and Sevenoaks during 2004.
- The approach adopted in these hotel sector shortage studies has been held up as an example of good practice by SEERA in their Regional Spatial Planning Strategy for Tourism, Destination South East, in terms of the importance of market research in policy development, and fostering co-operative and integrated working across local authorities.
- The local authorities that have commissioned these studies are already seeing the benefits in terms of:
 - An improved understanding of hotel performance and the needs of the hotel industry
 - A more accurate assessment of development opportunity for new hotel accommodation
 - Established interest from hotel companies which is being acted upon as part of the authorities' inward investment work
 - Adopting changes to the way that they respond to enquiries, plan for hotel development and facilitate the hotel development process

The Purpose of this Document

- Disseminating the findings of any study to those individuals and organisations that have a key role to play in acting on the results, is always critical to bringing about change. However, Tourism South East recognises that there are some important messages for local authorities coming out of this research, which are relevant not just at the local level but across the South East. A number of these relate to planning issues, but beyond this there are wider issues to do with communication, procedures that can be put in place

and the way that policies are informed that all local authorities can benefit from.

- This document has been produced in order to disseminate these findings more widely, and aims to:
 - Engage planning officers and their local authority colleagues in understanding the hotel developer perspective and the dynamics of the hotel market.
 - Highlight the obstacles to attracting hotel investment, and how these can be overcome.
 - Identify how local authorities, particularly through the planning process but also in their wider inward investment work, can help to make hotel investment happen, at the same time as influencing that development to meet their wider objectives.
- Acting on these findings presents a real opportunity to adopt a joined-up and market-led approach to attracting hotel investment that should help realise new development and ensure much better integration of planning, tourism and regeneration activities to common beneficial goals.

The Research Base

- This Guidance draws on a number of sources of research, analysis and consultation, including:
 - the hotel investment appraisals conducted in the Tourism South East region between 2001 and 2004, which have involved extensive consultation with hotel developers and operators and detailed assessments of market performance;
 - an operator consultation exercise carried out by Tourism Solutions for SEERA in 2002 which included the hotel sector, together with subsequent feedback from hotel companies on the RPG;
 - additional consultation work with hotel companies, particularly the major chains, their franchisees, and niche hotel developers to ensure that the Guidance takes on widespread experience in relation to different types of hotel product and varying as well as extensive geographic coverage;
 - consultation with local authority Planning and Tourism Officers, through a postal survey followed up with structured telephone interviews, to identify current policies, procedures and issues relating to hotel development.

- In order to set the scene for the Guidance, this report begins by presenting an overview of hotel developer and operator requirements, together with a review of the strategic planning context. The detailed Guidance then follows, identifying key issues of concern and measures that local authorities can adopt in response, and concludes with some examples of good practice in attracting hotel investment in the South East.

2. HOTEL OPERATOR REQUIREMENTS

Introduction

Hotel companies generally work to a set of key investment criteria that they use to help them put together their national development strategy and trawl for sites. The variable nature of the hotel product results in a range of site requirements, associated costs and investment approaches being adopted by hotel operators for different types of hotel. However, there is also much commonality between them.

Below, we set out some of the key criteria, indicating ranges, and drawing out differences between hotel types where appropriate.

Location

One of the main trends to emerge in the hotel sector is that of achieving critical mass together with geographic spread. The types of location that a hotel group will target will be a function of what levels of market penetration they have, how far along the product lifecycle they are, as well as the scale of funding available.

Operators such as budget hotel group, Campanile, and three-star group, Jurys, have initial targets of 20-50 hotels in the UK which will need to be strategically positioned across the country in locations which will give them maximum exposure. They are, therefore, currently targeting gateway locations, large cities such as Bristol, Leeds, Glasgow and London, to achieve this aim. Travel Inn and Travelodge, with current portfolios of over 200 hotels, can now look at secondary and tertiary locations, as well as investing in mega-budgets – budget hotels of 150 rooms plus; indeed, Travel Inn have recently developed one hotel, at Heathrow, of 620 bedrooms.

Site Requirements

Most hotel companies have a set of criteria that they normally adhere to in terms of identifying and acquiring sites for new hotel development. They include:

- A strategic location in terms of communications, with good access from a main route (motorway, dual carriageway, main A road), or alternatively a profile town centre site
- Visibility, particularly to passing traffic
- A strong business base, as the business market is the main driver of hotel demand (average market mix is 70% business, 30% leisure), and site proximity to those main sources of demand
- Site areas which vary on average from 0.5-6 acres, depending upon the type of location, the size and nature of the product, the range of facilities, and car parking requirements

- Land values that reflect hotel development economics, though the sites are often in prime development locations (usually for outright purchase though some companies will look at leasing and turnover deals)
- A reasonably attractive environment, which reflects the quality of product and service on offer
- Some developers also target locations by population, focusing upon a minimum resident population of 50,000-100,000, though with improved communications and ready access to motorway networks this is less important, particularly for central locations.

The criteria will necessarily vary according to hotel type. Budget hotels of 40-60 rooms with minimal central facilities will have a much smaller land take than a 150-200 bedroom four-star hotel with restaurant, conference suite and leisure facilities. Parking requirements and the opportunity for shared parking can also significantly affect the land take. There will also be many more locations where market conditions will support a small budget hotel compared to a larger four-star hotel with premium tariffs. Some typical requirements by product types are set out in the table below.

Developer Requirement by Hotel Type

Hotel Type	Central Site Area	Out of Town Site Area	No of Rooms	Facilities
Budget	0.5-0.7 acre	1-2.5 acre	40-100	<ul style="list-style-type: none"> • 21 sq m room size • limited restaurant and meeting rooms
Three-star hotel	0.75 acre	1-3 acre	150-200	<ul style="list-style-type: none"> • 23 sq m room size • restaurant, bar • conference/syndicate rooms
Four-star hotel	1 acre	3-6 acre	180-200	<ul style="list-style-type: none"> • 30 sq m room size • restaurant, bar • banqueting • conference/syndicate suites, leisure

Source: *Tourism Solutions*

Locations both on the outskirts of towns and cities, and on the town centre fringe (e.g. inner ring road) have been priorities over the past 10-15 years, often alongside business parks and similar employment areas. However, more recently, there has been renewed interest in city centres, reflecting also planning policy guidance, sustainable development principles, and the requirement for sequential testing.

Where operators look at city centre locations, their site requirements become less easy to classify. Developments are often more opportunity-driven. Hotel companies are adapting development scenarios and are now commonly clearing sites and

erecting high rise buildings where this is economically viable. In some locations, where the right sorts of buildings are available and the price is right, office buildings are being converted, both for hotels and serviced apartments.

In locations such as this, and elsewhere where land values are high, hotel companies are also adapting the development mix, for example, developing with a free-standing or integral branded restaurant, pub or other use, to boost land values. In central locations also, car parking requirements can often be significantly reduced if public parking is available nearby, and a railway station is within easy reach. Costs are necessarily higher in such locations, and operators such as Travel Inn have launched sub-brands, including Travel Inn Metro and Travel Inn Capital, which command a higher tariff to accommodate this.

Certainly, the fight for sites has become increasingly competitive over time. Operators such as Travel Inn and Travelodge had the advantage of land banks and opportunities to develop adjacent to existing pubs and restaurants when they first began their development programmes. Now these infill sites are used up, and there are numerous hotel operators out there searching for sites. Added to which, there is fierce competition for land from other users – offices, residential, other leisure – many of which out-value hotels.

Development Costs

The control of costs is critical to the viability of hotel development, but since the climb out of recession began, a number of factors have served to drive costs upwards. Land costs have increased with additional pressure for sites from hotel companies, as well as competing employment and residential land uses. Construction costs have also risen. London has felt the force of these increases to the full, with, for example, site acquisition and development costs in the budget sector having doubled since 1997.

Some typical land and building costs for different hotel types (excluding Central London) are detailed in the table below:

Hotel Land and Building Costs – Provincial Locations

Hotel Type	Typical No of Rooms	Land cost provision per room	Building costs and FPE per room	Total Development Costs
Budget hotel	60-100	£3,500-£7,000	£20,000-£30,000	£1.5-£4 million
Three-star hotel	150-200	£10,000-£15,000	£50,000-£55,000	£9-£14 million
Four-star hotel	180-200	£20,000-£25,000	£100,000-£150,000	£20-£35 million

Source: Tourism Solutions

The cost ranges reflect variations between different location types (town centre and out-of-town locations), and variations in the mix and range of additional on-site facilities such as conference and leisure.

The increase in hotel development costs is driving a number of changes in the sector:

- **A move towards larger hotels.** The budget sector clearly demonstrates this, with, in the early phases of development, hotels averaging 40-60 bedrooms. Many developers are now averaging 80-100 bedrooms, with a new strain of 'mega-budgets' of 150 bedrooms plus beginning to emerge in large city, airport and other premium locations. As hotel development costs are allocated on a per room basis, a larger hotel enables a more competitive price to be offered for sites.
- **Tailoring of the hotel product to the site,** to enable maximum value to be achieved. This has enabled hotel developers to secure land in prime locations, but on the downside has served in itself to increase costs, as unique solutions and designs have to be found. Standardised products, and the cost savings these can deliver, have become increasingly difficult to implement.
- **The development of hotels in association with other uses.** These may be associated leisure brands such as themed restaurants, bars and leisure clubs. Companies such as Whitbread can take full advantage of this by securing sites for several of their operations. Where a parent company operates four-star and budget hotel products, these will on occasion be developed on shared or adjacent sites, for example in premium locations. Again, this multi-use approach to site development enables a better price to be paid for land, and sites to be secured.

These adaptations have enabled the hotel sector to continue to compete and develop at a time of increasing pressure on land. However, any increase in cost brings with it the danger of reducing margins in relation to profitability.

Financial and Performance Criteria

The viability of any hotel development will be a function of the development cost, the occupancy rate (how full the hotel is throughout the year), and the achieved room rate (the average rate, taking into account discounts on the published tariff). Most hotel companies have performance targets in each of these areas, as well as a target for return on investment.

- Occupancy targets are typically to achieve 70-75% plus by year three of operation. For smaller, budget hotels, the target may be slightly higher than this, around the 80% level.
- Achieved room rate targets range from £35 - £45 (net of VAT) in the budget sector to £70+ in the four-star hotel product. In general, the budgets discounting is limited, though many now offer reduced weekend rates, particularly where the leisure market is weak.

- Return on investment targets of 15% (i.e.: yield on cost) were typically quoted by many of the hotel operators, budget, three-star and four-star alike. However, it is apparent that significant variations are achieved, very much dependent upon the mix of development cost, occupancy, and achieved room rate factors. Better performing hotels will achieve 20-25%, and certainly one operator in the budget sector was consistently targeting 30% and sometimes achieving in excess of this.

Hotel Development Performance Targets

Hotel Type	Occupancy	Achieved Room Rate	Return on Investment
Budget hotels	75-80%	£35-£45	15%-30%
Three-star hotels	70-75%	£50	15%
Four-star hotels	70-75%	£70+	15%

Source: Tourism Solutions

3. THE STRATEGIC PLANNING CONTEXT

National Planning Guidance

Planning Guidance for tourism was contained in PPG 21 until its recent cancellation. This PPG is to be replaced by Good Practice Guidance (currently in preparation) together with a review of the remaining PPGs to ensure that tourism focused issues are adequately addressed.

The reasoning behind this was that the issues surrounding tourism development could be adequately dealt with by other guidance, most notably PPG6 (Town Centres and Retail Development) and PPG13 (Transport). There has however been a lack of clarity over the application of the inherent principles of these Guidance notes to tourism land-uses.

As a result of the Planning Green Paper, Local Development Frameworks complemented by Regional Spatial Strategies will replace structure plans and local plans. The new arrangements should allow for faster preparation of planning policy and better integration with tourism strategy, at local, sub-regional and regional level.

The proposed changes in Development Control also aim to improve the quality and speed of decision-making, requiring a more customer-focused approach.

Regional Planning Guidance

SEERA took up responsibility for regional planning and transport in April 2001. The Government required them to undertake early reviews of selected policies in Regional Planning Guidance (RPG9). Tourism was one of these policy areas, and a consultation document 'Destination South East' was produced in October 2002. Proposed Alterations to this Strategy were issued in May 2003, that have now been reviewed by a Public Examination Panel, reporting in March 2004.

The Strategy seeks to:

- facilitate a consistent approach to planning for accommodation;
- ensure planning policies reflect both the diversity of the sector and market reality;
- provide clear guidance on the location of development.

The current policy stance of SEERA in relation to tourist accommodation is encapsulated in policy TSR5.

The supporting text identifies a number of issues that inform this policy, including:

- Development plans should be based on a thorough understanding of the needs of accommodation developers and operators and the demands of their markets.

- This should be built upon an on-going dialogue between planners and the industry.
- And supported by regular monitoring and assessment of both demand and supply.
- Hotel developers find it difficult to compete with land values in many urban areas.
- Mixed use developments may be the only way to achieve town centre hotel development.

The Panel response to the proposed policies:

- Firmed up the need to recognise the varying product and market needs of different accommodation types.
- Recommended a criteria-based policy in relation to the location of accommodation rather than a sequential approach.
- Advised that locational guidance could be part of the development plan or an SPG.
- Still supports the emphasis on locating development in town centres but without the sequential test.
- Recommended that six main types of accommodation be specified.
- Supported policies for retention and hotel up-grading and extension.
- Advocated the consideration of staff accommodation needs not just for large accommodation facilities.
- Supported the need to present the evidence of demand, and the requirement to monitor this.

The revised policy (July 2004) is set out below:

POLICY TSR 5

The diversity of the accommodation sector should be positively reflected in tourism and planning policies.

1) In formulating planning policies and making decisions local planning authorities should:

- 1. Consider the need for hotel developments to be in the proposed location, including links with the particular location, transport interchange or visitor attraction, and seek measures to increase access by sustainable transport modes.***
- 2. Provide specific guidance on the appropriate location for relevant accommodation subsectors. This should be informed by their different site requirements and market characteristics and how these relate to local planning objectives.***
- 3. Encourage the extension of hotels where this is required to upgrade the quality of the existing stock to meet changing consumer demands.***
- 4. Include policies to protect the accommodation stock where there is evidence of market demand.***
- 5. Strongly encourage the provision of affordable staff accommodation as part of new and existing accommodation facilities in areas of housing pressure.***

The criteria for the application of such a requirement should be clearly set out in the development plans.

- 6. Facilitate the upgrading and enhancement of existing unserviced accommodation, including extensions where this will not harm landscape quality or identified environmental assets. Particular attention should be paid to identifying suitable sites for the relocation of holiday parks under threat from coastal erosion or flooding.*

II) Tourism South East and local authorities should, working together, undertake active monitoring of the demand for and supply of tourism accommodation on a regional and subregional basis.

4. THE FOUR CORNERSTONES OF GOOD PRACTICE

Setting the Scene

- The guidance detailed in this section of the report represents and amalgam of the operator and local authorities' perspectives on the issues surrounding hotel development, taking on board also the policy guidelines set out in the Regional Planning Guide.
- The guidance is structured around four 'cornerstones' of good practice, that wrap around a ten point plan of action, summarised below:

The Four Cornerstones	Key Action Areas
Effective Communication	<ul style="list-style-type: none"> • Improved Internal Communication • Communicating with Partners
Positive Planning	<ul style="list-style-type: none"> • Planning for Hotels • Facilitating the Planning Process • Site Allocation and Support
Pro-active Inward Investment	<ul style="list-style-type: none"> • A System for Enquiry Handling • Establishing a Dialogue • Targetting Hotel Development • Quality Prospectus Materials
Market-Focused Monitoring	<ul style="list-style-type: none"> • Keeping a Finger on the Pulse

- In each case we outline the difficulties identified and then detail mechanisms for local authorities to facilitate the hotel development process and create a more enabling framework for hotel investment.
- **The overall message which the guidance outlines is the need for a more pro-active and co-operative (rather than a reactive and often confrontational) approach to hotel investment, in order to help stimulate and support further development in the sector.**

- This approach is not about opening the floodgates to hotel development – there will remain many times and locations where development is not appropriate – but rather, it is about identifying potential and encouraging development in the full knowledge of market conditions and industry dynamics.
- A more positive approach will enable local authorities to realise opportunities to influence hotel development, both in terms of attracting investment where it is needed, and moving schemes in the most beneficial direction where developer interest already exists, to maximise benefits for all concerned.

THE FOUR CORNERSTONES OF GOOD PRACTICE

1 - EFFECTIVE COMMUNICATION

(i) Improved Internal Communication

The hotel development process from enquiry through to opening of the facility will cut across a wide range of departments and responsibilities within a local authority. It will, therefore, be important that all are aware of hotel needs, and that this is used to inform policy and activities, in order that a 'corporate' response is made to the whole area of hotel investment, ensuring consistency of approach. Good internal communications will be critical to delivering this.

Action Points

- A dedicated central hotel contact within each local authority should take responsibility for communicating the recommendations in this guidance and the findings of any hotel sector shortage study conducted to all relevant departments – both in terms of specific hotel needs within their District, but also the more general points of action identified, which all authorities need to take on board.
- Copies of the report should be circulated internally to key contacts in each department – to include tourism and leisure, planning, economic development/inward investment as a minimum.
- Nominated contacts in each department should be requested to consider how the findings of the study can be incorporated into their policy-making and work programming, and to feed this back to the central hotel contact.
- An internal hotel investment group could be established, to discuss policy development, procedures and progress on schemes. Depending upon the level of hotel investment activity and interest, this could meet anything from quarterly to annually.
- Outside this group, other procedures should be established eg: for consultation amongst colleagues on hotel-related planning applications, and developer enquiry protocol.

(ii) Communicating with Partners

Many of the problems and opportunities identified via developer feedback will need to be tackled on a more widespread basis than the District alone. Regular contact with potential partners at regional and sub-regional level will enable opportunities for joint action to be pursued, and for individual Districts to benefit from broader initiatives, which may be underway or proposed. The staffing issue is one such example. In addition, contact with colleagues in planning, tourism and economic development in other Districts, the County and wider sub-region will enable experiences to be shared and good practice to be built upon.

Action Points

- Hotel development needs to be built into the strategies and work programming of key regional bodies such as SEEDA and its Tourism Sector Group and Tourism South East.
- Similarly, the hotel investment agenda should be taken on board by any sub-regional groups such as County/Sub-Regional Economic Partnerships, to identify the role they might play.
- Any regular liaison meetings between County/ Sub-Regional Planners, Economic Development and Tourism Officers should likewise consider the implications of this guidance and the role they can play in delivering results.

2 - POSITIVE PLANNING

(iii) Planning for Hotels

Planning will clearly be one of the functions within the local authority, which will need to be informed of, and responsive to the opportunities identified in this guidance and any hotel investment studies. This applies both in terms of policy and plan making, but also on a day-to-day basis in terms of developer enquiries, planning advice given, and the processing of planning applications. A lack of understanding of the development issues surrounding hotel development and the characteristics of such development was a key criticism from the hotel sector; better information and understanding would help remove this barrier.

Action Points

- Both decision making on planning applications and local plan preparation should be informed by good research information on market demand and hotel supply, that requires regular up-dating. It is this information rather than local aspiration that should steer decision-making.
- Planning policy should be closely integrated with tourism and economic development strategy to ensure that the hotel needs of the destination can be met.

- Planning policies should be clear and consistent.
- Consultation with hotel developers and operators should be an integral part of the consultation process when developing local plans, and their requirements should be reflected in planning policy to ensure both policies and site development are realistic and achievable.
- Whilst the general desirability of hotel development being located in town centres is appreciated, the application of a rigid sequential test for hotel development is not appropriate, and this has now been recognised in Regional Planning Guidance. There should be sufficient flexibility in Local Plans and local Development Frameworks for planning departments to respond to the needs of different hotel products, their markets, and the wider requirements of the destination.
- Local plan policies should be permissive of hotel development where need has been identified, but should not sterilise land zoned for hotel use which does not meet developer requirements.
- Planning policies should allow for the general principle of use or the extension of uses such as pubs, golf courses in rural areas where accommodation would help secure the viability of that use, and where new hotel development might well not be viable on its own.
- The need for staff accommodation, in order to both attract and retain employees, should be recognised, and planning applications for such developments sympathetically received.
- Hotel development enquiry information together with progress on existing proposals, should be fed through on a regular basis to the central hotel contact.
- One or more officers in planning should be encouraged to develop a tourism specialism to ensure a better understanding of tourism related planning issues.
- A nominated contact from planning should participate in hotel investment group meetings.
- The nominated contact within the planning department should take responsibility for monitoring hotel development applications, and progress on schemes with planning permission, to input into the monitoring process. This may or may not be the central hotel contact, depending on the role that tourism or economic development staff in each authority wish to play.

(iv) Facilitating the Development Process

A significant proportion of the obstacles to development identified by hotel operators involved planning-related matters. The planning function has a critical role to play in supporting the hotel development process.

Action Points:

- Pre-application discussions should be encouraged to ensure that hotel schemes are tailored to destination and site need as well as the interpretation of local policy, helping to speed up the process and avoid unnecessary design and time wastage.
- Whilst this may be one way of speeding up the decision-making process, many local authority planning departments require additional staff resources to achieve this, the pressure for development is so intense.
- Procedures should be established to ensure that tourism, inward investment and other appropriate functions within the local authority are consulted on hotel-related planning applications.
- The planning department should then co-ordinate response within the authority (conservation, highways, tourism, economic development, estates) at an early stage, to avoid the need for scheme re-design, and the cost and time delays associated with this.
- Local authorities should refrain from imposing unrealistic planning gain requirements; these can often tip viable schemes over the edge.
- Parking requirements attached to hotel permissions should be based upon an understanding of the hotel's market, and be informed by standards elsewhere, ensuring some consistency of approach.
- Support should be provided for the package of needs associated with new hotel development and operation, including, for example, signposting.

(v) Site Allocation and Support

The availability of sites in many parts of the South East is a key constraint on hotel development, particularly when combined with the problem of high land values and strong pressure for development from alternative higher value uses. If local authorities want to attract hotel investment, they may need to intervene to enable this to happen.

Action Points:

- The planning department should work with the economic development and tourism functions to identify specific sites in and around urban areas which are in line with developer requirements, consulting hotel developers as part of the process before they are included in the local plan.
- Development pressure for other uses on sites identified as suitable for hotel use should be resisted, particularly for office, residential and retail, with which hotel values cannot compete.
- In the case of Council-owned sites, the desire to maximise value out of the site should not necessarily be the driving force behind its eventual allocated use and sale. Such situations should be viewed as an opportunity to influence the market and enable a hotel development to happen, even as part of a mixed use scheme.
- The preparation of development Briefs can be a useful tool with which to encourage the inclusion of an hotel scheme in a bigger mixed proposal that might otherwise be squeezed out by alternative use land values.

3 - PRO-ACTIVE INWARD INVESTMENT

(vi) A System for Enquiry Handling

Most developers will make contact with local authorities to discuss their interest either generally in a destination, or in relation to a specific site. This might be to ask for information on potential sites, the planning status of a particular site, tourism and economic development information for a feasibility study, highways advice in relation to access, and more. The nature of these enquiries means that 3, 4 or more departments and a greater number of individual contacts, may need to be made, added to which, local authority structures vary, further complicating the issue.

Action Points

- Each local authority should identify one individual to act as a central contact for hotel development enquiries and liaison.
- All relevant departments need to be aware of this 'lead' role, and to ensure that contacts made are fed through this individual.

- It is advisable that a standard procedure is established for handling enquiries from hotel developers. A standard pro-forma to be completed by all who have contact with a potential hotel developer would ensure that key information is collected (contact name, address and telephone details, company, site interest, action taken, information sent, advice given, known information on the scheme – site location, size and standard of hotel, proposed timescale – and date) should then be sent through to the central contact, for follow-up.
- All enquiries should be followed up, initially monthly, to pursue progress, and the need for any additional help and support.
- A standard enquiry response pack should be compiled to be sent out to all enquirers.
- Amongst other relevant information on the destination (see Hotel Prospectus Guidance), the pack should detail roles and responsibilities within the local authority, with contact names and telephone numbers, for those areas most likely to be needed by a hotel developer (tourism, planning, economic development, highways, property services).

(vii) Establishing a Dialogue

The issue of poor communication with hotel developers, together with the reactive approach adopted by most local authorities in their dealings with developers, emerged clearly from research and consultation with hotel companies. There is much to be gained by building a better understanding of the issues surrounding hotel development, and of communicating the destination requirements at the same time. The plan preparation process, as well as pre-application discussions and contact made when hotel developers initially enquire to a destination all present opportunities to build this relationship and understanding.

Action Points

- Building a better dialogue between the hotel developer and the local authority is the best route to overcome many of the difficulties outlined as obstacles to development, helping each to understand the objectives of the other, and creating a more enabling framework for future development.
- In dealings with hotel companies, whether responding to enquiries, or as part of the process of a more pro-active marketing programme, local authority contacts should encourage hotel companies to notify their tourism/economic/development/planning offices of their requirements for sites, and to consult on any specific sites at the earliest stage. Named contacts should be provided.
- Local authorities could be more pro-active in accommodating developer requirements and indeed anticipating these in local plan preparation. The flexibility which both local authorities and developers potentially have

can best be used constructively through a process of co-operation, rather than one of confrontation, to the benefit of all concerned.

(viii) Targeting Hotel Development

Those destinations that have adopted a more pro-active approach to hotel development, with a range of activities aimed to stimulate interest, promote the destination for inward investment, and support developers throughout the process, clearly stand out amongst hotel companies. The locations in which this is happening are currently few and far between.

Action Points:

- The need for local authorities to identify sites that match developer requirements has been highlighted under 'positive planning'. When sites have been identified, whether as part of the local plan process, or inward investment work, their availability needs to be communicated to hotel developers. Any mailing should specifically target those hotel companies where requirements fit the opportunity, both in terms of site criteria, and market potential.
- Dedicated prospectus materials should be put together for this purpose (see 'Hotel Prospectus Standards').
- The need for a nominated contact for hotel development has been identified, to whom information on all enquiries and potential hotel schemes should be directed. This will enable a database to be compiled that should be used to maintain regular contact with potential hotel investors, with follow-up procedures in place.
- Regular follow up of hotel investment enquiries is a must, and presents additional opportunities to help support the developer and make hotel investment happen, as well as presenting a positive image of the destination.

(ix) Quality Prospectus Materials

Whether responding to a developer enquiry, or making contact with hotel developers to stimulate development interest, the materials sent out to them present an opportunity to sell the destination for inward investment, and to create a positive image amongst the industry. The quality of the information currently used for these purposes by many local authorities often fails to do this. Indeed, few have dedicated prospectus materials or other information to use. An awareness of the developer perspective, in terms of the amount and type of information they are seeking, will enable a more professional approach to be adopted, which is relevant to their needs, and demonstrates a clear understanding of their requirements. Local authorities also need to be aware that any materials sent out to developers, particularly unsolicited, will be one of many received on a regular basis by hotel company Acquisition Managers – it will be judged against them, and needs to stand

out to be noticed. Prospectus materials are, of course, only part of the wider package of measures that can be taken to stimulate hotel investment, and may need to be used in a variety of roles, which needs to be taken account of in their planning and design.

Action Points

- The principal uses for hotel prospectus materials would be:
 - To respond to developer enquiries
 - For use in mailings to hotel companies, both general mailings to stimulate interest, and specific mailings eg: in relation to a particular opportunity or event
 - As a package of information to service familiarisation visits by developers
 - Background materials and relevant papers at event attendance eg: hotel investment seminars.
- The design should therefore be sufficiently flexible to accommodate this variety of uses. A quality folder, with a pocket into which fact pack information and other relevant documents can be inserted, is the most practical. The folder design should create interest, and cover space, inside and out, should be used to sell the destination for the purpose of hotel investment, using images and relevant quotes that reflect a buoyant business and leisure demand.
- Whilst there may be published reports already available that could be of use and interest to hotel developers, most will not delve into any detailed lengthy material at the initial enquiry stage. Dedicated materials should be produced, which are punchy, relevant and to the point. They should be compiled in a common format and layout, and branded with the corporate/campaign logo and message. These should include:
 - Introduction to the destination – one sheet which sets the scene from an inward investment perspective. It should encapsulate all that is positive about the destination(s) which are key to decision-making by hotel investors eg: illustrating a vibrant economy, business expansion, tourism activity, access, continuing/future development. As developers will think key towns rather than Districts, it will be important to draw these out, identifying the usps of each.
 - Economy – key facts on the destination economy, which should include:
 - Key employers (name, location, nature of business, employee numbers), particularly focusing on those most likely to generate hotel demand eg: hi-tech, offices, professional and financial services, rather than distribution type uses. Any regional, national or international

- headquarters, or training centres for key employers, should be highlighted.
 - Economic profile data, showing the proportions employed in each sector
 - Relevant statistics eg: economic growth, GDP, unemployment rate, growth rates in key productive sectors
 - Listing, with location maps, of main Business Parks, and an indication of the occupiers
 - Summary of inward investment activity
 - Outline of major development proposals, in terms of major employment schemes, leisure development, and other infrastructure projects eg: transport proposals.
- Tourism – key background information on tourism activity, including:
 - Summary statistics – volume, value, breakdown by domestic and overseas visitors, and key segments eg: business tourism, short breaks List of main attractions (Top 10) with visitor numbers
 - Recent and proposed development projects
 - Hotel supply – a fact sheet on the current supply of hotel accommodation of 2 star standard (or equivalent) and above providing:
 - Name of hotel
 - Location (and map)
 - Standard
 - Number of rooms
 - Ownership (private, group)
 - Facilities (leisure, conference)
 - Single/double room rates
 - also a brief description should summarise the above data which is best provided in table format
 - summary of recent (last 5 years) and proposed hotel development.
 - Hotel market – a fact sheet detailing known market information, both at an overall level, and where possible, by standard/type of hotel (ie: 4 star, 3 star, 2 star, budget etc). Key information should include:
 - Room occupancy
 - Market mix
 - Achieved room rates
 - Levels of denials
 - Patterns of business (weekday/weekend, and across the year)
 - Trends in performance
 - Clearly, this information needs to be kept up-to-date to be meaningful

- Comparisons eg: with other towns, Districts, the county, the region, can be used where these are advantageous.
- Site opportunities – details of allocated/potential sites for hotel development, which should include:
 - Location map
 - Site plan
 - Site size
 - Ownership
 - Planning status
 - Contact details for further information
 - an introduction to the site opportunities section could usefully summarise the local authority's policy stance on hotel development, from tourism, economic development and planning viewpoints, emphasising the positive rather than restrictive aspects of these policies.
- Contact details – named contacts, with full address, telephone, fax and email details, should be provided for all local authority contacts, clearly indicating the areas of responsibility which they will be in the best position to help with
 - a list of other useful contacts in the destination should also be provided eg: County Council (tourism, planning, economic development); neighbouring Districts; local estate agents, who might generate additional sites or act for key landowners; Business Park agents; key local developers; Business Link/business support/information services.
- Bibliography – a list of useful reports and reference materials should be included, with details of how to obtain copies. They should include:
 - Tourism Strategy
 - Economic Development Strategy
 - Local Plan
 - Business Surveys/Economic Reviews
 - Articles and features on the local economy
 - Hotel studies, including the East Kent Hotel Investment Study

4 - MARKET-FOCUSED MONITORING

(x) Keeping a Finger on the Pulse

The fluctuations in both hotel demand and supply means that any review represents only a snapshot in time. Developers respond to current market conditions, so keeping this information up-to-date will play an important part in influencing potential investors. It will also continue to have a significant part to play in informing the local authority and other interests of needs, and aiding the understanding of the market.

Action Points

- Hotel performance research should be updated annually – local authorities could either take individual action on this, or could co-operate with the help of the County Council, sub-regional partners or Tourism South East, to extend and update this research a wider area.
- In some cases, where gaps in hotel performance data exist, or where site opportunities require a more detailed assessment, local authorities should consider commissioning more detailed local studies, and exploring funding opportunities from regional bodies for this.
- Where possible, local company surveys should also be conducted to ensure regular feedback from the business sector. Local authority economic development units are in a strong position to undertake this work.
- In terms of development activity and proposals, monitoring of planning applications as well as developer enquiries, and following these up, will provide a valuable input to the annual updating process. The named contacts referred to should take responsibility for this.
- The monitoring information should be used to inform both policy/plan-making and decisions on planning applications, and mechanisms should be put in place to ensure this happens.

5. GOOD PRACTICE IN ATTRACTING HOTEL INVESTMENT

Case Studies

Through the active programme of hotel sector shortage work that Tourism South East has sponsored, it is possible to draw together a number of good practice case studies that demonstrate how the principles advocated in this guidance have been applied at a local level.

The examples selected involve implementation by Districts, Counties and sub-regional partnerships, and illustrate some of the key facets of effective communication, positive planning and pro-active inward investment, underpinning all of which is good market and product research to inform both policy and action.

Portsmouth – Pro-Active Inward Investment

During the hotel developer consultation research conducted for the Southern Hotel Sector Shortage Study in 2001, Portsmouth was mentioned to us by a hotel developer and operator as the only local authority that had ever followed up their initial enquiry re site availability and hotel development potential. That seemed a sad state of affairs, but clearly Portsmouth was doing something right.

In fact, The Economic Development Unit at Portsmouth City Council had been very actively involved in a whole programme of hotel-related activity, working closely with planning and tourism colleagues, to attract hotel development to the city and create the framework for this to happen.

Their work included:

- consultation with hotels already in the city to gather performance data
- a survey of local employers re their hotel needs and how well these were satisfied
- a review of potential hotel sites and an input with the planning team as to the optimum sites for development

The inward investment team were also well-equipped to deal with enquiries from hotel developers. They had prepared dedicated prospectus materials of good quality, and had systems in place to record details of hotel developer enquiries which were automatically followed up after one month, to check for progress and any additional support required.

Clearly, Portsmouth stood out to the hotel developer that we consulted for its professionalism, sending positive messages about the city as a place to invest. Since that time, Portsmouth has seen the development and opening of the Express by Holiday Inn at Gunwharf Quays and Golden Tulip are to develop a 4 star hotel on the city outskirts. Several other hotel investors are known to have sites under consideration which bodes well for future development in the sector.

Hampshire – Effective Communication and Monitoring

Hampshire County Council commissioned a Hotel Sector Shortage study for the County at the same time as the regional study was being produced for the regional tourist board. Their additional input to the programme of work enabled a more detailed evaluation of market potential at local level, and the production of performance and potential outputs for most of the towns and cities in Hampshire.

In order to disseminate the study findings, the County Council organised a hotel investment seminar, inviting officers from County and Districts across planning, economic development and tourism functions. In addition to presenting the findings of potential for new development, presentations were given by a hotel manager as well as a hotel developer, giving a view from the 'sharp end' in terms of hotel investment and operation.

As a result of the investment seminar, an action plan was prepared by the County, with responsibilities and opportunities for partnership working identified. The County commissioned some additional work including purchasing a hotel developer database to enable direct targeting of hotel companies. In 2002, Hampshire commissioned an up-date of the hotel performance research, and they are now considering incorporating this into a 3 yearly cycle of research as part of the Hampshire Tourism trends survey.

The Hampshire example helped demonstrate the benefits of collaborative working in relation to hotel development, both across departments in a local authority and in wider partnerships, and helped foster a greater understanding of the hotel development process and the issues surrounding this.

East Kent – An Over-Arching Communications and Investment Role

The six Districts that make up the area commonly known as East Kent have a history of joint working across a range of initiatives. The group commissioned a hotel sector shortage study together with Kent County Council and Tourism South East in 2003. The study identified a number of areas of potential to act upon, but also several obstacles to investment that would need to be addressed.

Kent County Council has taken the lead on behalf of the East Kent group in acting upon the study recommendations, and to date there have been two key actions. The first was to arrange a presentation to the Kent County Planning Forum, of the study findings and particularly the obstacles, many of which related to planning matters. There was an additional benefit here in that the findings reached Planners county-wide and not just those in East Kent, as the forum is county based.

The second area of action is to be the establishment of an Inward Investment Group with a tourism focus that can oversee required action relating to hotel investment and draw in District level inputs as required. In the meantime, there were some more urgent expressions of interest from hotel companies to deal with, where interest and awareness had been raised by the study consultation, and these have been followed up by County and relevant District in advance of the Investment Group being established.

Once in place, the study recommends that an action plan be put together for which resources and responsibilities can then be sought, to ensure a co-ordinated response to the identified potential and interest, with appropriate support to convert this interest to development of the ground.

Tunbridge Wells and Wycombe – Informing the Planning Process

At District level, both Tunbridge Wells Borough (1999) and Wycombe District Council (2003) have commissioned hotel research to inform the Local Plan process. In both cases a 10 year forecast was required to assess how the market might grow over that period and what the potential implications for new hotel development might be during the plan period.

In addition to market performance and forecasting research, the studies also involved an assessment of sites with perceived potential for hotel development, or that it might be possible to release for development during the 10 year life of the plan. The relative strengths and weaknesses of these sites were identified in relation to known developer requirements, and recommendations made as to the strongest sites with the greatest hotel potential. Other action that would be required to make this development happen in locations that are under intense development pressure from a variety of high value uses were also identified.

In the case of Tunbridge Wells where the plan and supporting policies have now been in place for some time, the study has provided a valuable baseline from which to monitor the hotel sector and against which to make decisions on planning applications. Sites have been allocated for new hotel development, though some are likely to be longer term in their delivery. The research has also informed the council's hotel retention policy, and has been used to resist change of use in both the historic town and the rural area. Further work is currently underway to develop these retention policies and supporting criteria further.

Eastbourne – Planning for Retention

In the South East of England the pressure for development is intense, and hotel companies looking to develop new hotels have struggled to acquire sites against competing high value uses. This same pressure, particularly from the residential market, is also resulting in the loss of hotel accommodation and increasing numbers of applications for change of use from hotels to flats and housing developments.

Eastbourne is an excellent example of a local authority that has risen to this challenge, and applied the principles of positive planning informed by on-going monitoring and market information, to retain hotel accommodation in the resort. The local plan policy seeks to actively retain visitor accommodation in core visitor areas that are clearly defined. There is a general presumption against change of use in these areas, unless the applicant can demonstrate that continuing use is not viable. A series of factors are used to assess viability, including location, physical condition of the property and cost of repair, the potential for refurbishment, market valuation, and the financial performance of the business. Applicants need to present the evidence in each case. Supplementary Planning Guidance is currently in

preparation that will flesh out this policy, the criteria and their application in more detail. This allows for much greater transparency and consistency than has previously been in place.

In order for the local authority to be able to respond to the evidence presented, and if necessary to challenge cases of non-viability, they have commissioned consultants to prepare business models providing benchmark figures for different types and sizes of hotel business, to provide an objective baseline for viability assessments. These are based upon and informed by market performance in Eastbourne.

The Borough Council also monitors the supply of tourist accommodation in the resort on an on-going basis, and estimates that since 1990 the resort has lost 1000 rooms, with the greatest loss amongst smaller establishments, and a significant improvement in the quality of the remaining stock. The Borough Council believes that this policy has played an active part in retaining an adequate stock of serviced accommodation in Eastbourne, deterring many speculative applications that would have reduced the resorts hotel stock and weakened its offer. The policy has had to be supported with both research and resources at appeal but the viability criteria have been upheld by the High Court.

Eastbourne's approach exhibits a number of characteristics that we believe should form the backbone of retention policies, being well-defined, objective, economically realistic, consistently applied, evidence-based and – critically - market-led.

TSE Bed & Breakfast Sector Study & Toolkit Guide for Local Authorities

October 2004



"B&B owners are getting better and better at what they do. They understand the importance of the small touches which go a long way to making a stay extra special."

Elsie Dillard, editor of The Good Bed & Breakfast Guide 2004

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1. BACKGROUND AND CONTEXT

The 2004 edition of The Good Bed & Breakfast Guide reports that the industry is thriving and that the standard of product and service offered by Bed & Breakfast (B&B) operators has improved substantially over recent years.

According to UK Tourism Survey and IPS data, visitors staying in UK Bed & Breakfast accommodation spent £2.605 billion in 2002, representing around 8% of all UK resident overnight tourism expenditure, and 4% of overseas overnight visitor tourism spend.

There were around 3,000 Bed & Breakfast establishments identified in the South East in 2002 (Tourism South East, 2003), accounting for over half of all serviced accommodation establishments in the region, and approximately 13% of the bedspace. These establishments serviced 1.66 million trips resulting in tourism expenditure of £280 million that year (domestic and overseas guests combined). Dividing the total regional expenditure by the number of B&B establishments gives a figure of £86,340 per Bed & Breakfast – spent on the accommodation itself, plus eating out, shopping, entertainment, travel and other services. Whilst the total number of B&B is likely to be greater than 3,000, this calculation serves to underline the important role that B&B have in the local economy.

The business traveller market is an extremely important market for many B&B establishments, with around one third of stays in B&B involving business and work related guests. Overall, the B&B sector satisfies around 18% of UK resident business and work stays in the South East region.

Local Authority Tourism Officers and Destination Managers have increasingly drawn the B&B accommodation sector to the attention of Tourism South East who commissioned this piece of work in December 2003. The work is structured in 3 stages with the first phase comprising a detailed research element to establish the sector issues and views on scope for development. The second phase concerns creation of a toolkit to help Local Authorities develop the sector, and the third is a facilitative delivery phase to support the implementation of the toolkit.

This document comprises the 'toolkit' element of the project, and has been prepared alongside the contract report for Tourism South East, which contains a significantly broader set of recommendations and proposals for action.

Individual properties tend to classify themselves as either B&B or Guesthouse accommodation and for the purposes of this research, the self-classification approach to B&B has been maintained. Where ambiguity has arisen, B&B has been defined as accommodation where the primary purpose of the property remains the residency of the owner. Where the exclusive or substantial part of the property is given over to guest accommodation, this has been regarded as Guesthouse provision and falls outside the immediate scope of this work.

The initial research involved a detailed survey, designed by the consultants and administered by TSE. This was distributed by email to a sample of 1,432 B&B

operators and a further 400 were distributed to a sample of B&B owners in hard copy form.

The survey was also distributed electronically to all Tourism Officers, Visitor (Tourist) Information Centres, and Local Planning Authority Offices identified in the region.

Responses were received from 199 B&B operators, representing a response rate of 10.9%, an estimated 7% of the entire South East B&B population. Responses from Tourism Officers and Visitor Information Centre staff were combined together, totalling 51 replies over 60 Local Authorities operating across the region. There were 8 planning officer responses.

298 Guesthouses were also polled by email simultaneously and 28 responses were received. The findings from the Guesthouse sector are being reported separately. However, the themes, issues and points raised by this group appears to be largely consistent with those identified by the B&B, and it could be argued that both can be looked at as one.

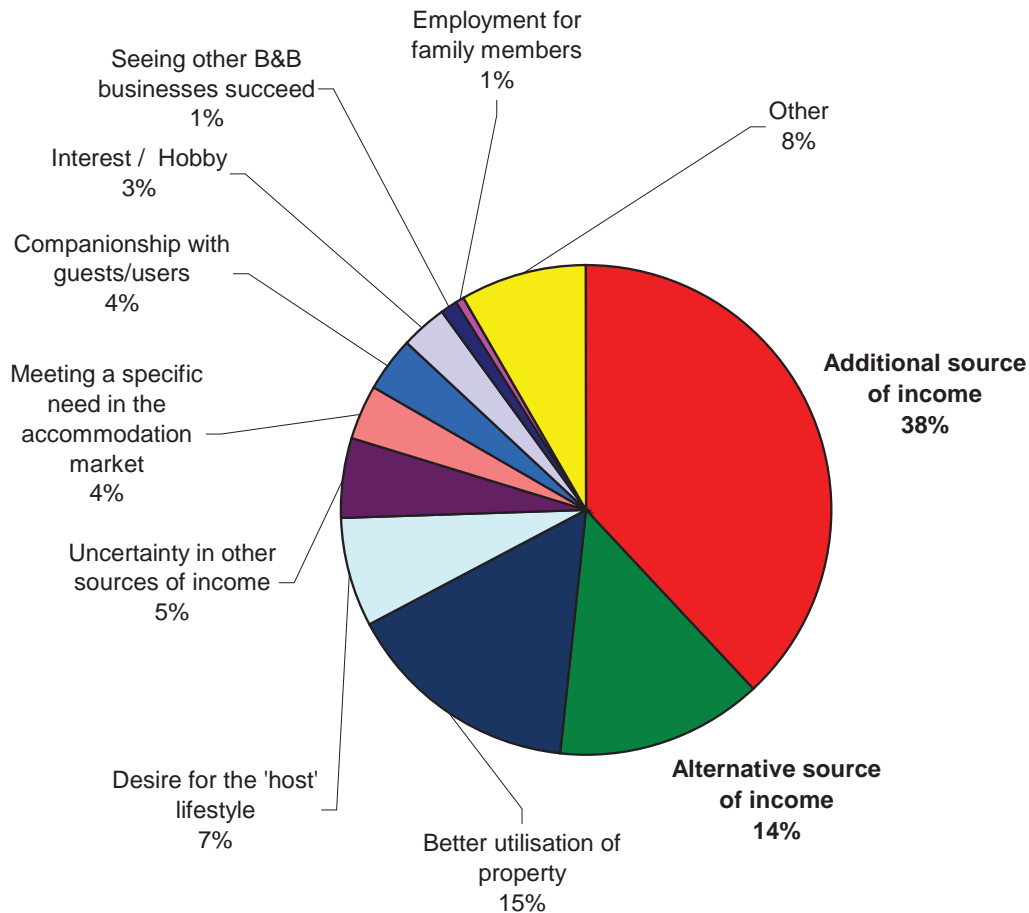
The initial survey was followed up with 4 focus group sessions held across the region comprising a mix of Local Authority staff and B&B operators. Further telephone surveys and interviews were then conducted to complete the initial 2 phases of the study.

2. A PROFILE OF B&B IN THE SOUTH EAST

The web-based and hard copy survey yielded 199 responses from within the region. Analysis highlighted that 70% of B&B in the region offer 2 or 3 rooms, and 40% have been running for 5 years or less.

52% started up their business to generate additional or alternative income, with 15% wanting to make better use of their property (Figure 1).

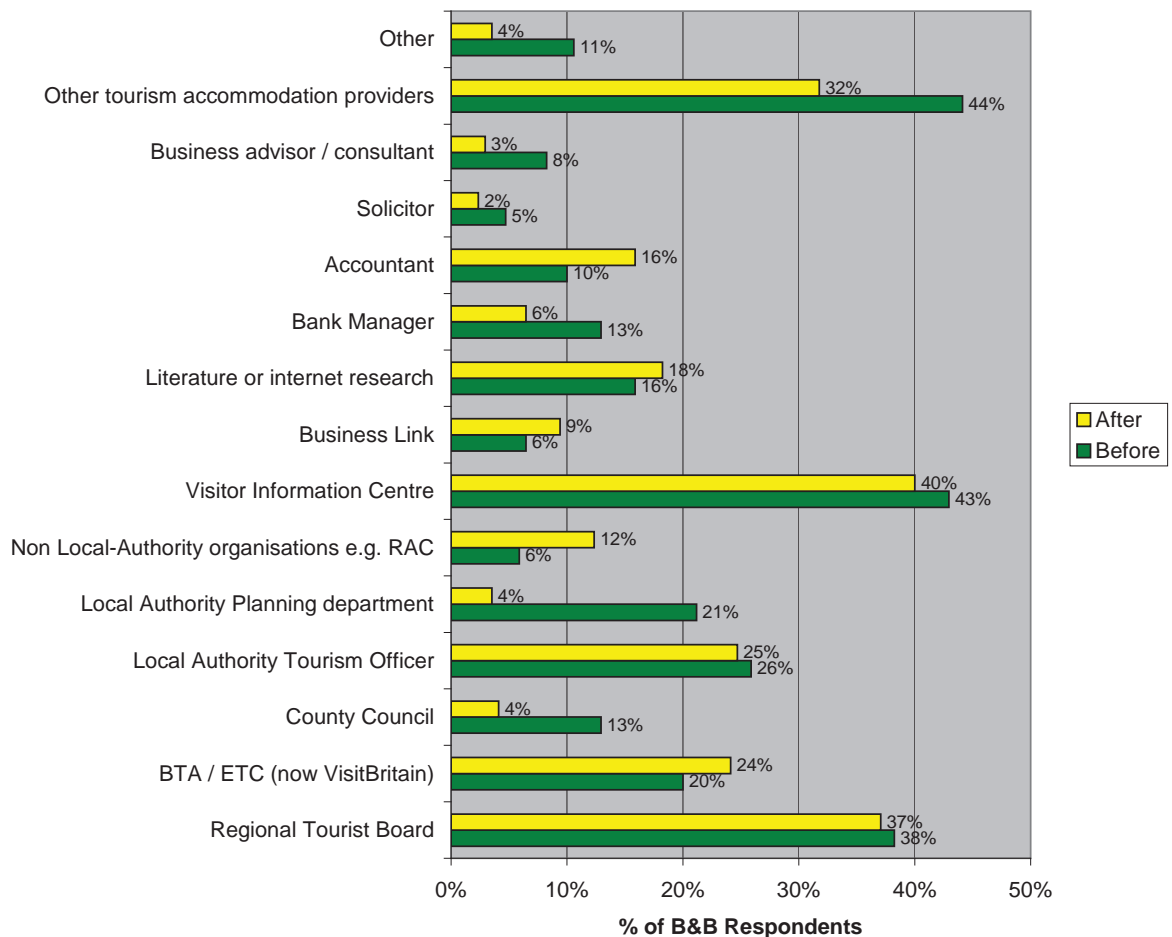
Figure 1: Main Motive for Establishing a B&B Business



When starting out, most B&B operators seek help from other visitor accommodation providers, Visitor Information Centres and the Regional Tourist Board, with around a quarter approaching their Local Authority Tourism Officer and Local Planning Authority.

Ongoing support is mainly sought from the Visitor Information Centres, the Regional Tourist Board, the Local Authority Tourism Officer and other accommodation providers.

Figure 2: Where Support is Sought Before and After Establishment



South East B&B turn away 5.27 bookings per week in the summer on average, but just 1.54 per week in the winter months.

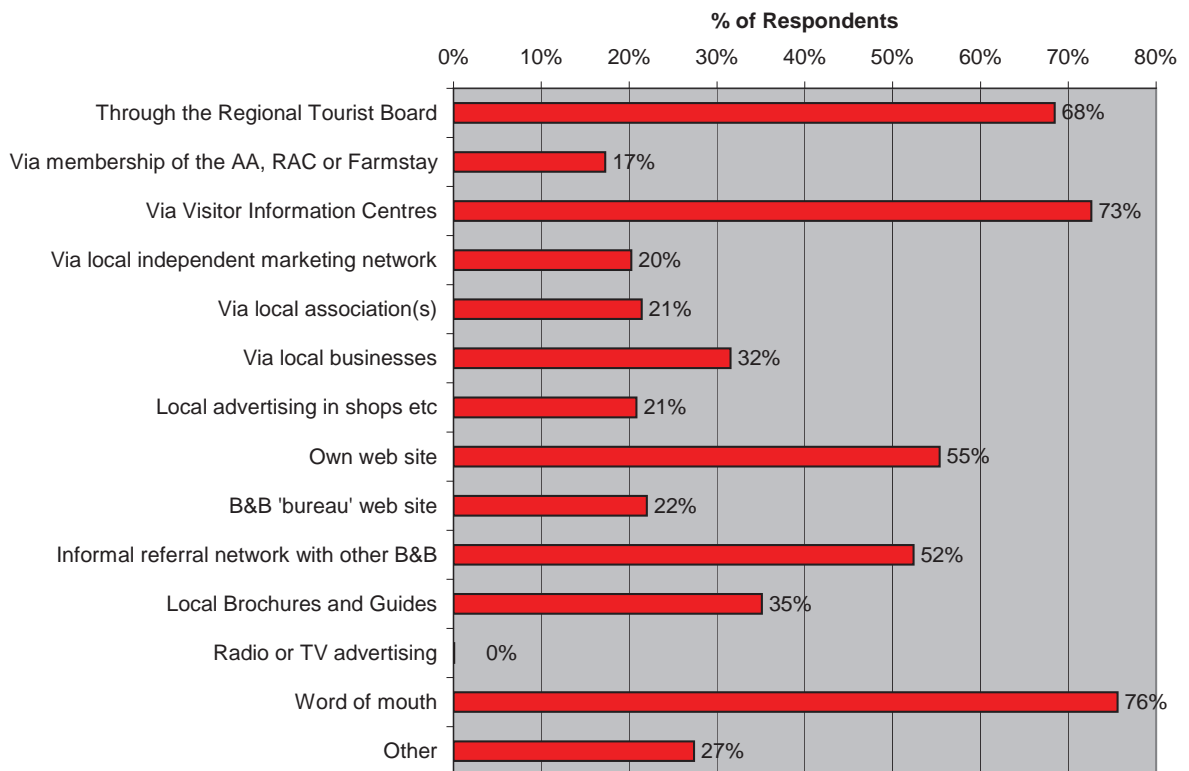
Figure 3: Average Denials per Week across the Region (% of B&B respondents)

	Summer	Winter
Not turning anyone away	11%	59%
More than 1 Denial / week	89%	41%
More than 5 Denials / week	45%	9%
More than 10 Denials / week	19%	5%
More than 20 Denials / week	5%	1%
Average Denials / week	5.27	1.54

According to UKTS data, average annual room occupancy levels in the South East are generally lower than hotels and guesthouses at a little below 50%. However this research has identified significant deviation from the average with occupancy ranging from less than 20% to over 90%. Levels can vary within a locality as well as across the region, key influences being level of quality offered, promotion strategy and 'local' location. There has been a recognised recent fall in occupancy levels in certain areas of the region, especially where businesses have depended on the US tourism market, or where there has been a notable increase in competition from other sectors, notably budget hotels.

There is a heavy reliance on the Regional Tourist Board, Visitor Information Centres and word of mouth for business, with development of their own websites becoming an increasingly important promotion route.

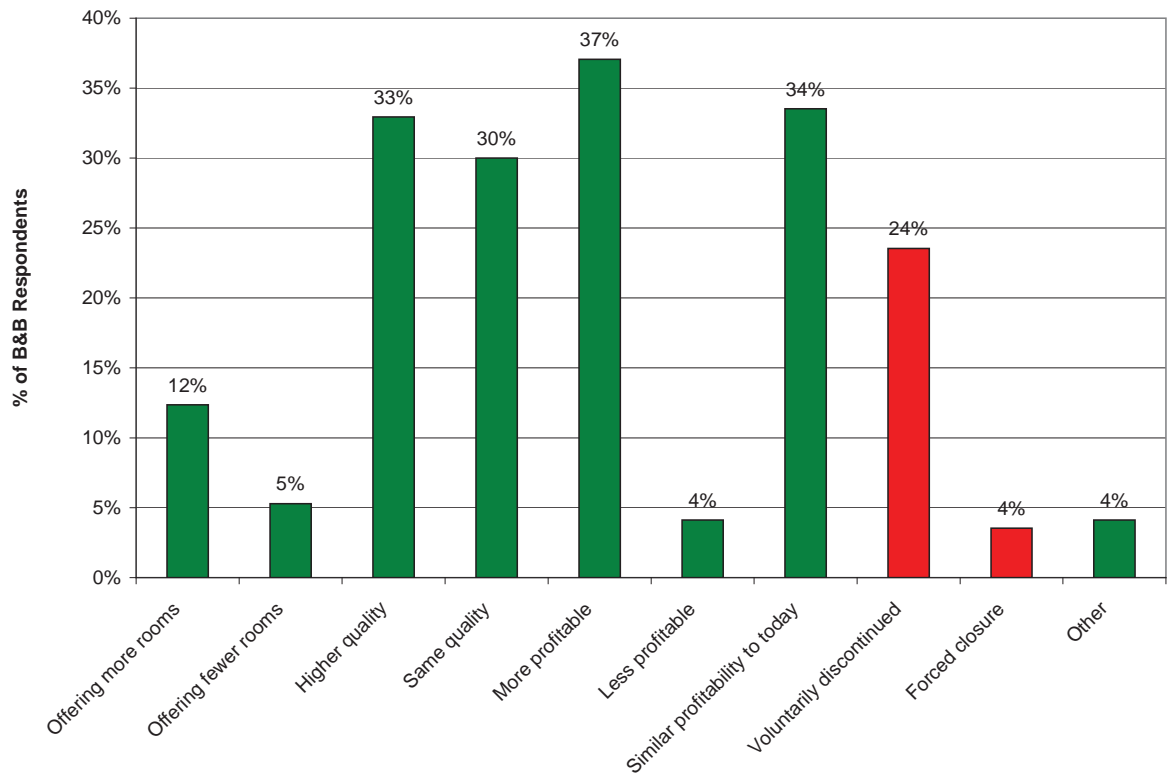
Figure 4: B&B Promotion Channels



Alarminglly 28% of B&B operators surveyed expect to close within the next 5 years (24% voluntarily). Reasons for closure vary widely, with lifestage business start up and closure being a key factor (many B&B seem to operate for around 10 years prior to couples and individuals retiring). However the perceived threat of red tape and difficulty in sustaining a viable, profitable business are also key factors.

More encouragingly, around a third of operators expect to be more profitable and offering higher quality over the next 5 years.

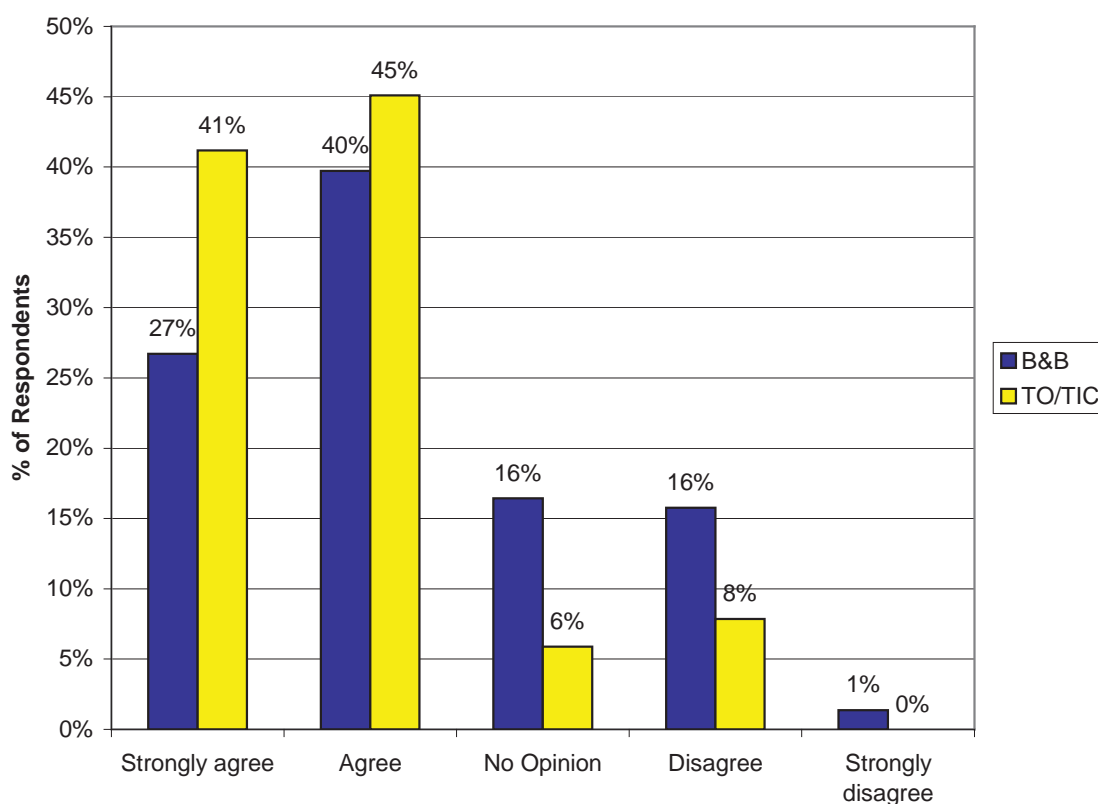
Figure 5: Where B&B Operators Expect to be in 5 Years Time



3. OPINIONS ON SCOPE TO DEVELOP THE SECTOR

B&B operators, Tourism Officers and VIC operators were asked for their views on barriers to development of the sector in the survey. The survey results clearly identified that 67% of B&B operators and 86% of Tourism Officers and VIC operators agreed that there is scope to develop the B&B sector. The difference in extent of opinion may partly be explained by B&B operator behaviour, not wishing to encourage increased supply for fear of increasing direct local competition.

Figure 6: B&B, Tourism Officer and VIC Operators Views on the Scope to Develop the B&B Sector

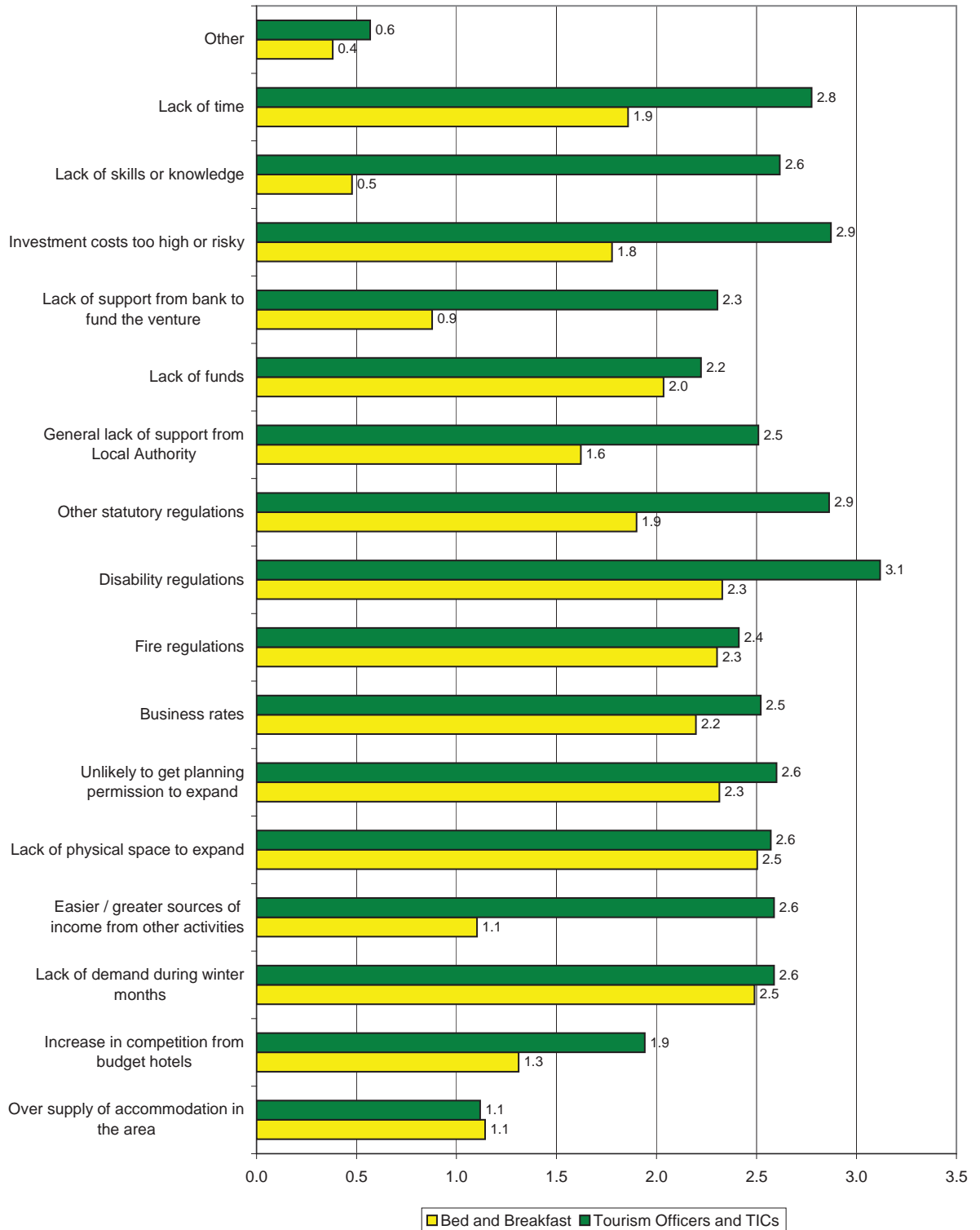


Survey respondents were asked to score perceived barriers to the sector on a scale of 0-5 (where 5 was high). B&B perceived lack of winter demand and insufficient physical space as the biggest barriers to development of their business (Figure 7). Other factors that scored comparatively highly included disability regulations, fire regulations, business rates, lack of confidence in obtaining the necessary planning permission and lack of funds.

Tourism Officers and VIC operators saw disability regulations as the largest barrier to development, with other statutory regulations, investment costs and lack of time being significant barriers as well.

Interestingly, the barriers were generally perceived to be greater by Tourism Officers and VIC operators, than by the B&B themselves.

Figure 7: Perceived Barriers to Development of the B&B Sector



The survey clearly highlighted that 69% of B&B operators wanted to improve their occupancy rates, and 47% wished to improve the quality of their product.

Only 26% of respondents were exceeding their target occupancy rate, with 20% falling well below their target performance level. The importance of finding a **solution to improved occupancy levels** (particularly improving winter occupancy rates) is critical to the sustainability of the sector, helping to improve business profitability, relative attractiveness to new entrants, and retention of those already involved.

B&B operators identified promotion in general and to specific sectors as areas with greatest potential for development, closely followed by scope to improve the image of the sector relative to other serviced accommodation (Figure 8). B&B operators were least confident about there being potential to improve tariffs or develop the size and number of establishments.

Linkage to other tourism and leisure activities and increasing the physical number of establishments were 2 key development areas identified by Tourism Officers and VIC operators, with more than 50% of respondents identifying significant scope in these elements (Figure 9).

97% of Tourism Officers and VIC operators also felt that there was possible or significant scope to improve the skills of B&B operators. 76% identified at least some scope to improve occupancy rates.

Tourism Officers and VIC operators were least confident about there being potential to increase tariffs and the size of individual establishments, although at least half felt there may still be possible scope.

61% Tourism Officers and VIC operators stated in the survey that their Local Authority had run initiatives to specifically support and develop the B&B sector, yet only 30% of B&B operators claimed to have been aware of these efforts. Whilst the difference between reported activity and awareness may be partly due to aggregation of findings at a regional level, it also suggests that there needs to be better communication between those promoting initiatives and those operating in the sector. Communications are made more difficult where B&B operate outside the grading scheme.

Figure 8: B&B Operators Views on Scope for Development of Specific Elements of B&B

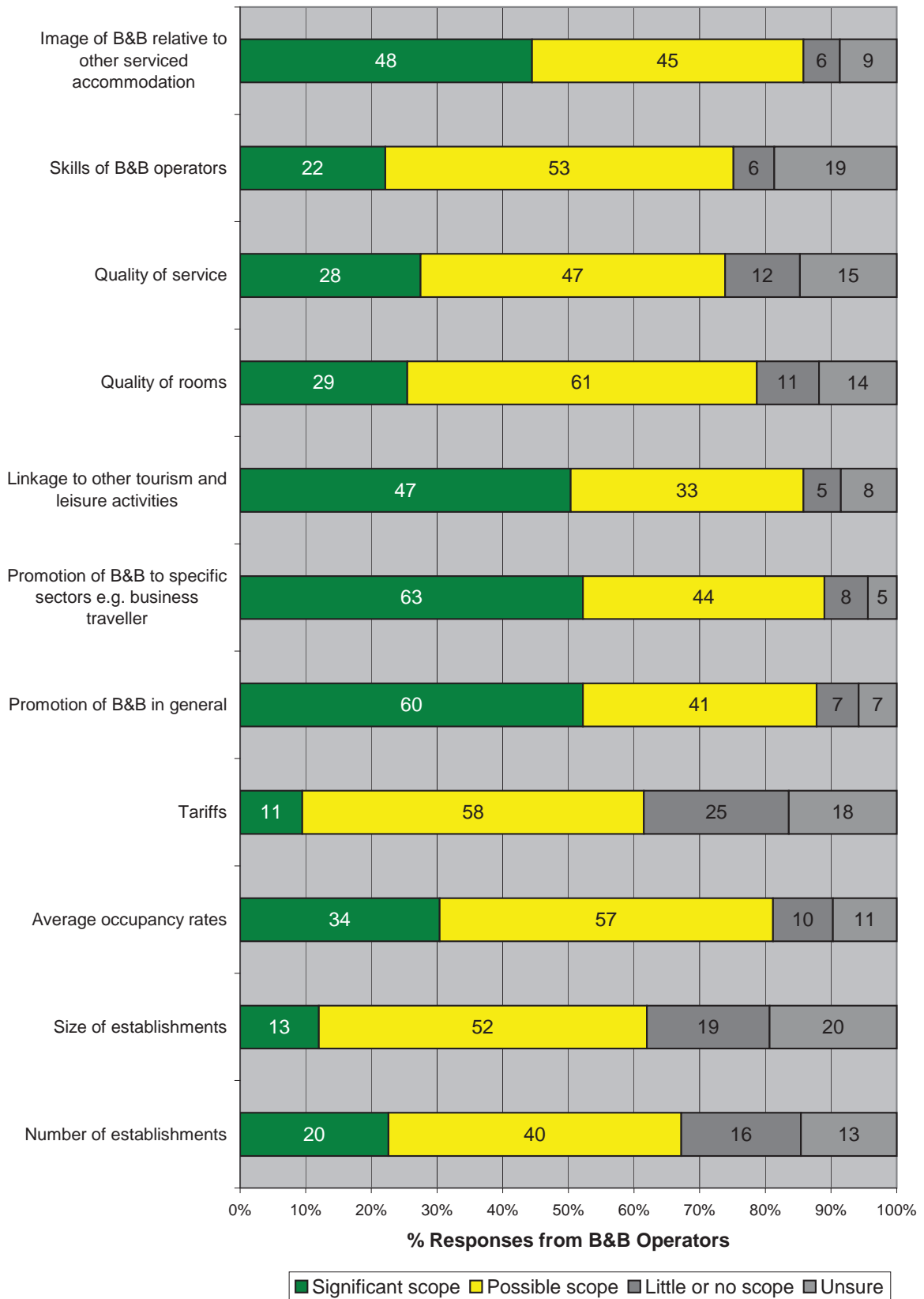
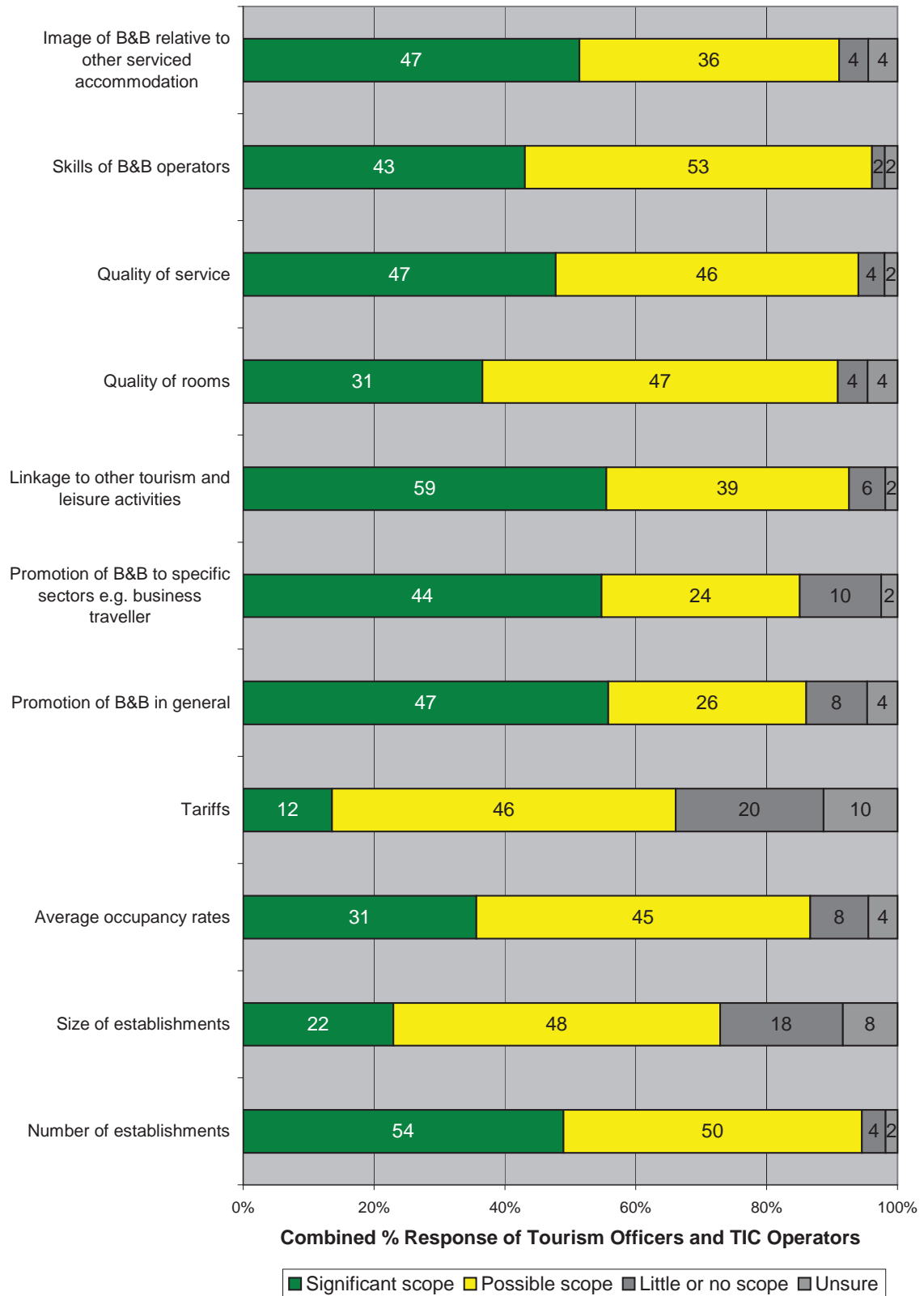


Figure 9: Tourism Officers & VIC Operators Combined Views on Scope for Development of Specific Elements of B&B



4. POLICY ISSUES IMPACTING ON THE B&B SECTOR

Evidence from this research suggests that some B&B groups and Tourism Officers are far more pro-active, prepared and organised to enable the industry have a voice in local policy.

More needs to be done to encourage the sector to have an input into local policy issues, but this is only likely if B&B networks can be strengthened and Tourism Officers can achieve a greater influence over Local Planning Authority decision makers.

Feedback from the survey and focus groups has failed to corroborate the fear of PPG3 impacting adversely on the B&B industry, although the extremely limited feedback from Local Planning Authority officers in the work means that this finding is not conclusive and cannot be relied upon.

There is anecdotal evidence of problems where Local Authorities are actively implementing policies to retain serviced accommodation stock, and failing to allow reversion to residential status, although this predominantly affects guesthouse establishments rather than B&B. Such policies can lead to image problems, with a tendency for the policy to frequently work by enforcing retention of the less successful, less well managed, poorer quality properties. These properties then lie vacant or become run down with operators unwilling or unable to sell.

Artificially retaining bedspace by policy mechanisms in areas where demand is naturally falling is also putting economic pressure on the remaining establishments. In addition such procedures can also discourage new entrants as they are fearful of seeking planning permission themselves on residential property they already own, for fear of not being able to revert to residential status at a later date.

Where such retention policies are in place, it is absolutely essential that the Local Authority have a clear and accurate understanding of the market dynamics, occupancy levels being achieved, and issues of the individual property concerned.

There seems little point in retaining bedspace where demand is not clearly evident for such activity, as this has negative impacts all round. The relationship between Tourism Officers and planning officers should be strengthened with planning officers consulting Tourism Officers to enable fully informed consideration of applications for reversion to residential status on a case by case basis.

5. THE NEED TO RECOGNISE THE SECTORS SPECIFIC ISSUES

Bed & Breakfast proprietors accounted for 51% of all serviced accommodation establishments in the South East in 2002 and it is evident that much is already being done to identify and support their specific needs. Examples include first class tailor made training courses, intensive one-one support from Tourism Officers including site visits, and seminars run specifically for B&B. However the extent of B&B specific support varies within the region and many operators have expressed frustration that a significant proportion of national, regional and local tourism initiatives are focused on larger businesses, appearing to overlook their sector and specific needs.

Most Bed & Breakfast proprietors are operating a comparatively low turnover business within their home, employing few if any staff, and are generally heavily dependent on the Regional Tourist Board, Visitor Information Centres and word of mouth for marketing. This makes them very different from hotels and other forms of tourism accommodation. The content, timing, pricing and marketing of campaigns sometimes fail to take into consideration these size, organisational structure, and profitability issues.

The take up of support campaigns is much improved where Local Authorities and supporting organisations have really listened to what B&B are looking for, and how they want to receive it, before launching a campaign. However the **increasing financial and resource pressures being placed on most Local Authorities, leaves many Tourism Officers with inadequate resources to adequately address the specific needs of the sector on their own.**

This current and future anticipated funding environment demands that sustainable supporting frameworks are created (where such structures don't already exist), or further refined where structures have been developed, so that B&B are able to better support themselves in the future. The role of local B&B networks is seen as an essential component of such activity.

At the same time it is essential to recognise that the funding pressures actually present an opportunity to foster partnership between Local Authorities when handling B&B issues. There are excellent examples in the region of how such partnerships can work for the benefit of all through greater impact and economies of scale. But it is also important to recognise that these partnerships need to have an affinity and relevance to the B&B visitor in the context of promotion. Hence it is proposed that the findings of regional brand mapping activity and the whole concept of destination management are integrated into support plans for the long term success of the B&B sector.

It is abundantly clear that the supporting environment is becoming increasingly fragmented and complex and there is an absolute need to reconnect the supporting structures, and clearly communicate to Local Authorities and B&B operators who is doing what, and how they can help. A request has been made to Tourism South East to map out who is doing what, how they interconnect, and to provide named contact points within these organisations.

6. A 10 POINT ACTION GUIDE FOR LOCAL AUTHORITIES WISHING TO DEVELOP THE B&B SECTOR

Many Local Authorities are making strenuous efforts to support B&B, and Tourism South East envisage this B&B specific study as the first of many positive steps in further helping Local Authorities and providers working in the sector.

It must be emphasised that this document is as much about corroborating and spreading excellent best practice that already exists, as much as it is about undertaking additional activity.

Distillation of the issues raised and initiatives identified through the survey, focus groups and interviews has led to the development of a 10 point action plan, which forms the basis of a toolkit guide for those wishing to support the sector. These action points are:

- 6.1. Fostering Networked Local Relationships
- 6.2. Providing a Welcoming, Accessible Support Environment
- 6.3. Reconnecting the Bed & Breakfast Support Chain Through Partnerships
- 6.4. Ensuring Consistent High Standards whilst Retaining Individuality and Diversity – The Grading Issue!
- 6.5. Increasing the Effectiveness and Efficiency of Promotion
- 6.6. Improving the Adoption and Efficient Use of ICT
- 6.7. Improving the Economic Sustainability of Bed & Breakfast
- 6.8. Ensuring The Industry has the Skills Required for the Future
- 6.9. Raising awareness of Bed & Breakfasts Major Contribution to Tourism And the Wider Economy
- 6.10. Enthusing Potential new Entrants and Retaining Existing Operators

The issues relating to each action area are summarised, together with proposed initiatives to help facilitate development. The matters raised often relate to more general areas of tourism support that have an indirect but substantial impact on the B&B sector, and it is not possible for this guide to solve all the issues raised. Many of the initiatives proposed reflect what is already taking place in some Local Authority areas.

18 sets of materials reflecting best practice found in the region, together with case studies, have been included and referred to in the document.

The report's author recognises the limited resources available within Local Authorities and does not expect all initiatives proposed to be adopted. This guide is designed as **a menu from which Tourism Officers and those engaging with the sector may select opportunities to focus upon.**

7. ACTION 1 - FOSTERING NETWORKED LOCAL RELATIONSHIPS

THE ISSUES

1. There is an overwhelming need to maintain and improve communications and information flow within the B&B sector, and a requirement to dismantle the solitary perception that some B&B have of their position in the industry.
2. B&B businesses benefit greatly from sharing experiences and knowledge with other operators, as well as enjoying social interaction with like-minded people.
3. There is also a need to empower B&B operators, and this can be achieved most effectively by encouraging them to come together as a combined voice.
4. The high number of widely dispersed, comparatively small B&B businesses with high turnover rates and variable uptake of ICT often makes it difficult for Local Authorities and others providing support to make an efficient and effective approach to them. This will become increasingly pertinent as tourism budgets come under increasing pressure at Local Authority levels.
5. Many areas have now established extremely successful B&B groups and networks, often facilitated by their Local Authority, but gaps still remain. Some Local Authorities have created networks in partnership with other adjoining districts to great effect. These networks are an extremely effective and efficient mechanism for developing sustainable, long term supporting environments. They also provide the mechanism for delivering continuous improvement into the industry.
6. These networks not only act as excellent communication channels between Local Authorities and the coal face, but also foster a greater understanding of each others needs, wants and operating environments.
7. Networks are also providing an enabling mechanism for social activities and events which bring greater cohesion to the B&B sector.
8. Their structure demands a positive 'buy-in' from local operators and enables the Local Authority to take a more strategic role with often greater effect whilst at the same time reducing pressure on their human and financial resources.
9. Networks also act as an efficient approach mechanism for other supporting and training organisations.
10. There is no easy route to developing a network – it takes a great deal of effort on all sides, especially from the facilitator during establishment.
11. Most networks have been established through one-one visits by Tourism Officers fostering relationships with individual business and then encouraging operators to get together, or by holding relevant seminars and meetings that pull B&B together via a relevant shared agenda.
12. Networks must have a purpose for being established, and identifying a common local problem or issue is an excellent mechanism for doing this. Local Authorities have found that grading and marketing as well as issues particular to running a small business present good opportunities for establishing a network.

13. It is important to identify champions in the early meetings who can take the network forward, but they will only come forward if the benefits of the network can be clearly presented and understood. Some Local Authorities have found it beneficial to bring in B&B speakers from other areas to talk about the benefits of a local B&B network – they can often sell the benefits far better as they are practitioners.
14. Successful, sustainable networks depend on those involved having an affinity with one another. Wherever possible the establishment and structure of networks should be driven by linking together B&B with common issues and visitor profiles, rather than Local Authority administrative boundaries. Only by working in this way can you ensure that there are common themes for B&B to address. In some instances this ‘visitor destination’ approach has successfully led to 2 groups being established within one Local Authority area focused on differing destination characteristics and target guests.

POSSIBLE INITIATIVES

- a. Where networks are not present, it is strongly recommended that Tourism Officers seek to **facilitate the establishment of B&B networks, or develop relationships with other nearby networks** that can embrace their area. Consideration should be given to destination management themes and brand mapping findings when assessing options of partnership.
- b. Where new networks are being established, facilitators should seek to **identify a common, relevant theme that links their B&B operators together**, and look to established networks to identify effective presenters who can sell the benefits of the network. In many cases the most effective presenter for communicating the benefits of networking will be a B&B operator.
- c. Where resources are not available to establish networks, Local Authorities should look to compatible destination authorities, regional sub-groups and other mechanisms for partnering in such activity. Local Authorities should also seek support from TSE in establishment of these ventures through on the ground support, raising finance etc
- d. **Collation and distribution of network newsletters** should be considered to support the B&B network, which can then feed into other relevant documents
- e. Feedback mechanisms and the establishment of a chair, champion, and working group should be established for the network as it evolves.

CASE STUDY MATERIAL

Case Study [1] – Test Valley B&B Groups

Case Study [2] – Establishment of Windsor B&B Group

8. ACTION 2 - PROVIDING A WELCOMING, ACCESSIBLE SUPPORT ENVIRONMENT

THE ISSUES

1. A considerable amount is already being done to help support the Bed & Breakfast sector, particularly through training, marketing and regulatory advice. This is most commonly driven by Local Authorities, supported by training partnerships and Tourism South East. However the type, extent, presentation and impact of such activity varies from area to area.
2. Many Bed & Breakfast providers are owner managers operating in a comparatively isolated environment. With their multi-tasking roles they often have limited time available to seek out support and guidance. Support (such as training) provided between mid morning and mid afternoon appears to fit well with other demands on their time.
3. Support is most commonly requested from other accommodation providers, the Regional Tourist Board, and Visitor Information Centres. Bed & Breakfast operators also frequently seek out support from their Local Authority, including help in some or all of the following departments:
 - Tourism
 - Planning
 - Environmental Health (Food and Health & Safety)
 - Trading Standards
 - Social Services (for registration of child care / baby sitting facilities)
 - District Valuer (business rates)
 - Fire Authority
 - Magistrate (for licensing)
4. B&B generally seek assistance of some kind, but the supporting market place for B&B is becoming increasingly fragmented and disjointed, and **many B&B operators are struggling to understand who is responsible for what, and what it is they offer**. Sometimes it is easier to give up looking altogether.
5. There is a need for greater clarity over the role of Tourism South East, and this organisation's linkage with the Local Authorities and individual establishments.
6. There is a clear demand for readily approachable expert advice, especially in the grading and legal fields, and business start up areas. There is absolutely no doubt that the approach, style and enthusiasm displayed by TSE's Business Development Manager (Vernon Cornell) is extremely effective and well received by all in the sector. Local Authorities are generally taking good advantage of his services, especially where grading issues are concerned. This approach is a strong model for how high impact support can be delivered to the B&B sector.
7. Small business in general, and B&B in particular, are becoming increasingly concerned about the perceived burden of red tape. This is becoming more pronounced with the introduction of the second phase of the Disability Discrimination Regulations in October 2004. In many cases the fear is worse than the reality, stirred up by rumour and unsolicited marketing campaigns by trade organisations seeking a commercial opportunity.

8. Many Local Authorities provide a positive, approachable form of contact but it is clear that more could be done in certain areas. Some **B&B remain wary of approaching Local Authority officials**, and often perceive or experience such communication as a threat rather than a facilitator to their business. In essence, a culture of support and positive facilitation rather than pure enforcement would make a significant difference, especially with regard to planning issues.
9. Tourism Officers provide an excellent conduit to other relevant Local Authority staff, and can often help to positively influence the approach of their colleagues to the sector and introduce regulatory aspects to a B&B in a positive way. Becoming a graded property and member of TSE also brings that business into the loop where communication is generally much improved.
10. Whilst regulatory issues are a key concern for both the Local Authority and the operator, there is often too much focus on regulatory aspects in the content of supporting work relative to other salient issues, especially where new start ups are being encouraged. Requests have been made for more engaging, balanced presentations and seminars, involving a broader agenda. Successful B&B operators are often the best vehicle for getting over the benefits of regulatory compliance.
11. B&B operators benefit enormously from individual relationships being forged with their Local Authority Tourism Officer. Where resources are available a number of Tourism Officers aim to visit their B&B on an annual or rota basis during quieter periods to cement these relationships.
12. Evidence suggests that B&B benefit from the social and networking opportunities that supporting seminars and workshops offer. Sometimes agendas can be improved to allow more time for networking. There is also plenty of evidence to show that real case scenarios and problem solving workshops on actual premises are better training mechanisms than 'chalk and talk'.
13. Choice of venue is important when supporting B&B through local events. If significant issues are on the agenda, then B&B need to be made to feel special and appropriate locations should be sought to reflect this. For more regular events such as network meetings, B&B premises often prove to be an excellent choice of venue.
14. There is little evidence of mentoring in the sector, although informal mentoring sometimes occurs with new start ups when they are introduced to B&B networking groups. The comparatively isolated operating environment of B&B demands a more organised mentoring strategy.
15. Due to the 'urban focused' marketing approach of some Visitor Information Centres and the comparatively remote locations of some B&B, rural and farm-based B&B sometimes feel particularly isolated.
16. Some Bed & Breakfast providers do not clearly understand the benefits that various types of support such as training can bring. The creation and development of a supportive environment also relies on the ability to communicate the benefits of such support to the target audience.

POSSIBLE INITIATIVES

- a. **A map outlining the various public and private organisations** providing support to the sector should be prepared by TSE, clearly stating what their responsibilities and services are, their contact details (including a NAMED contact point), and how they interlink. The map should be distributed to Local Authorities who can furnish additional local organisation and contact details, before ongoing circulation to established and potential B&B businesses.
- b. Local Authorities should **actively seek to embrace the services of TSE's Business Development Manager** as a facilitator to the sector, especially where grading matters are concerned.
- c. Tourism Officers should work with their network groups and champion B&B operators to **develop or extend mentoring activities for new B&B**. Mentoring should also be considered where new practices are being encouraged, such as adoption of Information and Communication Technology (ICT).
- d. When events and seminars are being prepared, agendas should be structured to **allow sufficient networking opportunities** for the audience. The use of real case scenarios involving **small workshops held at actual B&B premises** should also be considered (where feasible) and problem solving approaches should also be incorporated. The agenda should also be structured to ensure a **reasonable balance between regulatory issues and other salient matters**. Where possible presentations and speakers should be vetted to ensure their style is engaging and welcoming.
- e. Where regulatory issues are being communicated by Local Authority officials to B&B at events and seminars, it is important to include practicing speakers (eg. active B&B) to help get over the messages.
- f. Where resources allow, Tourism Officers should undertake **site visits to B&B on an annual or rota basis**. Emphasis should be placed on those that are more geographically isolated in the first instance. Where resources are not available to achieve this, greater emphasis should be placed on peer support delivered by the local B&B network(s).
- g. **Feedback mechanisms** should be established to run alongside all supporting activities to monitor and evaluate impact, and provide the opportunity for B&B operators to state what they want in the future.
- h. Local Authorities should seek to identify low cost benefits with high impact that can be offered to the B&B sector. This might include discounted parking permits for example.

CASE STUDY MATERIAL

Case Study [3] – Windsor B&B Question Time Seminar

9. ACTION 3 - RECONNECTING THE BED & BREAKFAST SUPPORT CHAIN THROUGH PARTNERSHIPS

THE ISSUES

1. Detailed, accurate and timely communication between and within all supporting organisations is paramount in ensuring the B&B sector gets the help it needs, when it needs it.
2. B&B operators and some supporting organisations (including Local Authorities) express frustration at there being no coherent approach to supporting the sector, with overlap and gaps in support. Few people seem to really understand what support is available, who is offering it, and how it all links together. Devolution and changes to funding structures have made the situation more complex than ever.
3. The supporting requirements of the B&B sector cut across a wide range of departments and responsibilities within a Local Authority. Inter departmental communication is therefore essential.
4. Unless strenuous effort has been made by enthusiastic individuals there is often little evidence to suggest that key Local Authority staff impacting on the B&B sector really understand how other departments or organisations relevant to B&B operate (and think). Communication channels between some Tourism Officers and local planning authority teams leave a lot to be desired, yet one or 2 have established formidable working relationships – usually through persistency and showing an interest in their colleagues issues. Tourism Officers, local planning officers and planning committee members would benefit the sector by gaining a greater understanding of each other's roles, operating frameworks, strategies and language. Best Value activities have helped to foster departmental relationships in some areas that are directly benefiting the B&B in some Local Authorities.
5. The link between Local Authorities and TSE is critical. For example through the Area Accommodation Unit TSE provide key services for handling consumer complaints against Quality Assured properties, Visitor Guide proofing, legislative advice and facilitating Local Authority Quality Assurance policies. TSE membership also offers distinct benefits to B&B operators. It is clear that more needs to be done to strengthen and improve the working relationship between TSE and the Local Authorities.
6. The recent merger and subsequent structuring of the Southern and South East England Tourist Boards places particular emphasis on the need to ensure continuity of service and clarity of purpose with regard to TSE's role in supporting the B&B sector at a strategic and tactical level.
7. Supporting requirements also go beyond the Local Authority and TSE with organisations such as Visit Britain, the County Councils, training partnerships, Business Link, the Learning and Skills Councils and SEEDA having important roles to play.

8. Business Links are a key support mechanism for small businesses during start up, growth and mature stages of development yet only 9% of B&B have sought advice from them. They offer support and advice to small businesses as well as grant finding and signposting to specialist expertise. In some instances they offer direct funding that can assist B&B.
9. Some B&B operators are a member of the Federation of Small Businesses. This organisation is able to provide very relevant support to the B&B sector.
10. Closer working relationships between Local Authorities and the private sector are commonplace, driven by:
 - a. A desire to make better use of scarce resources
 - b. The need to fit appropriate products and themes that cross Local Authority boundaries to target markets
 - c. The changing landscape of regional administration and policy
 - d. Increasing competition from UK and overseas destinations for the key markets

These themes are consistent with the B&B sectors needs, but there is a case for greater representation of the B&B sector in some instances of public-private partnership.

11. B&B operators are generally unaware of the statistics, market research, and other relevant information that is gathered in the marketplace by the Regional Tourist Board and Local Authorities which can help them develop their businesses.
17. There are a number of very effective sub-regional training and support partnerships which provide essential guidance to the sector eg. TBBS, Quality Edge. Their geographical and operational structures and skills sets are an integral facilitator in fostering partnerships between Local Authorities. This makes for an excellent opportunity to combine local resources and take a more destination focused approach to support delivery. Some partnership staff are also acting as a conduit on behalf of B&B operators with regard to planning and other issues, joining up their issues into one source point.

POSSIBLE INITIATIVES

- a. Tourism Officers must persist in building **2 way communication channels** with their Local Planning Officers and other colleagues who impact on the sector. Tourism Officers who have successfully achieved this have been identified in the region and could **mentor** those who need help.
- b. Local Authorities should continue to **actively engage the training partnerships** (eg. TBBS, Quality Edge) in preparing and delivering support that is specifically designed and targeted at the B&B sector. These partnerships should also be considered as an effective partner for Tourism Officers when dealing with planning and other related matters.
- c. Tourism Officers should **verify that sufficient representation of the B&B sector is present within public-private sector tourism partnerships.**

Where representation is inadequate, efforts should be made to recruit and position an appropriate spokesperson.

- d. There are a number of autonomous Business Links operating in South East England. Local Authorities with support from TSE should seek out appropriate liaison points within these organisations, and establish how they can work together to support the sector. **Business Links should be encouraged to identify an individual within their organisation who can specifically deal with B&B issues** and referrals.
- e. Local Authorities need to **identify and circulate market research and information** that is relevant to their B&B. This can be helped by TSE who should collate literature and information from all relevant organisations on a regular basis, analyse and summarise the data, and then cascade this to Local Authorities for local interpretation.
- f. Local Authorities could run **internal seminars** for their Tourism Officers, local planning officers, economic development officers, planning committee members etc to gain a greater understanding of each other's roles and decision making environments in the B&B environment.

CASE STUDY MATERIAL

Case Study [4] – South West Tourism Business Link ICT Training

Case Study [11] – South Oxfordshire Big Breakfast Food and Tourism Initiative

10. ACTION 4 - ENSURING CONSISTENT HIGH STANDARDS WHILST RETAINING INDIVIDUALITY AND DIVERSITY – THE GRADING ISSUE!

THE ISSUES

1. Grading and inspection is arguably the most prominent discussion item on B&B proprietors agendas.
2. Many proprietors are keen to improve the quality of product and service they offer in future.
3. The vast majority of B&B operators recognise the need for some form of baseline quality assurance (“fitness for purpose”), and are keen to weed out unscrupulous or unsatisfactory operators.
4. Most Local Authorities in the South East appear to have now implemented grading only policies concerning promotion but there appears to be no region wide consistent policy on grading.
5. Many graded and ungraded properties remain unclear of the strategic promotion role of Visit Britain, how this organisation is working with their sector, how projects such as England.net relate to them, and how being graded and inspected places them in a stronger competitive position.
6. Non-graded B&B owners appear to be generally unaware of the promotional and business benefits of being graded, or do not believe that the benefits of grading outweigh the costs.
7. By omitting non-graded properties from the communication channels and events that graded properties are involved in, the non-graded properties are even less likely to pick up and realise the benefits of becoming a graded member.
8. Some proprietors are put off from signing up to NQAS due to myths, tales and misunderstandings about grading and inspection.
9. The support provided by the TSE Business Development Manager appears to be a critically effective mechanism for getting over the benefits of grading, and disarming misconceptions in the marketplace. A number of Local Authority officials and B&B proprietors applaud the Business Development Manager’s work and significant, positive impact on their B&B sector. Very high grading conversion rates have been achieved where he has been actively involved.
10. There is arguably a tension between the impact of grading policy driving towards standardisation, whilst the key selling points of B&B are often focused on individuality, uniqueness, variety and character.
11. In addition, many attributes that B&B operators actively sell to visitors are apparently not picked up by the grading scheme as it currently stands. Several proprietors commented that the scheme seems to be industry rather than customer driven.

12. There appears to be some concern about the consistency of grading and inspection procedures, and several proprietors have commented that the 3 Diamond band is too wide with the leap to 4 Diamonds too great.
13. Smaller businesses (3 rooms and less) frequently comment that grading and inspection is seen to be expensive relative to turnover and even discriminatory on a per room rate.
14. The costs of grading and inspection combined with the comparatively high proportion of repeat business once established means the returns from investing in grading are often perceived to fall as businesses mature.
15. The promotional benefits of grading and inspection are apparently also more difficult to 'sell' to proprietors in areas of high latent demand for B&B, backed up by anecdotal evidence from some Tourism officers who report that the proportion of graded properties appears to be lower in such areas.
16. Grading only promotion policies in some Local Authority areas are resulting in potential B&B bookings being diverted to other accommodation types or refused altogether during periods of exceptional demand, despite there frequently being bedspace available in local, ungraded B&B that are known to be fit for purpose. This is having an adverse economic impact on the sector.
17. Some Local Authorities run a secondary list for properties that have applied for grading but are yet to be inspected. They can register to be included for promotion with the Visitor Information Centres in that area.
18. Occasionally, some Local Authorities operate an 'A' list approach to overcome lack of inspected supply during periods of exceptional demand. This involves a second list of ungraded property that is known to VIC operators which cannot be recommended but is promoted with a scripted caveat to those requesting B&B when graded properties are full.
19. Grading only policies can restrict fund raising opportunities for local brochures and other promotion campaigns. This is likely to become more of a constraint on business development in the future where Local Authority tourism budgets are coming under increasing pressure.
20. Some properties which provide B&B self-catering fail to fall into either the serviced or self-catering category of accommodation grading and can't get accredited.
21. Whilst adoption levels are high, confidence in the benefits and administration of the grading scheme needs to be improved if the B&B sector is to more widely adopt it.

POSSIBLE INITIATIVES

- a. Local Authorities should (continue to) implement programmes that identify non-members in their area and seek to engage the TSE Business Development Manager in **communicating the benefits of grading to non-members**. Identified benefits should be localised and quantified wherever possible, for example by illustrating the amount of B&B business that Visitor Information Centres create. This should be supported through seminars that mix graded with ungraded properties. The strategic longer term benefits such as involvement in England.net also need to be communicated. Benefits may accrue from inviting non-graded members to tour a champion graded B&B property, to talk through the issues with the proprietor and score the property for themselves to learn about how the process works in practice.
- b. The **Fitness for Purpose** approach can be used to good effect as long as it is delivered in a supporting, positive way. The Fitness for Purpose pilot being run by West Sussex Tourism should be closely monitored by TSE and Local Authorities.
- c. Local Authorities could **consider implementing procedures for promoting property that has applied for grading and inspection**, as long as this property has been checked out to be fit for purpose. Tourism Officers may be able to assist in verifying these properties as they are often new start-ups who have received a site visit from the officer.
- d. **'A' list approaches** at Visitor Information Centres can overcome the issue of matching supply and demand in the short term and possibly for high profile one-off events, but this should not be seen as a long term solution. Where such action is taken, authorities should have a dual strategy in place to increase the supply of graded property through conversion as outlined above.
- e. Local Authorities and TSE need to have in place **adequate systems for monitoring and encouraging the progress of B&B towards grading**. This requires known targets to be identified at the outset (new start ups, known non-members etc), and a process of monitoring over time through phone calls or direct contact.

CASE STUDY MATERIAL

Case Study [2] – Royal Borough of Windsor Group Approach alongside the TSE Business Development Manager

Case Study [5] – Canterbury District Fitness for Purpose Approach

Case Study [6] – Test Valley A and B list

11. ACTION 5 - INCREASING THE EFFECTIVENESS AND EFFICIENCY OF PROMOTION

THE ISSUES

1. Generally speaking, B&B operators have not established a branded promotional tool in the marketplace, and are therefore heavily reliant on third party promotion through Visitor Information Centres, Local Authority guides, the Regional Tourist Board media, websites and word of mouth.
2. Promotion by Local Authorities is generally in the form of hard copy accommodation guides, a visitor website including accommodation, and active promotion through the work of the Visitor Information Centres.
3. The majority of marketing activity by B&B is via annual subscription payment to third parties – this has led to third party promotional activity being seen as a cost rather than an investment in many instances over which individual B&B have little influence or control.
4. B&B operators appear generally unclear about the strategy behind promotion of their sector at regional, national and international level by Visit Britain and many other tourism organisations.
5. Non-graded B&B operators appear to be generally unaware of the promotional benefits of being graded, or do not believe that the promotional benefits of grading outweigh the costs (see grading issues).
6. Many B&B operators are frustrated that they cannot find their own accommodation on reputable public organisations websites, so believe there is little chance that a visitor will identify them.
7. Smoothhound is commonly quoted by B&B as being the best website for promoting B&B
8. The perceived confusion over promotion strategies and tactics, and delays and problems with Destination Management Systems (DMS) in some areas is resulting in more and more B&B creating their own dedicated websites, further fragmenting the promotional marketplace.
9. Individual websites are becoming an increasingly essential part of B&Bs own promotion campaigns, and well designed sites that are search engine optimised or well linked are creating good business.
10. B&B operators and Local Authority staff have clearly identified linkage to other tourism and leisure activities as a key opportunity for development
11. The business and work visitor market is extremely important to B&B in the South East yet little seems to be done to actively and specifically promote B&B to this target visitor market.
12. Promotion of B&B is widespread, but many Local Authorities have now adopted a Grading only promotion policy, resulting in some authorities failing to satisfy specific demand for bedspace during exceptional periods despite there being known vacant bedspace in the requested area

13. The opening hours and seasonality of some Visitor Information Centres are resulting in lost booking business for B&B.
14. B&B operators and Local Authorities are generally weak at identifying, monitoring and evaluating the effectiveness of different promotion channels (many operators don't even ask their guests how they found about them)
15. There are clear opportunities to collectively market B&B to visitor attractions where individual approaches may struggle to be heard.
16. A number of B&B have requested that TSE resurrect the touring map concept.
17. Some B&B have not received adequate information or training to utilise the Local Authority's destination management system to best effect.
18. Whilst there are joined-up approaches to marketing from the visitor's perspective, some Local Authorities could do more to collaborate with neighbouring authorities to provide an accommodation and attraction guide that is relevant to the visitor's travel area and interests, rather than one that is driven by administrative boundaries or local agendas. Political boundaries are particularly frustrating in the context of promotion for B&B operators located on or near to administrative boundaries.
19. With Local Authority budgets coming under increasing scrutiny, the fragmented Bed & Breakfast marketplace is particularly vulnerable (VIC funding pressure and communication efficiency issues). It is clear that Local Authorities must collaborate more to improve their collective impact on the marketplace.
20. Tourism Officers and other officials will need to become more adept at marketing and quantifying the benefits of tourism internally to council officials, politicians and budgetholders as finances come under increasing pressure. This is especially the case in the South East of England where a significant proportion of tourism is business and work related, and often not recognised as tourism by those in positions of authority. It is particularly concerning to hear that some councillors believe that tourism just 'happens' and that if local funding is reduced it will continue to take place regardless.

POSSIBLE INITIATIVES

- a. Local Authorities need to have a **clear promotional strategy for B&B accommodation** in their business plans that fits with the regional and national context, and this strategy must be effectively **communicated** to B&B operators – preferably on no more than one side of A4. This strategy must be backed up with skills training and practical information to enable (inspected) B&B to effectively exploit the local destination management system.
- b. TSE need to work more closely with Local Authorities to improve the linkage between B&B and other visitor attractions and leisure activities. **Activity based promotion which specifically links with B&B accommodation** such as the Tunbridge Wells Garden Lovers Guide and South Oxon Big Breakfast Initiative should become more widespread.

- c. Local Authorities should **vigorously campaign to continue converting non-graded properties to graded status**, via programmes such as those suggested on page 28.
- d. Where Visitor Information Centres experience late-in-the-day bookings Local Authorities should look to **establish out of hours booking lines** handled by B&B networks using a mobile phone administered on a rota basis.
- e. Visitor Information Centres and Tourism Officers should work with B&B to collectively **target advanced bookings** for key events in their local area.
- f. Local Authorities should seek to **partner with other Local Authorities** in B&B promotion activities where critical mass or common target visitor profiles are identified. This can provide an opportunity to increase total impact by improving quality and distribution, and achieve economies of scale. It also provides an excellent opportunity to present promotional packages that are driven from the visitor's perspective (eg. by exploiting brand mapping findings)
- g. More should be done to **help B&B operators design, launch and manage their own websites**. This can be incorporated into the e-learning modules delivered by TSE, working together with the sub-regional training partnerships, and perhaps involving Business Links.
- h. Tourism Officers should **use their B&B networks to research, identify and exploit niche market opportunities**.
- i. In areas where there are high levels of business and work related tourism, Local Authorities can work to target this sector by **promoting B&B accommodation directly to businesses** located in the area. This may involve bespoke promotional literature or a directory of appropriate accommodation providers within existing corporate promotional literature.
- j. Where B&B networks are in operation, **teams should make organised approaches to visitor attractions and larger businesses** in the area, promoting their joined up accommodation product. Approaches should also be made to the Chamber of Commerce.
- k. Local Authorities need to **ensure that the voice of B&B is adequately represented in the increasing number of public-private partnership arrangements**.
- l. B&B operators and Local Authorities must install **better systems to monitor the effectiveness of different promotion activities and channels**. Local Authorities can help by running courses and providing materials to help individual operators implement such systems.

CASE STUDY MATERIAL

Case Study [7] – Test Valley Out of Hours Booking Line

Case Study [8] – Where to Stay and Eat in the Chilterns (collaborative promotion)

Case Study [9] – The Tunbridge Wells Garden Lovers Guide

Case Study [11] – South Oxfordshire Big Breakfast and Food and Tourism Initiative

Case Study [15] – USA Today Article on B&B Targeting the Business market

Case Study [18] – Monitoring of Feedback by B&B

12. ACTION 6 - IMPROVING THE ADOPTION AND EFFICIENT USE OF ICT

THE ISSUES

1. Email and the internet are increasingly popular mechanisms for searching and finding B&B property. The same channels are extremely efficient for communicating with B&B operators in a supportive capacity.
2. A significant number of B&B operators still do not have IT facilities or skills required to access the internet and email, and promote their business.
3. Increasing budgetary pressures may lead to fewer communications with B&B providers and visitors in hard-copy format.
4. There is much confusion over the differing on-line accommodation search mechanisms. B&B operators need to have a clear understanding of what is available in the marketplace, and how their Local Authority on-line DMS strategy fits at a local, regional and national level. B&B also need the right ICT training to exploit local DMS systems.
5. Assistance in preparing on-line marketing strategies for individual B&B is becoming more important.
6. Few providers seem to understand the concept of England.net and how grading and local DMS systems feed into this project
7. Broadband is becoming increasingly popular for marketing and administration of the B&B business, allowing real-time booking.
8. Many B&B operators see development of their own website as a critical development process, but would like to learn more about how to increase the profile of their sites (search engine optimisation)
9. Credit and debit card payment systems are becoming more popular and many guests prefer to pay by credit card.
10. The recent launch of TSE's e-business training programme provides a good platform for upgrading ICT skills in the sector
11. Whilst use of ICT is becoming an increasingly prevalent behaviour of those looking to find B&B, there is a segment of the market that prefers conventional marketing channels. The same is apparent in the supply side of the market where some B&B operators achieve high rates of success and satisfaction without the need for ICT.

POSSIBLE INITIATIVES

- a. Local Authorities should seek to **promote the e-business programme** run by Tourism South East in conjunction with sub-regional training partnerships. The benefits of ICT must be clearly communicated to the target audience in any promotional material, and local case study material can have significant impact. Course material may need to be extended to cover setting up of websites, search engine optimisation, virtual tour software and on-line booking. Such activities should be promoted to all B&B, whether members of TSE or not.
- b. Local Authorities should use these training and development programmes to **set the scene regarding on-line promotion, and communicate their internet accommodation promotion strategy.**
- c. Programmes that promote the uptake of ICT must be **supported by one-one support, or small workshops.** It is recommended that Local Authorities work with TSE to establish how Business Link may be able to help.
- d. The **Test Valley Out of Hours Booking Line model should be more widely adopted and considered as a role model for innovative use of ICT in the B&B sector,** bringing business to B&B and cost savings to the Local Authority.
- e. Local Authorities should approach banks to see if group schemes can be established to provide discounted debit/credit card facilities on B&B premises.

CASE STUDY MATERIAL

Case Study [4] – Tourism South West Business Link On Line Training

Case Study [18] – Monitoring of Feedback by B&B

13. ACTION 7 - IMPROVING THE ECONOMIC SUSTAINABILITY OF BED & BREAKFAST

THE ISSUES

1. Whilst research indicates there is scope to develop the volume of Bed & Breakfast in some areas of the South East, no automatic conclusion can be drawn to state that supply of B&B accommodation is short region wide. This is especially the case given the anecdotal evidence of reduction in occupancy rates in some areas.
2. Encouraging an increase of supply in B&B (or other serviced accommodation for that matter) without understanding the local situation fully could threaten the economic viability of existing establishments, and waste limited resources.
3. Other than the UK Occupancy Survey and some local, irregular market research activity there appears to be little objective work going on to determine and monitor the potential opportunity for growth and development of B&B at a local level. However, some Local Authorities are undertaking excellent market research to gauge the situation more accurately.
4. Local Authorities appear to have no consistent approach to monitoring B&B stock. Monitoring of stock is usually done by local hands on knowledge with many using their accommodation guide renewal processes as a starting base. Internal databases combining Tourism, Environmental Health and Trading Standards are frequently combined and then topped up by new start up enquiries and visual recognition of new premises when Tourism Officers are travelling in the area. Some Tourism Officers conduct more detailed internet research to try and identify uninspected B&B promoting themselves directly or via agents on the web. An extremely effective method of accommodation stock monitoring is achieved where local B&B networks are in operation – they are usually well aware of most if not all operators in the locality.
5. There is apparently no regular or formal monitoring mechanism for measuring booking denial rates in the B&B sector – a key indicator of potential to increase the number of establishments.
6. Some B&B are heavily dependent on providing temporary housing accommodation for the Local Authority. Changes in temporary housing policy could lead to reduced viability of some B&B, and increased bedspace without the need to recruit more operators.
7. Economic sustainability depends on improving efficiency of individual businesses and there is little doubt that more could be done to measure and benchmark economic performance of Bed & Breakfast businesses.
8. Economic sustainability at the B&B business unit level is largely dependent on tariff and occupancy rates – the 2 factors which have greatest impact on business profit. This research has found that there is perceived to be generally little scope for tariffs to be improved. This means that occupancy rates and cost management are the key focus points for improvement in the economic performance for established B&B.

9. In the winter months, 59% of B&B surveyed were not turning away any business, and only 9% were turning away more than 5 bookings in a typical week. 69% of B&B operators are keen to improve their occupancy rates, and this research indicates that economic sustainability at the individual business level is often about improving winter occupancy rates to make the overall business more viable. Having said this, it should be recognised that some providers specifically operate on a seasonal basis, and do not want winter bookings.
10. It is uncommon for B&B operators to have a business plan or other formal management tool to help identify and achieve economic objectives, although there are excellent examples in the region.
11. Individual B&B have comparatively little purchasing power as individuals. There is scope to source products such as insurance, local food, and cleaning materials collaboratively.
12. There is little evidence to suggest that the membership benefits of TSE are being fully exploited to improve business efficiency.
13. Grading only policies in many Local Authority areas are resulting in potential B&B bookings being diverted to other accommodation types or refused altogether during periods of exceptional demand, despite there frequently being bedspace available in local ungraded B&B. This is having an adverse economic impact on the sector.
14. On a room basis, it can be argued that the current grading and inspection pricing policy is discriminating against the smaller accommodation provider (particularly those offering just one or two rooms).
15. Knowledge of grant schemes and financial support is generally poor with little awareness of the DEFRA Rural Enterprise Scheme for example which can help fund start up or improvement of rural B&B (on a competitive funding basis).
16. Improving the economic performance of individual B&B is likely to have a major positive impact on recruitment and retention of B&B operators in the future, helping to address concerns over present turnover rates.
17. Curtailed visitor attraction seasons and seasonal public transport services are having an adverse impact on the viability of B&B who depend to a greater extent on the leisure visitor market.
18. Where a property has formal permitted change of use to tourism accommodation some Local Authorities have policies that prevent reversion of status to a residential property for fear of loss of bedspace. Given natural supply and demand characteristics such policies are not generally helping the quality, image or economic sustainability of B&B.

POSSIBLE INITIATIVES

- a. It is abundantly evident that more must be done to **improve the winter occupancy rates of B&B**. This is especially the case in areas of relatively low business traveller activity. Local Authorities and B&B should look to promote their

- product more to the business traveller market where appropriate, and encourage attractions to extend their season. B&B working groups should also be charged with investigating this issue more thoroughly.
- b. Local Authorities should **positively encourage new entrants to B&B** (see enthusing new entrants), but a good working knowledge is required of the local supply and demand issues to ensure that viability of existing and new establishments is not threatened through net increases in bedspace.
 - c. More emphasis should be placed on monitoring denial rates, and Local Authorities are encouraged to undertake **detailed, local and more regular B&B sector studies** to assess development opportunity at the local level. Costs of such activity can be reduced by engaging B&B networks to assist.
 - d. TSE should seek to **identify and encourage a more consistent and effective mechanism for monitoring B&B stock** in the region. This will help with bedspace monitoring and communication to the sector.
 - e. TSE, Local Authorities, and training partnerships must seek to establish **co-ordinated benchmarking activity** of financial and non-financial performance. This should be combined with a best practice programme geared specifically to the needs of the B&B sector. This approach may be achieved through bestpracticeforum.org, Business Links or the training partnerships. The B&B networks provide an ideal mechanism for launching such activity. Funding requests should be targeted to SEEDA in the first instance.
 - f. Networked B&B groups should be given encouragement to **focus on opportunities to source supplies collectively and locally**. Such practices may attract discounts and contribute to the broader local economy. Membership of TSE provides one mechanism to help achieve this.
 - g. Individual B&B operators should be encouraged to **contact the local Business Link for business advice, business plan generation and grant searching support**. Some Business Links offer in-house support or subsidised advisory input.
 - h. Local Authority officers need to be reawakened to **the economic benefits from membership of the Regional Tourist Board**.
 - i. With support from their Local Authority B&B should be encouraged to **assess the economic benefits of installing credit/debit card payment systems, and improving their on-line marketing and administration**.
 - j. Economic sustainability requires **acquisition and application of the right business skills**, and actions highlighted in the skills section are essential if economic sustainability is to be achieved.

CASE STUDY MATERIAL

Case Study [10] – the Hamble Valley Serviced Accommodation Survey

Case Study [11] – The Big Breakfast (South Oxfordshire) and The Berks, Bucks and Oxon Food and Tourism Project

Case Study [17] – Business Link Business Plan

Case Study [18] – Monitoring of Feedback by B&B

14. ACTION 8 - ENSURING THE INDUSTRY HAS THE SKILLS REQUIRED FOR THE FUTURE

THE ISSUES

1. There is a gap between B&B operators perceptions of scope to develop their skills and those who work alongside them (Tourism Officers and VIC operators) who see greater scope. A detailed study is required to establish the competences required to run a B&B business and the real rather than perceived skills gap in the marketplace.
2. The benefits of training and development initiatives need to be better communicated to target audiences.
3. Many training programmes are not structured to reflect the needs of the smaller business – for example, employment is rarely an issue for B&B yet forms a regular component of many programmes
4. Sub-regional training partnerships such as TBBS and Quality Edge have a critical role to play delivering local training needs
5. Skills areas needing attention include:
 - Business planning
 - Business management and marketing
 - IT skills (word processing, website management, search engine optimisation, email, publishing, accounting)
6. Many Local Authorities have purchased new DMS systems but have not provided the required training and support to individual B&B operators
7. Tourism Officers need to develop the skills to become business support agents, not just marketeers of local tourism in the area
8. There appears to be no formal approach to continuing professional development for Tourism Officers which would indirectly help the B&B sector.
9. Blended learning approaches for B&B operators appear to work best, with emphasis on real-life case studies and problem solving, and less lecture type training activity.

POSSIBLE INITIATIVES

- a. Existing **training programmes should be reviewed and structured to specifically service the B&B sectors needs**. An excellent example is the Dorset New Forest Partners in Success Small Business programme which is geared to owner-manager tourism businesses employing few or no staff.
- b. Specific training and support should be given to **help individual businesses develop their own websites, and optimise their presence through search engines**.

- c. Local Authorities should seek to work with and **adopt the range of new TSE programmes**, including the e-business and rural business programmes.
- d. Where Local Authorities do not have access to sub-regional training partnerships, they should seek assistance from TSEs training team, as well as investigating the opportunities of working with 'outside local area' partnerships.
- e. More emphasis should be placed on **real-life problem solving and on-site learning**; less emphasis should be placed on classroom approaches at third party venues.

CASE STUDY MATERIAL

Case Study [12] – Dorset New Forest Partners in Success Small Business Programme

Case Study [16] – Welcome e-Business Programme

15. ACTION 9 - RAISING AWARENESS OF BED & BREAKFASTS MAJOR CONTRIBUTION TO TOURISM AND THE WIDER ECONOMY

THE ISSUES

1. £280 million of tourism expenditure was attributable to the B&B sector in 2002 in South East England. This amounted to an average local economy spend of £86,340 per property that year, and involved an estimated 3,000 full-time and 2,700 part-time and seasonal staff (including self-employed and family help).
2. It is important for Local Authorities and those supporting the B&B sector to recognise that Bed & Breakfast not only makes a significant contribution to the overall tourism market and local economy, but also plays a major role in servicing tourism sectors other than the holiday market. The Business and Work Tourism market is particularly important in South East England, worth over £630 million in 2002. In this sector, Bed & breakfast operators accounted for over £70 million (11%) of this market (UKTS, 2003).
3. Many B&B operators, Tourism Officers and VIC operators campaign vigorously to promote the B&B sector but evidence gathered from within the region indicates that more needs to be done to get over the message to key players about the significant economic role that Bed & Breakfast plays in the South East region, and the positive impact the sector has on the wider local economy, community and environment (eg. reduced pressure on local resources and highways through dispersal of tourism traffic flow). Key players include those who have an indirect but substantial impact on the sector, such as Local Planning Authority officers and budget decision makers in Local Authorities.
4. This apparent lack of awareness in certain quarters is partly attributable to lack of objective evidence to argue the case for B&B, lack of funds and human resources available to promote the sector, some key individuals having an incomplete understanding of the types of tourism (visitor) activity taking place in the region and locality, poor internal communication between departments in some authorities, the tendency to amalgamate B&B with other types of accommodation, and insufficient knowledge of the sector at local level due to lack of detailed B&B market data or research.
5. With recent above inflation increases in Council Tax and well publicised pressures on Local Authority budgets, funding for Local Authority tourism is coming under constant pressure. These budgetary pressures are often preventing detailed local studies from taking place, and some authorities are experiencing further reductions in human resources available in their tourism sections. This is compounding the problem of communicating the role of B&B and tourism in general to colleagues who have an impact on the sector.

POSSIBLE INITIATIVES

- a. Where resources permit, **Local Authorities should seek to use their PR and marketing to best effect and promote their B&B sector** using information gathered from local and regional (case) studies / events.
- b. Where budgets prohibit such activity at an individual Local Authority level, funding partnerships should be sought with other Local Authorities and organisations including TSE to achieve the same goals. Brand mapping exercises may demonstrate where B&B partnership approaches have greatest opportunity.
- c. **A single A4 fact sheet should be prepared highlighting the key facts and statistics of B&B in the Local Authority area**, together with the economic, social and environmental benefits such activity brings. This should be based on a template which provides a national and regional context, prepared and updated regularly by TSE. The document should be laminated and distributed to all Local Authority staff including budget decision makers who have a direct or indirect impact on the sector.
- d. The same summaries should be circulated to appropriate individuals and organisations outside the Local Authority, especially the **local press for good news stories**. Such activity could be led by B&B operators through their networks, supported by their Local Authority and TSE.
- e. **County Structure and Local Plan documents should make specific positive reference to the B&B sector**, and ideally contain explicit policies upon which the sector has been consulted. This raises the profile and status of the sector overall and helps to address sector specific issues.

CASE STUDY MATERIAL

Case Study [13] – West Oxfordshire Local Plan

Case Study [14] – Canterbury District Tourism Statement

Case Study [15] – USA Today – Article on B&B Serving the Business Market

16. ACTION 10 - ENTHUSING POTENTIAL NEW ENTRANTS AND RETAINING EXISTING OPERATORS

THE ISSUES

1. 28% of existing B&B operators surveyed expect to close within the next 5 years. This rate of turnover is to a large extent driven by lifestage occupation issues, but there are a number of other compounding factors which need to be addressed to reduce the rate of turnover (churn). These include concerns over profitability (poor occupancy and rising costs) and increased red tape.
2. A current high turnover rate demands a high recruitment rate to retain accommodation in the region.
3. Demand for high recruitment levels can be mitigated by improving retention rates, and increasing the average size of property. Failing to turn round any fall in demand for B&B accommodation (for example, due to increasing competition or fewer visitors) can also reduce pressure on recruitment.
4. Potential new entrants turn largely to existing accommodation providers, the Regional Tourist Board, the Local Authority and Visitor Information Centres for help and advice on starting up. It is therefore important that these organisations have a consistent joined-up approach to supporting new business.
5. Given that most operators establish their business to generate additional or alternative revenue, the attractiveness of B&B to new entrants is driven to a great extent by potential economic returns compared to alternative options.
6. Economic returns are governed largely by supply and demand which affects occupancy rates and tariffs at the individual business level, demand being influenced largely by the ability of the business to market its' competitive position.
7. Many Local Authorities provide excellent start up fact sheets, although few if any provide key information on the local supply and demand situation and how to market the business effectively – key elements that influence the economic returns of the business. Example information could include the location of existing accommodation, occupancy rates and tariffs.
8. Many Tourism Officers undertake a site visit to prospective new start ups and give one-one advice. Informal introductions are also made to B&B networks in some instances. These are excellent approaches to supporting new business.
9. Start up advice from Local Authorities does not normally include business planning, and many authorities refer interested parties to Business Link for such guidance. In many instances Business Link then signpost on further to commercial consultants who often charge over £600 per day for assistance.
10. TSE provide a start up pack for a fee which is reimbursed on applying for membership of the Tourist Board. This pack urgently requires updating, and should be promoted alongside compatible Local Authority literature.

11. Some Local Authorities are very astute at using their marketing departments or PR firms to promote B&B opportunities. This frequently involves case study material going into local and county press.
12. Many start up businesses would benefit from mentoring and benchmarking during the first 3 years. Mentoring by informal introduction is being undertaken by some Local Authorities.
13. The Partners in Success programme is very effective, and has been adapted by Dorset New Forest Tourism Partnership for targeting at small business.

POSSIBLE INITIATIVES

- a. Start up **literature should include more detail on local market aspects** (occupancy levels, accommodation numbers etc)
- b. New start ups **should also receive the 'who does what' fact sheet** that is proposed elsewhere in this report, and a bespoke business plan template.
- c. Where possible **potential new start ups should be directed to a specialist within Business Link, and introduced to an existing accommodation provider who is prepared to act as a mentor** or to a local B&B network.
- d. Tourism Officers should **diarise follow up phone calls to monitor progress** of potential new start ups.
- e. **Good news stories should be championed in local press** to attract new recruits to the sector.
- f. Other initiatives in this report should directly help with overall recruitment and retention rates, which are ultimately driven by the awareness and comparative attractiveness of the B&B opportunity.

CASE STUDY MATERIAL AND TOOLS TO ASSIST INITIATIVES

Case Study [1] – Test Valley B&B Networks

Case Study [14] – Canterbury District -Making the Case for Tourism and B&B

Case Study [17] – Business Link Business Plan

17. CASE STUDIES AND TOOLS TO SUPPORT THE ACTION PLAN

A number of case studies have been compiled and referred to in the action plan (toolkit guide) which appear to demonstrate good practice and have a positive impact on the sector.

These are summarised as follows:

Case Study 1 – Test Valley B&B Networks

Case Study 2 – Establishing Windsor B&B Group

Case Study 3 – Windsor B&B Question Time Seminar

Case study 4 – South West Tourism Business Link ICT Training

Case Study 5 – Canterbury District Fitness for Purpose

Case Study 6 – Test Valley B&B ‘A’ Listings

Case Study 7 – VIC Out of Hours B&B Accommodation Hotline

Case Study 8 – Chiltern and Wycombe - Collaborative Local Authority Marketing

Case Study 9 – Royal Tunbridg Wells - The Garden Lovers Guide

Case Study 10 – Hamble Valley Serviced Accommodation Study

Case Study 11 – South Oxon - The Big Breakfast and Food and Tourism Initiative

Case Study 12 – Dorset New Forest Partners in Success

Case study 13 - Extract West Oxfordshire Local Plan 1997

Case Study 14 – Canterbury District -Making the Case for Tourism and B&B

Case Study 15 - USA Today – Article on B&B Serving the Business Market

Case Study 16 – TSE Welcome to e-Business Training

Case Study 17 - Business Link Business Plan

Case Study 18 – Monitoring of Customer feedback by B&B

Matrix Cross Referencing Case Study Material with the Action Plan

	1 Fostering Networks Local Relationships	2 Providing a Welcoming, Accessible Support Environment	3 Reconnecting the Bed & Breakfast Support Chain Through Partnerships	4 Ensuring Consistent High Standards whilst Relating Individually and Divergently – The Grading Issue!	5 Increasing the Effectiveness and Efficiency of Promotion	6 Improving the Adoption and Efficient Use of ICT	7 Improving the Economic Sustainability of Bed & Breakfast	8 Ensuring The Industry has the Skills Required for the Future	9 Rating awareness of Bed & Breakfasts Major Contribution to Tourism And the Wider Economy	10 Enthusias Potential new Entrants and Relating Existing Operators
Action Point Chapter Number	1 7	2 8	3 9	4 10	5 11	6 12	7 13	8 14	9 15	10 16
Case Study 1 – Test Valley B&B Networks	X									X
Case Study 2 – Establishing Windsor B&B Group	X			X						
Case Study 3 – Windsor B&B Question Time Seminar		X								
Case study 4 – South West Tourism Business Link ICT Training			X			X				
Case Study 5 – Canterbury City Fitness for Purpose				X						
Case Study 6 – Test Valley B&B 'A' Listings				X						
Case Study 7 – TIC Out of Hours B&B Accommodation Hotline					X					
Case Study 8 – Collaborative Local Authority Marketing					X					
Case Study 9 – Tunbridge Wells Garden Lovers Guide					X					
Case Study 10 – Hamble Valley Serviced Accommodation Study							X			
Case Study 11 – The Big Breakfast and Food and Tourism Initiative			X		X		X			
Case Study 12 – Dorset New Forest Partners in Success								X		
Case study 13 - Extract West Oxfordshire Local Plan 1997									X	
Case Study 14 – Making the Case for Tourism and B&B					X				X	
Case Study 15 - USA Today – Article on B&B Serving the Business Market									X	
Case Study 16 – Welcome to e-Business Training								X		
Case Study 17 - Business Link Business Plan							X			X
Case Study 18 – Monitoring of Feedback by B&B					X	X	X			

18. CASE STUDY 1 – TEST VALLEY B&B NETWORKS

Test Valley B&B Networks

Lisa Mitchard

Case Study 1 Analysis

Activity Regular semi-formal meetings/forum for B&B providers – self governed with LA providing administrative support	
Objective To improve communication between the B&B community themselves and relevant external parties and to foster best practice	Desired outcome Increased communication levels year round through a self-regulating group/partnership
Why necessary The isolated nature of the B&B provider does not enable easy communication within the peer group. Nor is there an easy conduit for transmitting group-wide information or issues to or from the Local Authority and other bodies. The LA initiated the idea, and once providers realised the value they took more and more control.	
Action required The initial idea/driver was for a local industry partnership. Initially the group(s) was also formal with an elected chair and so on although they have now requested and opted to become much less rigid and formal in their structure. A local/group coordinator was identified and they provide the B&B operator link to the LA. Each group holds two meetings per annum within their geographical area. They are open-forum sessions but with a rough agenda compiled and circulated by the LA. Certain items appear regularly (e.g. booking hotline). Meetings are held in a local hotel (one group) or by rotation in provider's properties. It is likely that meetings may move to local attractions too. A newsletter is produced twice a year to supplement and support the meetings. Joining the group/partnership required a conscious and active registration. There is now no membership fee but entry is granted to those who advertise in the LA tourism guide (through grading/inspection process) An annual tourism summit (whole day event, guest speakers) is also organised by the LA which can incorporate group matters as well as wider issues with the LA, TSE, Visitor Information Centres, etc. This usually includes a brainstorming session(s) and is used to feed into the LA annual action plan.	
Materials required Venue (where not held at a B&B provider or an attraction). Invitation and agenda materials.	
Who is involved Local Authority Contact Group Coordinator(s)	
Local Authority administration B&B providers	
Effort required to establish <i>Little effort required to establish once a 'strong' interested/committed individual was identified and agreed to be the coordinator for the group</i>	
Effort required to maintain <i>Low with the exception of the annual summit which, as a formal event with speakers, takes up a reasonable organisational effort</i>	
Timescales Ongoing – one group (N) started 1999 followed by a second (S) in 2001	How funded No allocated budget
Monitoring and success indicators Deemed and commented on as a good idea within the peer group. Well supported (attendances). A successful conduit for ideas and information in both directions. A formal satisfaction survey was also conducted (as it is with all initiatives)	
Estimate of impact – were/are desired outcomes achieved Yes – good impact	
Would anything be done differently if the activity was/is to be run again Evolving all the time	
Contact point for further information Lisa Mitchard, Test Valley	

19. CASE STUDY 2 – ESTABLISHING ROYAL WINDSOR B&B GROUP

Establishment of Windsor B&B and Guesthouse Group

Barbara Hunt

Case Study 2 Analysis

Activity Creation of the Windsor B&B and Guesthouse Group	
Original Objectives To facilitate the shift to grading only policy; to improve communication between the B&B; to strengthen relationships between the sector, LA & others	Desired outcome Improved conversion rate of graded B&B/GH Increased communication all round
Why necessary The Local Authority decided to switch to grading only policy 2 years ago and needed to positively communicate and implement this policy with providers. An improved communication and delivery structure was also required to help with knowledge transfer, best practice, group marketing, efficiency...	
Action required The initial approach taken was inclusive and based on the aim of making 'B&B feel special' and the Guildhall Chamber in Windsor was booked for an event that introduced B&B to the grading scheme and related matters. The agenda included support from Vernon Cornell of Tourism South East who communicated superbly the benefits of grading (he has significant experience in this area and has been an accommodation provider himself). The B&B were told about the Local Authority's decision on grading and clearly explained the reasons why this approach was being adopted. The event was supported by roadshows and preferential joining rates. B&B were followed up with a personal letter based on their exact room numbers and tariffs, advising them precisely what the grading cost would be. This was followed up by phone calls and supported by Vernon Cornell. The approach resulted in good conversion rates and the formation of the B&B group which held 2 seminars in 2003 (topics focussing on grading and regulatory issues). The last meeting resulted in the creation of a sub-working group (approx 10 providers) which has clearly identified a series of issues to investigate and report back on at the next meeting. Issues include creation of a mini newsletter, appraisal of the new VIC booking form, looking at own websites and extranet communication, group buying of goods and services etc. The structure is now clearly based around 2 smaller sub-group meetings a year feeding into the 2 main group meetings (attendance around 40). All accommodation providers on the LA list are sent minutes of the meetings held. Effort is also made to go round all the B&B in Jan/Feb to cement relationships. The group structure is also now providing a coherent voice that is being listened to by some of the larger attractions who may not have communicated with individual B&B.	
Materials required Venue. Invitation and agenda materials.	
Who is involved Local Authority Tourism and VIC Working group Local Authority administration B&B providers	
Effort required to establish A lot of work went into organising the launch event, but this has proved well worthwhile.	
Effort required to maintain Low with the exception of the annual summit which, as a formal event with speakers, takes up a reasonable organisational effort	
Timescales Ongoing – started 2001	How funded Supported by Local Authority
Monitoring and success indicators Key is listening to what B&B really want. Monitoring and feedback forms and personal networking are essential in understanding what they need. High conversion rate to grading scheme (68% of non QA properties at the outset and growing) and high turnout at meetings is evidence of success.	
Estimate of impact – were/are desired outcomes achieved High and effective impact	
Would anything be done differently if the activity was/is to be run again	
Contact point for further information Barbara Hunt, Accommodation Manager, Royal Windsor Information Centre	

20. CASE STUDY 3 – WINDSOR B&B QUESTION TIME SEMINAR

Royal Windsor B&B Question Time Seminar

Barbara Hunt

Case Study 3 Analysis

Activity B&B 'Question Time' Seminars	
Original Objectives To address specific concerns raised by B&B through earlier 'talk and chalk' meetings; To deliver support in a format requested by B&B through feedback from previous sessions	Desired outcome Resolution of B&Bs immediate concerns.
Why necessary Presentation 'talk and chalk' events had been successfully run before. Feedback from these sessions indicated a desire to engage more in certain topics, and there was a need to provide more networking opportunity at the same time.	
Action required A 'Question Time' format was set up with requested speakers including local fire authority, the marketing manager for the Borough, local Police, Local Authority Tourism Officers and Vernon Cornell of Tourism South East. The event was timed during the middle of the day to coincide with B&Bs available time and included a voluntary lunch for those that wished to stay and network.	
Materials required Venue. Invitation materials. Speakers	
Who was involved Local Authority Tourism and VIC Fire, Police Vernon Cornell, TSE Local Authority administration B&B providers	
Effort required to establish Reasonable amount of effort in setting up the event.	
Effort required to maintain Low. Formula available to use again.	
Timescales 1 off	How funded Supported by Local Authority
Monitoring and success indicators B&B extremely pleased with the outcome. Vigorous discussion and debate with greater understanding of various issues achieved on all sides. Action points for all were noted.	
Estimate of impact – were/are desired outcomes achieved High and effective impact	
Would anything be done differently if the activity was/is to be run again No	
Contact point for further information Barbara Hunt, Accommodation Manager, Royal Windsor Information Centre	

21. CASE STUDY 4 – SOUTH WEST TOURISM BUSINESS LINK ICT TRAINING

Case Study Promotional Content

Training



Business Link Training

WEBSITE TECHNOLOGY WORKSHOPS

The Right Marketing Website

This seminar will describe a 4 phase model for the development of a marketing website.

- Research
- Specification
- Commissioning and launching the site
- Maintaining the site

Dates and locations:

- 25th November 2003, Redruth
- 27th November 2003, Exeter
- 21st January 2004, Redruth
- 3rd February 2004, Exeter

Time: 9am – 1pm

Cost to delegates: £79 + VAT

(£69 + VAT for Business Link Extra Members)

The right e-commerce website

This seminar will discuss when e-commerce is appropriate for a business and will look at the issues that need to be resolved for successful implementation.

- Is my business right for e-commerce?
- What are the key technology issues?
- Case studies

Dates and locations:

- 27th January 2004, Redruth
- 12th February 2004, Exeter

Time: 9am – 1pm

Cost to delegates: £79 + VAT

(£69 + VAT for Business Link Extra Members)

On-line marketing and search engine optimisation

This seminar looks at the process of marketing your website online through search engines and the use of pay per click to achieve search engine results. Other sources of on line

promotion and viral marketing will be covered. How to review the success of these marketing initiatives will also be discussed.

By the end of the seminar delegates will know how to:

- Submit a site to the main search engines
- Optimise the site
- Identify key words that will give you a marketing edge
- Use sponsored links to get ahead of the natural listings in search engines
- Use additional techniques to grow the profile of your company online
- Review the success of your site

Dates and locations:

- 2nd December 2003, Exeter
- 10th December 2003, Redruth
- 10th February 2004, Redruth
- 26th February 2004, Exeter

Time: 9am – 1pm

Cost to delegates: £79 + VAT

(£69 + VAT for Business Link Extra Members)

Integrating your IT systems

This seminar will review how a typical business can derive increased benefit from its investment in ICT by sharing data between (existing) applications.

A series of demonstrations will show the advantages of integrating the following areas of technology:

- Financial software
- Customer databases
- Document management
- Internet solutions
- Networking and telephony
- Mobile communications

Case study material will be used to show the advantages of integrating core technologies to make your business more efficient.

Dates and locations:

- 24th February 2004, Redruth
- 4th March 2004, Exeter

Time: 9am – 1pm

Cost to delegates: £79 + VAT

(£69 + VAT for Business Link Extra Members)

22. CASE STUDY 5 – CANTERBURY DISTRICT – USING FITNESS FOR PURPOSE

Fitness for Purpose as a Mechanism to Increase Graded Stock

**Canterbury District Council
Jane Lovell**

Case Study 5 Analysis

Activity Using Fitness for Purpose to Encourage B&Bs to Meet Basic Standards	
Objective To ensure existing accommodation is meeting required standards and that there is sufficient bedspace available of required quality	Desired outcome Increase in the number of fit for purpose B&Bs and the creation of a joint accommodation database with Environmental Health Services.
Why necessary There are high numbers of non-graded B&B property in parts of the Canterbury district, particularly at the coast. These represent an unknown quantity to the Local Authority and cannot be promoted to visitors. There is also a need to ensure that all properties are providing an adequate standard of safety, product and service, regardless of their attitude to grading.	
Action required – how did you get started Participated in Fitness for Purpose scheme, and combined databases from housing, EH and tourism to arrive at a more definitive list – resulted in many new properties being identified. Started off by visiting a random sample of B&Bs and taking a basic pack of information including the grading scheme literature. Then EHOs approached a random sample of providers, helping them to become more aware of standards. B&Bs were provided with positive information and guidance, and this was followed up with a free seminar covering Fire Regs, TS, EH, Food Safety, H&S and quality. The database will be used to identify and help non-graded accommodation providers.	
Materials required Databases, promotional literature.	
Who is / was involved LA staff	
Effort required to establish Medium / high input, especially from the EHOs	
Effort required to maintain Database updating, to include accessibility information.	
Monitoring and key success factors Better knowledge of accommodation stock in the area.	
Contact Jane Lovell, Canterbury Tourism	

23. CASE STUDY 6 – TEST VALLEY B&B ‘A’ LISTINGS

‘A’ List for Satisfaction of Exceptional Demand

Test Valley Tourism
Lisa Mitchard

Case Study 6 Analysis

Activity A secondary list of un-inspected but known quality B&B accommodation for use in times of exceptional demand	
Objective To satisfy demand for B&B when there is no availability in the inspected accommodation list	Desired outcome Visitor accommodation and satisfaction, especially around peak demand events
Why necessary In certain circumstances, Visitor Information Centres were finding that they were unable to satisfy demand for accommodation whilst individuals knew of good, un-inspected B&B accommodation in the area. A particular example would be when there was a motor-racing event (Thruxton) nearby which soaked up all the available accommodation.	
Action required The VIC sought permission to establish an informal 'A' list of accommodation that could be offered to visitors with a strictly applied "we cannot formally recommend this" caveat. Permission was granted by the LA. The accommodation was only to be made available when demand cannot be met in any way with inspected accommodation and subject to the "not recommended" caveat above. The list is an informal compilation driven locally by the Visitor Information Centres and is self-administrated.	
Materials required None	
Who is / was involved LA for initial clearance VIC officers	
Effort required to establish VIC compiling initial list – moderate input	
Effort required to maintain Nominal effort	
Timescales Ongoing	How funded No allocated budget
Monitoring and success indicators None	
Estimate of impact – were/are desired outcomes achieved By hearsay the system appears to work. No idea of the frequency of usage since bookings are not officially tracked	
Would anything be done differently if the activity was/is to be run again No	
Contact point for further information Lisa Mitchard, Test Valley Tourism	

**24. CASE STUDY 7 – TEST VALLEY VIC OUT OF HOURS B&B
ACCOMMODATION HOTLINE**

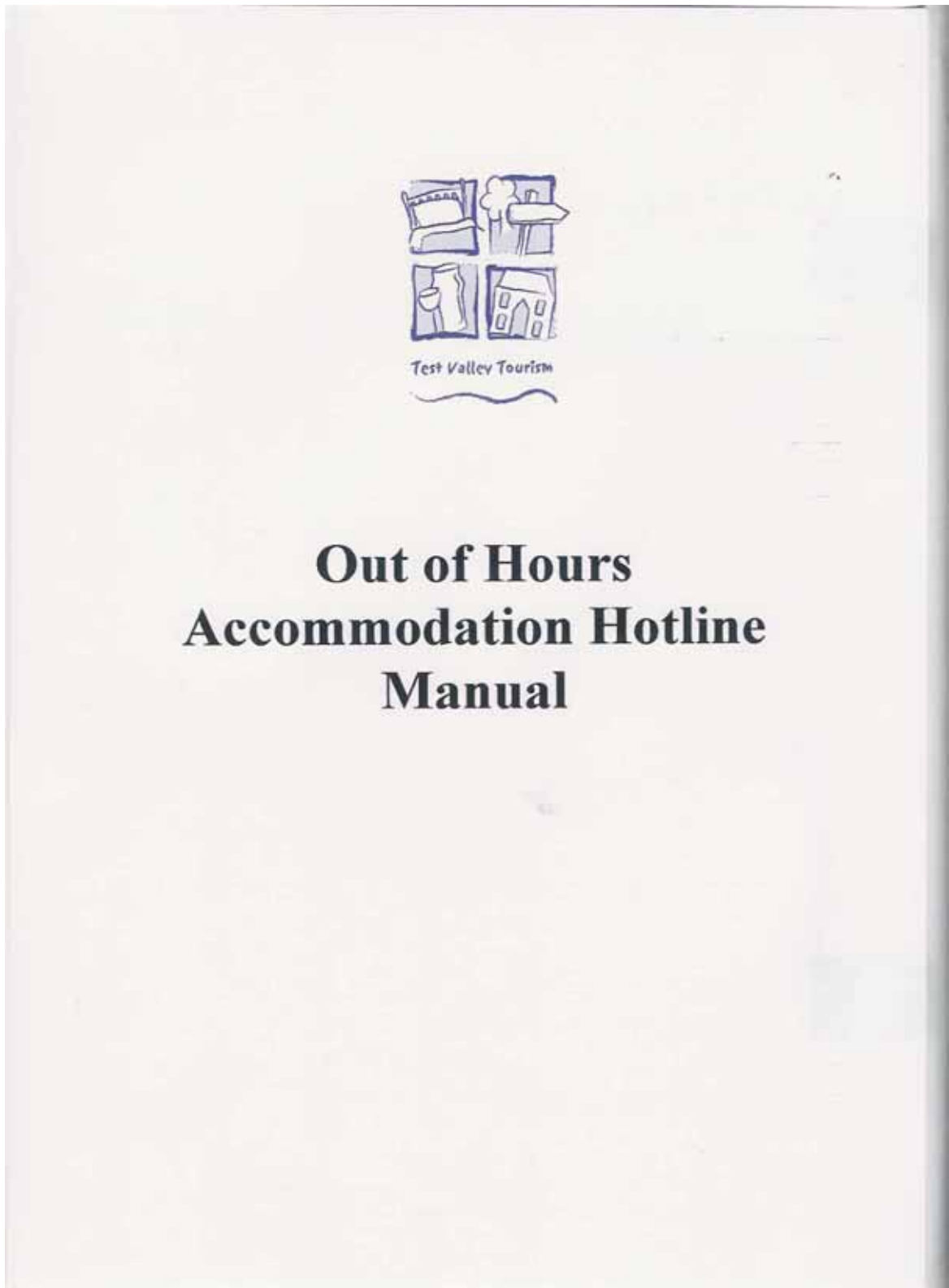
**VIC Out of Hours (mobile) 'Phone Enquiry and Booking Service
for B&B Operators**

**Lisa Mitchard
Test Valley Tourism**

Case Study 7 Analysis

<p>Objective To serve late arriving potential B&B guests outside VIC opening hours</p>	<p>Desired outcome Increased visitor satisfaction and B&B occupancy</p>
<p>Why necessary? Because of the proximity of the A303 major trunk road, Andover receives a large number of 'in-journey' visitors (both planned and ad hoc) as well as generally late arriving guests. Visitors were reported to be arriving outside VIC hours and unable to access B&B accommodation other than that found by chance in very close proximity to the main road.</p>	
<p>Action required B&B providers reporting this phenomenon were first encouraged to log and accurately report on the level of occurrence. It was proved to be a regular/material issue. The Local Authority then agreed to purchase a mobile telephone, support the administration of the scheme and promote the hotline as part of their tourism services (visitors guide, poster campaign, etc) A guide for users was produced (see overleaf). A hotline coordinator was appointed from amongst the interested parties (B&Bs) and they draw up a rota for holding the 'phone on a weekly basis. The rota is distributed by the Local Authority. Visitor Information Centres print out their vacancy list at the end of the day and fax it to the 'phone holder (according to the rota) so they are able to answer the incoming enquiries.</p>	
<p>Materials required Mobile 'phone Business cards are produced along with posters (low budget) and are distributed to attractions, service stations, garages, B&Bs – locations in proximity to the A303.</p>	
<p>Who is involved Local Authority Contact Hotline Coordinator B&B providers ('phone holders)</p> <p>Local Authority administration VIC staff</p>	
<p>Effort required to establish Difficult to quantify. Quite heavy load to start with especially with the initial registration service (auxiliary to main accommodation listing as not all providers put all or indeed any rooms on the hotline service). Would rate as medium on a L/M/H scale.</p>	
<p>Effort required to maintain Very little (but the coordinator puts in quite a bit of effort to keep it running)</p>	
<p>Timescales – eg. one-off / ongoing Ongoing</p>	<p>How funded £300 annual budget - phone and contract. LA pays.</p>
<p>Monitoring and success indicators A formal review process is imminent. The hotline is on the agenda at all regular B&B network meetings. Phone holder records all calls during their tenure on a log sheet to monitor calls and bookings.</p>	
<p>Estimate of impact – were/are desired outcomes achieved Impact of Andover scheme deemed to be good. Outcomes definitely achieved. Romsey have implemented too but success less certain at this time – different profile of visitor to the area and the access route?</p>	
<p>Would anything be done differently if the activity was/is to be run again? No</p>	
<p>Contact point for further information Lisa Mitchard, Test Valley Tourism</p>	

Case Study 7– Supporting Materials



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Introduction

Why is the scheme being introduced?

Test Valley Tourism has identified a problem in the Test Valley with accommodation information provision. Customers arriving after the Tourist Information Centres have closed have no means of finding available accommodation.

Traditionally customers have knocked on the doors of B&B's to find vacancies or travelled to another area in search of a bed for the night. B&B's on the main roads fill up quite quickly due to their location and the proprietor is forced to send many customers away due to lack of information on where they can be sent.

Aim of the scheme

The aim of this scheme is to provide customers and B&B's with an accommodation information line that can be consulted after the Tourist Information Centre closes which will help place people seeking accommodation in the locality and pass the customer onto a B&B with vacancies. Therefore assisting the B&B's that are full, the B&B's that have vacancies and ultimately the customer seeking accommodation.

Who will staff the hotline?

The hotline will be manned by members of Test Valley Tourism. The volunteers will take their turn at being the accommodation duty officer. This means that they will hold the mobile phone for 1 week and answer calls from customers and provide them with information on vacancies.

How will the customer find the number?

People seeking accommodation will be able to find out this number in various ways.

- If they knock on the door or contact a B&B
- From the Police Station
- From the window of the TIC
- From various car parks and information points

Information for Participating Accommodation Establishments

How do I get my establishments on the list?

To be able to participate in this scheme you must complete the attached registration form which will register your accommodation details on the database.

What will it cost?

The service is free for all Test Valley Tourism businesses.

How do I register my vacancies?

During the day between 10.00 a.m. and 11.00 a.m. you can register your vacancies with the Tourist Information Centre as usual. If your vacancies do not change during the day your details will automatically go onto the list of vacancies for the out of hours scheme for that evening.

What happens if my vacancies change?

If your vacancies change during the day please contact the Tourist Information Centre as soon as possible. If your vacancies change after 5.00 p.m please phone the accommodation hotline. It is very important that this procedure is followed as it affects the overall efficiency of the scheme.

Do I need to record any details if I receive customers via the scheme?

If you do get business from this scheme it would be helpful if you could keep a record so that we can keep accurate records to monitor the effectiveness of the scheme.

A suggested method is that you ask all guests to complete a registration/booking-in form.

What if someone seeking accommodation knocks on my door and I am full?

In this instance the easiest thing for you to do is to hand them a Hotline Card with the out of hours accommodation hotline number on it and explain that if they phone this number they will find out who has vacancies and how to access them.

Duty Person Guidelines

How do I get the list of vacancies?

The list of vacancies will be available from Andover TIC at the end of each day (Monday to Saturday). The duty accommodation person should make arrangements with the TIC to pick this up on a daily basis.

Please note

It may be possible to obtain details of vacancies by phone from the TIC if there are not many vacancies.

It may be possible to fax the list of vacancies if the duty accommodation person has this facility.

If there is any difficulty in obtaining the list please contact the accommodation co-ordinator Mr D Beardshall on (01264) 365414 before the TIC closes for the evening.

How do I ensure that the vacancy list is up to date?

You must assume that the list is up to date when you receive it. You will receive calls from B&B's when their vacancies change. You will be responsible for amending the vacancy list so that customers are not given wrong information.

How do I get hold of the phone when it is my turn?

The responsibility for the mobile phone lies with the duty accommodation person. The handing of the phone to the next duty person will be arranged by both people involved to arrange a mutually convenient time and place.

If there is any problem in handing the phone over or any problem with the phone at any time please contact the accommodation co-ordinator Mr David Beardshall.

A mobile phone has been chosen to allow the volunteer duty person to leave their house if necessary during their duty period.

Maintaining the phone.

Responsibility for ensuring that the phone remains charged for use lies with the duty accommodation person. The duty person should ensure that it is fully charged for each evening.

What if there is an emergency and I can't man the phone?

If circumstances mean that you will not be able to man the phone for the agreed hours you must contact the accommodation co-ordinator as soon as possible.

Dealing with calls

Answering the Telephone

The mobile phone should be answered between 5.30pm and 10.00pm
When the mobile phone rings please answer stating clearly

"Hello this is the Out of Hours Accommodation Hotline for the Andover area, how can I help you?"

What should you ask the client

1. Where are you now?
2. How many rooms do you require?
3. a) How many nights are you looking for?
b) If you are on an overnight stop where will you be travelling to next?
4. What price range of accommodation are you looking for?
5. Do you require en-suite facilities / any other special needs?
6. Do you require a smoking or non-smoking establishment?

Consulting the list of vacancies

Once you know the answer to these questions consult the list to see what vacancies exist that conform to the needs of the client.

If necessary take the clients contact number and promise to phone them back within 5 minutes.

The needs of the client are the priority in deciding which B&B numbers to give out.

Inspected accommodation establishments will be given preference over non-inspected establishments.

Your aim should be to

Give the client the telephone numbers of accommodation establishments with vacancies that suit their requirements (maximum of three numbers).

If the client does not have any means of recording the numbers, contact the nearest available B&B that suits the clients requirements and give them the client's number, so that they can direct the client to their accommodation.

Monitoring the system

There are simple recording sheets for each call the duty accommodation person receives. Please fill these in, they are essential to monitor the scheme effectively. An example of this sheet is enclosed.

Call recording sheets for duty accommodation person

Date	Time of call	Name of client	No of vacancies sought	Which establishment details were given (max 3)	Were the customers needs met
				1) 2) 3)	
				1) 2) 3)	
				1) 2) 3)	
				1) 2) 3)	
				1) 2) 3)	
				1) 2) 3)	
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				1) 2) 3)	

25. CASE STUDY 8 – COLLABORATIVE LOCAL AUTHORITY MARKETING

Where to Stay and Eat in the Chilterns and Thames Valley

Wycombe and Chiltern District Councils

Case Study Analysis

Activity	
Where to Stay and Eat in the Chilterns and Thames Valley – Hard Copy and On Line Guide	
Objective	Desired outcome
<ul style="list-style-type: none"> To pool limited resources To increase print run and distribution (from 2x5000 to 1x15000) To take advantage of natural shared characteristics of the destination 	<ul style="list-style-type: none"> Increased occupancy of the 100 or so properties in the guide (especially at weekends) Increase visitor awareness of what is there Improve image and availability of B&B to a wider audience
Why necessary	
<p>Reducing financial resources and the need to widen awareness of the area and its accommodation. Requirement accelerated by closure of Amersham VIC which left some B&B vulnerable.</p> <p>Brand mapping showed that visitors saw some cohesion between Chiltern and Wycombe District areas.</p> <p>Brand mapping also demonstrated that the overall identity for visitors would be stronger if the Local Authorities could collaborate in marketing and support,</p>	
Action required – how did you get started	
<p>The working partnership between Chiltern and Wycombe District Tourism Officers came out of the Tourism Officers group which is a partnership established for several years involving county, districts and TSE – a group which meets quarterly, originally set up to improve awareness of Bucks.</p> <p>The combined guide concept came from discussions in these meetings which identified the opportunity, combined with the findings of the brand mapping which accelerated the development process.</p>	
Materials required	
<p>Design team (internal or external)</p> <p>Printers</p> <p>Web pages</p>	
Who is / was involved	
Local Authority Tourism Officers	
Effort required to establish - what were the biggest hurdles – how did you overcome these?	
<p>Key requirements were identified as a need to have a shared willingness to 'work for the greater good' and for the personalities involved to 'get on together'. A complementary skills set combining customer services and marketing between the 2 Tourism Officers involved had a significant positive impact on the project.</p>	
Effort required to maintain the programme / event	
<p>Annual updating and print run</p> <p>Maintenance of the web portal</p>	
Timescale	How funded
Ongoing (2 nd year)	Local Authority x 2
Monitoring and key success factors	
<p>Not asked – getting done is main task</p> <p>Talked about hand in hand with visitor guide</p>	
Estimate of impact –	
<p>Only in second year but impact seems to be very positive with much wider circulation of the guide. Also, LA Tourism officers have found by pooling resources workloads have reduced (more time to do other things) and the job is much more fun</p>	
Contacts	
Kathryn McCulloch (CDC) and Carolyn Robinson (Wycombe)	

26. CASE STUDY 9 – THE GARDEN LOVERS GUIDE

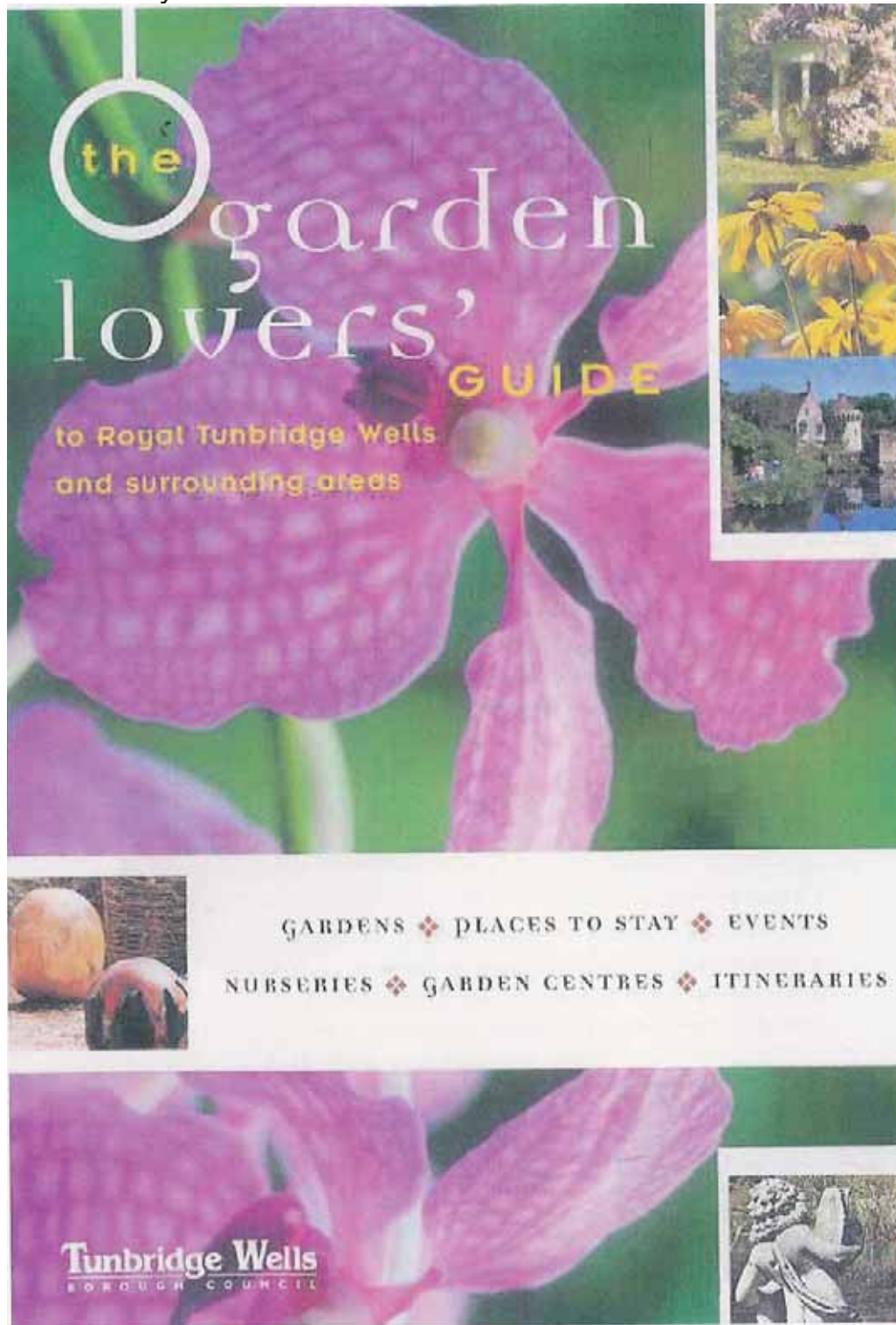
The Garden Lovers Guide To Royal Tunbridge Wells And Surrounding Areas

**Tunbridge Wells Borough Council
Vicki Rogers**

Case Study analysis

Activity GARDEN LOVERS' GUIDE to Royal Tunbridge Wells and surrounding areas	
Objective Increase staying visitors to TW	Desired outcome To raise the profile of our gardens, and in particular the smaller less well-known ones; and raise the profile of TW as a base for exploring those.
Why necessary We have a programme of developing our 'niche' markets, and this is one of them. In addition, our Tourism Strategy is about encouraging staying visitors to the Borough throughout the year, and we wanted to encourage garden visits all year round as well. We sought to provide a complete package: garden events, accomodation, itineraries, where to buy garden-related products in the local area, and 'when best to see what', etc. to fill a gap in the market.	
Action required Initially, we gauged opinion from gardens in the area as to whether this sort of initiative would be of interest to them. From that we approached quality accomodation providers (3*, 4 diamonds minimum) and eventually specialist suppliers, such as specialist nurseries, to participate. The campaign needed to be flexible and appropriate for our target markets in the USA, near-Europe and domestic. We wanted as broad an approach as possible, including garden events which can be updated annually, and developed itineraries to encourage longer stays. Accomodation in the guide had to be of high quality, and also have a garden of interest that visitors could use and talk to its owner about.	
Materials required Brochure Web Advertising and specialist PR campaigns Database for direct mail	
Who is / was involved Tunbridge Wells Borough Council Tourism staff and private sector participants	
Effort required to establish 30-40 days initially	
Effort required to maintain c. 2 days/month	
Timescales – Events insert updated every autumn for on-going distribution and re-launch late winter/early spring	How funded Tunbridge Wells BC only – we deliberately wanted to offer participation at no cost, to get a wide range of participants.
Monitoring and success indicators A research questionnaire was sent to those who requested the guide, to ascertain usage, likes and dislikes. We have also sought feedback from participants and occupancy rates from accomodation pr oviders. Participants are asked to track bookings, but this is proving difficult for us to rely on. Also PR coverage and requests for brochures from the web and advertising are monitored.	
Estimate of impact – were/are desired outcomes achieved Too early to say, although over 20,000 copies of the guide have been distributed, and 2000 guides sent out upon request so far. We have also achieved a good variety of PR and press coverage.	
Would anything be done differently if the activity was/is to be run again Not really, but we could make it an even more extensive brochure if we had more staff resources.	
Contact point for further information Juliet Steinmetz or Vicki Rogers at TWBC 01892 526121	

Case Study Material



bed & breakfast/guest houses

ALDONSDEY GUEST HOUSE

41 Holyneux Park Road, Royal Tunbridge Wells, TN4 8DX
 Mrs C E Robinson
 T 01892 511279
 W www.palace4u.co.uk

Accommodation: 1 twin/double (in suite)
 Prices: From Single £40, Twin/double from £55

This elegant Edwardian house is set in a conservation area within walking distance of the town centre. With a pretty south-facing garden with a sun terrace, breakfast and tea can be served in the garden with organic produce used wherever possible.



CONGHURST FARM

Hawkhurst, Kent TN18 4RW
 Mrs R Piper
 T 01580 753331
 F 01580 754279
 E rosa@conghurst.co.uk

Accommodation: 1 double, 2 twin, all with private facilities
 Prices from £50

Open March to November

A Georgian farmhouse on a working farm set in peaceful unspoilt countryside with wonderful views and pleasant walks. Extensive garden.



***** SILVER

THE WREN'S NEST

Hastings Road, Hawkhurst Cranbrook, Kent TN18 4RT
 Lynne & Ian Hooper
 T 01580 754919
 F 01580 754919

Accommodation: 3 double en-suite
 Prices from £59 double/twin, £40 single, £75 week

Set in 2 acres with stunning views of lakes and beautiful landscape - just relax and enjoy the idyllic rural setting and visit the lakeside tea-room on the grounds.

***** GOLD



EDBRHAM LODGE

The Common, Royal Tunbridge Wells, Kent TN4 8GX
 Glyn & John Douche
 T 01892 523053
 F 01892 543582

Accommodation: 2 double with ensuite, 1 twin/double with private facilities
 Prices from £55 (weekend stay 2 nights)
 Open all year except Christmas

A charming Georgian listed building set in a beautiful romantic formal garden with topiary, statuary and shrubs. Enjoying a quiet secluded situation on The Common it is only 5 minutes walk from the town centre. Breakfast is served in the library or drawing room overlooking the garden and The Common.

***** GOLD



SOUTHGATE

Little Poylers, Rye Road, Hawkhurst TN18 5DA
 Susan Woodward
 T 01580 752526
 F 01580 752526
 E susan.woodward@southgate.uk.net
 W www.southgate.uk.net

Accommodation: 14 rooms, 1 twin/double/ette
 Prices: From £55
 Open March-November

This 17th century Dover house on the Kent/Sussex borders offers large superior bedrooms - all with lovely views. On warm days breakfast is served in the original Victorian flower conservatory which houses a magnificent Muscat Vine.



www.visitkentandthewells.com

For details of other accommodation in the area including some excellent self-catering facilities you can visit www.visitkentandthewells.com. Or for a full listing contact The Royal Tunbridge Wells Tourist Information Centre and ask for a Heat of Kent Holiday Guide (details on the back page).

27. CASE STUDY 10 – HAMBLE VALLEY SERVICED ACCOMMODATION STUDY

Hamble Valley Serviced Accommodation Review

Eastleigh Borough
Jo Cooper

Case Study 10 Analysis

Activity

Hamble Valley Tourism's serviced accommodation review.

In January 2004, we embarked on a review of our serviced accommodation stock, which was designed to be more than just a statistical gathering of details and figures about profit or occupancy, but a more detailed view of how our accommodation providers found 2003.

By doing this review, it allowed us the chance to visit our accommodation providers within our area and employ both questionnaires and unstructured interviews to gather the most comprehensive results on their experiences during the year and what we could do to improve their work in 2004.

Overall Aim

The overall Aim of the study was to “**To gather together as much detail on the accommodation providers within the Hamble Valley and their experience of 2003**”

Desired outcomes

We wanted the research to cover the following research areas:

- Capacity of venue
- Facilities provided
- Occupancy levels
- Average length of stay by visitors
- Most frequently made comments by the customer
- Most frequently asked questions by the customer
- What they think of Hamble Valley, The Strawberry Coast brand
- How the providers market their accommodation – their most successful marketing
- Level of service from the Hamble Valley Tourism unit
- Ask if we could have access to their visitors book/database to evaluate where their customers are visiting from
- Ask if they would be interested in giving out research 'cards' which could be used to assess:
 - Where their visitors are coming from
 - What their visitors thought of their stay
 - Where they heard about the accommodation provider
 - Access to their customers names/addresses

This information would be analysed by HVT and provided to them in a report format for their records – this is also a way of HVT being able to see where gaps in the market area e.g. areas in the UK which need targeting

Why necessary

One of the key components of any visitor destination is the type, variety and quality of accommodation that it has to offer to its visitors. Therefore, it is vital that any organisation involved in managing a destination appreciates the significance of its accommodation industry and the issues affecting it.

At Hamble Valley Tourism, we realise the importance of our accommodation industry, from the largest hotels to the smallest bed and breakfast, and because of this we endeavour to find out as much as we can about our accommodation providers and their work. By doing so, we can continue to build on the service we are currently providing them with and learn more about their work in general.

Action required – how did you get started/ Materials required/ who was involved

The process

Myself (Research Officer) and Jo Cooper (Tourism Services Manger) began by working out the research parameters and then started creating a questionnaire around this structure. We then used this to create a list of questions on which we could base our unstructured interviews (these were questions which we could use to keep our unstructured interviews on 'track' and ones which would allow the interview to elaborate on their answers and direct their comments)

Once we had formatted our questions and questionnaires, we made contact with the providers to arrange interviews. These took place over a two-week period. Prior to the interview dates, we sent the questionnaires which asked them questions about occupancy etc (which they prepared ready for the interviews)

During the interviews, we went over any queries from the questionnaires and then used the questions to initiate conversation about their year and their experiences.

<p>Materials Questionnaire sheets Postal service Car (to get to interviews) Telephone (to arrange interviews) Computer (to create questionnaires and assess results)</p>	
<p>Who was involved? The people involved in the study were all the providers, myself and Jo</p>	
<p>Effort required to establish - what were the biggest hurdles – how did you overcome these?</p> <p>The biggest hurdles included:</p> <p>Finding enough time (to conduct the interviews and assess all the data) Getting the accommodation providers to provide occupancy levels and return questionnaires (some had not kept records or were disinclined to provide the data)</p>	
<p>Effort required to maintain the programme / event We want the research to be conducted on a yearly basis, so all methods had to be clearly recorded for next year's research</p>	
<p>Timescale 3 Months</p>	<p>How funded Research budget</p>
<p>Monitoring and key success factors Return rates</p>	
<p>Estimate of impact – what were/are desired outcomes and were/are they being achieved</p> <p>The review went well and we were pleased with the outcomes. We would like to improve next year with better response to occupancy questions and have an event at which all the interviews could be conducted, rather than having to go to each provider.</p>	

28. CASE STUDY 11 – SOUTH OXFORDSHIRE - THE BIG BREAKFAST AND FOOD AND TOURISM INITIATIVE

The Big Breakfast

1. Why we ran the Big Breakfast pilot project

South Oxfordshire plays a leading role in promoting local food in the Thames Valley. Following a pilot programme initiated by South Oxfordshire District Council in Thame in 1999, a series of Farmers' Markets were established across the region. SODC also supported the setting up of the Oxfordshire Food Group which promotes food produced in Oxfordshire.

South Oxfordshire District Council and Oxfordshire County Council published the report *Promoting Local Food in Oxfordshire* in March 2001. One area identified in the report was the potential for strengthening links between local producers and the local tourism industry. The success of the Farmers' Markets shows people are keen to eat food sourced locally. Visitors to rural areas seek out good quality local food, which also supports the rural economy and the environment. It was decided to focus the pilot on a locally sourced breakfast scheme. Oxfordshire has an ample supply of breakfast food items such as meat and dairy products and a relatively small supply of fresh fruit and vegetables.

2. The pilot phase

SODC set up the South Oxfordshire Big Breakfast pilot project in partnership with the Oxfordshire Food Group. The Big Breakfast pilot project ran from July – October 2003. It encouraged local tourism businesses to serve a locally produced breakfast and promoted those already doing so. Breakfast providers participating in the project (B&Bs, hotels, and farmhouse B&Bs) agreed to serve a breakfast using at least five items produced locally (see appendix for further details of the project). The project had two aims:

- to increase the sales of local food
- to improve the quality of product being offered to visitors to the area.

The project included training for all participating businesses, opportunity to meet producers, joint marketing of all 'Big Breakfast' providers and media coverage.

The pilot phase has now finished. The purpose of this draft report is to raise awareness of the initiative and to explore options for the future. It will be circulated to all potential partners who may wish to become involved in 'the next steps' for consultation. All input and ideas for the development of this project are welcomed.

3. Feedback from the Big Breakfast pilot project

Following the pilot phase, in depth research was carried out with 12 out of 13 of the Breakfast providers. The feedback showed that:

- 9 out of 13 venues said that customers were interested in the fact the breakfast included locally sourced food, 2 said customers were very interested.
- Many breakfast providers felt that it was too soon to evaluate the benefits of sourcing local food and taking part in the project. However 6 said that it added to the overall 'brand value' of their business.
- 11 out of the 13 venues said that sourcing local food cost more.
- 9 out 13 venues experienced some difficulties in sourcing local food. The problems highlighted were:
 1. Increased cost: although this does not necessarily prevent venues from buying local food.
 2. Delivery: businesses would like one shop nearby that offered a wide range of locally produced food which would deliver or from which they could collect; travelling further afield to source products defeats the object of locally sourced food.
 3. Continuity of supply: venues could not rely on the Farmers' Markets as they were only once a month, Farmers' Markets are currently not really aimed at this segment of the market.
- Only 3 out of the 13 businesses asked their local suppliers or caterers (e.g. butcher or catering supplier) if they could source any local produce.
- 10 out of the 13 businesses grew or made their own produce e.g. fruit, jam from local fruit, bread from local flour, vegetables, eggs, chutneys.
- 8 out of the 13 businesses said they would definitely continue to source food locally where possible.
- What people thought was good about the Big Breakfast pilot:
 1. better awareness of contents of breakfast
 2. it encourages guests to use locally produced food at home
 3. improved quality of local products
 4. encouraged customers to recognise locally produced food
 5. encourage people to think of environment
 6. guests were interested
 7. encouraged use of high quality foods specific to Oxfordshire
 8. raised awareness of locally produced food
- Suggestions for improving the scheme in the future included:
 1. more marketing of scheme

2. the Tourist Board needs to know about scheme; rewards are needed from the Tourist Board for operating in such a scheme – this would help to finance the project.
 3. set up a food buying co-operative for all B&Bs
 4. quality and taste of locally produced food needs to be able to compete with supermarkets
 5. cost not a problem, but sourcing needs to be made easier
 6. scheme needs to be put on the internet as most B&B business is from abroad
 7. more support with sourcing
 8. change the name from 'Big Breakfast' to 'Local Breakfast'
 9. create a wider scheme
 10. more national publicity
- 8 out of 13 businesses said they would definitely take part in a permanent scheme. Only 1 participant said they would not take part now as they are ceasing B&B due to ill health. 11 businesses thought the scheme should be expanded to include the whole of Oxfordshire.

4. Conclusions from the pilot project

The following conclusions can be drawn from the pilot phase:

- Businesses welcome the Big Breakfast project and support a continuation of a similar initiative.
- Visitors to the area who took part in the Big Breakfast are generally supportive of it and interested in local food.
- The initiative encouraged the purchase of local food and therefore more money went into the local food economy.
- Local food for the hotel/hospitality trade is more expensive (both in actual cost and in staff times required for acquiring, preparing local food etc.) but that this is not necessarily a disincentive.
- Obstacles to the development of the initiative are the same as in other areas of the local food sector – namely getting products from farm to market (in this case the market being hotels and B&B's).
- These barriers, while slowing the development of the use of local food, do not stop a number of establishments using locally sourced products and these should be supported and encouraged.
- A proposal has been put forward by hospitality providers for exploring the idea of forming a buyers co-operative and seeking funding for storage and transport facilities to enable access to local food.

5. Options for future development of the scheme

In the light of this feedback the following options have been proposed to build on the Big Breakfast project:

- Permanent South Oxfordshire Local Breakfast scheme.
- Local Food (rather than only 'Breakfast') scheme for South Oxfordshire.
- Local Food scheme for Oxfordshire which could be piloted in South Oxfordshire and other district councils who wish to take part in the scheme.
- Local Food scheme for Buckinghamshire, Berkshire and Oxfordshire, which could be piloted in South Oxfordshire and other interested district councils.

The possibility of having a local sustainable produce scheme (which for example could encompass businesses selling locally produced wood products and plants) is another option that has been raised. This could be a possible long term goal or option five if there was enough support to enable this kind of increase in the size of the project.

Berks, Bucks and Oxon Local Food and Tourism Scheme:

Draft project plan February 2004

Context

The success of the South Oxfordshire Big Breakfast pilot project highlighted the scope to improve links between local food producers and suppliers, and the tourism industry. Given the positive feedback from participating venues in the pilot scheme, SODC and partners would like to see the scheme extended to promote local food in tourism venues across Berks, Bucks and Oxon (BBO). SODC will continue to actively promote the next phase of the scheme in South Oxfordshire.

Aims:

- To increase the amount of local food sourced by tourism venues.
- To increase the awareness of tourism venues of the benefits and opportunities for sourcing local food.
- To provide links between suppliers and businesses to create a local food network.
- To assist in removing barriers for tourism venues in sourcing local food.

Objectives:

- To offer tourism venues business support, training and advice in sourcing local food.
- To provide information to tourism venues on local producers and suppliers including an updated supplier/producer database and networking opportunities through 'meet the producer' events.

- To provide tourism venues with national and international marketing opportunities through local food and tourism networks, website, leaflets and Tourism South East activities.
- To monitor the increase in local food sourcing by participating venues and evaluate success of project.
- To encourage existing wholesalers and suppliers of tourism venues to source more local food.
- To support and promote an independent enterprise seeking to delivery and market local food to tourism venues.

Targets:

- To involve 50 new tourism venues in the region in local food sourcing in a year long pilot scheme.
- To implement a marketing strategy linking in to Tourism South East promotional activities and other tourism and local food initiatives.
- To set up a website linked to the Oxfordshire Food Group (OFG) and Tourism South East websites.
- To provide 6 training sessions to tourism venues, giving advice on how and where to source local food (e.g. 2 events in each of the 3 counties).
- To run 6 networking events for producers/suppliers and tourism venues.*
- To produce an updatable electronic producer/supplier list for tourism venues in the region.
- To contact the existing suppliers/wholesalers of tourism venues to assess capacity and interest in supplying local food.
- To identify whether there are any potential independent enterprises wishing to delivery and distribute local food and support and promote such a venture.

*The training and networking events could be combined as appropriate and depending on funding

Project management and partners

The Steering group for the local food and tourism pilot scheme will be comprised of TBBS, OFG and SODC. If other District Councils wish to be involved at this stage they would be welcome.

It is proposed that Tourism Better Business Scheme will manage the scheme with support from the Food Group and SODC.

- TBBS will use their links with the tourism industry to involve businesses in the scheme. TBBS will provide business support, training and marketing to tourism venues.
- The OFG will provide support to TBBS by giving advice and support on local producers and suppliers. OFG will create an updatable electronic database of local producers/suppliers in the region. OFG will give advice on sources of information such as the Big Barn website. OFG will assist in any producer/tourism venue networking events. OFG will use its expertise in local food to promote and support the scheme.

- SODC will continue to promote the scheme in South Oxfordshire and provide support in the setting up, promotion and running of the scheme.
- Sue Scott, Raceaway Project Management (RPM) may provide consultancy services in identifying wholesalers/supplies for the supply chain.
- Business Link MKOB may play a role in promoting the scheme and seeking grant funding.



Scope of the project

The local food and tourism initiative will encourage hotels, B&Bs, pubs and restaurants to source local food. It will provide support in locating local producers and suppliers and promote the venues and producers involved.

Some form of monitoring will need to be put in place to ensure that venues are genuinely committed to sourcing local food. It may be advisable to set a minimum requirement, as with the Big Breakfast pilot project, of 5 items which need to be sourced locally. As with the Big Breakfast, 'local' would be defined as within a 40 mile radius (wherever possible). Environmental Health and Trading Standards may be able to integrate monitoring of the project into their routine checks. However, we want to avoid burdening venues with any unnecessary bureaucracy. Venues will be encouraged to advertise their use of local food on their website, menu and promotional materials. We will also provide leaflets for display advertising the project. It is important that the scheme is acknowledged and promoted by Tourism South East. This will increase benefits to venues participating and increase marketing opportunities of the initiative through tourism websites etc. Paul Jefferies and Roger Budden from Tourism South East are both informed of developments of this project to ensure initiatives stay 'joined up'.

29. CASE STUDY 12 – DORSET NEW FOREST PARTNERS IN SUCCESS

Case Study Material



Partners in Success Small Business

BRAND NEW Partners in Success **BRAND NEW**
Small Business Version

Suitable for owner-managers with no (or few) staff - the only business support package dedicated to the small tourism business and currently exclusive to Dorset.

Special introductory price £35

<ul style="list-style-type: none">• 1:1 business support• Marketing• Disability/environmental issues• Grading• E-business	<ul style="list-style-type: none">• Quality customer care• Forward planning• Health & safety (risk assessment, fire, first aid, manual handling)
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Recognising that a huge number of tourism businesses are small, independent and operate without additional staff, this innovative and completely new version omits staffing issues to concentrate on information most needed by small businesses.

To find out more about how Partners in Success can help your business, please contact the Dorset New Forest Tourism Partnership on 01202 451151 or email: dnftp@bournemouth.gov.uk

30. CASE STUDY 13 - EXTRACT WEST OXFORDSHIRE LOCAL PLAN 1997

Case Study Material

POLICIES FOR THE PROVISION OF TOURIST ACCOMMODATION

10.11 Since the early 1980's the District Council has been keen to see the provision of additional tourist accommodation in the form of bed and breakfast accommodation, hotel development and holiday homes, and additional caravan and camping sites. There has been a steady increase in the amount of tourist accommodation available in West Oxfordshire. Between 1988 and 1990 alone there was an increase of almost 20% in the number of bed spaces in serviced accommodation, making 2,239 bed spaces available in 1990.

Bed and Breakfast Accommodation

POLICY TM4 APART FROM GREAT TEW, WHERE PROPOSALS FOR BED AND BREAKFAST ACCOMMODATION REQUIRE PLANNING PERMISSION, THEY WILL BE PERMITTED, SUBJECT TO THE FOLLOWING PROVISOS:

- i) THERE IS ADEQUATE OFF-STREET PARKING OR OTHER PUBLIC PARKING AVAILABLE AND THAT ANY SUCH WORKS REQUIRED TO PROVIDE SUCH PARKING WILL NOT HAVE A DETRIMENTAL EFFECT ON THE AMENITIES OF THE AREA; AND,
- ii) THE SCALE OF THE PROPOSALS DOES NOT GENERATE A LEVEL OF ACTIVITY WHICH WOULD HAVE A DETRIMENTAL EFFECT ON THE CHARACTER OR APPEARANCE OF THE AREA OR THE REASONABLE AMENITIES OF THE ADJOINING DWELLINGS.

10.12 Bed and breakfast accommodation forms an important part of the total provision of tourist accommodation in West Oxfordshire, providing in particular for inexpensive short-stay visits and for touring holidays.

10.13 West Oxfordshire District Council does not consider that planning permission is required for use of one or two rooms of a private dwelling for bed and breakfast purposes, provided that the number of habitable rooms used does not exceed 50% of the total. (Habitable rooms include sitting rooms, dining rooms, bedrooms and studies). The issue of whether planning permission is required or not can be complicated. Anyone intending to provide such a service is recommended to contact the District Council's Planning Department for informal advice.

10.14 As the use of a dwelling for bed and breakfast accommodation will generally have a greater impact on an area than when used simply for residential purposes, consideration will be given to the effect on the amenities of local residents in cases where planning permission is required for bed and breakfast accommodation.

31. CASE STUDY 14 – CANTERBURY DISTRICT - MAKING THE CASE FOR TOURISM AND B&B

Making the Case for Tourism and B&B

**Canterbury District Tourism
Jane Lovell**

Case Study Material

Canterbury District Tourism Facts

Canterbury district includes Canterbury, Herne Bay and Whitstable and a rural area, which is part of the Kent Downs Area of Outstanding Natural Beauty (AONB)

The Volume and Value of tourism in Canterbury in 1999

- According to the Cambridge Model (one of the 2 methods used by destinations to measure the volume and value of tourism) in 2002 there were approximately **6.3 million** visitors to Canterbury district per year with a total spend of **£258.9** million.
- This includes approximately **5.8 million** day visitors contributing a further **£153.5 million** to the local economy and **585,000** staying visits to Canterbury District per year. The staying visits were divided into **2.61 million** nights, generating in the region of **£105.7 million**
- Overseas visitors accounted for **24%** of total staying trips and due to their typically longer length of stay, were estimated to have accounted for **43%** of total visitor nights. Domestic visitors, who undertook **76%** of total trips, accounted for the remaining **57%** of visitor nights.
- **Germany and the USA as the South East's largest overseas markets (both at 15%), France at 13%, the Benelux countries at 12% and Italy at 5%.**

Purpose of visit

Nights by purpose						
	Domestic visitor		Overseas visitor		Total	
Holiday	1,096,000	73%	460,000	41%	1,556,000	60%
Business	99,000	7%	107,000	10%	206,000	8%
Visits to friends and relatives	279,000	19%	203,000	18%	482,000	18%
Other	26,000	2%	41,000	4%	67,000	3%
Study	0	0%	303,000	27%	303,000	12%
Total	1,500,000	100%	1,113,000	100%	2,613,000	100%

- 3% of trips were motivated by 'other' reasons. These typically include trips undertaken to attend cultural, sporting and religious events, as well as trips motivated by education, medical and house-hunting reasons.

Accommodation type

Accommodation in Canterbury					
	Establishments	Bedspaces	Bedrooms	Units	Pitches
Serviced Accommodation					
Hotels	28	451	1,418		
Guest accommodation	99	317	688		
Hostels and camping barn	2	20	108		
University and college	2	1,619	1,419		
Serviced Total	131	2,407	3,633		
Self catering	69	100	318		
Static caravan parks	16			2096	
Touring caravans	9				330
Camp sites	3				105

Staying Visitor Nights by Accommodation Type

Nights by accommodation						
	UK	%	Overseas	%	Total	%
Serviced	206,000	14%	118,000	11%	324,000	12%
Self catering	335,000	22%	132,000	12%	467,000	18%
Touring caravans /tents	60,000	4%	15,000	1%	75,000	3%
Static vans/holiday centres	218,000	15%	0	0%	218,000	8%
Group/campus	68,000	5%	377,000	34%	445,000	17%
Second homes	-9,000	-1%	-12,000	-1%	-21,000	-1%
Boat moorings	0	0%	0	0%	0	0%
Other	80,000	5%	12,000	1%	92,000	4%
Paying guests in private houses	0	0%	232,000	21%	232,000	9%
Staying with friends and relatives	543,000	36%	240,000	22%	783,000	30%
Total	1,500,000	100%	1,113,000	100%	2,613,000	100%

- An estimated **70%** of nights were spent in the commercial accommodation sector. Despite around 21% of staying trips using serviced accommodation, this sector only accounted for 12% of total estimated nights.
- Self-catering/ second homes accommodated **19%** of visitor nights – although only **12% of trips** – reflecting the appeal of self-catering accommodation for long-staying visitors.
- **33%** visitor nights was spent in the home of friends and relatives.
- Other type of accommodation generated **4%**.
- According to an East Kent Hotel Survey, hotel accommodation occupancy was estimated at **73%** in 2003.

Spend by Accommodation Type

Spend by accommodation						
	UK		Overseas		Total	
Serviced	£16,225,000	28%	£10,019,000	21%	£26,244,000	25%
Self catering	£16,413,000	28%	£5,517,000	11%	£21,930,000	21%
Touring caravans /tents	£1,550,000	3%	£451,000	1%	£2,001,000	2%
Static vans/holiday centres	£3,402,000	6%	£0	0%	£3,402,000	3%
Group/campus	£3,035,000	5%	£17,016,000	35%	£20,051,000	19%
Second homes	-£112,000	0%	-£1,104,000	-2%	-£1,216,000	-1%
Boat moorings	£0	0%	£0	0%	£0	0%
Other	£2,447,000	4%	£181,000	0%	£2,628,000	2%
Paying guests in private houses	£0	0%	£8,186,000	17%	£8,186,000	8%
Staying with friends and relatives	£14,638,000	25%	£7,849,000	16%	£22,487,000	21%
Total	£57,596,000	100%	£48,114,000	100%	£105,710,000	100%

Day Visits

The split of day visits between Canterbury, Whitstable, the rural area and Herne Bay are as follows:

Tourism Day Visits		
	Trips	
Urban visits	3,540,000	61%
Countryside visits	1,151,000	20%
Coastal visits	1,105,000	19%
Total	5,796,000	100%

Visitors to Canterbury district TICs

TIC	Visitors 2003	Spend	Spend per Head	Proportion of visitors
Canterbury	458,476	£183,352	0.40	81
HB	56,565	£23,392	0.41	10
Whitstable	64,713	£20,730	0.32	9
Total	579,754	£227,474	0.39	100

Destination Facts and Figures

- There were **520,000** visits to Canterbury Information Centre in 2003.
- Canterbury Cathedral was the 10th most visited paid attraction in the UK in 2002, with 1,110,529 visitors. It acts as a magnet attraction in Canterbury.
- Our strategy is to supplement the heritage tourism pull of the cathedral with other cultural tourism niche products, such as gastronomic, shopping and arts tourism. In 2003 we held the BLOK Sculpture Festival in partnership with English heritage, 62 sculptures displayed at heritage sites all over Canterbury, including turning St Augustine's Abbey (part of the World Heritage Site) into a temporary sculpture park for the summer.
- Canterbury City Centre has more than 320 retail premises offering a diverse selection of famous name stores, exclusive boutiques and specialist shops, three large department stores. Larger stores include Nasons, Fenwicks and Debenhams, together with familiar high street names like BHS, Body

Shop, Marks and Spencer. The car-free High Street makes the City ideal for mature or disabled visitors. Canterbury City's retail catchment area covers East and North Kent and parts of East Sussex, reaching a population of 315,000, with an average household disposable income well above the national average.

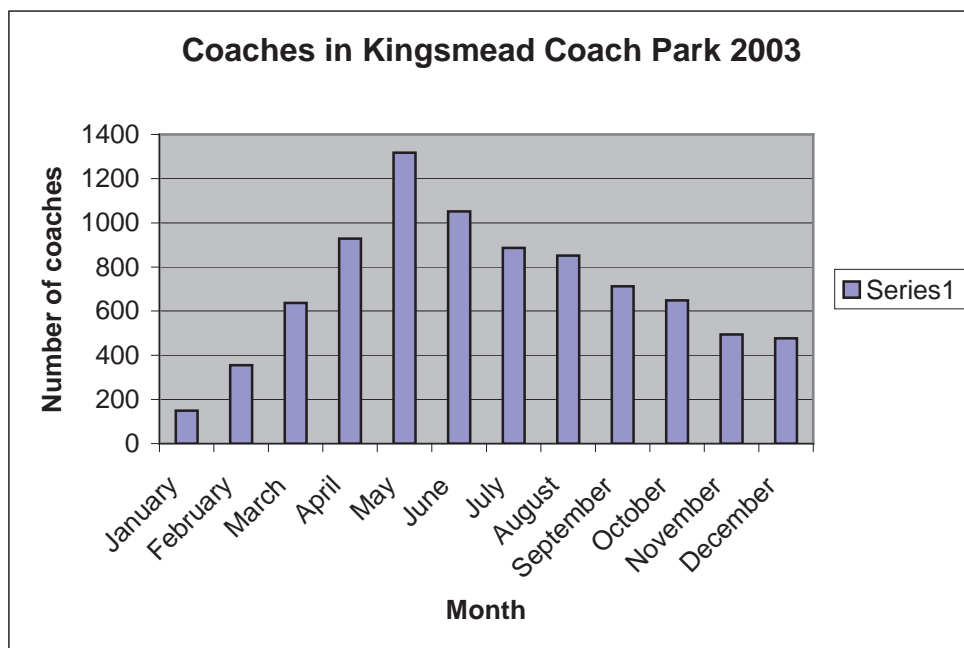
- There are 2 major food festivals in Canterbury aimed to extend the tourist season. The British Food and Drink Festival takes place in September and the Christmas European Market in November. A survey conducted at the 2002 Euromarket estimated that it attracted **25,000** visitors. These events are combined with the Canterbury Festival in October and marketed as "Autumn in Canterbury." The Whitable Oyster Festival takes place in July.
- The reputation of Canterbury as a gastronomic destination is growing, with a permanent organic Farmers' Market in Canterbury complementing the string of quality restaurants and the recent press coverage of Whitstable oysters, which has transformed Whitstable into a key destination for the London market.
- Canterbury Hotels have formed Conference Canterbury, which links the different conference venues across the city in a one-stop online shop at <http://www.conferencecanterbury.co.uk/> This includes the £30-million new conference facilities (250 seat auditorium) opened in 2001 in the precincts of Canterbury Cathedral.

Mode of travel

- There are 2 mainline railway stations in Canterbury, Canterbury East Station and Canterbury west Station.
- The Canterbury bus station accommodates 80 buses an hour.
- A recent survey found that coach visitors spend an average of **£20.52** per head. Multiply this by the number of coach visitors to Canterbury per year (**424,920** coach passengers) it equals **£8,719,358**

Coach numbers are falling, suggesting that more visitors are travelling by car. There are 5639 parking spaces in Canterbury.

Year	Coaches
1994	14,097
1995	18,002
1996	17,531
1997	16,544
1998	15,261
1999	12,174
2000	10,623
2001	8,798
2002	8,856
2003	8,456



The nationality of coach-borne visitors in 2003 was:

Country	Coaches
DENMARK	2
NORWAY / SWEDEN	4
PORTUGAL	6
OTHERS:	6
ESTONIA	8
LUXEMBOURG	11
SLOVAKIA	16
AUSTRIA	39
ITALY	68
CZECH REP	86
POLAND	103
HUNGARY	154
SPAIN	159
NETHERLANDS	352
BELGIUM	703
GERMANY	1487
FRANCE	1705
UK	3662

However, many of the French coaches contained parties of schoolchildren

Population

- Canterbury district's population of 135,287 (census 2001) (2nd biggest population in Kent). **9.1% growth from 1991-2001**. This was the second largest growth of any Kent local authority area.
- Industrial Output – **11.5%** projected growth from 2000-2008
- Student Population – currently **c. 20,000** full time students at four local higher education institutions. Canterbury Christ Church University College have planned 2% growth p.a.
- Estimated GDP for 2000 **£1.4 billion**
- Small businesses dominate 4,761 companies employing almost 50,000 employees
- 5,203 actual tourist jobs, 3,649 generated through direct tourist expenditure.
- Catering and retail sectors greatest recipients of tourist expenditure - **£56.1** million and **£45.6** million respectively.

Developments

- In **2007 £4.2 billion Channel Tunnel Rail Link** from St Pancreas to Channel Tunnel will open, reducing the travel time between Ashford and London to **35 minutes**, making Ashford a more accessible commuter town. Canterbury is 20 minutes from Ashford by train.
- **£100 million Whitefriars shopping** development in the centre of Canterbury is opening in stages from **2003- 2006** with 38 new retail, arts, anchor store and other facilities
- **New leisure development in Whitstable Harbour** will underpin the continued mixed use success of the district's working harbour and reflects the surge in the tourism and business sectors experience in the last few years.
- New **1.2 million Arts and Leisure facility** opened in 2004 in Whitstable **Horsebridge** facility
- **Herne Bay Pier** development planned for Herne Bay

- An **Innovation Centre** is planned to develop knowledge-intensive business sectors
- Pfizer UK – pharmaceutical multi-national has largest UK site in East Kent employing **5000** people including 2,500 scientists, extensively booking bed spaces per year and planned to expand to **6,000** employees at their Faversham site.
- London Manston Airport – forecasted passenger demand for **2020 10-15 million** (source: ADL Analysis 2001)
- Road enhancements planned, accessibility includes:
 - 1 hour 30 minutes from London using A2
 - 20 minutes from Ashford International Railway Station
 - 20 minutes from Port of Dover
 - 30 minutes from CTRL Folkestone

Development Sites

There are 2 major development sites, Kingsmead and The Tannery. Both of these sites are within easy reach of the city centre and would accommodate a new hotel.

Recent Planning applications have included

- Boutique Hotel application received recently (New Dover Road, Canterbury) proposal for redevelopment of former hotel site (10 rooms).
- Slatters Hotel (Canterbury City Centre) extension approved (100 beds approximately in total).
- Outline application granted with conditions for Herne Bay Golf Club (50 beds approximately.).

Marketing

- **Kent Tourism Alliance** public/private sector based in Canterbury Information Centre - with support from businesses such as Eurotunnel - aiming to grow the business through a national advertising campaign, halting “transit tourism.” 80,000 British and 50,000 French KTA Guides are produced a year, distributed throughout London, the South East and Northern Europe. There are over 7 million hits on the KTA Web site per year.
- The KTA is linked to three consortia, Medway and Maritime Kent, Heart of Kent and Canterbury **and Coastal Kent (CCK)**. The CCK marketing partnership between Thanet, Shepway and Canterbury, produces a holiday guide, 160,000 guides are distributed in the UK and overseas. The CCK Web site has over 7 million hits per year.
- Canterbury district is also part of a marketing partnership with the Southern English Cities.

Links and Web sites

<http://www.business.canterbury.gov.uk/>

www.Canterbury.co.uk

www.regiontransmanche.com

www.kenttourism.com

For details on the food festivals see <http://www.canterbury.co.uk/cgi-bin/buildpage.pl?mysql=487>

<http://www.conferencecanterbury.co.uk/>

<http://www.whitefriars-shopping.co.uk/>

32. CASE STUDY 15 - USA TODAY – ARTICLE ON B&B SERVING THE BUSINESS MARKET

Case Study Material

USA Today 6th June 2002

Bed and breakfasts mix business with pleasure

By Sacha Cohen, Special for USATODAY.com

It used to be that business travel meant staying at anonymous, one-size-fits-all hotels and motels where no one knew or cared when you came and went. But these days, many weary road warriors have discovered an alternative: personalized attention and decor, inviting homemade food, and yes, business amenities at hundreds of bed and breakfasts around the country.



About 20-25% of The Copper Penny Inn's customers are business travelers visiting Poughkeepsie, N.Y.

"Traveling on business can be really lonely and very isolating. After visiting customers or clients all day, you may find yourself without anyone to have a meal with and ultimately, very little human interaction," observes Sandy Soule, editor at BedandBreakfast.com, a travel Web site that offers information on more than 23,000 properties worldwide.

At bed-and-breakfasts, however, travelers not only get a place to stay, they get the human touch as well. Whether that means having wine and cheese in the living room with other guests, relaxing on a porch, or just seeing the innkeeper's friendly face at the end of a long day, this is what many business travelers yearn for.

One such person is Ted Harro, a business executive based in Chicago, who estimates he's on the road about 50% of the time. And when at all possible, he opts

for a B&B over a hotel or motel.

"Good B&B proprietors learn about your preferences and provide small personal touches that make a huge difference in making the accommodation a home away from home," he says. "For instance, one innkeeper recently taped a sports event I wanted to watch so that I could watch it in the evening. You don't get that kind of consideration at an anonymous business hotel."

Jerry Phillips, Executive Director of the [Professional Association of Innkeepers International](#) attributes the growing popularity of B&Bs among business travelers to several factors. First, the inns themselves have become more professional and service-oriented.

"The image of shared baths and shared TV lounges is gone-the truth is that the industry has made a major transformation in the past few years...we are coming of age and maturing as an industry," he says.

Another factor is that many B&Bs now are located in or near major business hubs. And last, safety and security, especially after 9/11, are more of a concern than ever before.

"From the consumer point of view, as a woman business traveler I feel so much safer," says Soule. "They [the innkeepers] know who you are and where you're from and it's that much more personal and it's in a house."

Putting the 'business' in B&B

Competing with the big chains and more established hotels is a challenge, so to attract business travelers, many B&Bs offer flexible cancellation policies, early and late check in, in-room telephone/data ports, a table or desk big enough for a laptop, and of course, a fax machine, says Soule.

Marsha Burton who runs [The Inn at Woodhaven](#) in Louisville, KY, says that about 70% of her business is from repeat business travelers.

"They tell me that they are very tired of the hotel box room, and sleep much better here." The inn's amenities include cable TV, a separate telephone line with data port, refrigerator, coffee/tea snack station, hair dryer, iron and ironing board, desk, and good lighting. Burton also offers flexible check in and check out for when "meetings are cancelled or flights don't arrive on time."

Business travelers visiting nearby IBM, Vassar College, and the Culinary Institute of America flock to the Copper Penny Inn, which is located on 12 acres in the heart of Poughkeepsie, NY. "Presently, our business travelers represent about 20-25% of our total visitors," says Michael de Cordova, who runs [The Copper Penny Inn](#).

Cordova has seen a steady increase in business guests in the four years since he started, which he attributes to word of mouth, repeat customers, and the personalized attention that you can only find at a small property.

"The comment 'If I've seen one, I've seen a hundred' rings true," says Cordova. "They like to see the owner and be remembered by name and they like it when we [Cordova and his wife] remember to serve them their favorite breakfasts."

Teresa Blagg, co-owner of [The Gryphon House](#) in Boston, agrees. "I think part of the reason that business travelers tend to 'burn out' is because of the same-ness of so many locations. It almost causes a kind of psychosis to wake up in a room in Houston that looks just like a room in Baltimore that looks just like a room in San Francisco—you never know where you are."

Says Wilson Learning's Harro, "If you travel a lot and want to unwind after a long day on the road in a relaxed, home-like atmosphere, consider B&Bs. Get recommendations from other businesspeople so that you can be sure that it will be a good experience. If you want anonymity and predictability, stick with the good old-fashioned business hotel."

Leveling the playing field

The Internet has been a huge boon to the B&B business. "We embraced the Internet much faster than the rest of the hospitality industry. They had their 800 numbers and big PR departments, but the Net levels the playing field for marketing and getting the word out," says PAII's Phillips.

In fact, many B&Bs had sites before their larger, corporate counterparts, observes Soule, who estimates that newer inns get 80 to 90 percent of their business off the Internet. "With virtual tours, you can see what you are getting. Plus, [they get] much more exposure this way."

At [The Walnut Street Inn](#), located in downtown Springfield, MO, co-owner Gary Blankenship estimates that up to 80% of new guests find his inn on the Internet. "We've moved a lot of our marketing material to the site and we also advertise on about 20-30 different sites on the Net," he says. Guests can also find out about room availability and make reservations online at his Web site.

A former road warrior of 15 years, Blankenship knows exactly what it takes to keep his business guests happy. "Our goal is contentment," he says. That means offering guests great business amenities like two phone lines in each room, early breakfasts, early check ins and late check outs, wake up calls — almost everything the "big guys" offer.

In addition to the ambience and personal attention offered by a B&B, many also offer discounts to business travelers in order to compete with larger properties and chains. The Copper Penny Inn, for example, offers "a great business rate—discounted 25% in some cases." The Walnut Street Inn offers corporate rates Sunday through Thursday, and can accommodate groups of up to 12 people in the "parlor."

The Gryphon House also offers a "corporate rate" to frequent business travelers, which is generally \$169-189 per night, as opposed to the regular rates of \$189-245. "For the folks we know, we are happy to work with them, or, if a business makes the reservations, we don't question it too much," says Blagg.

With all the comforts of home, business amenities, and even their own frequent stay programs, the question for road warriors won't be whether to stay at a B&B, it will be

which one.

Sacha Cohen is a Washington, D.C.-based writer.

33. CASE STUDY 16 – WELCOME TO E-BUSINESS TRAINING


Case Study Promotion Material

TOURISM SOUTH EAST

Welcome to Excellence

Welcome E-business

The new Welcome E-business programme can help to boost sales through using e-mail and the Internet to access global markets, attract new customers and encourage repeat business.



Welcome E-business is a one-day training programme developed by VisitBritain and England's Regional Tourist Boards. As part of the Welcome to Excellence series of training programmes, it is delivered by Tourism South East in Berkshire, Buckinghamshire, Kent, Hampshire, Isle of Wight, Oxfordshire, Surrey, East and West Sussex.

The benefits of Welcome E-business

Welcome E-business can benefit your business by helping you to:

- appreciate how to develop an effective website or to enhance your existing website
- capitalise on Internet marketing opportunities and reduce your marketing costs
- reach over 900 million people worldwide who now have access to the Internet, an ever increasing number of whom use it to book travel products and services – 24 hours a day, seven days a week
- use e-mail effectively to communicate with customers and suppliers
- improve your business efficiency.

The programme concentrates on three interrelating areas: e-marketing, e-commerce and e-procurement – providing you with the information you need to maximise your e-business potential and reach global markets.

Taking part in Welcome E-business

The programme is aimed at owners and managers of smaller tourism businesses who can already use a computer and have some understanding of the Internet and e-mail.

You can participate in Welcome E-business at convenient locations throughout the Tourism South East region. The national price of attendance on Welcome E-business is £90 + VAT. However, subsidies may be available for small and medium sized businesses until the end of March 2004, reducing the cost to just £25 + VAT. Each participant will receive a detailed, 64-page participant guide, plus a certificate.

Customer service training for the tourism industry delivered by England's Regional Tourist Boards
www.welcometoexcellence.co.uk www.tourismsoutheast.com

TOURISM
SOUTH EAST

Welcome
to Excellence



Welcome E-business programme

- 1 Introduction and objectives
- 2 What is e-business?
- 3 Is it a big deal?
Marketing potential
Business efficiency
- 4 Your marketing plan
Getting the mix right
Case studies from small tourism businesses
Your marketing strategy – how do you decide?
Choosing your marketing channels
- 5 E-marketing – can you do it?
What is a good website?
Planning your website
Improving your website
Reciprocal links, search engines and online advertising
- 6 Profiting from e-mail
Handling enquiries and marketing by e-mail
E-mail protocol, etiquette and law
- 7 E-business – not just about marketing
Sales activity – e-commerce
Purchasing – e-procurement
Online banking
General research
Backing-up online
- 8 Beware!
Legal issues and accessibility

For further information, or to book your place on Welcome E-business, please contact:

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E: drivers@tourismse.com

Kent, Surrey, E and W Sussex
Wendy Denman
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F: 01865 392061
E: drouget@southernmtb.co.uk

Other Welcome to Excellence training programmes:

Welcome Host Welcome Host Plus Welcome All Welcome International Welcome Line Welcome Management

34. CASE STUDY 17 - BUSINESS LINK BUSINESS PLAN

A GUIDE TO WRITING A BUSINESS PLAN
No. 4
December 2002

1. Why have a business plan?

Many new owner-managers will write business plans with the sole purpose of convincing a financier to lend them money for starting up. However, a good business plan can help build a stronger foundation for your business. It can help you to:

- Clarify your business purpose to yourself and communicate it to your partners and staff.
- Predict future scenarios and address them before they threaten the success of the business.
- Set targets and objectives so that you can monitor your business's performance.

Your plan must be a coherent description of how your business will move from where it is now to where you want it to be. Each business will be different, but the headings below are useful 'stepping stones' to include in your business plan and will ensure that you cover the most important aspects.

2. Your personal objectives

Why are you in business and what do you want out of it?

Will the business supplement your main income or replace it? Are you starting it as an investment, to sell as soon as you can? Is it to provide jobs for family members?

The answers to questions like these will have an impact on the business's aims, development and strategies. For example, if you are starting a business as an investment opportunity, the focus of your planning will be leading up to your exit - the sale of the business. Your strategies must focus on building the business quickly and maximising its value to get the best selling price possible. On the other hand, if you are building up a business for a less experienced family member, your plan will focus on a succession strategy. This might mean keeping the business small and easily manageable.

3. Business description and purpose

What exactly will your business do?

Be as specific as possible about the kind of business that you are starting. If you are going to open a restaurant, for example, will it be a family restaurant serving good quality, local food at competitive prices in a family friendly environment? Or will it be more up-market, serving gourmet dishes to discerning customers in an intimate setting?

Describe your business in terms of a mission statement that clearly summarises its purpose and is easily understood by you, your staff, your customers and your potential investors. If you cannot describe your business in these terms, rethink your business idea; focus on your business's core activities and direction.

4. Business vision and long term objectives

What do you want your business to be in five years?

Try to envisage this so that you can start to move your business towards that point. For instance, you might work towards becoming a market leader, an innovator, specialist, a good employer, a large concern, or a supplier of superior quality.

5. Current market situation

Where is your market now?

To earn enough revenue, your business must be able to achieve a share of the markets available. You will need to have a thorough understanding of your market environment to do this, including its size and the share that you can realistically achieve. The size of your share will depend on:

- Market trends - find out what influences your target market now and how your product can take advantage of this.
- Target customers - describe who your target customers are and how many there are of them; also justify your estimate of the market share you aim to get (more about this in the next section).
- Competition - list your competitors and describe their products; also describe how your product will be different (more about this in section 7 below).


6. Current target customers

Who will be your target customers in the next 12 months?

Define the characteristics of the target groups of customers that could buy from your business. To do this, think about the type of people or businesses that are likely to benefit from using your products or services and why they would use them.

- Make a list of the features that your products have and the associated benefits that these features can provide to your customers.
- Build up a picture of your target customers. For individuals, describe them in terms of characteristics like age, income, location, lifestyle and marital status. For businesses, use indices like location, numbers of employees, public or private sector, industry type and turnover.
- Research how many customers there are in your target group and how much they spend.
- Identify trends that tell you whether this group is growing or shrinking.

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 Cobweb
Information

7. Competitor analysis

Who are your competitors?

These may be in the same (direct competition) or similar (indirect competition) business to you. The level and strength of competition in a market indicates how difficult it will be to gain enough share of the market. However, it is not simply the number of competitors that you should be concerned about; analyse the following aspects of each competitor's business:

- (i) Their products: Are their products and services the same as yours? Do your competitors provide something that you don't?
- (ii) Their customers: Are your competitors targeting the same customer segments as your business?
- (iii) Their share of the market: How large is it, and could you take some of it?
- (iv) Their strategies in how they grow, market themselves and price their products: Can you learn from how they conduct business, or do it better?
- (v) Their operations and facilities: What levels of service are customers demanding?

8. Marketing strategy

How many customers do you want, and by when?

With a clear understanding of your market in terms of size, location, groups of potential customers, competitors, trends and influencing factors, you can clearly define your overall strategy. Break this down into objectives and targets relating to the volume and share of the market (or market segments) you hope to achieve and when you intend to achieve them by. For example:

- (i) Who are your initial marketing targets (specific groups or market segments)?
- (ii) What products, services or particular deals will you be offering to them?
- (iii) Is there a specific volume, value or share of these markets that you hope to achieve?
- (iv) When do you hope to achieve these targets by?
- (v) Why are you choosing these markets first?
- (vi) Who will you target next, ie in six months or 12 months time?

9. Marketing plan

How will you do your marketing?

Now that you have a coherent marketing strategy, you need to be clear about how you are going to make it happen. A detailed marketing plan must explain how you go about achieving each of your marketing targets and objectives (set out in your marketing strategy above) either by particular target segment, by type of marketing activity, or both. Such a plan will include some or all of the following:

- (i) The marketing methods you will use for each segment of the target market.
- (ii) The specific action you are going to undertake.
- (iii) A time-scale or timetable for each marketing activity.
- (iv) The people or organisations who are going to carry it out.

- (v) The estimated costs to undertake particular marketing activities.
- (vi) How you will monitor and review progress.
- (vii) How you will handle the response to your marketing.

It will also be important to identify how you will manage the overall marketing plan, ie ensuring that the entire budget is not spent in the first couple of months, monitoring results, adjusting the plan, and introducing new tactics as you go along.

10. Sales targets and objectives

What are your sales targets and how will you achieve them?

Your marketing plan, when implemented, needs to be converted into perhaps the most important business goal of all: your sales revenues.

Set out your sales forecasts in terms of:

- (i) Sales of different product types by volume and value.
- (ii) Sales from different customer groups.
- (iii) Sales from different distribution channels.

11. Operational requirements

What do you need to turn plans into action?

Information about your operational requirements will be required for your financial forecasts while other information will be needed for your basic operational planning. Outline your plans for the following aspects of your business and estimate the respective costs involved:

- (i) Premises
- (ii) Equipment
- (iii) Staff
- (iv) Suppliers
- (v) Compliance and licencing

12. Current financial requirements and financial forecasts

How much money do you need now and for what purpose?

Your business plan should include a break-down of your financial requirements, the sources of finance you have available to you and any additional amounts that you may need. This should include:

- (i) The cost of starting your business.
- (ii) Your personal budget.
- (iii) Details of your own personal finance that you intend to invest.
- (iv) Details of additional finance that you have secured.
- (v) A detailed cash flow forecast that will help you to estimate how much available cash you will have in any particular month.
- (vi) A profit-and-loss forecast to help you estimate when your business will start to make a profit, which will be essential to your medium term success.
- (vii) A balance sheet forecast to provide you with a snapshot of the trading position of your business, to identify what your business will owe, what it will own and how financially strong it will be at a particular point in the future.

13. Management processes

How will you manage the business?

Getting organised will make work more efficient and enjoyable. Even if you are the only person involved in your business, it is still worth looking at your key skills, responsibilities and management processes at this stage:

- (i) Management team - outline their skills and experience (potential investors are particularly keen to see strong skills here).
- (ii) Key staff and responsibilities - summarise their roles and contribution to the business (this will also show up weaknesses for you to address or over-reliance on certain people). Be sure to cover these tasks: marketing and sales, finance, recruitment, product development, general management and administration.
- (iii) Monitoring and co-ordination - set out how you plan to monitor your business's performance (against objectives and targets), and to co-ordinate the key roles in the business.

14. Business risks

What could go wrong, and what would you do about it?

Your plan should include an honest awareness of the risks involved, as well as how you will minimise them. Consider which of the following risks are relevant to your businesses:

- (i) Lack of management experience (address this risk by getting advice or mentoring from your business adviser, accountant, solicitor and colleagues in business).
- (ii) No trading history (this will make it difficult to borrow money, so you might need to make other plans to finance the business initially).
- (iii) Economic uncertainties (if you are borrowing money and paying interest, for instance, make contingencies for interest rate increases).
- (iv) Reliance on key staff.
- (v) Reliance on a few suppliers.
- (vi) Reliance on a small customer base.
- (vii) Customer bad debts.
- (viii) Partnership difficulties.
- (ix) Increased competition.
- (x) Security and insurance against burglary and loss.
- (xi) Failure to meet your sales targets.

15. Hints and tips

- (i) Computer packages are available to help 'walk you through' writing a business plan; some banks offer their own business planning software free of charge to customers who are planning to start up in business.
- (ii) Talk about your plan to an adviser at a local Business Link (England), Business Eye (Wales), Business Gateway (Scotland) or Invest Northern Ireland office.

16. Further information

- BIF 40 A Guide to Financing a Business
- BIF 44 Marketing Plans
- BIF 58 How to Forecast Cash Flow
- BIF 62 A Guide to Financing Your Business with Private Equity
- BIF 86 Government Support for Business
- BIF 132 A Guide to Where to Find Information on Competitors
- BIF 154 Working with a Business Adviser
- BIF 174 Sources of Small Business Finance
- BIF 185 An Introduction to Market Research for Business Start Ups
- BIF 236 How to Forecast Sales
- BIF 324 Business Angels

'A Business Plan', Alan West
Prentice Hall (1998)

'The 24 Hour Business Plan', Ron Johnson
Century Business (2000)

'Business Plans', Brian Finch
Kogan Page (1998)

'How to Prepare a Business Plan', Edward Blackwell
Kogan Page (1998)

'Preparing a Winning Business Plan', Matthew Record
How to Books (2000)

'The Business Plan Workbook', Colin Barrow, Paul Barrow and Robert Brown
Kogan Page (1998)

'The Perfect Business Plan', Ron Johnson
Random House (1999)

'Successful Business Plans in a Week', Ian Maitland
Hodder and Stoughton (1998)

'Plan IT Business Plan 3'
Life Software
Tel: (0870) 160 4447
Website: www.lifesoftware.com

Business Link (England)
Tel: (0845) 600 9006
Website: www.businesslink.org

Business Eye (Wales)
Tel: (0845) 796 9798
Website: www.busesseye.org.uk

Business Gateway (Scotland)
Tel: (0845) 609 6611
Website: www.bgateway.com

Invest Northern Ireland
Tel: (028) 9023 9090
Website: www.investni.com

CONTACT-

for further information.

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Gateshead, NE11 9DJ, Tel: 0191 461 8000

35. CASE STUDY 18 – MONITORING OF CUSTOMER FEEDBACK BY B&B

An effective example feedback form:

B&B Property
Address

Satisfaction Report

Although we have won acclaim from the principal tourist associations there is always room for improvement. I would be very grateful if you could help us maintain and improve the service by completing the report below and leaving it in your room when you leave. Expectations are rising and your report would make a positive contribution to the satisfaction of future visits and other guests. It will also provide the Association inspectors with information about your visit.

Was your reception on arrival:

Excellent Good Satisfactory Poor

Was the information that you were given on arrival:

Excellent Good Satisfactory Poor

Was the breakfast offered:

Excellent Good Satisfactory Poor

How would you rate the hospitality:

Excellent Good Satisfactory Poor

How would you rate our Guest Care:

Excellent Good Satisfactory Poor

How does [redacted] compare with other B&B accommodation

Superior Better Average Worse

Overall comments about our home, accommodation and service.

.....

.....

.....

Why did you choose [redacted] ?

Recommendation..... Past Experience... The Internet Guide Book.....

Name..... Nationality.....

Telephone No.....

Thank you for helping to make B & B accommodation the first choice for those away from home.

ROOM AT THE INN

LOCAL AUTHORITY PLANNING ADVISORY GUIDANCE

on developing rural pub accommodation

TOURISM SOUTH EAST

*Produced as part of a
Review of the Rural Pub Accommodation Sector*

Autumn 2004

Produced with assistance from



RESEARCH &
DEVELOPMENT
CONSULTANCY

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SECTION 1 – INTRODUCTION

The Purpose of this Guidance

This Planning Guidance has been produced for local authorities and those in a position to enable pub accommodation development to happen. Its aim is to provide them with better information on:

- the pub accommodation sector and key industry trends
- the performance and potential of the pub accommodation product
- the key drivers to success
- the issues surrounding the development of pub accommodation
- the barriers to investment and how local authorities can help to overcome these

It is hoped that the guidance will help local authorities recognise the potential of rural pub accommodation development, inform future policy development and assist with decision-making on pub accommodation planning applications.

A Companion Guide

The development of rooms is not a panacea that provides an immediate and guaranteed solution to creating profit, but a potential business opportunity for which the risks and rewards must be properly assessed.

A companion Business Advisory Guidance publication is also available from Tourism South East which attempts to provide a number of tools with which to do this, based upon benchmark performance data and real life case studies of pubs with accommodation in the South East.

Where the keys to success are in place, all the evidence shows that rooms development can not only deliver better returns to the owner, but can also help to ensure the long-term future of the pub, for the benefit of visitors and the local community alike.

Why Focus on Pub Accommodation?

For some time, Tourism South East has been concerned about the loss of traditional rural pubs, impacting on the rural tourism resource but also adversely affecting the quality of local community life.

The pressure for development from the residential sector is particularly intense in the South East of England. This can tempt pub companies and independent landlords to sell up or attempt to convert their properties to high value residential use. Pressure also comes from the fact that the pubs industry is suffering from oversupply, and from falling alcohol sales.

In recent years, many pubs have successfully diversified by selling food and some have added accommodation. In the main this has been piecemeal and there is no national or regional network of pubs offering rooms. Yet pubs have their roots in the business of providing accommodation – the pub was, after all, the original coaching inn - and at the same time, the growth of budget hotel accommodation nationally has shown a strong demand from both the business and leisure markets for good value, accommodation meeting quality standards understood by the customer.

Given this background, there appeared to be a clear opportunity for the development of rooms within the pub sector. Tourism South East therefore commissioned consultants Tourism Solutions, working with Humberts Leisure Consulting and Strategy and Action, to look into this potential further, to identify the market opportunity, the product requirements, the potential benefits, the obstacles to investment, and the mechanisms needed to make this happen.

The results of this first-ever in-depth study into the pub sector in the South East do indeed show a tremendous opportunity for quality, characterful pub accommodation in historic and distinctive buildings to be offered in association with a locally distinctive food and drink offer – a product that Tourism South East believes would appeal to the business market, to overseas visitors and to the domestic short break market. Tourism South East is committed to playing its part in stimulating and facilitating the development and marketing of this product, but it can only do so with the support, commitment and input of other key stakeholders.

Tourism South East is now seeking to feed the study findings into a programme of work with breweries, independent pubs, local authorities and business advice agencies, to deliver an enhanced product meeting the needs of visitors and local communities alike.

SECTION 2 – KEY FINDINGS OF THE PUB ACCOMMODATION STUDY

Tourism South East has carried out the first-ever in-depth study of the rural pub accommodation sector. TSE's study looks at the current size and nature of rural pub accommodation in the South East. It analyses the constraints to investment and suggests levels of investment and market conditions required to achieve success.

The study focuses on the current position and makes recommendations for future action. It draws on interviews with national and regional pub companies and breweries, input from local authority tourism officers and planners, discussions with the main industry associations, and consultation with pub managers, tenants and landlords.

The study was commissioned by Tourism South East and carried out by Tourism Solutions, supported by Humberts Leisure Consulting with Strategy and Action.

This section summarises the study's findings.

Tourism potential

Rural pubs are not simply businesses: they can be vital community resources, and key tourism assets.

Yet rural pubs are under threat - especially in South East England, where the value of residential property can tempt pub companies and independent landlords to sell up.

The pubs industry is suffering from oversupply, and from falling alcohol sales. In recent years, many pubs have successfully diversified into selling food. Some have added accommodation.

Despite their tourism importance - as places to drink, eat and sometimes stay - pubs tend to be outside the "tourism network" and therefore less likely to benefit from the work of the tourism authorities or from alliances with neighbouring tourism businesses.

Yet pubs have enormous tourism potential: research has shown that UK visitors are looking for "distinctiveness" from the places they visit, and that a pub visit is high on overseas visitors' agenda - many of whom prefer British pubs to the bars in their own countries.

Stiff competition

Pub accommodation is facing stiff competition from hotels, and in particular from budget hotels - especially for their business visitors. Budget hotels have strong brands (reinforced through high-spend marketing), consistent standards

and pricing, are easy to book and can refer business among themselves. Some budget hotels even offer the opportunity to drink and eat well in an adjacent pub, owned by the same company.

In contrast, traditional pub accommodation is fragmented, with huge variations in quality and price. There is no consumer-recognised quality standard for pub rooms: only around 35% of pubs in the South East of England are inspected under the National Accommodation Quality Assessment Scheme (NAQAS), which itself has low awareness. And there is a lack of consumer awareness about how to find out about, and book, good pub accommodation.

However, the best pubs' specific market appeal is that they are distinctive and individual. Customers look for character, warmth, informality and friendliness. The pub can give them a unique "cultural snapshot" of an area - its history, traditions and community. "Overbranding" would run counter to pubs' distinctive appeal.

Pubs in the South East

There are thought to be 55,000 to 60,000 pubs in the UK: 70% are owned by large pub landlords, and 30% by individuals or independents. The South East has around 6,500 pubs: up to 30% of these (up to 2,500) are thought to be in rural areas.

Between 750 and 1000 pubs in the South East offer overnight accommodation, providing more than 5000 rooms. Hampshire, Oxfordshire and Kent have the most pub accommodation. Most units are small-scale: 80% of pubs have 1 to 10 rooms, and the average is 8 rooms. Published room rates are typically between £40 and £60 for a single, but can be as high as £130.

Marketing

Marketing of pub accommodation is fragmented and low-resourced. No national framework exists, and no pub company offers a national pub accommodation product. Even the larger pub companies do not give this sector sufficient marketing resource, and, as a result, limited budgets are spread too thinly to be able to achieve significant results.

While landlords and pub managers are often knowledgeable about their local markets, and good at targeting these, there is a lack of market information about existing and potential visitors from further afield.

From detailed research interviewing over 80 pubs about their mix of business, we found a split of approximately 61% business visitors and 39% leisure, with high incidence of repeat visits (39%) and around 9% of visitors coming from overseas.

Performance

The pub accommodation sector has very little performance data - unlike the hotel industry, which is well-supplied with data with which individual operations can compare their business. Managers and owners are not strong on tracking and quantifying performance in this area of their business, and are often not maximising its potential as a result.

This study has gathered performance data from over 150 pubs across the South East, and found:

- Average annual occupancies of 58%, within a range of 15%-86%; larger pubs and owner-operated pubs had slightly higher occupancy; occupancy in rural locations was slightly lower (57%); by county, Hampshire and Surrey achieved the highest pub accommodation occupancies (60-63%)
- Average achieved room rates of £43; larger pubs and pub company pubs exceeded this average; the highest achieved room rates were in Surrey, Berkshire, Oxfordshire and Buckinghamshire (£48-£50)
- Average yield of £25; Surrey achieved the highest yield at £32, followed by Berkshire (£29) and Oxfordshire (£27)
- Mid-week occupancies generally exceed those at weekends by 10%-20% - although pubs in the stronger tourist destinations show the opposite
- Occupancy and rate can vary widely across the year, with January to March generally the poorest performing months
- Over 70% of pubs were turning some business away, more during the week than at weekends, ranging from 150-600 room nights per annum. These are often during concentrated periods - for example during major festivals or events.

Of the top performing pubs by yield, 70% are in rural locations, indicating that - with the right product management and location - rural pubs can be very successful.

Barriers to investment

Pubs wanting to develop accommodation face a raft of obstacles and constraints which make strategic planning difficult. These include:

- local authorities' lack of information about the pubs industry
- planners' lack of information about accommodation demand
- problems with listed buildings: costs, planning constraints and compliance with the DDA
- problems in rural areas where many are in sensitive, protected locations
- difficulties getting adequate signs - both on the building itself, and traffic direction signs

- lack of staff expertise (at local and group level - accommodation is seen as periphery to the main business of selling food and drink)
- no central source of advice, information and marketing expertise
- no centralised distribution and booking channels.

Because of pubs' community and tourism value, many local authorities fight applications for change-of-use from pub to house - especially where a pub is the last pub in a rural community. This has encouraged some pub companies to dispose of rural pubs early, in order to avoid being the last pub in a village.

Yet oversupply means some closure is potentially desirable, as it reduces competition and makes the remaining businesses more viable. So planners need to be more flexible if the best rural pubs are to survive.

There are already examples of deals being struck, with companies granted permission to close one pub as long as they invest in another. Increased market information and guidance for planners would help them to develop a more sophisticated and co-operative approach to the industry.

Investment costs and benefits

Refurbishment of existing accommodation to cater for guests can cost between £2,000 and £15,000 per room. For an average 8-room pub, this means an investment in the £16,000 to £120,000 range.

Newbuild costs £25,000 to £50,000 per room - an investment for a typical 8-room pub of between £200,000 to £400,000. Occupancies require a build-up period of up to 3 years, and may start at around 40% in Year 1, climbing to 65% by Year 3.

Wise investment in pub accommodation - for example, repositioning of "tired" product or investing in under-performing pubs - can add 5%-10% onto occupancy levels, and £5-£10 onto achieved room rate. In some projects this can lead to a £20+ increase on achieved room rate.

Return on investment levels of 15%-20% are typically being achieved.

Other than staffing requirements (which can be minimal in smaller landlord-run pubs) or where substantial room numbers are added, additional operating costs are minimal (around £5-£8 per room).

Wise investment in pub accommodation will bring wider benefits too. According to the British Beer & Pub Association, the average pub spends over £70,000 per annum on locally sourced goods and services - so a strengthened business will safeguard and increase local economic impact.

Keys to success

Successful investment in pub accommodation needs:

- good market intelligence, with clear target markets and an understanding of competitive position
- active marketing with adequate resources
- evidence of year-round demand
- realism about performance: potential occupancy levels, likely peaks and troughs, levels of investment needed, and the length it will take to build the accommodation business
- control of development costs and neither over- nor under-specification of the rooms product
- a good local profile (for visitors to local businesses, and for VFR)
- a quality pub with character and distinctiveness, and consumer-recognised assurance of that quality
- a stable and committed management
- attention to detail, a warm welcome and excellent customer care
- a quality food offering
- ongoing investment (refurbishing every 1-3 years)
- satisfied customers, to form a core of repeat visitors

Strengths, Weaknesses, Opportunities and Threats

The key strengths, weaknesses, opportunities and threats for rural pubs in the South East are:

Strengths: a history of welcome and hospitality; appeal to overseas visitors; good value; warmth and character

Weaknesses: occupancy significantly lower than hotels; lack of market intelligence; constraints and cost of listed buildings; poor/lack of signs; no consistent standards (so the poorest damage all)

Opportunities: TSE gearing development and marketing support more towards pubs industry; potential for networking group to share expertise and data; potential for improving quality standards through greater take-up of NAQAS; new pub accommodation development by independents and pub companies

Threats: "churn" in large pub estates leads to lack of continuity; dangers of branding "straitjacket" conflicting with essential nature of pubs; planning constraints; increasingly sophisticated competition in hotels sector; pressure from value of residential property.

Next steps

TSE has a clear role to play in stimulating the development of quality pub accommodation in the region. It is well placed to co-ordinate and lead initiatives, bringing together partners and delivery agencies.

It should focus on supporting characterful and distinctive pubs in rural areas where demand for quality serviced accommodation is high.

Future action can be divided into three main areas: product development, marketing, and organisation & resources. All three should provide an environment where investment in pub accommodation can flourish.

In the area of **product development**, TSE's role is to

- influence the industry to invest in quality
- work with the industry to improve awareness, recognition and take-up of quality assurance schemes
- encourage the development of new pub accommodation where demand exists
- develop a system to monitor and benchmark pub accommodation performance, to help pubs improve business and make investment decisions
- improve local authorities' understanding of the pub accommodation sector and help provide a more flexible framework for development

When it comes to **marketing**, TSE's role is to

- work with the industry to improve market information, co-ordinating the collection and dissemination of market intelligence so that the industry understands its customers and potential customers better
- develop a marketing plan that clarifies potential markets and ways to reach them.

As for **organisation and resources**, TSE's role is to

- bring together an industry network, to help build skills and intelligence, share information, disseminate best practise, problem-solve, lobby and market together
- help develop specialist business advice and training, including its own in-house specialist support for the sector
- make sure that pub accommodation development benefits from the region's various programmes for regeneration and business support

To help provide the right environment for investment, it is vital that TSE communicates effectively with the industry, investors and other support services, and that it develops and tailors its own work - its business support, membership offer and marketing activities - to meet the pubs industry's needs.

SECTION 3 – THE DEVELOPMENT CHALLENGE

Introduction

This section of the guidance takes a look at the issues surrounding the development of rural pub accommodation – from both the operators’ and the local authority perspective. There may well be some aspects of the development process where these views may appear to be in conflict; others where there is a clear support role required.

Our aim here is to understand the respective positions of both the developer and those with the power to permit or refuse development, and to identify ways of establishing a more co-operative - as opposed to confrontational – process that will enable the benefits that the development of rural pub accommodation can bring to be maximised, and any negative impacts to be minimised.

1. *THE OPERATOR PERSPECTIVE*

There are a number of factors that affect the propensity of the pub operator to invest in the development of pub accommodation, as well as their ability to do so. These factors relate to issues of:

- Organisation – who owns the property; whether it is managed or leased; the impacts of legislation on both the development and operation of units
- Financial – issues of cost, returns, capital resources, viability, income potential
- Physical development – planning, conservation, signing, the availability of sites, and the development process
- Operational – issues related to staffing, skills, training, opening hours and entrepreneurship
- Market – market potential, identifying this, competitive positioning and effective marketing to fill the rooms

These factors operate at a variety of different levels – the industry level, the ownership level, and the pub level – and in addressing them it will be important to bear this in mind in terms of target audiences and potential beneficiaries. Below we look into these issues in more detail.

A - Organisational Issues

At Industry Level the impact of the 1990 Beer Orders and the 1994 Licensing Laws has affected brewery and pub company development strategy in a number of ways. Most notably, many new licenses have been granted, creating much more competition, and operators focused in their aftermath on purchasing new outlets

This has resulted in an over-supply of licensed premises in some areas, which has affected trading performance and the viability of existing units; licenses have been granted without others being rescinded, and there is a general feeling amongst the industry that demand and supply needs to get back in balance, meaning some loss of more marginal pubs.

This over-supply of pubs has also affected their value; in the past the building and goodwill would always have given a value in excess of residential worth; this is no longer the case, partly due to oversupply of pubs, but also under-supply of residential provision in the South East.

An additional trend at this time of new licences being granted was the emergence of new concept pubs, particularly in towns where many licenses were granted as local authorities were concerned about town centre viability.

New concepts have since become yesterday's story; these trends served to take the brewery and pub companies' eyes off the ball of accommodation development – but now the focus is very much about making more of what one has i.e. optimising each site, improving standards and facilities, and where this can't be done to profitable effect, disposing of unprofitable properties in order to be able to invest in quality and viability in what remains of the estate.

At Ownership Level there is a significant difference between the approach in tenanted operations (where a property is let on a rental contract and the tenant therefore has a more long term and often capital commitment e.g. to furnishings and fittings, and controls standards of operation themselves) and managed operations (where a manager is paid a salary to operate the business to standards and procedures set down by the brewery/pub company, but has no ownership and could be moved at any time). This is particularly true with the issue of control of standards and of procedures. The majority of breweries/pub companies are focusing on developing and marketing 'branded' pub accommodation in their managed estate for this reason, and this is also where the marketing support is directed. These tend to be larger units of 12 –15 rooms plus.

These companies are investing in rooms in their tenanted estate also, but generally of 6-10 rooms, as beyond this the lease becomes too much for the leasee. These units are not marketed by the group, but left to their own devices.

Many rural pubs tend to be tenancies, particularly the truly rural ones. This is because below a certain level of turnover, these operations will not support a central overhead cost, and also, they generally benefit from a more entrepreneurial approach to management. There is a danger in this in that the loss in a non-viable unit is passed on to an individual tenant, and these persistently go bust if change of use is not allowed.

The large tenanted pub estate companies are not investing in accommodation significantly. In the main they are about generating cash in the business, and the returns on accommodation investment are too long term for this.

Some units are more suitable for accommodation development than others. Most pub companies/breweries seem to classify their pubs into:

- Local community bars, dominated by wet sales
- City/town bars, with perhaps a 30% food take
- Destination/fine-dining pubs, with more focus on food and quality

It is this latter category that most seem to be focusing on for accommodation development. Some have accommodation clusters, but in most cases the numbers of units are too small to justify a separately managed group.

At Pub Level an entrepreneurial attitude is often critical to the up-take of pub accommodation development. At an individual operator level this means publicans recognising that they need to do more than simply sell drink, leading them to explore other sources of income, including restaurant offers and accommodation.

Pubs are often referred to as 'community facilities', but the definition of community at a local level is changing. Few rural pubs now rely on their village community, but draw from a much wider area. Most pub operators we spoke to felt their regular business came from a 20 minute drive time, especially if they offer quality food that will make them more of a destination dining pub. Operators felt that this definition differed from that of most local authorities, who perceive the local community to be much tighter. It is also significant in terms of competitor product i.e. other pubs within a 20 minute drive-time who will also be serving these 'community' markets.

B - Financial Issues

At Industry Level a number of trends have affected pub viability and demand. These include:

- Home drinking – competition for time and spend
- Increased regulation – fire regulations, health and safety, minimum wage, all result in....
- Increased costs, against a background of....
- Reducing demand

Diversification is an increasing industry trend as a result, as pub companies and individual operators seek to generate alternative sources of income such as rooms to recompense for declining beer volumes.

At Ownership Level shareholder pressure adds to this. And as achieving adequate returns on acquisitions or new build pub projects becomes harder,

they recognise the need to exploit every angle to generate revenue and profit from the existing estate. Bedrooms are increasingly being considered for development as a result.

Rooms are a very capital-intensive investment, and returns long term, higher risk and lower rate than many of the alternatives open to operators e.g. food and beverage refurbishment. This affects the pace of development, as only a proportion of funds available to a brewery or pub company can be put into longer term investment

Rates of return sought are typically 15-20% for leased and managed properties, and it is accepted that the build up of rooms business can take 3 years to break even. However, once the business has matured, the benefits are significant, both in terms of income/profit, and expanding the pub's markets.

At Pub Level Whether a brewery/pub company unit or a privately owned pub, rooms can have a substantial impact on the business. As the margin on rooms income is high (80%+) with minimal associated operational costs, this takes much of the income straight to the bottom line as profit. In addition, a large percentage of guests to rural pubs eat in the pub, over 80%, with an estimated spend of £22 per head on food and drink, often on nights when the pub/restaurant is not busy with local community trade.

On the down side, particularly for the independent operator, the development of rooms could bring additional unwanted scrutiny to the business, in terms of both its cash generation and the legislative requirements that accompany rooms development and operation.

C - Physical Development

At All Levels the planning framework, and its implementation at a local level, is identified as one of the key constraints on development and expansion, both by individual pub owners and by pub companies. Issues here are many and varied but some of the main areas of concern relate to:

- The length of time taken for permission to be granted – typically 2-2.5 years in the South East
- Increase in costs due to often last minute alterations to design relating to e.g. conservation, which can impact significantly on viability
- Detail of planning – one operator quoted receiving planning permission for the type of grass they had to use
- Down-sizing the scale of development – again impacting on viability
- Restrictions on external display, affecting the ability to inform the potential market of the accommodation offer
- Citing refusal on the grounds of no demand, when clearly the operator has identified this, or would not be willing to invest; operators questioned the ability of planning authorities to assess this and suspect that such responses are often uninformed.

The level of knowledge amongst local authority officers and members about the accommodation sector was a further concern of pub operators – particularly when this is guiding their policy, strategy and ultimately their planning decisions. Their understanding was often felt to be limited and not based on research evidence; many were felt to have a poor image of pubs as ‘smokey boozers’, clearly at odds with the quality, contemporary offer that many now operate; and frequently, local authorities had aspirations for large 4 star hotels that the market simply could not support, and would hold out for this rather than permit a quality pub accommodation development that would be in line with market need.

The availability of sites was a second frequently mentioned constraint on pub accommodation development. Competition for land across the South East is intense, and there are only so many pub sites that have the associated land that could accommodate rooms development. This then has to tie in with market potential. In the case of purchasing additional land, if alternative uses are permissible on these sites, an accommodation development would be hard-pressed to compete on value.

The very nature of traditional old pub buildings causes other constraints on development – often they are listed, which limits what you can and can’t physically do to them. It also pushes up development costs. And it creates a real challenge when endeavouring to respond to legal requirements such as DDA. Pub companies are happy to undertake reasonable endeavours to accommodate these requirements, but sometimes find themselves penalised as a result e.g. re granting signage when they are physically unable to meet fully standards such as DDA.

Indeed the nature of these traditional pub buildings can be one of the factors leading to non-viability of the unit. The pub market has changed significantly, and the demands and expectations of today’s marketplace cannot always be met on constrained sites. Many units don’t have adequate kitchens, gardens, parking and other facilities required by the market, and to generate sufficient income, and in such circumstances, pub operators might well look to dispose of these sites and concentrate their resources in locations that enable them to maximise site and income potential.

In such circumstances, pubs might move from being managed to leased or tenanted, with several changes of tenant before non-viability leaves little alternative option other than change of use. But protectionist policies have generated real fear amongst pub companies of being ‘the last pub in the village’, and emerging strategies to anticipate closure and dispose of property before they get themselves in this position.

Signing in itself is a real bone of contention, both in relation to what is permissible on pubs and in their grounds, and what can be granted to direct visitors through

road signage. The brown tourist signs are felt to be a positive support to rural pubs, but operators had several criticisms of the process involved, notably:

- The time taken, often causing significant delay (6 months to 2 years were frequently quoted)
- The cost
- The criteria, making it difficult to get them, with reasons for refusal often not transparent
- Lack of control over where they are positioned and what they say

Clearly the cost and time required to deal with the development issues raised above can put operators at pub company and individual level off the idea of further extending their pub physically, and makes any kind of strategic planning difficult; most development we tracked with breweries and pub companies was opportunistic as a result.

D -Operational Issues

At Ownership Level for the majority of pub companies and breweries, accommodation on pubs is very much a sideline to their core activity of brewing and the sale of drink, and increasingly food. There tends therefore to be a lack of focus on the accommodation product at a strategic level, and often no dedicated staffing overseeing the strategic development of the pub rooms offer. This is because most of the regional brewery/pub companies do not have sufficient stock to justify dedicated staffing, though some do have a marketing person or shared marketing person dealing with rooms promotion. The fact that the rooms product is often geographically dispersed adds to this, with accommodation units often ending up under area manager control rather than a manager focused on rooms delivery.

Similarly, the systems required to service and monitor the rooms business effectively are also frequently not in place. The recording of occupancy, rate, yield and business mix for example in all but one case we came across is not being adequately addressed, analysed, and fed back to both the Board and the unit. In fairness, a number of pub companies were endeavouring to do this, but time and resources were often prohibiting progress.

There were also only limited activities to support individual units in their rooms development and management. Operations manuals, dedicated training courses etc were delivered on a piecemeal basis, and was an area of recognised need that had lacked priority.

At Pub Level staffing is a key issue, and particularly the acquisition of skills both at a managerial and housekeeping level that are required for dealing with accommodation-related business. This might range from handling bookings, pricing policy and discounting, through to the welcome that the overnight visitor receives on checking in. Pub staff have been recruited for their skills in pub

management, bar and food-related activities, and often have had no real exposure to the hotel sector.

Even when training courses are on offer, it can be difficult for staff to be released to attend them; they often require a more flexible approach to training with distance learning and IT routes playing a part, backed up by corporate support for release to attend key sessions as required.

Opening hours are an issue at operational level, as pubs don't traditionally open early in the morning, when their housekeeping tasks are underway, nor in the afternoon when early arrivals might want to check in. During peak arrival time for guests in the early evening, the pub bar and restaurant can be busy, and staff stretched to deal with check-in procedures. Answering the telephone and email to deal with enquiries and bookings can also fall victim to the same problems.

E - Market-Related Issues

At Industry Level the absence of a strategic body that has some focus on the operation of pub accommodation means that there is no central source of information, advice or support for companies and individual operators to approach. This might be something that one of the existing organisations/associations could take on board. The hotel industry clearly has this with organisations like HCIMA and BHA, providing central information and advice about e.g. legislation and training. The hotel industry also has several national performance surveys that provide valuable data for the sector, and this is clearly lacking for pub accommodation.

The lack of a strong national marketing route focused on this sector has also been identified, and could present an opportunity for further development.

At Ownership and Pub Level the identification of market potential is an area that most pub companies and individuals find difficult to validate, often moving ahead based on 'feel for the market' rather than any systematic analysis and hard data. They could be better equipped to do this through establishing systematic assessment procedures, sign-posting to key data sources, and indeed making more of their own data.

There appears to have been only ad hoc and piecemeal attempts to assess current markets amongst pub accommodation users. Systems can be put in place to collect and analyse this data, and indeed if an industry standard could be agreed, to data share where appropriate.

Competitive positioning in most cases seems to have evolved rather than been the result of a clear strategy and analysis, and a lack of industry benchmarking data hasn't helped here.

Marketing activities tend to cast the net wide, without effective monitoring of impacts, and as well as budgets being limited, there is a clear lack of expertise relating to the pub accommodation sector. At an individual pub level particularly, operators often don't know where to start and are reluctant to spend – an area clearly needing support to develop expertise.

F - Summary of the Operator Perspective

Perhaps the operator perspective can best be summarised as:

- Recognition of the opportunity pub accommodation presents to generate income and maximise unit/estate potential
- A willingness to allocate some resource and effort to this, though very much as a subsidiary activity to brewing and food and beverage retail
- A desire to develop more professionalism in this sector, and recognition for support to do this – research, training, marketing, demand /performance benchmarking are key areas
- The need for a slightly different approach to rooms development between the managed house, the leased/tenanted property, and the owner operated unit
- The biggest constraints to development being:
 - Planning
 - The availability of sites
 - Capital (the level of investment required and the long payback period)

2. THE LOCAL AUTHORITY PERSPECTIVE

TSE emailed a questionnaire to all local authorities in the region to gauge the potential for the development and subsequent promotion of pub accommodation across the South East. The following represents a flavour of the responses across a range of different topics relating to the potential and feasibility of future pub accommodation development.

A -The Policy and Development Context

In the main, there is an absence of **specific policies relating to pubs** or pub accommodation, although there is general permissiveness towards the development of 'facilities and services', including pubs.

Specific pub accommodation proposals are generally considered on their own merits, although there are restrictions relating to the Green Belt and/or AONB,

parking, appropriateness of scale, siting, design and layout. In addition, the character and amenity of an area should not be affected, and access should be available by a choice of means of transport. Proposals for the re-use of redundant buildings will be expected to comply with other detailed provisions of related policies.

Permission in the open countryside is more of a challenge, with most policies directing development to settlements. There were some indications of flexibility in sensitive locations such as Green Belt where the accommodation would help to secure the long-term future of the building.

Increasingly, policies aimed at resisting the loss of accommodation and pubs are being introduced, and several had developed local plan policies or Supplementary Planning Guidance to resist the loss of pubs and other village services, especially to residential pressure.

Applications for **change of use from public houses** are generally resisted by planning policies unless it can be demonstrated that the building is no longer needed or suitable for 'facility/service' use, or whether alternative provision is available nearby – it is important that the social and economic well-being of the local community is not compromised. There would also be benefit in the applicant demonstrating that the property had been actively marketed.

A significant number of shops, post offices and public houses have been lost from rural areas over the last thirty years. It is important that, wherever practicable, the remaining facilities are maintained and every encouragement given to proposals that would improve provision. Examples of properties that have been lost from pub use in the last five years give a variety of resultant uses including commercial (nursery, supermarket, offices, retail warehouse, restaurant) or, more often, residential. Examples here included high-density flats or elderly accommodation, although there were also cases of single houses being developed as well as B&B. Some pubs were simply demolished, and a change of use to church use was also given.

In terms of more detailed examples of properties lost from pub use, together with the **case made for non-viability** by the owner, and the planning assessment - public disorder examples were given, as well as those where pubs closed on simply economic grounds – where there were alternative establishments nearby there were no grounds to oppose the loss. Where permission to change to residential was granted, this was done on the basis that there was sufficient alternative provision and that the viability of running a pub in a rural area can be uneconomic. Where change of use was not permitted pubs tend to close and get boarded up. There is variation from council to council as to whether pubs are classified as community facilities – interestingly, if they are not, there can be no real issue with a change of use to residential.

Local authorities could cite a few examples of **pub accommodation development that has taken place over the past five years**, but not many. One

example in Havant – owned by Whitbread – built 36 bedrooms, and West Oxfordshire cited four separate examples offering a total of 34 rooms. Another example in South Bucks cited a single storey extension to outbuilding to provide a family room. Numerous new or conversions to pubs have been permitted but these have rarely included accommodation. It is happening but it remains strongly the exception rather than the norm.

In cases where **permission has been refused for pub accommodation** development, typical reasons given include: disproportionate; permission refused on grounds of scale, mass and design, rather than the principle of accommodation provision diversifying the business; proposed development would result in the undesirable addition of new buildings in the countryside for which there is insufficient justification and is not located as to limit its effect on the countryside setting.

The main **issues and concerns** surrounding the development of accommodation in association with pubs in rural areas and market towns were: a lack of suitable buildings or cost of converting buildings that may be old or listed; whether the owner feels that it is a profitable activity to be involved in; whether adding accommodation will complement existing trade.

Others include:

- loss of use of pub by locals who feel that their pub has become something else
- sustainability of the accommodation, along with proper demand assessment being undertaken
- many premises have high turnover of management if tied to breweries
- easier and cheaper to develop food offer than accommodation
- impact and scale of development on the countryside
- impact of development on local residents – traffic generation, parking
- value of existing facility to community and whether accommodation will assist its continued viability
- pubs providing accommodation unofficially

In terms of suggestions as to **how these issues and concerns can best be overcome**, commitment from LAs to support this sector may help, but the main issue will be whether the provider feels that there is market potential. Pre-application discussions prior to drawing up a proposal will identify any possible problems and provide a possible steer on design, scale etc. Other suggestions include:

- networking of village pubs
- encouraging participation in Quality Awareness Schemes to ensure promotion through VICs, and promotion of benefits of inspection services
- encouraging involvement in local tourism forums
- support from pub chains and local breweries

- o well thought out comprehensive proposals which address all the issues raised

B - The Pub Accommodation Product

There is a surprisingly large number of pubs already providing accommodation in the region, although some local authorities were able to supply this information more easily and in a more accessible way than others.

Examples of good practice pubs with accommodation in rural areas however were few and far between, suggesting a lack of familiarity with the product.

Particular issues relating to the pub accommodation product and its marketing generated some interesting responses:

- o pub owners may not have the right skills to run accommodation establishments
- o quality assurance – a relatively low number of pubs with accommodation are part of a quality assurance scheme
- o participation in visitor or tourism partnership guide – pubs are less likely to advertise than B&Bs
- o local authorities predominantly wish to promote a higher echelon of pub accommodation (traditional ‘inn’ promising a quality experience) rather than more ‘rough and ready’ pub room which is more affordable but offers little by way of a distinctive experience – although customers do seek both
- o isolation of some rural pubs may make them hard to promote, although they make good sense for those pursuing walking or outdoor holidays
- o pub accommodation is often added as a secondary source of income – standards often poor as majority are not inspected
- o perceived need to be inspected by majority of pubs – don’t understand the value of it related to tourism
- o a pub accommodation ‘trail’ that people can walk/cycle between would make the accommodation part of the product rather than just an add-on
- o most local authorities have an inspected-only policy, so do not work with a great majority of pubs – paradox is that some of the accommodation is excellent and would be a real asset to the tourism product
- o promotion of benefits to rural pubs in diversifying into accommodation

Suggestions for **overcoming some of these problems included:**

- o workshops advising businesses on the benefits of accreditation have worked well for other types of accommodation

- the introduction of quality/grading schemes to potential accommodation providers at an early stage e.g. planning process?
- training and advice from pub industry and breweries in the same way as DEFRA helps farmers

Local authority tourism teams were asked about their main **target markets and how the development of pub accommodation could best meet their needs**. A range of answers was given. In terms of main target markets, these are:- short stay; DINKS; Active Ageing; Empty Nesters; Conference business; VFR; Weekend breaks; Day visitors; Staying visitors; Walkers/Cyclists. Pub accommodation needs to be high quality, catering for walkers and cyclists, linked to local food and drink packages, sensibly priced. There is also the potential to provide a particularly 'British' experience for overseas visitors. 'Pretty' rural pubs are always a draw because they are seen as 'romantic' or 'traditional' venues to stay in.

C - The Economics of Pub Accommodation Development

In terms of **the main barriers to investment in the rural pub accommodation product**, planning restrictions were identified as a key factor given that much of the area is Green Belt, or AONB. Other 'Red tape' generally was cited plus:

- there are difficulties in enabling some rural pubs to pay for themselves
- pubs serving food with a good reputation seem to go from strength to strength; is this an easier option?
- spiralling prices of rents demanded by breweries
- development of food is easier and less capital intensive than accommodation if pub wishes to diversify
- competition – need to identify a unique selling point such as 'local distinctiveness' and the ability to offer/sign post other local products and services. Ideally, the accommodation should link into VIC, village shop and sourcing network – the success of tourism in such areas is often dependent upon the strengths of its networks.

Suggestions of help that could be **provided to the sector that would best overcome these barriers included:**

- active promotion of the concept by local authorities and TSE, particularly if grant funding can be made available
- nationally led initiatives by brewery chains that operate many of the pubs
- a cheaper system of quality inspection
- the provision of courses for people involved in, or thinking about, becoming involved in accommodation provision e.g. e-business training, DDA, Quality Awareness, Welcome Host
- advice on what visitors want and expect

D - Overview of Pub Accommodation Provision and Potential

Local authorities clearly have very differing views on the existing pub accommodation offer overall - '**Limited and of variable quality**' would best sum it up, although examples of high quality are obviously available. The problem of lack of inspections complying with NQAS was often raised.

An observation was also made that some areas are at saturation point in terms of visitor numbers and require no further bed spaces – such areas should concentrate on **raising the quality of what already exists**.

In terms of **potential for pub accommodation development**, 'Reasonably strong so long as it's high quality' was the general view. Pub accommodation has been identified as one of the few areas for market growth.

Creation of employment in rural areas close for local residents is desirable.

Existing pubs with fine dining awards have a head start because of their established reputation – it should not take too much to extend the quality experience to overnight visiting.

The potential **role of Tourism South East and its partners** in the wider region to best enable this to happen generated some useful ideas, including:

- o providing evidence to major pub companies (part of this study and the subsequent communication of its findings)
- o producing standard guidance for those from pub-only background seeking to enter accommodation business
- o providing pubs with examples of the quality and standards people require and how to reach market audiences
- o actively seeking out accommodation providers that are not inspected and use persuasive business argument to encourage the benefits of the quality scheme
- o continuing to work with local authorities to deliver courses/seminars to businesses in the district
- o marketing, business advice and guidance with planning applications.

E – Summary of the Local Authority Perspective

The Local Authority perspective can be summarised as:

- Recognition of the role of the pub in the local community and as part of the rural infrastructure, and so a general resistance to loss, but some flexibility where alternative facilities are nearby and where premises are no longer suitable or viable.

- In most cases, pubs/pub accommodation is not a use that has been focused on in policy development, tourism activity or economic development programmes
- However, many local authorities can see the potential of pub accommodation development, both for business and leisure tourism and to help secure the future of rural pubs, as well as creating employment
- The existing pub accommodation offer is seen by local authorities to be limited and variable in quality – key issues here are to improve quality and to encourage some new quality development where demand exists
- Local authorities have identified a need for business support and guidance for the pub sector, and for intervention preferably at the pre-application stage – this should include encouraging quality assurance, involvement in local tourism forums, ensuring that schemes are well-researched and sustainable, and ironing out issues relating to impact, design and scale that are frequent reasons for refusal.

3. THE RURAL PUB – BALANCING VIABILITY AND LOSS

The issue of the loss of the last pub in the village is worthy of separate attention here, as it has been the subject of heated debate across the land, and is one of the key areas of conflict between operators and local authorities. Whilst operators have other concerns about the planning process e.g. the granting of permission to build rooms, the issue of closure is relevant to the wider subject of pub accommodation development for a number of reasons.

Certainly pub accommodation development is seen as being one possible route to helping rural pubs to become more viable and ensure a sustainable future for them. On the other hand, closure reduces the competition for those remaining – which in itself could be said to help sustain their future – and generates cash to invest elsewhere in the estate, making them in turn more viable.

Below we look at the arguments in more detail and endeavour to give a balanced view of the arguments for and against rural pub viability and loss.

A - The Operator Argument

This hinges principally upon:

- There is a fundamental imbalance between the demand for and supply of pubs i.e. too many for the marketplace
- The success of individual pubs relies almost exclusively on their ability to outcompete neighbouring pubs in their catchment area

- The concept of relating the economic success of a pub to the village/physical geographical area defined in planning terms by the settlement is a nonsense – most pubs draw from a 20 minute drive time, up to 15 miles
- There is no such thing as a non-viable pub – most pub companies with the right entrepreneurial management on site and the application of appropriate capital expenditure could make any pub viable.
- This would however be at the expense of other pubs within its perceived catchment area; if all did this, there would be massive oversupply in relation to available demand; and in reality, investment resources are limited
- The only way to address this imbalance is to reduce the number of available outlets
- Viability is therefore an inappropriate measure on which to test change of use applications; the policy will precipitate their closure.
- Where there is more than one outlet, the policy will and has forced multiple owners to review their estates in order not to be left with the last pub – creating the exact position that local authorities are seeking to avoid
- Pub companies would not choose to close a rural pub if they thought they could make it work; they are in this business for the long term and have every intention of continuing to provide good pubs and service in rural areas. However, they are responding to years of experience involving pubs and the pub market place.
- Pubs businesses are part of the commercial private sector, not a social service subsidised by the state
- Amongst the criteria used to assess viability is that the property should have been on the market for at least 12 months at a realistic price – but who will assess this.
- It is not the role of the planning system to interfere in the free play of the open market process
- In some cases, where several pubs are in one ownership within a local authority, deals have been done with the planners to agree to closure in one rural pub on condition of investment in another

B - The Local Authority Argument

This hinges principally upon:

- At a national level, the Governments concern about the decline in rural facilities was expressed in the White Paper 'Rural England – a nation committed to a living countryside', October 1995, and subsequent Rural White Paper 'Our Countryside – the Future: A Fair Deal for Rural England', November 2000
- PPGs have further amplified this concern:
 - PPPG 6 (Town Centres and Retail Development)
 - PPG 7 (Countryside and Local Economy)These focus on sustainable development, improving the viability of villages, and the important role these services play in the community
- Cascading down from this, Councils are seeking to retain pubs alongside other rural services for the social needs of the local community, and are frequently introducing Supplementary Planning Guidance to support this. If retention is not shown to be viable however, an application for change of use will not be refused
- Most seem to be focusing their support for retention unless there is no prospect of the pub use being retained, and/or little evidence of public support for retention
- CAMRA has produced an advice note for planners with a public house viability test which many are beginning to adopt. This requires a number of considerations to be taken into account when change of use is applied for:
 - Assessing trade potential:
 - Population density - pub location, catchment, adults in a 1-10 mile radius, developments planned
 - Visitor potential – is it in a well visited area, appeal to groups, is it in a tourist guide, or act as a focus for community activities
 - Competition in a 1-5 mile radius, differentiation of offer and potential
 - Flexibility of site – unused rooms, site to extend, past planning permissions, level of maintenance
 - Parking – adequate or potential to extend
 - Public transport– bus stops close by, frequency of services, local taxi services
 - Multiple use – extent of other community facilities in the area? Scope to combine with pub? Create B&B?
 - Competition case studies
 - Successful pubs nearby
 - Factors contributing to this success
 - Business at present
 - Tenancy, management

- Local support
 - Food opportunities maximised?
 - Has rent undermined viability of pub?
 - Some local authorities ask for accounts and turnover details to be submitted
- The Sale
 - Where advertised and for how long (many local authorities ask for 12 months)
 - At a competitive price – have valuations been carried out?
Does the price reflect the pub as a business / recent trading

The key question being asked here is:

‘What could this business achieve given a management dedicated to it, and with full discretion over stocking policy and type of operation?’

- Clearly operators see this as intervening in the market, but local authorities see the planning system operating in the public interest, and inevitably imposing some constraints upon the operation of market forces.

4. *A MIDDLE GROUND?*

There are clearly strengths in both sets of arguments here, and no easy resolution to some of the central points of conflict. However, standing back from the emotional attachment felt at local community level and the financial necessities of the operator, it would seem reasonable to accept that:

- Not all pubs (rural or otherwise) can be retained. The evidence of oversupply is overwhelming; some licenses have to go to re-establish this equilibrium
- Undoubtedly pub accommodation together with other forms of diversification can help to improve the viability of pubs, but they are not a panacea
- We would agree that there are probably very few pubs that couldn't be made viable, but this requires the right management and entrepreneurial attitude, and likely considerable capital investment. Neither of these is available in unlimited quantities. The reality is more likely to be a boarded up pub.
- Rewarding landlords with valuable planning permission for multiple residential use for running down a business that should be viable can't seem right in anyone's eyes – but if there is little evidence of need for the facility or for accommodation in the area, and plenty of alternative choices in the catchment, change of use would appear to be the logical option

- The opportunity to negotiate benefit for local communities should be taken, and a more co-operative approach sought between applicant and planning authority. The example of agreed investment in one pub for closure of another provides a win-win deal
- More flexibility from planning departments when pub owners do want to expand e.g. to provide overnight accommodation would provide a more enabling framework for delivery
- Local authorities need to be better informed about market potential in order to properly assess these cases; clearer guidance about the levels at which operators achieve viability, and independent assessments of need e.g. re tourist accommodation would equip them to respond.
- In relation to pub viability, the CAMRA guide doesn't go far enough, posing the questions but not providing any benchmark data against which to judge the application and supporting evidence.
- In relation to tourist accommodation, Regional Tourist Boards and specialist consultancies can provide some of this data or be commissioned to do so at a local level.
- Times change, and clearly there are sometimes irreversible and understandable circumstances that force some pubs into permanent closure. A more flexible approach all round, and a desire for a more co-operative rather than confrontational dialogue, would help to ensure that all reasonable options are explored before these facilities are lost, rather than pre-empting the final nail in the coffin of the village pub.

SECTION 4 – REMOVING THE BARRIERS

Five Key Principles

Tourism South East recognises its role in helping to create the environment in which pub accommodation development can flourish, in partnership with other agencies across the region.

Local authorities have an important part to play in this delivery, particularly through the planning system. An early involvement in potential projects also presents an opportunity to signpost potential developers and operators to appropriate sources of help and support, as well as to influence schemes to maximise the potential benefits to the destination.

The Rural Pub Accommodation Study has identified a number of barriers to investment highlighted by pub operators, and in this section of the guidance we provide advice on how local authorities can help to remove these obstacles. The advice has been formulated around five key principles:

- 1 - Be aware
- 2 - Be informed
- 3 - Be responsive
- 4 - Be flexible
- 5 - Be supportive

Below we explore the issues in more depth and suggest action that local authorities can take to address them.

1 - BE AWARE

The Barrier

A lack of awareness amongst local authority Officers and Members of the potential of the pub accommodation sector for future development, of the quality of much of the new and developing offer, and the benefits that this can bring.

The Evidence

The TSE study has clearly identified potential for the development of quality accommodation in characterful pubs with a distinctive food and beverage offer, across the South East – both in terms of new development and up-grading existing poor quality offers.

Whilst not a panacea, the development of quality pub accommodation can play an important part in helping sustain a vital rural resource, but will also help

meet the wider accommodation and service needs of business and leisure visitors, with the additional spin-off of creating local jobs and spending.

The Local Authority Response

The study findings should be disseminated amongst Officers and Members so all are increasingly aware of the potential of the sector and can apply this to their respective areas of responsibility.

The local authority also has a role in helping create awareness beyond the Council within its area, through its dealings with landowners, developers, business advice agencies and others.

There will also be opportunities for wider discussion of the pub accommodation sector and its potential with other local authorities at County and District level, in terms of how to respond to this potential and sharing experience as well as scope for wider initiatives, amongst planning, tourism and economic development networks.

2 – BE INFORMED

The Barrier

A lack of understanding of the hotel sector and wider visitor accommodation needs amongst local authorities – in terms of what drives demand, the performance of the sector, and the role that pubs can play in meeting these wider accommodation needs.

The Evidence

Local plan policies - and frequently development control decisions – are often made on the basis of relatively sparse information about the hotel sector and the needs of the destination in this respect. The aspirations of the destination may not match what is deliverable in terms of market potential, with 4 star hotels often desired in locations where the market can support only budget or mid-range accommodation. Decisions about the development of pub accommodation are frequently made against such a background, without any appreciation of the role that good quality pub accommodation can play in meeting the needs of business and leisure visitors.

Better information about the hotel sector at a local level would help to inform policies and planning decisions, in terms of performance, key markets driving demand, and potential for further development.

The Local Authority Response

Local authorities should commission research at the local level into the visitor accommodation needs of their area, and use this to inform the local plan as well as decisions on planning applications. The role that pub accommodation can play in meeting these needs should be recognised and responded to.

It may also be possible to draw on data held by TSE in relation to hotel sector needs, and the detailed performance database for the pub sector being developed as part of the TSE rural pub accommodation programme.

Improved information sources should make it easier to assess applications for new pub accommodation development – and the advice and guidance about the viability of schemes, typical costs, occupancies and other performance indicators contained in this guidance and the companion Business Advisory Guide, should be used as tools to better understand the scheme potential and the likelihood of its future sustainability.

Local authorities can request developer/operators to present evidence of market assessment and potential and the quality of the offer proposed. Specialist advisors can be brought in if required to assist with a response to these assessments, particularly in sensitive cases or those of particular significance to a local area. TSE would be happy to advise on this and provide relevant contacts.

Better information about the pub and accommodation sectors should help not only to inform planning policy and action but also to inform tourism and economic development policy and action.

Keeping in touch with market needs in relation to visitor accommodation and the supply of accommodation is an ongoing process, requiring continuous updating in order to be of value and responsive. Mechanisms need to be put in place to monitor both accommodation development and performance/market trends, including within this the pub accommodation sector.

3 – BE RESPONSIVE

The Barrier

The planning process, and its implementation at the local level, has been identified by pub developers and operators as one of the key constraints on pub accommodation redevelopment and expansion.

The Evidence

The TSE study found evidence of a variety of difficulties encountered with the planning process. The length of time that it typically took breweries and pub companies to achieve planning permission for new development and extension was between two and two and a half years. Changes to schemes when other specialists were brought on board by the local authority e.g. re: conservation issues often caused further delays, with this detail frequently not entering the equation until late in the scheme planning and implementation.

Whilst developers were appreciative of the need to produce quality schemes, the level of detail of specifications e.g. down to the type of grass that had to be used was sometimes felt to be over-zealous. Down-sizing of schemes was another typically encountered barrier, and whilst the need to consider impact was appreciated, the desire of the operator was that this should be discussed on the basis of sound information e.g. about levels of business generated, as well as with a mind to the impact on the viability of the scheme.

The limitations of old and often listed buildings was another area of concern. Whilst developers and operators were very willing to undertake their best endeavours to meet the requirements of recent legislation such as DDA, not all buildings can deliver this in every area. To then be penalised in terms of signing not being permitted as a result creates further limitations on the performance of the business, despite all reasonable attempts being made to meet requirements.

Signage both on and to the property is an important means of both letting locals and visitors know that the pub is offering quality accommodation, and helping those en route to the pub to find them with the minimum impact on traffic movements. Brown on white tourist signs are particularly important in the countryside, and operators are very willing to pay the often significant sums required for these. However, the criteria against which they are granted appear to lack transparency and consistency of application, and would benefit from review.

The Local Authority Response

All attempts should be made to speed up the planning process; whilst applicants themselves have a part to play in this, local authorities ultimately dictate the pace. There would seem to be a widespread problem of under-resourcing in terms of available staff time amongst many planning departments across the South East. Pressure for development is intense, and must be in part contributing to the delays that pub applicants are experiencing. Finding ways of increasing this resource or streamlining the process in some way would help to relieve some of this log-jam.

Encouraging pre-application discussions is one way of trying to steer projects in the right direction at an early stage. It presents an opportunity to iron out issues

of impact, design and scale which are the principal reasons for refusal of applications.

Improved co-ordination of local authority inputs e.g. conservation, transport, and involvement at an early stage would also help to overcome some of the problems experienced, avoiding unnecessary changes being made well into schemes, with consequent cost implications.

The criteria relating to on-site and white on brown tourist signing should be reviewed, made more transparent and consistent, with input from TSE and the emerging Pub Accommodation Network Group if appropriate.

4 – BE FLEXIBLE

The Barrier

A rigorous adherence to tightly defined policies and a failure to recognise both the impact of this on the commercial viability of schemes, as well as the potential to influence projects to gain maximum benefit for the destination.

The Evidence

The TSE found numerous examples of where the inflexible adherence to fixed rules and regulations had almost killed off a scheme that could be of great benefit as a tourism asset and an enhanced community facility – and indeed some examples of where schemes had been abandoned in favour of investment elsewhere.

This is not about allowing developers to do exactly as they like with no constraint, but rather about appreciating the impact of enforcement on the viability of schemes, and asking the question ‘is this really necessary, to the point of risking losing this investment?’

Regarding the issue of pub closure, there seems to be clear evidence industry-wide of an oversupply of pubs and the need to let some go in order to bring demand and supply back in balance.

Negotiation in all these situations has the power to gain some benefit for the destination.

The Local Authority Response

Local authorities should recognise the commercial implications of the requirements they place on developers as well as the impact of these and of delays on scheme viability. The application of sufficient flexibility to allow a balance between destination need and commercial reality can help ensure not only that the investment is secured but that the facilities are retained for local

communities and visitor markets, with the consequent spin-off of local jobs and spending over the long term.

There needs to be an acceptance of the oversupply of pubs and the recognition of some required loss, which should be reflected in planning policy. This doesn't mean making change of use easy, but requires putting in place mechanisms and procedures for some negotiated loss, taking the opportunity to also negotiate some benefit from this. These decisions should take cognisance of the reality of market catchments for rural pubs and alternative provision within these wider 20 minute drive time catchments, not just the village in which a pub is located.

The application of the twin principles of reasonableness and a co-operative rather than a confrontational approach between the developer and the planning authority has the ability to deliver significant benefits for the destination.

5 – BE SUPPORTIVE

The Barrier

A lack of focus on the pub sector amongst local authorities and other agencies, and a failure to recognise the support they require that can make a difference to both their ultimate performance and the long-term sustainability of these businesses.

The Evidence

The TSE research showed that few local authorities had specific policies relating to the pub sector, in terms of planning, tourism or economic development. The lack of focus on the sector has left many operators to fend for themselves, whereas other sectors such as farms and the opportunity for diversification of the farm-related rural economy has had widespread support – in terms of policy development, business advice, marketing support, and financial assistance.

It is clearly in the interests of the destination to ensure that pub and pub accommodation businesses are successful and viable in the long term. The planning system offers an opportunity for the local authority to become involved at an early stage and to signpost the developer/operator to sources of help both within and outside the Council.

The Local Authority Response

Local authorities should review the potential of the pub sector in their area and apply focus to this both in their plan making and work programming. This applies not only to the planning function, but also to the strategy and action planning of the tourism and economic development functions.

Tourism Officers should ensure that the pub offer is included in the tourism loop, in terms of marketing and networking, and businesses should be encouraged to play an active part in any local tourism forum.

Economic Development Officers should likewise focus on pubs in their business support and start up programmes, taking the opportunity to signpost operators to appropriate sources of advice and training that can help build a stronger product and boost performance. Encouraging good business planning and sound market assessments will help to ensure a sustainable future for proposed projects.

There is an opportunity for local authorities to tie in potential marketing and business support with planning applications and negotiations. Being involved at the early stages of a scheme provides a chance to influence that project and to signpost applicants to areas of help and support. The guidelines contained in this advisory note should help local authorities to identify what makes a good scheme, and to pinpoint where schemes are falling short of this.

A key message here is for the various local authority functions to work much more as a team, with planning, tourism and economic development, and where relevant other functions such as highways, responding in an integrated way to input to projects and provide support where required.

SECTION 5 - KEYS TO SUCCESS – AN ASSESSMENT TOOLKIT

Drivers to Success

It is not possible to put your finger on a button and identify the defining feature that makes a pub accommodation offer work – there are a myriad of factors, some unique to the specific location or operator. However, there would seem to be a number of recurring themes that the operators and our team would point to amongst the best:

- **Market-related**
 - A clearly defined target market for rooms business
 - An understanding of the local competitive position
 - A clear view of the unique selling points of this particular business
 - Building strong relationships with local business
 - A good local reputation and involvement in the local community
 - A high level of repeat business
 - The ability to attract year round demand
 - A multi-stranded approach to marketing the accommodation which is adequately resourced

- **Product-related**
 - A quality physical product that also lends character and distinctiveness (a minimum 4 diamond standard, for example)
 - The quality of the restaurant offer – many of these pubs were already well-established as fine dining houses
 - Attention to detail and personal touches in the rooms
 - A strategy to maintain the physical product through annual to 3 yearly refurbishments
 - Assurance of that quality (through inspection and grading)

- **Organisation and resource-related**
 - High degree of personal involvement and service
 - Continuity of management, giving stability and demonstrating commitment
 - The warmth of welcome and strongly developed customer care skills
 - The maturity of the business
 - Occupancy and rate projections that are realistic and reflect local market conditions
 - Finances that can support a seasonal business that will exhibit peaks and troughs
 - A recognition that business will take time to build, up to 3 years to establish a market position

These drivers to success in themselves provide a guideline against which Planners and their colleagues as appropriate can assess pub accommodation development schemes. A simple checklist is detailed overleaf, together with optional extra information that might be sought to support the case, and possible sources of help to which applicants might be usefully sign-posted.

TSE is not advocating that this assessment procedure over-rides the normal planning policy principles – rather that it might be used as an additional aid in assessing applications that will help ensure that schemes are well-researched, developed to a quality standard, financially realistic, and sustainable in the longer term. It should not be used as an additional barrier that the developer or operator has to overcome, but an opportunity to demonstrate the benefits that the scheme can bring.

ROOMS AT THE INN – PLANNING ADVISORY TOOLKIT	
APPLICANT AND PUB INFORMATION	
Pub Name and Address	
Contact	
Status (owner, tenant, leasee, manager)	
Name of Owner	
Contact Details of Advisors	
LOCATION	
Location type (rural/market town/routeway-related/other)	
Trading Potential	
Relationship to local business uses	
Tourism potential/relationship to tourism & accommodation strategy	
Local community/pub catchment	
Sensitivity re planning issues	
Environment/impact issues	
Conservation issues	
Highways issues	
Proposed development that might impact upon scheme/business	
MANAGEMENT	
Experience of the pub industry	
Appropriate skills and training	
Evidence of Business Planning	
Maturity of the Business	
Awareness of legal requirements (health & safety, DDA, licensing)	
Knowledge of implications of rooms development on business, skills, hours required etc	
THE EXISTING BUSINESS	
Type of business (community drinking/ destination dining/ accommodation-led/other)	
Does the pub already have rooms-if so how many? Are they inspected and graded? To what standard?	
Quality and type of current food and drink offer	
Overall condition of pub and quality of offer	
THE PROJECT	
Project description. (Redevelopment and up-grade/ conversion of buildings to add rooms or extend/ new build extension etc)	
Rationale for the project (identified local need/ opportunity to widen market mix/ bring business in off-peak etc)	
Outline of business and financial objectives the applicant is seeking to achieve from this development	
Number of bedrooms to be developed	
Standard sought – will the rooms be inspected and graded by TSE, AA or equivalent? What grade?	
Any other changes planned to the pub as part of the scheme or in the longer term? (reception area, breakfast area, pub/restaurant refurbishment etc)	

Room at the Inn

THE MARKET	
Details of competitors in the local area (pubs, pubs with rooms and hotels in a 10 mile/20 minute drive time radius)	
Knowledge of their performance and own unique selling proposition	
Is there a known marketing budget available?	
Will it be possible for guests to book on-line?	
What markets have been identified to sell the rooms to? e.g. local companies, tourist visitors, leisure & event visitors, visits to friends and relatives	
Evidence of a Marketing Plan (registration with TIC/ local guide/ TSE inspection & grading/web site)	
FINANCIAL VIABILITY	
Project costs (and cost per room)	
Forecast occupancy	
Forecast Return on Investment	
PROJECT BENEFITS	
Current numbers employed	
Proposed employment	
Local impact/sourcing of goods and services	
SUPPORT REQUIRED	
Business Planning	
Training	
Inspection and Grading	
Marketing	
Other	

SECTION 6 - KEY CONTACTS

TOURISM AUTHORITIES

Tourism South East

40 Chamberlayne Road
Eastleigh
Hampshire
SO50 5JH
t. 02380 625400
w.

TSE is the official Regional Tourist Board for South East England covering the counties of Berkshire, Buckinghamshire, Hampshire, the Isle of Wight, Kent, Oxfordshire, Surrey and Sussex, and can offer a range of marketing and development advice, support and opportunities.

VisitBritain

Thames Tower
Blacks Road
London
W6 9EL
t. 020 8563 3000
w. www.visitbritain.org

VisitBritain is responsible for marketing Britain's tourism product overseas, and for marketing England's tourism product to a domestic market.

RURAL EXPERTISE

The Countryside Agency

Dacre House
19 Dacre Street
London
SW1H 0DH
Tel: 0207 340 2900
w. www.countryside.gov.uk

The Countryside Agency is the statutory body working for people and places in rural England.

BUSINESS ADVISORY AGENCIES

Business Link Milton Keynes, Oxfordshire, Buckinghamshire (MKOB)

Eastern Bypass
Thame
Oxfordshire OX9 3FF
t. 08456 064466
w. www.businesslinksolutions.co.uk

Business Link Kent
26 Kings Hill Avenue
Kings Hill
West Maling
Kent
ME19 4AE
t. 08457 226655
w. www.businesslinkkent.com

Business Link Wessex
Wates House
Wallington Hill
Fareham
Hampshire
PO16 7BJ
t. 01329 223242
w. www.businesslinkwessex.co.uk

Business Link Wessex
Mills Court
Furrlongs
Newport
Isle of Wight
PO30 2AA
t. 01983 530999
w. www.businesslinkwessex.co.uk

Business Link Surrey
Hollywood House
Church Street East
Woking
Surrey
GU21 6HJ
t. 08457 494949
w. www.businesslinksurrey.co.uk

Sussex Enterprise
Greenacre Court
Station Road
Burgess Hill
West Sussex

RH15 9DS
t. 08456 788867
w. www.sussexenterprise.co.uk

Business Link is an easy to use business support, advice and information service. It is subsidised by government through the Department of Trade and Industry.

Small Business Service

Kingsgate House
66-74 Victoria Street
London
SW1E 6SW
t. 0845 001 0031
w. www.sbs.gov.uk

The Small Business Service (SBS) is an agency of the Department of Trade and Industry.

INDUSTRY ASSOCIATIONS

British Institute of Innkeeping

Wessex House
80 Park Street
Camberley
GU15 3PT
t. 01276 684449
reception@bii.org
www.bii.org

BII offers a guide to careers and opportunities for professional development in the licensed industry.

Association of Licensed Multiple Retailers

3rd Floor, International House
High Street, Ealing
London W5 5DB
t. 020 8579 2080
info@almr.org.uk
www.almr.org.uk

ALMR aims to promote the interests of the independent companies within licensed retailing, and activities include lobbying and networking, including running workshops and seminars

British Beer & Pub Association

Market Towers
1 Nine Elms Lane
London SW8 5NQ
t. 020 7627 9191

web@beerandpub.com
www.beerandpub.com

BBPA's mission is to promote and represent the business interests of the UK's brewing and pub sectors, including lobbying on issues including property and planning issues, consumer issues, legislation and producing best practice guidance.

**Hotel & Catering (International) Management Association
Trinity Court**

34 West Street
Sutton
Surrey SM1 1SH
t. 020 8661 4900

information@hcima.co.uk
www.hcima.org.uk

The HCIMA promotes professional standards of management and education in the international hospitality industry, including hotels, contract catering, pubs, clubs and leisure outlets.

Federation of Licensed Victuallers Associations

t. 01484 710534

www.davidnewtoninteractive.co.uk

The FLVA is a members' organisation looking after the business interests of self-employed licensees in the licensed trade.

Campaign for Real Ale (CAMRA)

230 Hatfield Road
St Albans
Hertfordshire
AL1 4LW
t. 01727 867201

camra@camra.org.uk
www.camra.org.uk

CAMRA is an independent, voluntary, consumer organisation, whose mission is to act as champion of the consumer in relation to the UK and European beer and drinks industry. Although it is strictly an organisation of and for consumers, it is included here because of recent work promoting sustainable development of rural pubs: its aims include "supporting the public house as a focus of community life".

INDUSTRY JOURNALS

The Publican

Quantum House
19 Scarbrook Road
Croydon
CR9 1LX
t. 01753 811911
w. www.thepublican.com

The Morning Advertiser

Broadfield Park
Brighton Road
Pease Pottage
Crawley
West Sussex
RH11 9RT
t. 01293 613400
w. www.foodanddrink.co.uk

Freehouse Owner

25 Phoenix Court
Hawkins Road
Colchester
Essex
CO2 8JY
t. 01206 505970

Pub Business

Apex House
London Road
Northfleet
Gravesend
Kent
DA11 9JA
t. 01474 574435
w. www.dewberry-boyes.co.uk

INDEPENDENT PUB GUIDES FEATURING ACCOMMODATION

The Good Pub Guide

Published by Ebury Press
www.goodguides.co.uk

AA The Pub Guide

Published by AA Publishing
www.theaa.com

Room At The Inn

Good Bed and Breakfast at Real Ale Pubs
Published by CAMRA, the Campaign for Real Ale
www.camra.org.uk

The Which? Pub Guide

Published by Which? Books
www.which.net

Alastair Sawday's Special Places: Pubs and Inns of England and Wales

Published by Alastair Sawday Publishing Company Limited
www.specialplacestostay.com