ADUR & WORTHING

HOTEL & VISITOR ACCOMMODATION FUTURES

Final Report

Prepared for:
Adur & Worthing Councils

December 2013

hotel solutions
the hotel development consultancy

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EXECUTIVE SUMMARY

1. Background

- The Adur & Worthing Hotel & Visitor Accommodation Futures Study has been commissioned by Adur & Worthing Councils to provide an up-to-date, objective, evidence-based assessment of the opportunities and requirements for the future development of all forms of hotel and visitor accommodation across Adur & Worthing. The findings are to be used to inform planning policy development for hotels and visitor accommodation; guide the assessment of planning applications for hotel and visitor accommodation development and change of use proposals; and identify other interventions that the Councils can make to support and encourage hotel and visitor accommodation development and improvement and build market demand for overnight stays in the area.

2. Changes in Adur & Worthing Visitor Accommodation Supply

- The last 5 years have seen a gradual reduction in the supply of serviced accommodation in Adur & Worthing. While the former Berkeley Hotel on Worthing seafront reopened as a Travelodge in 2009, The Beach Hotel subsequently closed here in 2010 for redevelopment as a new hotel and residential apartments – due to reopen in 2015. This was followed by the closure of the Sussex Pad hotel at Lancing in 2012 and the Cavendish Hotel in Worthing in 2013. The Adur & Worthing supply of guesthouses and B&Bs has reduced by 18.5% since 2008, with very few new establishments having opened to replace those that have closed. In contrast, the supply of self-catering accommodation has significantly increased and improved in both Worthing and Adur, albeit from a relatively low base. Traditional holiday flats have been replaced by modern self-catering apartments in Worthing and the supply of residential properties and beach houses being let out as holiday accommodation has increased. The only significant touring caravan and camping site – the Northbrook Farm Caravan Club site in Worthing – has suffered from a lack of investment, as the Caravan Club has been unable to negotiate a new long lease for the site with Worthing Borough Council post 2015, when its current lease comes to an end.

3. Market Demand for Visitor Accommodation in Adur & Worthing

- Demand for lower-priced budget hotel, pub, guesthouse and B&B accommodation is currently strong in Adur & Worthing. Such establishments generally achieve high midweek and weekend occupancies for much of the year and frequently fill and turn business away between April and October, both during the week and at weekends. There is strong demand in Worthing and evidence of latent demand in Shoreham-by-Sea from the contractors market, long stay business visitors working on projects for local companies, people on training courses, and people attending weddings and family parties or visiting friends and family locally. Demand for full service 3 star hotels is not as strong and largely on relatively low room rates. The local corporate market is very cost conscious and does not deliver sufficient volumes of midweek business to support all of the town's hotels. One hotel consequently caters for lower-rated coach holiday groups during the week. Weekend demand for full service hotels is highly seasonal and predominantly just for Saturday night stays, with hotels achieving low Friday and Sunday occupancies, particularly during the winter months. Leisure break demand for all types of serviced accommodation is relatively low, both in volume and price terms. Leisure break demand is primarily from people using accommodation in Adur & Worthing as a base for visiting Brighton: far fewer leisure break stays seem to be motivated by a specific desire to visit Worthing or Shoreham-by-Sea. Some hotels, guesthouses and B&Bs have successfully attracted leisure stays through the online travel agents, albeit at discounted room rates. Other markets for serviced accommodation establishments are event visitors, overseas tourists stopping off en-route to/from the West Country, language school teachers and the families of students studying at the language schools in Worthing.

- There is strong demand for self-catering accommodation in Adur & Worthing between April and October and frequent shortages during the peak summer months, when most self-catering units are fully booked. Higher quality, modern self-catering generally attracts the strongest demand. Key markets are holiday visitors, people visiting friends and relatives and long stay business visitors working on projects. Demand is lower during the winter months but self-catering units still attract weekend break stays and long stay corporate business at this time of year. There is strong demand for touring caravanning and camping in Sussex during the main summer months and at weekends between May and September if the weather is good. There are frequent shortages of provision at such times. Occupancy levels have dropped for the Northbrook Farm Caravan Club site in Worthing due to the lack of investment in the site in recent years. There is some demand for holiday home ownership at the Beach Park holiday park in Lancing. Other holiday parks in Sussex have found a growing market for holiday home rental in recent years.

4. Prospects for Growth in Accommodation Demand

- The strongest growth market for accommodation in Adur & Worthing in the next few years is likely to be contractors involved in the construction of the major regeneration schemes and development projects in Worthing and Shoreham-by Sea. There are some signs of recovery and renewed growth in corporate demand in Worthing, with Rayner Intraocular Lenses relocating its UK manufacturing base to Worthing from Hove and GlaxoSmithKline planning to invest in upgrading its antibiotic manufacturing plant in Worthing. Corporate demand could also grow in Shoreham-by-Sea if new employment floorspace comes forward at Shoreham Airport, Shoreham Harbour and New Monks Farm. The development of leisure break and overseas tourist demand is likely to be relatively slow, with nothing happening in the area to suggest a step change in its appeal for leisure stays. Demand for accommodation from people attending weddings and family parties, visiting friends and relatives and attending funerals should grow as Adur & Worthing's population increases. There appears to be limited scope for hotels, pub accommodation businesses, guesthouses and B&Bs to achieve much higher room rates for the foreseeable future: the strongest growth in demand is likely to be in terms of lower-rated contractor business; the corporate market looks set to remain highly cost conscious and price competitive; and customers are increasingly booking through online travel agent websites, on which accommodation businesses need to keep their prices very competitive, and which levy fairly significant commission charges.

5. Visitor Accommodation Development Potential

- The Adur & Worthing Hotel & Visitor Accommodation Futures Study identifies market potential for the development of a wide range of different types of visitor accommodation across Adur & Worthing to meet current shortages at peak times during the summer; satisfy demand for more contemporary accommodation products; and capitalise on the potential growth in terms of contractor demand, corporate business, demand from people attending weddings and family parties and visiting friends and relatives locally, and possible growth in leisure break and overseas tourist demand as these markets grow nationally and given the development of a stronger leisure tourism offer in Worthing and Shoreham-by-Sea. Demand for accommodation is likely to remain highly seasonal and price competitive, impacting on the ability of many accommodation businesses to maintain, let alone increase their profits. This suggests a requirement for incremental growth in accommodation supply and a focus on high quality, modern accommodation offers that can generate new business, in order not to dilute the out of season market and significantly undermine the viability of existing accommodation businesses.

- The Hotel & Visitor Accommodation Futures Study shows the following potential opportunities for the development of different types of visitor accommodation in Adur & Worthing:

Hotels

- o The redeveloped Beach Hotel on Worthing seafront is due to open in 2015, at this stage either as a 76-bedroom hotel with spa and restaurant (as already consented) or as an 81-bedroom hotel without the basement spa (if the current planning application to alter the specification for the hotel is approved and Roffey Homes' negotiations with a national hotel chain are progressed).
- o Premier Inn still has a stated requirement for an 80-bedroom hotel in Worthing
- o Other national budget/ limited service hotel operators might be interested in a hotel operating opportunity as part of one of the major regeneration schemes, most likely on a franchise basis, although this is likely to present a challenge to fund.
- o There may be scope for a small, upmarket boutique hotel in Worthing, possibly through the repositioning of an existing small hotel or large guest house.
- o The Burlington on Worthing seafront may proceed with its proposed bedroom extension and spa development.
- o There is a need for the existing hotels in Worthing to modernise their offer to meet customer expectations and compete with the new hotels that open in Worthing. The Ardington and Chatsworth are already progressing investment plans to meet this requirement.
- o In the rural parts of Worthing/the South Downs National Park there could be market potential for the Worthing or Hill Barn Golf Clubs to develop some form of hotel accommodation, subject to environmental considerations and the views of the South Downs National Park Authority.
- o There would appear to be potential for a budget hotel in Shoreham-by-Sea

Pub Accommodation

- There could be scope for some additional pub accommodation provision in Worthing, Shoreham-by-Sea and Lancing.
- There is a need for some existing pub accommodation establishments to upgrade the quality of their guest bedrooms to meet market expectations.
- There may be potential for a gastropub with boutique bedrooms in Shoreham-by-Sea.
- There could be scope for national pub companies to develop hotel bedrooms in conjunction with pub/restaurant development projects that they may progress in Worthing or Shoreham-by-Sea/ Shoreham Harbour.

Guesthouses and B&Bs

- There is a clear case for seeking to retain existing good quality, well located guesthouses in Worthing unless the opening of new budget/limited service hotels significantly erodes the demand for guesthouse and B&B accommodation in the town.
- There is scope for additional guesthouses and B&Bs in Worthing to meet current shortages and replace any that close – subject to the impact of new budget/limited service hotels that open in the town.
- There may be potential for additional guesthouse and B&B provision in Shoreham-by-Sea, again subject to the impact of a budget hotel opening here.
- There is a need for the continual upgrading of existing guesthouses and B&Bs and for new operators to provide high quality accommodation, to meet constantly rising customer expectations.
- There may be scope for some 5 star and boutique B&B accommodation in Worthing and Shoreham-by-Sea.
- There could be potential for guesthouses and B&Bs to develop family rooms and suites to cater for the family market.
- There is scope possibly for farmhouse B&Bs in the rural parts of Adur & Worthing/ the South Downs National Park, if there are farming families here that wish to provide such accommodation.

Self-Catering Accommodation

- There would appear to be scope for additional high quality, modern self-catering apartments, holiday homes and beach houses.
- There may be potential for some serviced apartments to meet long stay corporate demand.
- There could be scope for some boutique self-catering apartments and holiday homes and luxury/boutique beach houses.
- There may be an opportunity for some 'super' holiday homes that can cater for large family and friends get togethers.
- There could be potential for some 'Access Exceptional' self-catering accommodation, purpose-designed for independent wheelchair users.
- In the rural parts of Adur & Worthing/ the South Downs National Park there may be possible opportunities for the conversion of redundant agricultural buildings to self-catering accommodation.

Touring Caravan & Camping Sites

- There is clear market potential for, and Caravan Club interest in, the continued operation and upgrading of the Northbrook Farm touring caravan site, subject to a new long-term lease from Worthing Borough Council.
- There may be potential in the rural parts of Adur & Worthing/the South Downs National Park for additional small scale caravanning and camping provision in terms of certificated sites; small touring caravan and camping sites; eco camping sites; small camping pod operations; and camping barns/ bunkhouse accommodation.
- There could be an opportunity for a surfing pod development at Shoreham or Lancing Beach.

Glamping

- There may be scope for some glamping provision in the rural parts of Adur & Worthing/the South Downs National Park.

Holiday Parks

- There will be a need for continued investment in Beach Park to meet customer expectations.
- There could be potential for the introduction of holiday homes for hire at Beach Park to cater for demand from holidaymakers and possibly also kite surfers and other watersports enthusiasts.
- There may be scope for Beach Park to operate over a longer season and possibly year-round, given adequate safeguards to prevent permanent residential occupation of caravan holiday homes and lodges.

Hostel Accommodation

- The development of the proposed hostel, watersports centre and café at Beach Green could help to develop the market for accommodation from kite surfers and watersports markets and may attract other group markets that may require low-cost accommodation in the Shoreham-by-Sea area.

6. Planning Policy & Process Recommendations

- The Visitor Economy policy (Policy 5) in the Worthing Core Strategy and its supporting text adequately provide for hotel and visitor accommodation development in Worthing. It is appropriate to focus hotel development on the town centre and seafront, where it can contribute most to regeneration and economic vitality.

- There is clear evidence of an ongoing case for seeking to retain visitor accommodation in Worthing. The criteria set out in the Sustainable Economy SPD are sufficient to do this. The likely opening of a Premier Inn on the seafront in 2015, together with the continuing difficulties that prospective purchasers of hotels and guesthouses are facing in terms of securing finance to fund acquisitions, suggest a need for some flexibility in applying these criteria for at least the next few years. The Borough Council will also need to consider how the visitor accommodation retention policy should be applied to the Northbrook Farm Caravan Club site given the Caravan Club's stated interest in continuing to operate and upgrade it.

- The Visitor Economy policy (Draft Policy 26) in the Revised Draft Adur Local Plan 2013 supports the development of visitor accommodation in the Built Up Area. The supporting text to this policy can usefully be updated to include the findings of this study in relation to hotel and visitor accommodation development opportunities in Adur. The study identifies market potential for some small-scale visitor accommodation development in Adur's countryside. The Council may therefore wish to consider amending Draft Policy 26 to make provision for such opportunities, subject to meeting environmental impact and traffic management criteria. Most of Adur's countryside falls within the South Downs National Park however, so the policies of the South Downs National Park Local Plan will mostly apply here.

- The Council may wish to consider how a hotel planning application at Shoreham Airport might be viewed against Draft Policy 24 that protects existing employment sites, and amend or clarify it if required.

- The Council may wish to reconsider whether a hotel should be encouraged in the Western Harbour Arm of Shoreham Harbour, given the challenges of bringing forward other uses here and the potential to secure a hotel on other sites in and around Shoreham-by-Sea.

- Informed by emerging evidence and reflecting the position being taken in Worthing, it is expected that a nil charge will be set for hotel and visitor accommodation development schemes within the Adur Community Infrastructure Charging Schedule when it is progressed and published for consultation.

- There is no clear need for a visitor accommodation retention policy in Adur.

- There is no clear need to allocate sites for hotel development in Adur or Worthing.

- The opportunities for visitor accommodation development in those parts of Adur & Worthing that fall within the South Downs National Park will need to be communicated to the National Park Authority for its consideration in the drafting of the South Downs National Park Local Plan.

7. Other Requirements for Public Sector Intervention

- In addition to a positive planning policy framework there are other roles that Adur & Worthing Councils and their public sector partners can play to more proactively support the development of the hotel and visitor accommodation sector in terms of:

    - Disseminating the study findings to existing and prospective new accommodation business operators, possibly through reconfiguring the information in the report into a series of Accommodation Development Fact Sheets to be made available online to download, possibly supported by a presentation of the findings to the hotel and visitor accommodation sector.

    - Circulation of the report to all relevant Council officers and members and appropriate interested public sector bodies and other agencies, possibly supported by presentations of the findings to these audiences.

    - The provision of tailored business support and quality improvement initiatives for the visitor accommodation sector.

    - The development of the corporate market through the progression of office and business park development projects and the attraction of occupiers that will generate strong demand for accommodation.

    - Product development in Worthing to attract off-peak leisure break business in terms of events and festivals outside the main summer season and indoor and wet weather attractions and activities aimed at markets that have the propensity to visit at off peak times. There may also be potential to develop initiatives to attract walkers and cyclists/ walking and cycling groups using the South Downs Way and Downs Link to stay in accommodation in Adur & Worthing at off peak times.

    - The development of the evening economy in Worthing and in Shoreham-by-Sea to enhance the town as a base for visiting Brighton.

    - The development of facilities for kite surfing and other watersports at Shoreham and Lancing. Further research is first needed to better understand the accommodation requirements of kite surfers and watersports enthusiasts and to more clearly identify the scale and nature of opportunity that these markets present for accommodation operators in Adur & Worthing.

- o Effective marketing to attract off peak leisure break business, possibly using events and festivals as the key hook to motivate visits and encourage extended stays.

- o A review of the potential to secure a hotel as part of one of the major regeneration schemes in Worthing once the position is clear with the new Beach Hotel..

- o Discussions with Premier Inn and Travelodge and the owners of potential hotel sites in Shoreham-by-Sea to present them with information on the market opportunity for a budget hotel in the town.

- o A decision on the future of the Northbrook Farm Caravan Club site that is informed by the research findings.

- o An ongoing need to monitor hotel and visitor accommodation development in the District and periodically update the Hotel & Visitor Accommodation Futures Study.

8. Concluding Thoughts

- The 2013 Hotel & Visitor Accommodation Futures Study identifies opportunities for the development of a wide range of different types of visitor accommodation across Adur & Worthing and some more location specific potential. These opportunities represent a mixture of up-grading and re-positioning of existing visitor accommodation businesses, some new-build developments and possible conversion and redevelopment of existing buildings. The development of hotel and visitor accommodation can make a significant contribution to economic, tourism and employment growth in Adur & Worthing. Whilst measured and paced expansion is required, particularly in terms of the commercial impact on existing accommodation businesses, there remains a real opportunity to develop a stronger, more modern visitor accommodation product across Adur & Worthing as part of a joined up approach to the wider development of the local economy and tourism. Delivering this market potential will require action on a number of fronts – most notably in terms of the planning policies and process that provide a positive framework for accommodation development; progress on the implementation of the major regeneration schemes; some proactive work to bring forward budget hotel development in Shoreham-by-Sea; and support for the sector in terms of visitor product and events development and marketing, and focused business, and if possible financial, support for the upgrading and development of existing accommodation businesses.

1. INTRODUCTION

1.1 Study Objectives and Uses

1.1.1. The Adur & Worthing Hotel & Visitor Accommodation Futures Study has been commissioned by Adur & Worthing Councils to provide an up-to-date, objective, evidence-based assessment of the opportunities and requirements for the future development of all forms of hotel and visitor accommodation across Adur & Worthing. The study updates a previous study undertaken by Hotel Solutions in 2008 that covered Adur & Worthing[1].

1.1.2. The key objectives of the study were to provide:

- Up-to-date information on accommodation supply and live accommodation development projects across Adur & Worthing.
- A thorough assessment of the market potential for future accommodation development in Adur & Worthing.
- Clear guidance on the interventions that Adur & Worthing Councils can make to support and encourage visitor accommodation development.

1.1.3. It is envisaged that the Study findings will be used to:

- Inform planning policy development for hotel and visitor accommodation uses, in terms of the finalisation of the Revised Draft Adur Local Plan 2013, Joint Area Action Plan for Shoreham Harbour, South Downs National Park Local Plan, Development Briefs for key sites that might include hotel and visitor accommodation development projects, and CIL charging schedules.

[1] Coastal West Sussex Hotel & Visitor Accommodation Futures, September 2008

- Inform the assessment of planning applications for hotel and visitor accommodation development projects and change of use applications. In this latter context the study findings should help to support the application of Worthing Borough Council's Sustainable Economy SPD in relation to planning applications that involve the loss of visitor accommodation.
- Support proactive inward investment and business support work to attract investment into Adur & Worthing's hotel and visitor accommodation offer, both in terms of the improvement and development of existing accommodation businesses and the establishment of new ones, for which there is identified market potential.

1.2 Scope of the Study

1.2.1. The study has sought to assess the future development potential of the following types of visitor accommodation in Adur & Worthing:

- Hotels;
- Pub accommodation;
- Guesthouses and B&Bs;
- Holiday flats and other self-catering accommodation;
- Touring caravan & camping sites;
- Glamping (luxury camping);
- Holiday parks;
- Group and youth accommodation.

1.2.2. The study has sought to identify the accommodation development opportunities for the following parts of Adur & Worthing:

- Worthing;
- Shoreham-by-Sea
- South Downs National Park.

1.3 Study Methodology

1.3.1. The study has included the following modules of research:

- An initial consultation/ brainstorming meeting with the key officers of the Councils (Tourism, Planning Policy and Economic Development).

- An audit of the current and proposed supply of hotel and visitor accommodation in Adur & Worthing. This has included identifying recent changes and establishing the latest status of proposed hotel and visitor accommodation development projects.

- A survey of hotel and visitor accommodation operators in Adur & Worthing to gather data on performance and market trends and future development plans. This has been undertaken through face-to-face interviews with the managers and owners of key hotels and some guest houses, together with telephone interviews with other hotel and guest house owners and the managers and owners of other types of visitor accommodation business including pub accommodation establishments, holiday flats, touring caravan and camping sites and the Beach Park holiday park. A full list of the accommodation businesses interviewed is provided at Appendix 1.

- A review of relevant strategy, policy and research documents.

- Interviews with a number of other stakeholders and businesses in Shoreham-by-Sea including Shoreham Port, Shoreham Airport, Ricardo, Flying Time Aviation and BN1 Kitesurfing.

- A review of relevant national accommodation development trends.

- A telephone survey of national and regional hotel and visitor accommodation companies to assess their interest in development opportunities in Adur & Worthing and their requirements for information and support.

1.4 Structure of the Report

1.4.1. The report comprises an initial chapter setting out the current and emerging national and local policy and market growth context for hotel and visitor accommodation development in Adur & Worthing, followed by chapters on each type of accommodation setting out the key findings and conclusions of the study regarding:

- Current supply, recent changes and planned development;
- Current performance and markets:
- National development trends and comparisons;
- Sector development potential – including references to opportunities by location where appropriate.

1.4.2 The final chapter of the report provides a summary of visitor accommodation development opportunities by location and sets out our planning policy recommendations from the study and suggestions for Council intervention to support the future development of the hotel and visitor accommodation sector.

2. THE STRATEGIC, POLICY & MARKET FRAMEWORK

2.1. National Planning Guidance

2.1.1 With the publication of the **National Planning Policy Framework** in March 2012, planning policy has been streamlined. National Planning Practice Guidance (NPPG) has subsequently been completely refreshed and updated to support the NPPF and will shortly be available through a new website that is currently being tested. Existing guidance will not be cancelled until the new NPPG is published in its final form.

2.1.2 The NPPF says relatively little about tourism. There are two principal references:

- Tourism development (including hotels) is identified as a main town centre use (Para. 23);
    - The NPPF focuses on a town centre first approach, with sequential testing to be applied should these uses wish to locate elsewhere and not be in accordance with an up-to-date Local Plan. This means proving that no alternative suitable sites in or closer to the town centre are available or viable.
    - However, it also indicates that the sequential approach need not apply to applications for small scale rural development (Para 25).
- Tourism development is also dealt with in the NPPF's rural policy (para.28) which supports tourism in the countryside as part of a prosperous rural economy. Sustainable rural tourism development that can benefit rural businesses, visitors and communities and which respects the character of the countryside should be supported. This includes the provision and expansion of tourist and visitor facilities in appropriate locations.

2.1.3 In terms of other policies in the NPPF, key threads of relevance to developing the hotel and visitor accommodation sector and some of the issues identified in this study include:

- Retention of the presumption in favour of sustainable development;
- A continued significant focus on supporting economic growth, also reflecting local circumstances;
- Encouragement to plan positively, meeting objectively assessed needs with flexibility to adapt to change;
- A streamlined and speedy approach to decision-making on schemes that accord with the development plan;
- Retention of requirements relating to the setting of local car parking standards, reflecting local levels of ownership, and encouragement of sustainable modes of transport;
- Policies should seek to address potential barriers to investment;
- Pro-active engagement with applicants is a key strand, with positive planning and pre-application discussions encouraged;
- Joint working is expected between local authorities on cross-boundary issues, in relation to which there is a duty to co-operate;
- Weight will also be given to relevant policies within emerging Local Plans dependent on stage of preparation and conformity with the NPPF.

2.1.4 Since 2006, national planning guidance on the development of hotels and other forms of visitor accommodation has been provided in the '**Good Practice Guide on Planning for Tourism',** which contains a specific appendix on tourist accommodation, dealing principally with the location of accommodation (reproduced as Appendix 2 to this report). The Good Practice Guide is currently being revised by the Department of Culture, Media & Sport (DCMS). Once finalised it will sit on the DCMS website with a weblink from the NPPG site.

2.1.5 On a general note, the Good Practice Guide recognises the economic benefits that visitor accommodation can bring to the areas in which it is located and advocates that this should bear weight in assessing schemes. The guidance covers general locational principles and guidance relating to particular types of serviced accommodation (major hotels, budget hotels/lodges, rural/pub accommodation), as well as some specific issues relating to holiday parks, touring caravan and chalet parks and other forms of self-catering accommodation.

2.1.6 Some of the key principles relating to hotels and other forms of serviced accommodation that are of relevance to Adur & Worthing include:

- Identifying suitable locations for hotel accommodation should be an integral part of the plan making process, and should involve the tourist industry;
- Major hotel developments should look to the town centre first, because of their transport and regeneration implications;
- Outside the development plan process site selection should follow the sequential approach;
- There is a need to recognise the market being served by different types of hotel when allocating sites and considering applications, as this will affect the optimum location;
- The potential to convert and re-use historic buildings in towns should be recognised;
- Similarly, the conversion of rural buildings to hotel and other serviced accommodation should be acceptable subject to scale and impact, even in National Parks and Areas of Outstanding Natural Beauty;
- Extensions to existing hotels or other facilities e.g. to pubs to add bedroom accommodation can help support the viability of these businesses, but need to be proportionate;
- Budget hotels catering for longer staying markets should generally be destination focused i.e. in town centres;
- Lodges catering for stop-over traffic may require a location on a major routeway, ideally edge of town rather than in open countryside.

2.1.7 In terms of holiday parks, touring caravan and chalet parks, plus other forms of self-catering accommodation, the guidance identifies:

- The importance of the holiday parks industry[1] in terms of volume of nights and associated visitor spend, and as the largest provider of rural tourism bedspaces;
- The desirability of improving the appearance of these parks, protecting sensitive landscapes and relocating intrusive parks away from sensitive locations and those prone to flooding, but recognising that land values and high infrastructure costs may make this impractical and unviable;
- The need for planners to work with site owners to improve the attractiveness of sites in line with good practice and to ensure new developments and extensions embody this and minimise negative impacts;
- Whilst locating new park developments close to existing settlements is desirable, the guidance recognises there may be good reason to locate a site elsewhere or support the expansion of an existing site not close to a settlement e.g. to support business success and employment and wider tourism activity;
- There may be a need for on-site staff accommodation for effective management of holiday park sites, preferably using existing buildings;
- Sympathetic consideration should be given to parks wanting to extend their opening season, given the trend towards tourism as a year round activity and better caravan standards;
- Whilst seasonal and holiday occupancy conditions are frequently used to prevent holiday accommodation falling into permanent residential use, these should be reasonable and fair, in order not to compromise the operational viability of the business;
- Planning authorities should support the provision of other forms of self-catering holiday accommodation in rural areas, particularly where they can involve the re-use of rural buildings and offer additional benefits e.g. farm diversification.

[1] Holiday chalets, caravan holiday homes, pitches for touring caravans, motor-homes and tenting as well as other forms of self-catering accommodation

2.1.8 The issues surrounding tourism and hotel/visitor accommodation development were also addressed in the now cancelled '**Planning Policy Statement 4: Planning for Sustainable Economic Growth (PPS4)'**, which required local authorities to adopt a positive and flexible approach to economic development (including tourism and leisure development). It also emphasised the importance of an evidence base to understand industry/sector needs, using relevant market and economic information, particularly where proposals are not specifically supported by plan policies.

2.1.9 The associated '**Planning for Town Centres: Practice Guidance on need, impact and the sequential approach'**, which is still in place, includes an appendix on the application of the sequential test to hotels. It sets out an approach to assessing future need through gap analysis by location and standard/type of hotel, refined using performance data and forecasting techniques, to provide an evidence base against which individual hotel schemes can be assessed (see extract at Appendix 3). The draft NPPG includes general guidance on the sequential test but nothing on how it should be applied to hotel development projects. We would assume that the 'Planning for Town Centre: Practice Guidance on need, impact and the sequential approach' will be cancelled once the finalised NPPG is in place, leaving no specific guidance on the application of the sequential test to hotels. This may however be addressed in the revised version of the Good Practice Guide on Planning for Tourism.

2.2 Adur & Worthing Visitor Accommodation Planning Policies

2.2.1 For **Worthing**, current policies covering the development of visitor accommodation are contained in the **Adopted Worthing Core Strategy** (2011). Tourism features as part of the section on the economy, and recognises the economic benefits that tourism can bring.

> **Policy 5**
>
> The Visitor Economy
>
> The retention, upgrading and enhancement of existing visitor attractions and visitor accommodation to meet changing consumer demands will be supported.
>
> The Council will support suitable new tourist and leisure facilities, with a particular focus on the town centre and seafront area. The aim is to enhance the visitor offer to support the regeneration of the town and help to reduce seasonality.
>
> The Council will work with partners to support the role of the arts, creative industries and sustainable tourism sector in creating a modern and exciting environment that will attract more visitors to the town.
>
> The existing stock of visitor accommodation will be safeguarded unless:
>
> - It is demonstrated that the loss of some bed spaces is the only way of improving the standard of the existing accommodation
> - Having undertaken an assessment of viability it is accepted that the current use is non-viable. If this is the case, alternative tourist / leisure / visitor uses would need to be considered before a non-tourism related use would be accepted
> - Alternative uses will be considered on the basis of whether they enhance the role of the visitor / tourist economy and vitality of the seafront and town centre area

The supporting text recognises a need to provide quality accommodation to widen the offer and appeal to different markets, and refers to the 2008 Coastal West Sussex Hotel & Visitor Accommodation research that indicated potential for a budget hotel, 3 star hotel, boutique/spa style accommodation, quality guest houses and B&Bs, serviced apartments and pub accommodation. It also supports the up-grading and repositioning of existing visitor accommodation establishments, and protects against their loss unless unviable or where partial loss would provide an opportunity to secure investment in the rest of the property.

2.2.2 Detailed assessment criteria for the protection of visitor accommodation are contained in the **Worthing Sustainable Economy SPD** (2012). In summary:

- The relevant sections follow closely the guidance issued by TSE on the retention of tourist accommodation[1], which focus around the applicant demonstrating proof of marketing the business for sale (for 2-3 years, at a realistic price, via reputable agents), and evidence of non-viability, both in its current use and condition, and its potential with investment. The test specifies what is meant against each of the criteria, and sets out in a detailed appendix the specific financial information sought. A simpler set of tests is applied to small scale accommodation businesses. Applicants must supply this information at the time of submitting their application or it may not be registered.
- The potential for a reduction in bedspaces in order to secure investment in the remaining hotel or guest house or change of use to alternative tourist accommodation uses, such as self-catering or serviced apartments, should be considered before the Council will agree to a change of use to an alternative non-tourism use.
- The objective of these tests, which support Policy 5 in the Core Strategy, is to ensure that Worthing has a sufficient range, type and quality of visitor accommodation to secure its future as a tourism destination and meet visitor needs. The test concludes that it is not the intention of the Council to retain accommodation for which there is no market need, and that it will be flexible in its approach and have regard to all material considerations at the time of the application including being responsive to the changes in the market, the economy, the accommodation supply and Worthing as a tourist destination.

[1] 'Here To Stay' – Tourist Accommodation Retention and Loss (October 2006, Tourism South East)

2.2.3 Other policies of potential relevance to visitor accommodation development in the Core Strategy include:

- Policy 4 – which safeguards existing employment areas. This would constrain hotel development on such sites. There are however sufficient more centrally located sites on the seafront and in the town centre that would be suitable for hotel development for this not to be an issue in Worthing.
- Policies relating to the built environment/design and to sustainable construction, including the application of BREEAM standards, could add significant costs to hotel and visitor accommodation development that, in marginal situations, could impact on viability.
- The Core Strategy identifies 12 Areas of Change, several of which have seen proposals for a hotel or could accommodate hotel or serviced apartment development. These include Teville Gate, the Grafton site, Union Place, Aquarena, and possibly upper floor uses in the Retail Core.

2.2.4 Following publication of the NPPF the Core Strategy was reviewed by the Council. The conclusion within the conformity assessment (2012) was that the Core Strategy was in general conformity with the NPPF. However it was also acknowledged that there were some gaps and risks and that there was a need to prioritise individual projects and documents.

2.2.5 In response to new requirements within the NPPF, the Council is currently updating and reviewing its housing evidence and any change in approach that may be required will be agreed within a revised Local Development Scheme that will be published in 2014.

2.2.6 Worthing is in the process of developing a **Community Infrastructure Levy** (2013). This work has recognised that hotels, and some other forms of commercial development, are not viable or only marginally viable – as shown by the lack of activity in this sector – and therefore it has been decided that a nil rate should be set. This is a very positive move, as in some other parts of the country local authorities are charging rates that are increasing hotel development costs by as much as 30%, and consequently are having a significant impact on deliverability and viability.

2.2.7 The **Revised Draft Adur Local Plan** was published for consultation in autumn 2013. The document contains development management policies and strategic site allocations. The visitor economy is covered in Draft Policy 26 below. It directs visitor accommodation development to the built up areas, favours locations with good public transport access, and highlights the need to minimise impact particularly in sensitive landscapes.

Revised Draft Policy 26: The Visitor Economy

The visitor economy should be promoted through the provision of new facilities including visitor accommodation, in locations with good public transport access and within the Built Up Area. Access (including new footpaths, cycleways and slipways) to the river, the coast and the South Downs National Park should be improved where possible.
All proposals for visitor facilities should be sensitively designed so as to minimise impacts on the environment to an acceptable level.

2.2.8. The supporting text does not include any real flavour or guidance on the type of visitor accommodation that there could be potential for in Adur. It draws attention to the limited amount of visitor accommodation and the 2008 Coastal West Sussex study conclusion that there could be potential for a hotel. It also identifies Shoreham and Lancing as major destinations for kite-surfing, attracting participants from a wide area, but does not consider their accommodation needs, or those of other markets that may for example be visiting, walking in or otherwise attracted to the South Downs National Park or Adur coastal strip. The potential to further enhance the visitor offer to help diversify the local economy and potentially bring more money and investment into the district is identified.

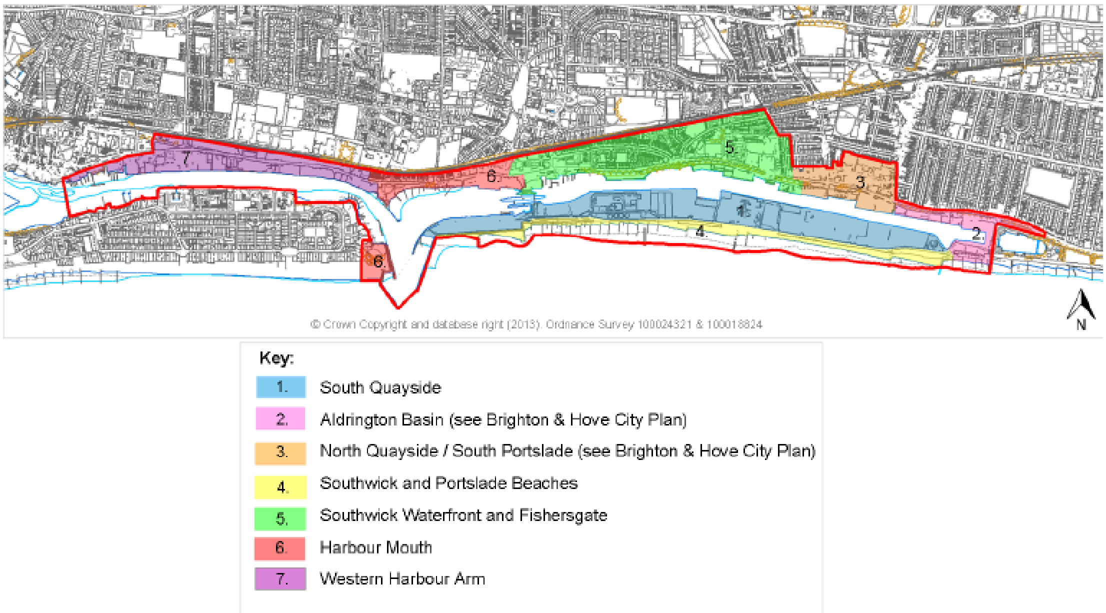
2.2.9 In terms of other plan policies of relevance, the Draft Plan includes a similar policy to Worthing (Draft Policy 24) to protect employment sites – which includes Shoreham Airport where there are employers and which could potentially be of interest for hotel development. Recognising hotels as a commercial and employment generating use would avoid this policy restricting hotel development here.

2.2.10. Draft Policy 13 covering Adur's Countryside allows for the appropriate change of use or conversion of existing buildings in the countryside, which presumably could include conversion to appropriate forms of visitor accommodation. The policy resists the erection of substantial extensions or the substantial demolition and rebuilding of existing buildings and requires conversions to conserve the character, fabric and setting of the building.

2.2.11 Adur is collecting evidence to inform the setting of a Community Infrastructure Levy in the District. Viability appraisals are being undertaken and it is expected that the Preliminary Draft Charging Schedule will be published for consultation in 2014.

2.2.12 A **Joint Area Action Plan for Shoreham Harbour** is currently being prepared to provide the framework and guidelines for developers and to clarify the area of land which could be considered for regeneration, as well as what kind of development would be acceptable in the area. The regeneration vision sees the area being developed as a scenic waterfront, active port, and mix of business uses, leisure activities and homes. Development Briefs have been prepared for the Western Harbour Arm (in Adur) and South Portslade Industrial Estate and Aldrington Basin (in Brighton & Hove). Proposals relevant to developing leisure tourism facilities here include improving the waterfront and visitor experience and enhancing the area's historic, environmental and leisure assets – Shoreham Fort, Kingston Beach, the Lighthouse, the Riverside Conservation Area, the Lady Bee Marina, the Adur estuary and shingle beaches.

Map 8: Shoreham Harbour Regeneration Area



2.2.13. The regeneration plans for the Harbour have the potential to deliver around 1,800 -2,000 new jobs directly, 900 indirect jobs and 1,600 temporary construction jobs during the development phases. The Harbour is being promoted as particularly suitable for the location of green energy/renewables, advanced manufacturing and digital technology clusters.

2.2.14. The **Development Brief for the Western Harbour Arm** envisages a phased release of development sites for a residential-led mix of uses as existing industrial uses are relocated to alternative locations. Up to 1,050 new dwellings are envisaged up to 2031 alongside a reinvigorated, accessible waterfront; largely smaller format studio style or office-based workspace; a range of ancillary shops, cafes, restaurants and leisure uses; improved linkages to Shoreham-by-Sea town centre; and upgraded public realm. A hotel is also identified as a possible use here.

2.2.15. Our reading of the Development Brief suggests that the Western Harbour Arm will primarily be a residential area. The scale of employment development is likely to be fairly limited and unlikely to generate significant demand for hotel accommodation. While there will be some leisure uses here, transformational change of the area as a leisure or visitor destination is not envisaged and the area is unlikely to generate significant new demand in terms of leisure tourist stays.

2.2.16. Almost all of the rural parts of Adur & Worthing fall within the South Downs National Park and in planning terms will thus be covered by the **South Downs National Park Local Plan**, which will set the planning policy framework for the National Park for the period up to 2035. The National Park Authority is at a relatively early stage in the preparation of the Local Plan. It is currently preparing to go out to consultation on an Options document early in 2014, which will discuss issues and potential options relating to a number of topics. One of these topics is tourism and the Authority envisages asking for views on the approach that the Local Plan should take to visitor accommodation. The Authority is then expecting to go out to consultation on its preferred options and draft policies in January 2015.

2.2.17. The National Park Authority has undertaken some preliminary work to understand what potential there could be for visitor accommodation development in the National Park, drawing primarily on a number of Hotel & Visitor Accommodation Futures Studies that Hotel Solutions has completed for local authorities in Sussex and Hampshire that have included parts of the National Park. The Authority has not yet formulated any draft policies for hotel and visitor accommodation development, however the Partnership Management Plan, adopted in December 2013, contains Sustainable Visitor and Tourism policies, including a policy (Policy 43) that supports the development and maintenance of appropriate recreation and tourism facilities, including a mix of quality accommodation.

2.2.18. The National Park Authority is currently developing the CIL Charging Schedule for the National Park. This will be consulted on in February 2014 for examination in late 2014 and adoption in 2015, ahead of the Local Plan.

2.3 Driving Growth - Other Policies, Strategies and Projects

2.3.1 The levels of **growth currently forecast in the** Worthing Core Strategy 2011-2026 are as follows:

- 4,000 new homes
- 1,020,00 sq ft of employment floorspace
    - 780,000 sq ft for industrial and distribution
    - 240,000 sq ft for office

2.3.2. The Core Strategy refers to research that indicates that the sectors that are likely to drive forward the local economy on the Sussex Coast over the next 5-10 years are tourism and leisure, high tech manufacturing and health and social care. In addition, finance and business services, education and retail were also identified as offering future growth prospects. The projected growth of professional and business services, together with new companies in the creative industries are identified as the likely drivers of the office market in Worthing.

2.3.3. The Core Strategy recognises that meeting the targets for additional industrial, warehousing and office floorspace will be a challenge, given the scarcity of available sites for new development and the competition from other uses, particularly residential. A significant proportion of the required floorspace is most likely to be met through the regeneration of existing industrial estates and the refurbishment of existing vacant office buildings. The focus for additional office floorspace will be the town centre through inclusion of an office component in mixed-use redevelopment schemes.

2.3.4 The Adur Draft Local Plan sets out the following levels of growth:

- 1,747 – 1,897 new homes plus 1,050 at Shoreham Harbour up to 2031;
- The development of 38,000 sq m of land for employment generating uses.

2.3.5. The Draft Local Plan allocates three key sites for employment development:

- Shoreham Airport – allocated for approximately 15,000 sq m of new employment floorspace for aviation and non-aviation uses within a high quality business environment, including a mix of office, industrial and warehouse space alongside ancillary tourist and leisure uses.

- Shoreham Harbour – where up to 13,000 sq m of new employment floorspace is envisaged in the Western Harbour Arm, to be delivered through the relocation of existing industrial uses to elsewhere in the Port or local area to free up waterfront sites for office space and other employment generating uses alongside residential development and community uses, retail space and leisure uses.

- New Monks Farm – where up to 10,000 sq m of office/ employment generating space could be developed as part of a mixed-use development incorporating residential and community uses and a new access road to Shoreham Airport from the A27.

2.3.6. Draft Policy 11 in the Draft Adur Local Plan identifies Shoreham-by-Sea town centre as a main focus for new development to meet needs including housing, employment, community facilities and retail. The supporting text also identifies the potential to improve Shoreham-by-Sea's visitor offer and at various points talks about developing niche retail and food and drink outlets in the town centre, improving public access to and along the River Adur and public realm improvements and environmental enhancements at Shoreham Beach and Beach Green. Key development sites in the town centre are identified as Ropetackle North (for mixed-use development to include housing and employment uses), the Civic Centre site (for mixed-use development to include food retail) and Pond Road (for community and residential uses).

2.3.7. Adur & Worthing have produced a combined Economic Plan covering the period 2013-2023, which aims to create a competitive business environment and encourage sustainable business growth over the next ten years. The plan focuses around 6 priorities – business support, developing growth, enhancing the business environment, advancing local skills, encouraging sustainability and promoting health & well-being. In this plan, the area's expertise in public administration, finance, manufacturing and international trade, alongside growing tourism, cultural and creative sectors is recognised. Tourism policies feature in the section on developing growth, which seek to diversify the economy and create an attractive business location and visitor destination, through promoting the area as a tourism destination (DG8) and developing the tourism product (DG7).

2.3.8 While many of the identified development schemes have stalled during the recession, progress has been made on a number of projects:

Worthing

- **Aquarena**

  The new Splashpoint swimming pool complex opened in May 2013 adjacent to the Aquarena building. The Borough Council has agreed to sell the remainder of the land (the existing pool site) subject to planning. An application is anticipated in summer 2014.

- **Teville Gate / Worthing Gateway**

  Hanson Capital Management remains committed to bringing forward its Worthing Gateway scheme for the Teville Gate site. It was granted planning permission in 2010 for the demolition of the existing buildings on the site and development of a new mixed-use scheme comprising a cinema, restaurants and cafes, food store, hotel, health and fitness club, offices, a multi-function conference and exhibition centre, residential apartments and a multi-storey car park. The application is pending decision subject to legal and Section 106 agreements being signed.

- **Worthing College**

Worthing College moved to its new £24 million campus at The Warren at Broadwater in summer 2013 ready for the start of the 2013/14 academic year. Its former Bolsover Road site is being redeveloped for housing.

- **West Durrington**

This site represents the key strategic allocation for housing within the Core Strategy. Planning permission was granted in April 2012 for 700 dwellings and ancillary leisure, social and community facilities. It is anticipated that work will start on site in summer 2014 with housing completions between 2015 and 2018.

- **The Strand**

The Strand comprises two sites – the former Worthing College site on Bolsover Road and the vacant Lloyds TSB Registrars office building. The redevelopment of the Worthing College site to provide 265 residential units and a commercial nursery is now underway. Planning permission has been granted for the redevelopment of the Lloyds TSB building to provide 154 flats with ground floor retail space. The site is currently being marketed.

- **Union Place South**

The key objective for this site remains the delivery of a comprehensive scheme that will deliver a new retail heart for the town centre. As yet, no viable schemes have come forward but there has been some interest in developing portions of the site. The Council is now looking at whether the delivery of the site could be phased in a way that would not inhibit a comprehensive scheme in the future. A marketing brief has been prepared and it is expected that the site will go onto the open market in early 2014.

- **GSK**

  GSK announced plans in December 2013 for investment in its Worthing plant to build a new bulk sterile building and filling line for the company's leading antibiotic medicine Augmentin.

- **Rayner Intraocular Lenses**

  Rayner Intraocular Lenses is currently in the process of relocating its UK manufacturing base to Worthing from Hove.

Adur

- **Brighton & Hove Albion Football Academy**

  Work has commenced on the construction of Brighton & Hove Albion FC's new £30m training ground and academy on land south west of New Monks Farm at Lancing. The new facility, due to be completed in June 2014 ahead of the start of the 2014-15 season, will have 15 training pitches and will include an indoor pitch and one community pitch and a two-storey building to house changing rooms, offices, medical facilities, a gym, catering and leisure facilities.

- **Adur Ferry Bridge**

  The new £10m swing bridge for pedestrians, cyclists and mobility scooters connecting Shoreham and Shoreham Beach was officially opened in November 2013. The central section of the bridge can be opened to allow larger boats through.

- **Iconic Café, Beach Green**

  Architects are developing the designs for an iconic café on Beach Green. It will include a licensed restaurant, ice cream kiosk and disabled lift. A planning application will be worked up in 2014 after consultations with the adjacent beach hut owners.

- **Ropetackle North**

  New plans were unveiled in July 2013 by Affinity Real Estate for the redevelopment of the Ropetackle North site to the north of Shoreham town centre. The plans include 120 dwellings, a 70-bedroom hotel, local supermarket and refurbishment of the railway arches and units at ground floor for professional services serving the public.

- **Morrisons Supermarket**

  Quora Developments and Morrisons submitted a planning application in June 2013 for a mixed-use development of the former Frosts Garage and Minelco Chemicals sites on Brighton Road in Shoreham comprising of a Morrisons supermarket, residential units and commercial development. The developers are aiming to open the supermarket in 2015.

- **Rampion Offshore Wind Farm**

  The proposals for the Rampion offshore wind farm off the Brighton coast are currently going through the planning process, with construction due to start in 2015. Newhaven has been selected for the wind farm's operations and maintenance (O&M) base rather than Shoreham. Most of the demand for hotel accommodation that the project is likely to create will thus be in Newhaven rather than Shoreham.

2.4. Tourism in Adur & Worthing

2.4.1. Tourism economic impact data compiled by Tourism South East (TSE) for Adur and Worthing[1] indicates that in 2012 the combined area welcomed almost 362,000 staying visitors and 4.2 million day visitors who spent a total of £176.3m in the local area. Compared to TSE's estimates for 2011, these figures represented a 1.8% increase in overnight stays in the combined area and a 7.7% increase in total spending by staying visitors. 28% of staying visitors used serviced accommodation in 2012. The total number of staying visitors using serviced accommodation has reduced by 17.3% since 2009, largely as a result of the closure of The Beach and Cavendish hotels in Worthing and the loss of some accommodation in Adur. The number of nights spent in serviced accommodation in the combined area rose by 4% between 2009 and 2011 however, but dropped nu 9.6% in 2012 compared to 2011.

ADUR & WORTHING TOURISM VOLUME & VALUE 2009-2012

Year	Staying Trips	Staying Nights	Staying Spend £m	Day Trips	Day Visitor Spend £m	Total Spend £m
2009	364,000	1,318,000	68.0	2,701,000	88.3	156.3
2010	351,000	1,325,000	69.7	2,758,000	89.8	159.5
2011	363,000	1,345,000	70.6	2,802,000	90.7	161.3
2012	361,600	1,369,300	76.0	4,179,000	100.3	176.3

Source: The Economic Impact of Tourism in Adur & Worthing, 2009, 2010, 2011, 2012 – Tourism South East

ADUR & WORTHING – TRIPS & NIGHTS SPENT IN SERVICED ACCOMMODATION 2009-2011

Year	Trips in Serviced Accommodation	Nights in Serviced Accommodation
2009	119,700	246,300
2010	106,300	261,400
2011	102,400	258,800
2012	99,000	234,000

Source: The Economic Impact of Tourism in Adur & Worthing, 2009, 2010, 2011 – Tourism South East

[1] The Economic Impact of Tourism in Adur and Worthing, 2009, 2010, 2011,2012 – Tourism South East

2.4.2. The 2011 Worthing Visitor Survey provides some insight into accommodation usage by staying visitors in Worthing. According to the survey just over 57% of staying visitors stay with friends and relatives and host families, leaving 43% that use commercial accommodation. Almost 36% of staying visitors used serviced accommodation (equivalent to around 80% of those staying in commercial accommodation). Just under 4% used self-catering accommodation, while just over 5% were caravanning or camping.

ACCOMMODATION USAGE BY STAYING VISITORS – WORTHING – 2011

Type of Accommodation	Proportion of Staying Visitors Using This Type of Accommodation %
Home of friend, relative or host family	57.2
Hotel	19.6
B&B/ Guest House	16.3
Self Catering	3.6
Caravan/Camping	5.4

Source: Worthing Visitor Survey 2011

2.4.3. A Tourism Vision & Action Plan for Adur & Worthing was produced in January 2013 by TEAM Tourism Consulting and Hidden Britain. It sets out a vision for the value of tourism to the local economy to grow to £220m by 2025, supporting 5500 jobs and transforming the image of the area. This represents an increase of 36% on the 2011 figure, equivalent to an average annual growth rate of 2.6% per annum, broadly in line with national tourism forecasts[1].

2.4.4. The Action Plan identifies that developing Adur and Worthing as visitor destinations is a considerable challenge given the current offer in a competitive marketplace. It thus proposes a gradual approach to market development, focusing primarily on the day visitor in the first instance.

[1] 'The Economic Contribution of the Visitor Economy – UK and nations' 2010

2.4.5. The Action Plan identifies three main markets for commercial accommodation establishments in Worthing: business visitors and contractors; people visiting friends and relatives; and leisure tourists. Contractors are identified as the key market for establishments in Shoreham-by-Sea. Staying leisure tourist markets in Worthing are split between coach groups and independent visitors and are identified as being:

- An older audience – typically 65+ (and to a lesser extent 55+);
- From lower socio-economic groups;
- Typically from the Traditional and Functional ArkLeisure segments;
- From the South East;
- Mainly repeat visitors.

2.4.6. Other current and/or potential future target staying leisure markets are identified as:

- Families in the peak season using the area as a base;
- Younger couples and families overspilling from Brighton;
- Transit tourists;
- Audiences drawn by regional events, choosing Worthing on price;
- Special interest groups;
- Foreign students.

2.4.7. The Action Plan states that Worthing's positioning is traditional. Awareness of the town seems to be low and it is seen as a boring, old fashioned town for the elderly and a place to live, not visit. It is not seen as a place for younger people. Nor is it seen as being particularly well connected to the South Downs. There are no aspirational reasons to visit and visits tend to be about a specific experience rather than the destination itself.

2.4.8. In terms of priorities for action the Tourism Action Plan focuses on four pillars of activity:

- Improving the visitor experience, particularly in terms of:
    - Creating welcoming gateways;
    - Delivering a seafront parking strategy;
    - Improving the public realm;
    - Enhancing in-destination information and interpretation.
- Product development – that will motivate a visit and encourage and facilitate a longer stay.
- Events development – focused primarily on attracting day visitors but including some events that are capable of also attracting staying visitors;
- Promotion and communications – to reach, engage and stimulate key audiences.

2.4.9. In terms of product development the short term priorities are identified as seafront concessions and events infrastructure. Sustaining existing assets such as the Pier, Lido, Worthing Museum and Art Gallery and Worthing's theatres is also identified as a priority. The Action Plan makes no suggestions for product development that will achieve a step change in the appeal of Worthing or Shoreham-by-Sea as leisure break destinations. Accommodation development and retaining quality accommodation is cited as an example but the Action Plan gives no detail on this.

2.4.10. Key elements of the promotion and communications action pillar are:

- The continued use of 'Worthing' as the overarching brand;
- Targeted activity to promote particular locations to specific target markets e.g. Lancing for water sports and Shoreham for 30-50 year old couples;
- A destination website, social media and PR programme;
- Tactical campaigns aimed at particular audiences e.g.:
    - The promotion of specific events, offers and themed itineraries to the 60-70+ market;
    - A visiting friends and relatives (VFR) campaign;
    - A campaign to attract young families for day visits
    - Communications to target the water sports audience.

2.4.11. The Action Plan makes no recommendations about budgets and staff resources. Adur & Worthing Councils currently employ a dedicated Tourism Development & Marketing Officer who has a reasonably good budget to implement a programme of destination marketing activities including the production of an annual visitor guide and pocket guide; ongoing maintenance and development of the VisitWorthing website; some media advertising; events promotion; social media activity; e-marketing; direct mail and a group travel promotion. The Councils also operate the VisitWorthing Information Centre in Worthing, with three FTE staff members and have a budget to support the development of existing and new events. There are plans to create a new Events Officer post, possibly in 2014, although it is not yet clear exactly what this post will cover. Tourism budgets look likely to be maintained for 2014/15 but there is some uncertainty as to what might happen beyond 2015, given the continuing cost savings that the Councils need to find.

2.5. Future Tourism Growth Prospects

2.5.1. In terms of future prospects, tourism remains a growth industry. Deloittes[1] forecast that tourism in the UK will grow by 3% per annum in real terms between 2010 and 2020. Inbound tourism expenditure is anticipated to grow by 4.4% and domestic tourism expenditure by 2.6%. Over the next decade or so, the tourism market place will be influenced positively and negatively by a complex range of factors – economic, demographic, social, technological etc. Those of most relevance to Adur & Worthing include:

- **The continuing staycation**. A key trend during the recession has been the growth of the staycation market as UK residents opted to take holidays in this country rather than going abroad. There are two groups of staycationers **-** “Switchers” include a high proportion of families - they are primarily motivated to ‘switch’ a foreign holiday for one at home because of financial constraints - and “Extras” who tend to be younger and are more likely to be single. They are less affected by their economic situation and are more motivated by a desire to explore the UK and go somewhere new. Despite the improving economy, recent research suggests that the staycation trend is here to stay for a while yet, with more than a third of Britons still opting to holiday in the UK as a way of saving money.

- **The rising cost of petrol** is resulting in Britons taking holidays closer to home.

- **Demand for 2-night weekend break stays in hotels has reduced** during the recession but looks set to recover as the economy improves and consumer confidence returns.

- **An ageing UK population** – the percentage of the UK population over 65 is increasing. It has widely been considered that this generation is a powerful economic force, with sufficient time and disposable income to enjoy short breaks and regular holidays. However, recent economic events have affected pensions and the grey market may take a more cautious approach to spending than in previous years.

[1] ‘The Economic Contribution of the Visitor Economy – UK and nations’ 2010

- **Widening younger markets, with greater economic power.** Young people in Britain are staying at home longer and delaying marriage and parenting. The consequence is an increase in pre-family travellers. The delays in parenting also mean families are getting older (and more sophisticated and affluent). Similarly the emptynester market of the future will less likely be 45+ but more likely to be 55 or even 60+.

- **The rapidly rising birth rate** in the UK should result in a growth in the pre-school family holiday and short break market.

- **Short breaks -** society has become increasingly time poor with shifting patterns of trip taking to higher frequency short breaks.

- **Tourism is becoming increasingly experiential** - tourists are looking for immersion in a culture, unique experiences, authenticity, exploration, adventure and personal fulfilment from their holiday experience.

- Greater interest in health and fitness and cheaper and more widely available camping equipment, outdoor clothing and bikes are fuelling growth in **interest in outdoor activities** as a key driver for holidays and leisure breaks.

- **Growing interest in 'green' holidays** – while purchasing holidays on environmental impacts is not currently mainstream, there is growing interest in low impact holiday and short break options.

- **Customers continue to be ever more demanding** in terms of the quality of facilities and standard of food and service that they expect to receive from accommodation businesses. Those that fail to invest and to deliver what customers are looking for are quickly getting left behind.

- **The Internet**, increasingly accessed on the move from smart phones, is now the main channel for researching, booking and planning holidays, breaks and days out. It has dramatically increased the marketing reach for destinations and tourism businesses, providing new ways of affordably reaching millions of potential customers. Consumers are increasingly booking accommodation through the growing number of third party websites that offer discounted accommodation and holidays such as LateRooms, Lastminute.com, Booking.com, Groupon, Travelzoo and Secret Escapes. This is resulting in an increasingly deal-driven and competitive market but enables accommodation operators to sell late availability accommodation much more effectively, allowing them to boost occupancies, albeit at reduced rates. The growth of social media and customer review sites is making it ever more important for accommodation businesses to deliver excellent standards of service and facilities to ensure that they achieve favourable reviews and high rankings.

- **Inbound tourism** is forecast to grow strongly in the UK, boosted by the massive worldwide exposure of the country during the London 2012 Olympic and Paralympic Games. VisitBritain is forecasting growth in overseas visitor spend in Britain of 4.4% p.a. to 2020, with strong growth coming from the emerging middle classes in the BRIC countries (Brazil, Russia, India and China). The first half of 2013 saw record levels of overseas visitor spend in the UK and the strongest inbound visitor numbers since 2008. According to figures from the International Passenger Survey, Britain attracted 15.2 million visitors in the first half of 2013, a 4% increase on the previous year's figures.

2.6 Prospects for Growth in Accommodation Demand in Adur & Worthing

2.6.1. Our analysis of the above strategic, policy and market context suggests the following in terms of the prospects for future growth in demand for hotel and visitor accommodation in Adur & Worthing by market:

- The strongest growth market for accommodation in Adur & Worthing in the next few years is likely to be contractors involved in the construction of the proposed major regeneration schemes and development projects, if they are progressed. The development of Brighton & Hove Albion FC's new training academy at Lancing is already underway and the possible development of the new Morrison's supermarket in Shoreham is likely to generate contractor demand for accommodation.

- There are some signs of recovery and renewed growth in corporate demand for accommodation in Worthing with the relocation of Rayner Intraocular Lenses to the town from Hove and the recently announced investment by GSK. The scarcity of sites for new employment and office development suggests however that further growth in corporate demand in Worthing is likely to be slow. Two key employment sites have been lost in terms of Aviva's former offices at The Warren having been taken over by Worthing College and planning permission having been granted to convert the former Lloyds TSB office building on The Strand to residential apartments. Growth in professional and business services could deliver increased demand for accommodation in the town if companies in this sector can be attracted to currently vacant and/or new offices. As far as we have been able to establish however there are currently no firm plans in the pipeline for new office schemes in Worthing.

- There could be stronger prospects for growth in corporate demand in Shoreham-by-Sea if new employment floorspace comes forward at Shoreham Airport, Shoreham Harbour and/or New Monks Farm. The targeted sectors of green energy, advanced manufacturing, digital technology and aviation-related companies should all be productive in terms of generating demand for overnight accommodation.

- Adur & Worthing should benefit from the forecast growth in domestic and inbound overseas tourism. There is however nothing to suggest a likely step change in the volume and nature of staying leisure tourist demand in Worthing. The current proposals for developing the town's visitor offer in the Tourism Action Plan are all low key. There are no big ideas or major projects that will radically transform Worthing as a leisure tourist destination and enable the town to attract new markets. The Councils' tourism marketing budgets are unlikely to increase to a level where a significantly greater impact can be made in the domestic leisure break and inbound overseas tourist markets, and may well reduce from 2015. The Tourism Action Plan identifies that developing Worthing as a visitor destination presents a major challenge and recommends a gradual approach to market development, focusing initially on day visitors. This suggests that growth in staying tourism in the town is likely to be longer term.

- Shoreham-by-Sea is likely to continue to act primarily as an overspill base for leisure break visitors to Brighton that are unable to find or afford accommodation in the city. The town could however slowly develop as a visitor destination in its own right, given the development of niche retail, restaurants and bars; improvements to the river and beaches; and the development of boating and water sports.

- Demand for accommodation from people attending weddings and family parties, visiting friends and relatives and attending funerals should grow as Adur & Worthing's population increases.

3. HOTELS

3.1. Current Hotel Supply

3.1.1 Worthing currently has 3 independent 3 star hotels, a Travelodge budget hotel and four small, independent, guest accommodation graded or ungraded hotels. This supply is predominantly on, or just off Worthing seafront. There is one small hotel in Goring.

CURRENT HOTEL SUPPLY – WORTHING - DECEMBER 2013

Standard	Hotels	Rooms	% of Rooms
3 star	3	174	50.6
Budget	1	90	26.1
Ungraded/ GA graded	4	80	23.3
Total Hotels	**8**	**344**	**100.0**

WORTHING – CURRENT HOTEL SUPPLY – DECEMBER 2013

Hotel	Grade	Rooms
Worthing		
Ardington	3 star	46
Chatsworth	3 star	98
Kingsway	3 star	30
Travelodge	Budget	90
The Burlington	4 star GA	26
Windsor	n/a	30
Beechwood Hall	n/a	8
Goring		
The Highdown Hotel	n/a	16

3.1.2. There are no hotels currently in Adur.

3.1.3. The quality of Worthing's hotels appears to be variable. The Windsor, Ardington and Chatsworth are the highest rated hotels on Tripadvisor, predominantly receiving 'Excellent' or 'Very Good' ratings. The Windsor and Ardington have both been awarded Tripadvisor's Certificate of Excellence in 2013. The town's other hotels receive more mixed reviews, with some 'Excellent' and 'Very Good' reviews but also some 'Poor' and 'Terrible' reviews.

3.2. Changes in Hotel Supply

3.2.1. Our research has identified the following changes to Worthing's hotel supply since 2008:

- The former Berkeley Hotel on Worthing seafront re-opened as a Travelodge budget hotel in November 2008 with 90 bedrooms.

- The Beach Hotel on Worthing seafront closed in 2010 for redevelopment as a new 76-bedroom hotel alongside residential apartments.

- The Cavendish Hotel on Worthing seafront closed in 2013, resulting in a loss of 17 bedrooms. The hotel had become very run down. It is currently boarded up.

3.2.2. These hotel openings and closures have resulted in the following changes to Worthing's hotel supply.

WORTHING HOTEL SUPPLY – CHANGES 2008-2014

Year	Hotels	Hotel Bedrooms
2008	9	356
2009	10[1]	446
2010	9	367
2011	9	367
2012	9	367
2013	8	350

Notes:
1. We have treated the Travelodge as a new hotel in 2009 as it only opened at the end of November 2008

3.2.3. In terms of investment in Worthing's hotels, the Chatsworth has embarked on a phased programme of bedroom refurbishment in 2013 to update its product. The hotel will remain as a 3 star hotel. The Burlington has also refurbished its bedrooms and an ongoing programme of bedroom and public area refurbishment has continued at the Kingsway. The owners of the Ardington Hotel are planning to refurbish the hotel's bedrooms to a contemporary 3 star standard.

3.2.4. In Adur, the Sussex Pad Hotel at Lancing closed in 2012, with the loss of 19 bedrooms. It has been sold to Lancing College.

3.3. Hotels Under Construction

3.3.1. The new Beach Hotel on Worthing seafront is the only hotel that is currently under construction in Adur & Worthing. Planning permission was granted in 2010 for a mixed-use development comprising a 76 bedroom hotel, restaurant, and spa, 49 residential apartments and under-croft parking for 96 vehicles. The developer, Roffey Homes, is currently at an advanced stage of negotiations with a national hotel chain . A planning application was submitted in November 2013 to amend the specification for the hotel element of the scheme to meet the design and operational requirements of the hotel operator in terms of removing the basement health club and reconfiguring some of the bedrooms to give an 81-bedroom hotel.

3.4. Potential New Hotels

3.4.1. There are a number of sites in both Adur and Worthing on which hotels have been mooted:

Adur

- Ropetackle North, Shoreham-by-Sea – the latest plans for this site, unveiled in July 2013, include a 70-bedroom hotel. The developers are understood to be in discussions with a number of hotel operators about this opportunity.
- Shoreham Harbour Western Harbour Arm – the development brief for this area identifies a hotel as a potentially appropriate use as the location develops as a visitor destination, although does not identify a specific site. A hotel was previously proposed for the Parcelforce site here. The latest plans for the site, unveiled in February 2013, do not include a hotel however. A budget hotel could be a suitable use to include as part of Quora Developments' proposed Morrisons supermarket and mixed-use development of the Frosts Garage/ Minelco Chemicals site on Brighton Road. As far as we are aware this has not been considered by the developers, who are currently proposing residential units, mixed retail units and a new car showroom as the other components of the scheme alongside the supermarket.

- New Monks Farm – a budget hotel has been suggested as a possible use to be included in the mixed-use development of this site, although it is thought that other uses are more likely than a hotel here.
- Shoreham Airport – could be a suitable location for a hotel if flood risk issues can be resolved, although this is not a use that is currently being considered here.

Worthing

- Teville Gate (Worthing Gateway) – the proposals for this site include a 100-bedroom hotel. We understand that the developers, Hanson Capital Management, are currently re-working the scheme.
- Union Place – a hotel use has been put forward as one of a number of suggestions for this site, owned by the Sussex Police Authority, but as yet no detailed scheme has been worked up. The Borough Council would prefer to see the site included in a comprehensive development of Worthing's retail core as envisaged in the Core Strategy.
- Hotels could be considered for some of the key seafront development sites/ Areas of Change (Grafton, Aquarena and Stagecoach). The development brief for the Aquarena site suggests potential for a hotel of around 75 bedrooms for the site.

3.5. Proposed Development of Existing Hotels

3.5.1. The Burlington Hotel was granted planning permission in 2010 for the demolition of its night club and replacement with a new extension to facilitate disabled access and provide an additional 12 bedrooms, a gym and spa and additional restaurant. The permission has not been implemented to date.

3.6. Hotels for Sale

3.6.1. The Kingsway Hotel is currently being marketed for sale through the national hotel property agent Christie & Co.

3.7. Current Performance and Markets

Occupancy, Achieved Room Rate[1] and Revpar[2]

3.7.1 On the basis of our research we estimate the average annual room occupancy for Worthing's hotels to be around 67% in 2012 and the average annual achieved room rate for the town's hotel sector to be approximately £57, giving a revpar figure of £38. This puts the performance of Worthing's hotel sector slightly behind the national averages for provincial UK hotels in 2012 of 70%, £59 and £41[3].

3.7.2. Worthing 3 star hotel occupancies were lower, at around 63% in 2012, but the average annual achieved room rate for the town's 3 star hotel sector was stronger at approximately £65, giving a revpar figure in line with the national average of £41. These figures represent a significant improvement on the 2007 occupancy and achieved room rate figures that we calculated for Worthing's 3 star hotels as part of the Coastal West Sussex Hotel & Visitor Accommodation Futures Study – 60% and £50.

3.7.3. With only one budget hotel in Worthing we are unable to report any figures for budget hotel performance in the town. Our research has however shown a strong market for budget hotel accommodation in Worthing, particularly at weekends.

3.7.4. In overall terms the performance of the Worthing hotel sector has remained broadly static over the last three years but trends in occupancy and achieved room rate performance have varied between the town's hotels:

- One hotel reported a sharp drop in occupancy in 2011 and 2012 as a result of a downturn in government business, but no change in achieved room rates.

- Two hotels have achieved an improvement in occupancies by driving more business through the online travel agents, such as booking.com and LateRooms, and daily deals sites, such as Groupon and Secret Escapes. Their achieved room rates have dropped however as they have to keep room rates very competitive through these channels and have to pay fairly significant commission charges on the bookings they receive.

[1] The net amount of rooms revenue that a hotel achieve per room sold
[2] The net amount of rooms revenue that a hotel achieves per available room
[3] Source: STR Global

- One hotel reported a steady improvement in occupancies in 2011 and 2012, following a drop in 2009 and 2010, but a drop in achieved room rates, resulting in static revpar performance.
- One hotel reported a steady growth in occupancy levels over the last 3 years.
- One hotel reported no significant change in occupancy or achieved room rate performance over the last 3 years.

3.7.5. The opening of the Travelodge at the end of 2008 does not appear to have had a lasting effect on 3 star hotel occupancies but has made the leisure market in the town more price competitive. Two hotels reported an upturn in business since 2010 as a result of the closure of The Beach Hotel.

Patterns of Demand

3.7.6. The Worthing hotel market remains highly seasonal. Occupancies are strongest between April and October. Winter occupancies can be very low for some hotels, particularly at weekends.

3.7.7. Midweek occupancies are generally stronger than weekend occupancies for the town’s 3 star hotels. They typically run at around 65-70% but can climb to 80-90% in the peak summer months. Weekday occupancies can be down to under 50% in the winter however.

3.7.8. In terms of the weekend nights, Saturdays are the strongest, with some 3 star hotels frequently filling on this night during the summer if the weather is good. Friday nights are not generally as strong and Sunday occupancies can be very low, down to 50% in the summer and as low as 25-30% in the winter for the town’s 3 star hotels.

3.7.9. Demand for budget hotel accommodation is strong both during the week and at weekends.

Midweek Markets

Worthing

3.7.10. The core midweek markets for Worthing's hotels are corporate and government business from companies, government departments and public sector agencies based in Worthing. The town's hotels also attract some corporate business from companies based at Lancing and Shoreham-by-Sea. Corporate and government business accounts for up to 75% of midweek trade for most of the town's hotels.

3.7.11. Coach holidays are a key midweek market for one of the town's hotels during the summer months and a secondary midweek market during the winter.

3.7.12. Contractors working on construction and fitting out projects in the area are a secondary midweek market for four of the town's hotels.

3.7.13. Midweek leisure breaks are a secondary weekday market for two hotels, which drive this business primarily through online travel agents and daily deals sites at discounted rates. Midweek leisure breaks are a minor source of weekday business for the town's other hotels.

3.7.14. Other minor midweek markets are people visiting friends and relatives in the town, people attending funerals and those staying for midweek weddings and other functions. Worthing hotels also attract business from major conferences in Brighton but attract very little residential conference business.

Shoreham-by-Sea

3.7.15. With no hotels in Shoreham-by-Sea it is more difficult to assess if there is any latent demand for hotel accommodation here. We thus spoke to a number of key organisations and companies in Shoreham to try to gain some insight into their demand for hotel accommodation and whether they might use a new hotel in Shoreham. These interviews provided the following insight:

- One international company based in Shoreham has a requirement for 2,000-3,000 roomnights per year, mostly for staff but also for visiting customers from all over the world. Internationally branded hotels in Brighton are usually preferred for customers. Hotels in Bramber are used for staff. The company indicated that it would use a budget hotel in Shoreham to accommodate staff and might use a boutique hotel here for some customers, although Brighton hotels are likely to continue to be the first choice option for them.

- A flight training company at Shoreham Airport indicated that it consistently has 40-60 students at any one time that require accommodation in the local area for anything from a few days to up to 15 months. Local hotels, B&Bs, host families and apartments are currently used. The company has recently secured a government contract that will mean that it will require an additional 30-60 rooms for 15 months every year. It indicated that a Premier Inn or Travelodge in Shoreham would be ideal to meet its requirements.

- Shoreham Airport advised that it has been approached by an aviation engineering school that would bring hundreds of students to the area that would require a range of different standards and types of accommodation. The Airport is hoping to launch a new scheduled flight to Paris in 2014, which will generate demand for accommodation for pilots and possibly also passengers. There are also charter flights from the airport that generate some demand for accommodation for pilots.

- There are other companies based in Shoreham and Lancing that may have requirements for hotel accommodation.

- Shoreham Port advised that port businesses do not generate much demand for hotel accommodation. Any business visitors or contractors that do require accommodation are also more likely to use hotels in Brighton.

Weekend Markets

3.7.16. Worthing hotels attract a mix of weekend markets:

- People attending weddings and other family occasions are the key weekend market for three of the town's hotels.
- People visiting friends and relatives in the town are a key weekend market for most of Worthing's hotels.
- One hotel has developed a strong business in terms of bridge weekends.
- One hotel attracts weekend business from bowls groups.
- The Men's & Mixed England National Bowls Championships have always generated good demand for hotel accommodation in Worthing during August. The tournament will move to Leamington Spa from 2014 however. The World Blind Bowls Championships took place in Worthing in July 2013. This is just a one-off in 2013 as the tournament rotates around the world. The Worthing Unified Open Bowls Tournament at the beginning of September generates business for some of Worthing's hotels.
- The Penguin Mixed Hockey Festival at the beginning of May generates business for one of Worthing's hotels.
- The Goodwood Festival of Speed and Revival events generate significant demand for hotel accommodation in Worthing.
- One hotel reported attracting some demand from the Worthing Birdman event.
- Three hotels attract weekend break business through online travel agents. The town's other hotels are not using these channels however, due to the high commission rates that they charge.
- Worthing hotels attract some overspill weekend business from Brighton, either when the city's hotels are full or because Worthing hotels are more affordable. Key events in Brighton that generate weekend demand for hotel accommodation in Worthing are Brighton Pride and the Brighton Marathon.

- Most of the town's hotel managers and owners feel that their hotels attract very few weekend break stays from guests that are specifically attracted by what Worthing has to offer for a weekend away. A few hotels still attract some regular leisure guests for weekend stays. The general view however is that the town does not have a sufficiently strong leisure tourism offer to compete effectively as a weekend break destination.

- One hotel takes some weekend coach holiday groups and attracts occasional weekend stop overs from German and Dutch group tours.

- Worthing hotels attract some corporate business at weekends, either from longer staying business visitors or corporate arrivals on a Sunday night.

Market Trends

3.7.17. Our discussions with hotel owners and managers identified the following trends in Worthing's key hotel markets:

- Corporate demand reduced sharply in 2009 as a result of the economic downturn and reductions in business travel. The town's hotels also lost significant business as a result of the closure of Aviva's Broadwater offices. Most hotels reported a gradual recovery in corporate demand in 2011 and 2012. Corporate rates seem to have held up well in the last two years.

- Government-related business has reduced in the last 2 years as a result of the public sector cutbacks. One hotel reported a significant loss of business from the relocation of Crown Agents' management training centre in Worthing to its headquarters in Surrey in 2010.

- No hotel reported any change in contractor demand.

- One hotel reported a drop in residential conference business since 2009. This had only ever been a relatively small market for the hotel however.

- One hotel has grown midweek and weekend leisure break business by promoting discounted room rates through online travel agents and daily deals sites. Another hotel also uses online travel agents to attract weekend leisure break business.

- One hotel reported a reduction in overspill leisure demand from Brighton. This may be due to the new hotels that have opened here in recent years.
- Two hotels reported a downturn in midweek leisure stays by pensioners, who have been affected by lower returns on their investments, leaving them with less disposable spending power for leisure breaks and holidays.
- One hotel reported a reduction in guest numbers for coach holiday bookings and an increase in last minute cancellations because coach holiday operators have been unable to sell enough places on holidays.
- One hotel reported a downturn in demand from bowls groups.
- Two hotels reported a drop in weddings business and a more price competitive weddings market.

Denied Business[1]

3.7.18. Worthing hotel owners/managers reported mixed experiences in terms of denying business:

- One hotel reported consistently turning business away on Saturday nights and at least two weekday nights per week between May and September, at times up to as many as 30 rooms.
- One hotel regularly turns business away on Saturday nights for most of the year but infrequently denies midweek business.
- One hotel reported occasionally denying business during the week but rarely at weekends.
- One hotel rarely denies business either during the week or at weekends.
- One hotel sometimes turns business away on Saturday nights if it has a function on but rarely denies business in the week.
- One hotel very occasionally denies business, typically on no more than one or two nights per month.

[1] Business that hotels turn away because they are fully booked.

Views on Future Prospects

3.7.19. The owners and managers of the town's 3 star hotels are generally fairly pessimistic about the future prospects for their hotels. One hotel believes that it can attract more business through online travel agents and daily deals sites but this will be at the expense of its achieved room rates. Two hotels do not expect to see any noticeable change in occupancy or achieved room rates in the next two years and two hotels expect to see a downturn in both performance indicators.

3.7.20. There are some signs of further recovery in corporate demand in 2013 but limited scope for hotels to increase corporate rates as local companies are unwilling to pay higher rates for the town's hotels. With further public sector cutbacks to come there seems to be little prospect of recovery in government-related business. The loss of the Men's & Mixed England National Bowls Championships to Leamington Spa will result in a substantial loss of business for the town's hotels in August, although they may be able to replace much of this business as August is a peak month for leisure breaks and holidays. With no transformational investment in Worthing's leisure tourism offer on the horizon the town's hotels are unlikely to be able to attract increased leisure break business and leisure demand will remain highly seasonal.

3.7.21. In the longer term most 3 star hotel owners and managers expect the Worthing hotel market to become more competitive with the reopening of The Beach Hotel and the possible development of another budget hotel in the town. One hotel owner indicated that it would be very difficult to justify investment in his hotel under these circumstances as he would not see any return on his investment through improved performance. One hotel manager was more upbeat about new hotels opening in the town as he felt that they would generate new business and help to put Worthing on the map.

3.8 Trends in UK Seaside Resort Hotel Development

3.8.1 The two key trends in hotel development in UK seaside resorts that were identified in the Coastal West Sussex Hotel & Visitor Accommodation Futures have continued, albeit at a slower pace during the recession:

- **Budget hotels** have continued to open in UK resorts. Premier Inn has opened new hotels in 2013 in Weymouth, Barry Island and Aberystwyth and has plans for a new hotel in Eastbourne. Travelodge has opened new hotels in the last three years in Ramsgate, Paignton, Lytham St Annes and Southport. The French hotel company Accor has opened an Ibis budget hotel in Brighton in 2013.

- **Boutique hotels** have also continued to open in UK resorts, primarily in terms of small, independent boutique hotels e.g. G! Boutique Hotel, Number 4 and The Clarence in Southsea, Sands Hotel in Margate and Hastings House in St Leonards-on-Sea. IHG (InterContinental Hotels Group) will open a hotel in Brighton in 2014 under its Hotel Indigo boutique brand.

3.9. Hotel Developer Interest in Adur & Worthing

3.9.1. Whilst Worthing, with a population of almost 105,000, is of a sufficiently large scale as a town to meet the requirements of many hotel developers and operators (100,000+), it suffers as a hotel investment location from a number of drawbacks:

- Limited awareness of the town and the hotel market here;
- Perceptions of a limited corporate base to drive weekday hotel demand at strong rates;
- An image of a fading, traditional resort that attracts an older leisure market with a seasonal pattern of demand.

3.9.2 Shoreham, with a population of around 20,000, is too small to attract interest from national operators, other than some of the budget and pub chains, whose widespread representation enables them to consider tertiary locations that can be supported by their networks of hotels and wider brand awareness.

3.9.3 In terms of budget hotel interest:

- Premier Inn still has a requirement for a site for an 80-bedroom hotel in Worthing. They indicated that they would consider being part of one of the major regeneration schemes in the town if progressed, including possible consideration of the new Beach Hotel. While the opening of a Premier Inn in Worthing is likely to result in a more competitive serviced accommodation market in the town and could challenge some existing hotels and guest houses, the strength of the Premier Inn brand and customer base, the company's national marketing and the potential for referral business from nearby sister hotels all suggest that a Premier Inn would bring new business to Worthing.

- Shoreham-by-Sea was at one time a target town for Premier Inn but is no longer on the company's list of target locations, so not a town that they will look at currently. The list is frequently reviewed however and Shoreham-by-Sea could come back on it at some point in the future. The company's previous requirement was for a site for a 60-bedroom hotel alongside a Whitbread pub/restaurant.

- Travelodge is already represented in Worthing, having taken over an existing hotel here. Shoreham-by-Sea has previously been a target location for Travelodge. While it is not on their current list of target towns, they indicated that they might be prepared to consider suitable site opportunities here.

- Accor indicated that they might consider Worthing as a location for an Ibis budget hotel, most probably in terms of a franchise arrangement with a developer/ operator.

3.9.4 Upper tier budget hotel operators normally require city and large town locations to meet their site requirements, as their minimum hotel size is probably 80 rooms, and ideal model 120-150 rooms. InterContinental Hotels said they would consider a Holiday Inn Express at Worthing, and Hilton would consider a Hampton by Hilton. This interest however was not well informed, and would likely need to be investor/franchisee led. Rezidor and Chardon Management indicated they had little hands-on knowledge of Worthing or Shoreham, and would need convincing of evidenced demand and potential.

3.9.5. Testing developer interest in boutique hotel development in a location such as Adur & Worthing is very difficult as the development of such hotels is largely opportunistic and is most likely to be taken forward by individual, most probably local hoteliers, restaurateurs, entrepreneurs and property developers. None of the national boutique hotel operators that we spoke to expressed interest in Worthing.

3.9.6 In general, hotel developers respond more fully to specific opportunities rather than trying to identify a generic interest in a location. However, it is clear that in presenting any site-specific opportunities, it will be important to back this up with a clear case for investment and evidence of unsatisfied demand to secure their interest and engagement.

3.10. Hotel Development Opportunities in Adur & Worthing

Worthing

3.10.1. The redeveloped Beach Hotel is due to reopen in 2015, at this stage as a 76-bedroom hotel with a restaurant and spa (as already consented) or an 81-bedroom hotel without the spa (if the current application is approved and negotiations with a national hotel chain are progressed).

3.10.2. Our research suggests that there is market potential for a second budget hotel in Worthing in addition to the Travelodge on the seafront. Premier Inn has a stated requirement for an 80-bedroom hotel in the town. They also indicated that they might consider being part of one of the major regeneration schemes if they could be confident of a scheme being progressed. This could include consideration of the new Beach Hotel.

3.10.3 Other budget hotel operators showed some uninformed interest in operating a hotel in Worthing on a franchise basis. In the current financial climate developers are likely to find it very difficult to fund a hotel project on this basis.

3.10.4. The potential for further budget hotel development in Worthing is very much tied up with what happens with the new Beach Hotel. If this becomes a Premier Inn it is difficult to see another budget hotel being progressed in Worthing for the foreseeable future given that the interest from other budget hotel companies is only on a franchise basis. If however Roffey Homes goes forward with another hotel operator, Premier Inn could well still be interested in progressing a hotel on another site, most likely as part of one of the key regeneration schemes when progressed.

3.10.5. There may be scope for a small, upmarket boutique hotel in Worthing, possibly through the repositioning of an existing small hotel or large guest house. Such hotels have been successfully developed in other seaside resorts in the South East such as Hastings, Eastbourne, Folkestone and Margate. They can often create their own market because of their offer and are not as reliant on the destination for attracting leisure business. None of the town's existing hotels are looking to reposition as top end boutique hotels. Three of the hotel owners that we spoke to do not feel that there is sufficient high rated corporate business to support a boutique hotel in Worthing and suggested that Worthing's leisure tourism offer is not sufficiently attractive to appeal to the types of guest that might want to stay in a boutique hotel. These are valid points but we still feel that a small boutique hotel could find a market in Worthing given that such hotels are successfully operating in other similar seaside resorts in the South East.

3.10.6. There could be scope for the proposed extension of The Burlington. The proposed spa could help the hotel to boost its weekend occupancies by attracting spa break business. There may also be scope for some of the town's 3 star hotels to develop spa facilities to tap into this rapidly growing market.

3.10.7. These conclusions differ somewhat from the findings of the Coastal West Sussex Hotel & Visitor Accommodation Futures Study that Hotel Solutions completed in 2008, before the Credit Crunch and ensuing recession. It identified potential for a second budget hotel in Worthing in addition to the Travelodge, which had not yet been developed (which the 2013 study still shows potential for, with continuing interest from Premier Inn in being represented in the town); an upper-tier budget or 3 star hotel (which the 2013 study suggests will be difficult to secure for the foreseeable future); and a small boutique hotel, possibly with a spa (which we still feel there could be potential for). Corporate and government business has dropped back significantly since 2008, whereas growth in these markets was anticipated in the Coastal West Sussex study. The expected growth in contractor demand and the re-establishment of Worthing in the associations meetings market have also not materialised. With relatively slow growth now envisaged in Worthing's hotel markets it is difficult to see the town being able to support further hotels beyond a Premier Inn and a possible small boutique hotel. While we found some potential interest in Worthing from other national budget/ limited service hotel operators, this was only on a franchise basis, which we think developers will find difficult to fund in the current financial climate.

3.10.8. Beyond opportunities for new hotels, there is a need for investment in the town's existing hotels to modernise their offer to meet customer expectations and enable them to compete with the new hotels that open in the town. Most of the town's hotels are responding to this need through current and planned investment to maintain their current market positioning with a better quality and more contemporary product. One hotel owner does not feel that he can justify investment in the face of the new supply that will open in Worthing as he would not see any return on his investment in a market where he thinks it will be difficult to grow occupancy or achieved room rate.

3.10.9. In the rural parts of Worthing/ the South Downs National Park there could be market potential for the Worthing or Hill Barn Golf Clubs to develop some form of hotel accommodation to enable them to cater for golf break business, develop their weddings trade and provide accommodation for the local corporate market. This would be subject to environmental considerations and the views of the South Downs National Park Authority. Other golf clubs in Sussex and across the South East have successfully developed hotel accommodation and we see no reason to think that the two Worthing clubs could not do likewise if they wish to and are able to secure planning permission. The Worthing Golf Club has previously considered a small scale accommodation development project in the past but is not currently looking at progressing this. Hill Barn Golf Club did not respond to our consultation.

Shoreham-by-Sea

3.10.10. Our research suggests that there could be potential for a budget hotel in Shoreham-by Sea based on the following:

- The demand from local companies and the pilot training centre at Shoreham Airport that is currently being displaced to hotels in Bramber, Worthing and Brighton;
- The prospect of growth in corporate demand if new companies are attracted to the envisaged new employment sites at Shoreham Airport, Shoreham Harbour and New Monks Farm;
- The potential for significant demand for hotel accommodation from the aviation engineering school that is currently considering setting up at Shoreham Airport;
- The prospect of growth in contractor demand for budget hotel accommodation related to the development of Shoreham Harbour and Shoreham Airport;
- Anticipated growth in aircrew and air passenger demand for accommodation if air traffic increases through Shoreham Airport;
- The potential for a budget hotel in Shoreham-by-Sea to attract leisure visitors to Brighton that are looking for a lower cost hotel option or that are unable to find availability at Brighton hotels;
- Demand from people visiting friends and relatives or attending weddings and other family occasions in the area.

4. PUB ACCOMMODATION

4.1. Current Supply

4.1.1 Our research has identified 6 pubs in Adur & Worthing that provide accommodation, with a total of 57 letting bedrooms.

ADUR & WORTHING PUB ACCOMMODATION SUPPLY – DECEMBER 2013

Establishment	Grade	Rooms
Worthing		
The Bay	n/a	8
The Egremont Hotel	n/a	14
Grand Victorian Hotel	n/a	18
Adur		
Shoreham-by-Sea		
The Bridge Inn	n/a	4
The Crab Tree Inn	n/a	6
Lancing		
The New Sussex Hotel	n/a	7

4.1.2. Pub accommodation operations in Adur & Worthing are generally small, most typically with around 7-9 bedrooms.

4.1.3. Most pub accommodation establishments in Adur & Worthing are fully en-suite, other than the Bridge Inn in Shoreham-by-Sea, which has no en-suite bedrooms, and the Crab Tree inn in Shoreham-by-Sea, which has only half of its bedrooms with en-suite facilities.

4.1.4. Room rates charged by pub accommodation establishments in Adur & Worthing are generally low, typically around £40-50 B&B for a single room and £75-80 B&B for a double/twin room. The New Sussex Hotel at Lancing is the only establishment that charges significantly more for its bedrooms.

4.1.5. None of the pub accommodation establishments in Adur & Worthing are inspected under the national accommodation grading scheme. Tripadvisor reviews are very mixed, with a number of establishments receiving largely negative comments about the quality of accommodation that they offer and positive comments primarily only about their low price and sometimes their location. The New Sussex Hotel in Lancing and Crab Tree Inn in Shoreham-by-Sea are the only pub accommodation businesses that consistently receive 'Excellent' or 'Very Good' customer ratings.

4.1.6. The majority of pub accommodation establishments in Adur & Worthing are independently operated by their owners or tenants. The Grand Victorian Hotel in Worthing, part of Relax Innz, is the only exception.

4.1.7. Adur & Worthing do not have any traditional coaching inns.

Changes in Pub Accommodation Supply

4.1.8. Our research has identified the following changes to the supply of pub accommodation in Adur & Worthing since 2008:

- The New Sussex Hotel in Lancing began offering accommodation in 2010;
- The Brunswick in Worthing reopened in 2011 as The Bay under new owners.

4.1.9. As far as we have been able to establish none of the other pub accommodation establishments have seen any recent investment. The Bay is planning a revamp in 2014.

4.1.10. Our research did not identify any closures of pub accommodation businesses since 2008.

4.1.11. Our research did not identify any current proposals for other pubs in Adur & Worthing to begin offering accommodation.

4.2. Current Performance and Markets

4.2.1 While we were unable to obtain occupancy data from pub accommodation operators, our discussions with a number of them indicated strong demand for pub accommodation in Adur & Worthing, both during the week and at weekends. While operators reported some seasonality in demand, particularly at weekends, occupancies appear to be strong for most of the year.

4.2.2. All of the pub accommodation operators that we spoke to in Adur & Worthing reported high midweek occupancies. Contractors are the key source of midweek business and for some establishments the only market that they cater for during the week. Other establishments also attract some midweek trade from business visitors, people visiting friends and relatives or attending funerals, and some overseas tourists and leisure break stays during the peak summer months. Most pub accommodation establishments appear to be frequently filling and turning business away during the week.

4.2.3. The majority of the pub accommodation operators that we spoke to also reported strong weekend demand, particularly on Saturday nights, when most establishments are often fully booked and turn business away, especially during the summer months. Friday occupancies are not quite as strong and Sunday occupancies can be low. Key sources of weekend demand are people attending weddings and family parties and people visiting friends and relatives. A few pub accommodation establishments also attract some weekend break business. This appears to be a small market for them however and other establishments do not attract this market at all.

4.2.4. Pub accommodation establishments in Adur & Worthing generally reported improving occupancies year on year.

4.3. Pub Accommodation Development Trends

4.3.1 Recent and emerging development trends in the UK pub accommodation sector are as follows:

- There has been a growth in the conversion of pub premises to gastropubs with boutique guest bedrooms. This type of pub accommodation has developed most rapidly in the South East.

- A number of pub companies have developed branded portfolios of inns:

    - Greene King has continued to expand its Old English Inns brand and has upgraded many of the inns in this portfolio;
    - Daniel Thwaites has embarked on the development of its Thwaites Inns of Character chain of quality country inns;
    - Marston's operates a portfolio of 41 inns across the country under its Marston's Inns brand. The company launched the Revere Pub Company in 2013 as a premium pub brand, so far including 4 inns with boutique accommodation in Hampshire, Wiltshire and West Sussex. It is also trialling the development of small bedroom blocks adjacent to its new-build pub restaurants in Chepstow and Aberystwyth.
    - Dorset-based Hall & Woodhouse operates 33 hotels and inns in Dorset, Devon, Hampshire, Somerset, Surrey, Hertfordshire and West Sussex. It has recently opened a new inn in the New Forest.
    - Shepherd Neame operates 14 hotels and inns in Kent.
    - Fuller's operates 26 hotels and inns in London, Hampshire, West Sussex and the Home Counties. It has upgraded the accommodation at a number of its pubs over the last few years, including the development of luxury boutique bedrooms at a number of them.

- A number of smaller regional pub accommodation companies have developed in some parts of the country, acquiring and upgrading inns with rooms e.g. Miller's Collection, Sussex Pub Group, Cotswolds Inns & Hotels, Cozy Pubs in Essex, Peach Pub Company across the Midlands and Lazy Cow in Warwick and Salisbury.

- Some budget pub accommodation brands have also developed e.g. Wetherspoon Hotels and the Spirit Pub Company's Good Night Inns.

4.4. Sector Development Potential in Adur & Worthing

4.4.1. Given the current strength of demand for pub accommodation, likely growth in contractor demand for low cost accommodation as the major regeneration schemes are progressed, and potential increase in demand from people attending weddings and family parties and visiting friends and relatives as the area's population grows, our research suggests that there could be scope for other pubs in Worthing to offer accommodation. This could be through the letting of upper floor bedrooms as guest accommodation, the conversion of suitable outbuildings, or possibly new-build guest bedroom extensions if pubs have land available. We have not undertaken an audit of pubs to identify which ones might be able to support the provision of accommodation. Pub accommodation establishments may however be affected by the opening of a second budget hotel in the town, which would be likely to compete strongly for contractor and VFR demand. This could weaken the potential for additional pub accommodation therefore. Care should thus be taken not to over encourage additional pub accommodation provision.

4.4.2. Our research has identified an unsatisfied and potentially growing demand for accommodation in Shoreham-by-Sea from local companies, an aviation training school at Shoreham Airport, contractors working in the area, and people attending weddings and family parties or visiting friends and relatives locally. This demand could be met by additional pub accommodation provision in Shoreham and Lancing.

4.4.3. Current TripAdvisor reviews for a number of pub accommodation establishments in Adur & Worthing suggest a need for them to invest in upgrading the quality of their guest bedrooms.

4.4.4. There could be scope for a gastropub with boutique guest bedrooms in Shoreham-by-Sea. The success of the New Sussex Hotel at Lancing suggests a potential demand for higher quality pub accommodation in this area.

4.4.5. As far as we are aware there are no pubs in the rural parts of Adur & Worthing and thus no potential for rural pub accommodation to be developed.

4.4.6 It will be difficult for Adur & Worthing to attract the national inn brands as they lack the larger coaching inns that pub companies are seeking for these brands. Greene King expressed interest in Worthing as a location for an Old English Inn. The company is typically seeking coaching inns with around 25-30 letting bedrooms. We did not identify any suitable properties in Worthing to meet this requirement.

4.4.7. Worthing is a target location for Marston's for a new-build pub restaurant. Depending on the success of their current trialling of bedroom blocks adjacent to their new-build pub restaurants, there could be scope to encourage them to develop bedrooms alongside a new pub restaurant development here. Securing a suitable site (of around 1.5 acres) in Worthing is likely to present a significant challenge however.

4.4.8. Wetherspoons expressed interest in opening a pub in Shoreham-by-Sea or Shoreham Harbour. They sometimes also open guest bedrooms in upper floor spaces so might consider this as an option in Shoreham-by-Sea, depending on the nature of the opportunity that they are able to secure here.

5. GUESTHOUSE AND B&B ACCOMMODATION

5.1. Current Supply

Current Guesthouse and B&B Supply

5.1.1. Our research has identified 26 guesthouses and B&Bs in Worthing with a total of 141 letting bedrooms, and 4 guesthouses and B&Bs in Adur with a total of 25 bedrooms.

ADUR & WORTHING – CURRENT SUPPLY OF GUEST HOUSE AND B&B ACCOMMODATION – DECEMBER 2013

Standard	Worthing	Adur	Adur & Worthing
4 Star			
Establishments	10		10
Bedrooms	57		57
3 Star			
Establishments	7		7
Bedrooms	42		42
Not Graded			
Establishments	9	4	13
Bedrooms	42	25	67
TOTAL			
Establishments	**26**	**4**	**30**
Bedrooms	**141**	**25**	**166**

5.1.2. The Worthing guesthouse/B&B supply is split between 4 star, 3 star and ungraded establishments. The town does not currently have any 5 star or boutique guesthouses or B&Bs. None of the establishments in Adur are currently graded, Tripadvisor reviews for Worthing and Adur guesthouses and B&Bs are generally very positive: the majority of establishments are receiving 'Excellent' or 'Very Good' customer ratings and complimentary comments about their welcome and quality of breakfast. Only a small minority of establishments are receiving 'Poor' and 'Terrible' ratings and negative comments.

5.1.3. Existing guesthouses and B&Bs are all located in the urban parts of Worthing & Adur. As far as we have been able to establish the rural parts of the Councils' area do not have any farmhouse B&Bs or other guest accommodation establishments.

ADUR & WORTHING GUEST HOUSES & B&Bs – DECEMBER 2013

Establishment	Grade	Rooms
Worthing		
The Beacons	4 star	8
Bensons	4 star	3
Camelot House	4 star	6
The Conifers	4 star	2
Heenefields Guest House	4 star	4
High Beach Guest House	4 star	6
Manor Guest House	4 star	6
Merton House	4 star	7
The Moorings	4 star	9
Olinda Guest House	4 star	6
Avalon Guest House	3 star	7
Glenhill	3 star	5
High Trees Guest House	3 star	7
Marina Guest House	3 star	5
Marine View	3 star	12
Pebble Beach	3 star	3
Tamara Guest House	3 star	3
Baltimore	n/a	4
Blandford House	n/a	1
Court House Guest House	n/a	7
Delgany House Hotel	n/a	8
Park House	4 star	6
Queen's Lodge Guest House	n/a	6
Sea Lodge	n/a	5
The White House	n/a	2
Tudor Lodge Guest House	n/a	3
Shoreham-on-Sea		
The White House, Shoreham Beach	n/a	6
Lancing/Sompting		
Bella Notte, Lancing	n/a	8
Cavatina Lodge, Lancing	n/a	9
Cottage B&B, Sompting	n/a	2

Recent Changes in Guesthouse and B&B Supply

Guesthouse/B&B Closures

5.1.4 Our research has identified 6 guesthouses that have closed in Worthing since 2008, resulting in a total loss of 28 bedrooms, and 6 guesthouses and B&Bs that have ceased trading in Shoreham-by-Sea and Lancing, with a loss of at least 20 bedrooms. While we have not undertaken any research to establish the new uses of these establishments we would assume that they have all reverted or been converted to residential dwellings. As far as we are aware none of them are operating as HMOs. We understand that in some cases closures have been due to the retirement or ill health of guesthouse and B&B owners.

WORTHING & ADUR GUESTHOUSE AND B&B CLOSURES 2008-2013

Establishment	Grade	Rooms
Worthing		
Blair House	4 star	7
Edwardian Dreams	4 star	5
The Old Guard House	4 star	2
Tudor Guest House	4 star	8
Haytor Guest House	2 star	2
Rosedale Guest House	2 star	4
Shoreham-on-Sea		
Rutland House	4 star	9
Harpers Ferry	n/a	n/a
Lancing/Sompting		
Edelweiss Guest House, Lancing	3 star	3
413 Brighton Road, Lancing	n/a	2
Hawthorn Cottage, Lancing	n/a	n/a
The Look Out, Lancing	n/a	4

5.1.5. In addition to these closed establishments, The Wolsey Hotel and Castle Guest House in Worthing have for some time been operating as emergency accommodation for homeless people and no longer trade as guest houses.

New Guesthouses/B&Bs

5.1.6. As far as we have been able to establish just one B&B has opened in Worthing since 2008 – Blandford House, with one bedroom. In Adur, The White House B&B (6 bedrooms) at Shoreham Beach is a new establishment since 2008.

Expansion/Downsizing of Existing Guesthouses/B&B

5.1.7. Our research has identified the following changes to the size of existing guesthouses and B&Bs in Worthing since 2008:

- Merton House has added 2 guest bedrooms;
- Marina Guest House has opened an additional letting bedroom;
- The Baltimore Guest House has increased in size and undergone a complete refurbishment;
- The White House has reduced in size from 2 to 1 bedroom.

5.1.8. As far as we have been able to establish none of the remaining guesthouses and B&Bs in Adur have changed in size since 2008.

Change in Guesthouse/B&B Supply 2008-2013

5.1.9. The above guesthouse/B&B closures, openings and changes in size have resulted in a sharp drop in guesthouse and B&B supply in Adur & Worthing over the last 5 years, particularly in Adur, where the supply was fairly limited anyway in 2008. The trend has been for guesthouses and B&Bs to close but not be replaced by new openings, resulting in the overall reduction in supply.

ADUR & WORTHING - CHANGE IN GUESTHOUSE/B&B SUPPLY 2008-2013

Location	% Change in Guesthouse/B&B Supply 2008-2013
Worthing	-14.7%
Adur	-35.9%
Adur & Worthing	**-18.5%**

Guesthouses for Sale

5.1.10. Our research has identified the following guesthouses in Adur & Worthing that are currently being marketing for sale:

- High Trees Guest House, Worthing
- Avalon Guest House, Worthing
- Cavatina Lodge, Lancing

5.2. Current Performance and Markets

5.2.1. Our research has included telephone and face-to-face interviews with a sample of 12 guesthouses and B&Bs across Adur & Worthing (listed at Appendix 1) using a structured questionnaire. The purpose of the interviews was to elicit information on:

- The levels of weekend and midweek demand for guesthouse/ B&B accommodation in Adur & Worthing;
- The key weekend and midweek markets for guesthouse/ B&B accommodation;
- The extent to which guesthouses and B&Bs are regularly filling and turning business away;
- The future prospects for these types of accommodation in Adur & Worthing.

Room Occupancies

5.2.2. Guesthouse and B&B occupancies remain strong in Adur & Worthing, peaking in the main summer season. Some operators reported annual room occupancies of 70%-80% in 2012 and indicated that they are consistently full for 6-8 weeks of the main summer season. There appears to have been a slight decline in guesthouse/B&B occupancies in 2012 compared with the previous two years.

5.2.3. As far as we can tell guesthouses and B&Bs in Worthing do not appear to have been adversely affected by the opening of the Travelodge on the seafront in 2008, other than possibly when it initially opened. Guesthouse performance in the town does not appear to have noticeably weakened compared to 2008.

Weekend Demand and Markets

5.2.4. Adur & Worthing guesthouses and B&Bs perform very well on Friday and Saturday nights during the summer season (May – September) with a majority indicating that they consistently fill and turn business away on these nights during this period. Off-season (October –April) occupancies on Friday and Saturday nights can drop as low as 25% but on average are around 50%-65%. Saturday occupancies are generally higher than Friday occupancies outside the main summer season. Sunday night occupancies are generally lower throughout the year but can be stronger in the summer.

5.2.5. The main weekend markets are people visiting friends and relatives and those attending weddings and family parties. During the main summer season, there are also event visitors and some leisure break visitors and overseas tourists stopping off for a night en-route to and from the West Country. Leisure break demand is relatively low and primarily from people using guesthouses and B&Bs in Adur & Worthing as a base for visiting Brighton, rather than people that are specifically motivated to take a leisure break in Worthing or Shoreham-by-Sea.

5.2.6. Events that generate weekend business for guesthouses and B&Bs in Adur & Worthing are as follows:

- Goodwood Revival and Festival of Speed;
- The Men's and Mixed England National Bowls Championships;
- Dancesport Worthing Congress;
- Big Church Day Out at Wiston;
- Brighton Marathon;
- Brighton Food Festival;
- London to Brighton Cycle Ride.

5.2.7. A number of guesthouses and B&Bs attract some weekend demand from business visitors, contract workers and language school teachers staying over at the weekend while working in the area during the week.

5.2.8. Neither of the guesthouse/B&B owners that we spoke to in Adur (or the pub accommodation operators that we spoke to here) identified kite surfers and watersports enthusiasts or learners as a market that they attract at the weekend (or during the week). We spoke to the operator of the BN1 kite surfing school in Lancing who suggested that a few kite surfers come to stay in the area at weekends and use local B&Bs and campsites. The majority of kite surfers are however day visitors: only a very small percentage stay overnight.

5.2.9. There is evidence that weekend business is being turned away due to lack of availability at those premises interviewed. This is particularly the case during the summer period and can be quite substantial for some operators (e.g. one operator highlighted having taken as many as 30 phone calls for the previous weekend and having had to turn that volume of business away). Guesthouse and B&B owners may however also be denying business for reasons other than because they are fully booked: they may be as full as they want to be, they sometimes want to take time off, and in some cases they may want to keep their turnover below the VAT registration threshold.

5.2.10. There has not been any significant change in weekend markets over the last 5 years, other than one operator reporting a decline in European visitors. Some guesthouse and B&B owners reported a marginal decline in their overall weekend business compared with the last 2-3 years.

Midweek Demand and Markets

5.2.11. Guesthouse and B&B operators reported strong midweek performance, with weekday room occupancy rates ranging from 60% to as high as 95% in summer. The quietest weekday periods of the year are typically between December and February but midweek demand is otherwise not particularly seasonal. Midweek business tends to be primarily for single occupancy. While room occupancies may be high, bed occupancies are much lower therefore.

5.2.12. The primary midweek markets are business visitors, contractors and people visiting friends and relatives. A significant proportion of demand from business visitors and contractors is for longer stays, with these guests returning for a number of consecutive weeks and in some cases months, and sometimes staying over the weekend. There is evidence of some overspill business from Brighton when major conferences are being held here. During the summer months, guesthouses and B&Bs also accommodate some midweek break guests (primarily retired couples), event visitors and overseas tourists during the week. Other midweek markets are people attending funerals or visiting friends and relatives, language school teachers, house hunters and hospital visitors.

5.2.13. Guesthouse/B&B operator feedback indicates that on the whole weekdays markets have remained much the same over the last 5 years. One guesthouse owner in Worthing reported a drop in contractor business in 2012 as a result of reduced construction activity in the town.

5.2.14. Operators indicate that they frequently deny business during the week, particularly during the peak summer season. For some establishments, this can be substantial. Overall however, the level and frequency of weekday denials is much less than on Friday and Saturday nights. As at weekends, guesthouse and B&B operators may choose to turn business away for reasons other than being fully booked.

Prospects for 2014

5.2.15. The Adur & Worthing guesthouse and B&B owners that we spoke to were generally very positive about the prospects for their business in 2014. Most expect to maintain, if not slightly improve their current occupancy levels. Some expressed concern about the loss of the England National Bowls Championships from the town in 2014. The general consensus was that there is limited scope for guesthouses and B&Bs to increase their room rates next year. Owners consistently highlighted the need to be highly competitive on price, particularly given their increasing reliance on online travel agents for bookings, through which the customer can readily compare prices.

5.3. Sector and Comparator Destination Development Trends

5.3.1 The last 20 years have seen a continuous improvement in the quality of guest houses and B&Bs in the UK, particularly in terms of the provision of en-suite bathrooms. Existing operators and new entrants have responded to rising customer expectations. It is now rare to find guesthouses and B&Bs that are not fully or mostly en-suite.

5.3.2 An emerging trend in some seaside resorts in South East England is the development of boutique B&Bs, offering luxury bedrooms and bathrooms that feature contemporary interior design; high quality, locally sourced breakfasts; and in some cases spa treatments. Examples include:

- Black Rock House, Hastings www.hastingsaccommodation.com
- Hastings House, St Leonards-on-Sea www.hastingshouse.co.uk
- The Cloudesley, St Leonards-on-Sea www.thecloudesley.co.uk
- Stay 2a, Folkestone www.stay2a.com
- The Relish, Folkestone www.hotelrelish.co.uk
- The Reading Rooms, Margate www.thereadingroomsmargate.co.uk

5.4 Sector Development Potential in Adur & Worthing

5.4.1 Our research suggests that there is a case for retaining existing guesthouses in Worthing. Demand for this form of accommodation is currently strong in the town and there are clear shortages between May and September. With good prospects for growth in contractor business as the major regeneration schemes are progressed, and growth likely in demand from people attending weddings and family parties or visiting friends and relatives in the town as the local population increases, further losses in supply can only exacerbate these shortages. There may however be a case for allowing some poorer quality and less well located guesthouses to exit the market, particularly given the difficulties that existing and prospective new guesthouse owners face currently in terms of securing bank finance for improvements or guesthouse purchase. In the current financial climate there is a limit to how long guesthouse owners can be expected to continue to operate establishments of deteriorating quality that they are unable to find a buyer for. Any such losses of guesthouse stock can be controlled through the application of the visitor accommodation retention policy in the Sustainable Economy SPD. Our research suggests a need for some flexibility in the application of this policy at present until the guesthouse property market strengthens.

5.4.2 Our findings suggest that there is scope for additional guesthouses and B&Bs to open in Worthing to meet the current shortages and replace those that close.

5.4.3. The case for retaining existing guesthouses and encouraging additional supply in Worthing may be weakened by the opening of a Premier Inn budget hotel in the town, which is likely to compete strongly for demand from business visitors, contractors and people visiting friends and relatives and attending weddings and family parties. Much will depend on the extent to which a new Premier Inn generates new business for the town due to the strength of its brand, national marketing, central reservations and referrals from sister hotels. This will need to be kept under review.

5.4.4. We found evidence of currently unsatisfied corporate and contractor demand for accommodation in Shoreham-by-Sea, which looks likely to grow in the future. Some of this demand could be met by additional guesthouse and B&B supply here, which may also be able to meet demand from people visiting friends and relatives and attending weddings and family parties and cater for people that want to visit Brighton at weekends. The opening of a budget hotel in the town could however weaken the potential for additional guesthouse and B&B provision.

5.4.5. There will be a need to encourage the continual upgrading of existing guesthouses and B&Bs and to encourage new operators to provide the highest quality of accommodation that they can, to meet constantly rising customer expectations. Most guesthouse and B&B operators seem to recognise this. Justifying investment can however be difficult given the level of income that a guest house or B&B operation can generate. A lack of capital funding and the current difficulties in securing bank borrowing to fund upgrading were identified by a number of the guesthouse and B&B owners that we spoke to as holding back improvements that they would like to make.

5.4.6 There could be scope for the upgrading and repositioning of some guesthouses and B&Bs in Worthing as 5 star and boutique B&B accommodation and potential possibly for new establishments to open at these levels. This may be the most realistic option for achieving a higher quality, more contemporary accommodation offer in Worthing. Such establishments could also have potential in Shoreham-by-Sea.

5.4.7. The Tourism Action Plan identifies families as a potential target market for staying visits, using Worthing and Shoreham as a base for visiting Brighton and the surrounding area. This is likely to require further guest accommodation with family rooms and suites. While we have not researched the current provision of such rooms, we suspect that few guesthouses and B&Bs are currently able to adequately meet the needs of the family market. The opening of a Premier Inn is likely to lessen the need for guesthouses to cater for families however; as such a hotel would provide a popular and highly cost effective accommodation solution for this market.

5.4.8 There could be scope for farmhouse B&Bs in the rural parts of Adur & Worthing that fall within the South Downs National Park if farming families here wish to provide such accommodation. Our research has not included any investigation of interest in such opportunities from farmers however.

6. OTHER TYPES OF VISITOR ACCOMMODATION

6.1. Holiday Flats, Apartments and Self-Catering Accommodation

Current Supply in Adur & Worthing

6.1.1. Our research has identified 25 self-catering properties in Worthing, with a total of 107 bedspaces and 11 properties in Adur with 68 bedspaces.

ADUR & WORTHING – CURRENT SUPPLY OF HOLIDAY FLATS, APARTMENTS & SELF-CATERING ACCOMMODATION – DECEMBER 2013

Standard	Worthing	Adur	Adur & Worthing
Luxury			
Establishments		1	1
Units		1	1
Bedspaces		12	12
4 Star			
Establishments	4	2	6
Units	4	2	6
Bedspaces	22	17	39
3 Star			
Establishments	6		6
Units	6		6
Bedspaces	23		23
Ungraded			
Establishments	15	8	23
Units	15	8	23
Bedspaces	62	39	101
TOTAL			
Establishments	**25**	**11**	**36**
Units	**25**	**11**	**36**
Bedspaces	**107**	**68**	**175**

6.1.2. In Worthing the self-catering supply is split between Worthing, Ferring and Goring-by-Sea, with properties also in West Worthing and Salvington. In Adur the self-catering supply is all located in Shoreham-by-Sea, Shoreham Beach and Shoreham Harbour.

6.1.3. The Adur & Worthing self-catering supply is a mix of 4 star, 3 star and ungraded properties. The only luxury/ boutique self-catering property in the area is The Wow Beach & Pool House at Shoreham Beach www.thewowhousecompany.co.uk/properties/thebeachhouse

ADUR & WORTHING – HOLIDAYS FLATS & SELF-CATERING ACCOMMODATION – DECEMBER 2013

Establishment	Grade[1]	Units	Bedrooms	Bedspaces	Letting Agency
Worthing					
Worthing					
Sussex Seaside Flat	4 star	1	2	4	
Aldine Holiday Flat	3 star	1	1	2	
Heene Court Mansions	3 star	1	1	4	Sykes Cottages
Knightsbridge House	3 star	1	2	4	
Navarino Flat	3 star	1	2	4	
Bradley House	n/a	1	3	4	
Christ Church Hall	n/a	1	1	2	
Fisherman's Cottage	n/a	1	2	4	
Heene Terrace	n/a	1	1	4	Worthing Holiday Lets
Heene View	n/a	1	1	2	
Seaside Studio Apartment	n/a	1	1	2	
Southcourt	n/a	1	1	5	Worthing Holiday Lets
The Beach House	n/a	1	1	4	Worthing Holiday Lets
West Beach Apartment	n/a	1	2	7	Worthing Holiday Lets
Wilmington Court	n/a	1	2	4	
Worthing Beach Apartment	n/a	1	1	6	Worthing Holiday Lets
Worthing Beach Apartments	n/a	1	2	4	
Salvington					
The Old School House	n/a	1	3	6	Cottages 4 You
West Worthing					
Holiday Bungalow	3 star	1	2	4	
Goring-by-Sea					
37 Harwood Avenue	4 star	1	2	4	
Seascape	n/a	1	2	4	
Ferring					
Dolphins	4 star	1	3	6	
Supetsa	4 star	1	3	8	Cottages 4 You
The Glade	3 star	1	3	5	Cottages 4 You
Hollands Cottage	n/a	1	2	4	
Adur					
Shoreham-by-Sea					
The Wow Beach & Pool House	Luxury	1	6	12	
Sussex Beach House	4 star	1	5	11	
The Allams	4 star	1	3	6	
Marina View	n/a	1	2	5	
Palm Tree	n/a	1	1	3	
Quay Duplex	n/a	1	4	9	
Shoreham Beach House	n/a	1	4	8	
Thatch Cottage	n/a	1	4	4	Best of Brighton & Sussex
The Garden Room	n/a	1	1	2	
Ocean House	n/a	1	2	4	
Water's Edge Apartment	n/a	1	2	4	Hideaways

Notes:
1. VisitBritain or holiday cottage agency grading

6.1.4. The quality of self-catering accommodation in Adur & Worthing appears to be highly variable. Self-catering properties that are listed on Tripadvisor are generally receiving positive customer reviews. A number of holiday flats in Worthing seem to offer a somewhat dated style of accommodation. Worthing Holiday Lets, established in 2011, has started to offer a more contemporary style of self-catering accommodation in the town, for which it is finding strong demand.

6.1.5. All of Adur & Worthing's self-catering supply is in single units: there are no complexes of self-catering apartments in the area. Most of the self-catering properties in Worthing are 1 or 2- bedroom units. There are also a number of 3-bedroom units, particularly in Ferring. Shoreham-by-Sea has a number of 4, 5 and 6-bedroom holiday homes and beach houses.

6.1.6. Most of the self-catering properties are independently operated and marketed. Worthing Holiday Lets manages and markets 6 properties in Worthing and will bring another two apartments on stream in 2014. National and regional self-catering agencies that have properties in Adur & Worthing are Cottages4You (Wyndham Vacation Rentals), Sykes Cottages, Hideaways and Best of Brighton & Sussex Cottages.

Changes in Self-Catering Supply Since 2008

6.1.7. Our research shows a significant increase and improvement in the supply of self-catering accommodation in Adur & Worthing over the last 5 years. In the Coastal West Sussex Hotel & Visitor Accommodation Futures Study we identified just 13 self-catering units in 2008, compared to the 36 units that we have found in 2013. Some of the more traditional holiday flats (e.g. Beccles Court Flats, Exmoor House and the holiday flats marketed by Promenade Holiday Homes) have closed, to be replaced by more modern, contemporary self-catering apartments, such as those being marketed by Worthing Holiday Lets. There has also been an increase in the number of residential apartments, cottages, bungalows and houses that are being let out as self-catering accommodation, which is possibly a reflection of the current sluggish residential property market.

Current Performance & Markets

6.1.8. As part of our research we conducted telephone interviews with 10 self-catering owners/ operators in Adur & Worthing (listed at Appendix 1) to gain an insight into the current and potential further demand for this type of accommodation in the area. These interviews showed that lettings of self-catering properties in Adur & Worthing vary considerably, ranging from 15 weeks to up to 49 weeks. Not all properties are fully available throughout the year however, which limits the letting levels that they can achieve. Most self-catering properties appear to be achieving occupancy levels of at least 50%. Occupancies for some properties are 95%.

6.1.9. Demand for self-catering accommodation is strongest during the main summer season between April and October. Most self-catering properties are fully let in July and August, with owners/ operators frequently turning business away in these months. Properties typically let for at least 2 or 3 weeks of April, May, June, September and October. The two weeks over Christmas and New Year are also a peak time, with many properties fully let for these weeks.

6.1.10. Key markets in the summer months are holiday visitors (usually staying for a week and occasionally two), people visiting friends and relatives and long stay business visitors working on projects for local companies. Other markets during these months are overseas tourists, language school teachers and the families of overseas students studying at the language schools in Worthing.

6.1.11. Outside of the main summer season self-catering properties attract demand for weekend breaks from people coming down from London and longer lets from business visitors working on projects locally. Other markets during these months are house hunters and language school teachers.

6.1.12. Trends in performance have varied in 2013. One operator reported an increase in bookings compared to 2012, three reported no change, and two indicated a decline in lettings this year. Most operators reported lower levels of denied business in 2013.

6.1.13. The beach houses in Shoreham-by-Sea and higher quality, more contemporary self-catering apartments in Worthing most consistently reported strong and growing demand.

6.1.14. In terms of anticipated future performance in 2014 most operators expect there bookings to be at a similar level to 2013. Summer demand is expected to remain strong. Some operators see scope to improve their business levels between October and April by targeting long stay corporate business and through more effective use of internet marketing channels to attract short break stays. Not all operators are willing to take weekend lets or to discount their prices for longer lets however.

Sector Development Trends

6.1.15. In terms of self-catering sector development trends, housing market conditions have a significant impact on **residential properties let as holiday accommodation**, which forms the largest proportion of the stock of self-catering holiday accommodation in the UK. The current downturn in the residential property market has resulted in a significant increase in the numbers of residential properties that have become available to rent as holiday accommodation. With lower house prices owners have become more interested in making their properties available as holiday lets than selling at a reduced price. The availability of buy-to-let mortgages on low interest rates has also fuelled growth in the supply of this type of self-catering accommodation.

6.1.16. The overall **quality** of the UK self-catering offer has improved significantly over the last 10-20 years. Customers are demanding ever higher quality and are prepared to pay for it. Many are now looking for standards of décor, furnishings, appliances and equipment that are at least as good as, if not better than, what they have at home. Customers are increasingly looking for self-catering accommodation that can deliver a ‘wow’ factor. Self-catering property owners are recognising that they can achieve increased lettings and higher prices if they offer high quality accommodation. The supply of 4 and 5 star self-catering accommodation has thus been increasing. Specific quality improvements in self-catering accommodation have included:

- High quality fitted kitchens, kitchen appliances and equipment, dishwashers and washer/dryers;
- En-suite bathrooms, luxury bathrooms and wet rooms, power showers and whirlpool baths;
- Flat screen TVs and DVD and Blu Ray players, Sky Plus TV, broadband Wi-Fi, gaming stations, iPod docks and sound systems;
- Hot tubs and saunas.

6.1.17 At the top end of the market self-catering operators have started to offer **extra services** such as the provision of meals, food hampers, private chefs and butlers for hire, daily cleaning services, beauty treatments and accepting online shopping deliveries for guests.

6.1.18 The **conversion of redundant farm buildings** to self-catering accommodation has been a key trend over the past 30 years, fuelled by the farm diversification grants and a planning policy framework that has generally supported the re-use of redundant agricultural buildings. The supply of this form of self-catering accommodation continues to grow and looks set to increase further. Farmers have converted barns as single self-catering units and in some cases as self-catering complexes of 2-5 units. There are also examples of more extensive self-catering barn conversion complexes that often include leisure facilities such as games rooms, swimming pools, gyms and tennis courts. More recent self-catering barn conversions have tended to be of a high quality, usually achieving a 4 or 5 star grading and sometimes other quality awards.

6.1.19 **Boutique self-catering** is an emerging product development trend, mirroring the development of boutique hotels, guest houses and B&Bs. This is stylish, chic self-catering accommodation that features contemporary interior design; luxury kitchens with high quality kitchen appliances and cooking gadgets; luxury en-suite bathrooms and bedrooms with feature baths; top quality beds and bed linen; and the latest TV, home entertainment and music systems. Such accommodation trades at the top end of the UK holiday market and typically commands premium prices. Examples in seaside resorts in the South East include:

- Seascape Apartment, Brighton (www.brightonholidayhomes.co.uk/properties/seascape-apartment)
- Compass House, Hastings (www.compasshousehastings.co.uk)
- Old Chelsea, St Leonard's-on-Sea (www.bramleyandteal.co.uk/holiday-cottage-east-sussex/st-leonards-on-sea-26963/)
- Sea Gem, Camber (www.seagemcamber.co.uk)
- The Restoratory, Sandwich Bay, Kent (www.uniquehomestays.com/unique/details.asp?id=2800)
- Artists' Beach House, Whitstable (www.uniquehomestays.com/unique/details.asp?id=534)

6.1.20 Letting agencies specialising in boutique self catering include:

- Unique Home Stays (www.uniquehomestays.com)
- Boutique Getaways (www.boutiquegetaways.com)
- Perfect Stays (www.perfectstays.co.uk)
- Unique Holiday Cottages (www.uniqueholidaycottages.co.uk)
- Bramley & Teal Holiday Cottages (www.bramleyandteal.co.uk)

6.1.21 Another emerging product development trend in the UK has been the growth in the supply of large '**super' cottages and holiday homes** that can accommodate parties of up to 20-30 guests. Such properties have developed to cater for the growing demand for family and friendship get togethers, celebrations, hen parties and house parties. They generally trade at the top end of the market, offering high quality, luxury accommodation. They will include large living spaces and dining areas and usually feature the latest in home entertainment systems. Some also have leisure facilities in terms of swimming pools, games rooms and snooker rooms. Examples in seaside resorts in the South East include:

- Beach Boutique, Brighton (www.brightonholidayhomes.co.uk/properties/beach-boutique)
- The Hen House, Brighton (www.crown-gardens.co.uk/properties/the-hen-house)
- The Angmering-on-Sea Beach House, Littlehampton (www.luxurybeachhouserental.com/property.php?property=Angmering_On_Sea_Beach_House&action=overview)
- Beach House, Sesley (www.uniquehomestays.com/unique/details.asp?ID=1871)
- Beach House, Mundesley, Norfolk (www.beach-house-mundesley.co.uk)

6.1.22 The development of **Access Exceptional self-catering** that is fully adapted for use by independent and assisted wheelchair users is a trend that has been very slow to develop in the UK, particularly given the growing numbers of wheelchair users that are looking to take holidays. Access Exceptional holiday cottages should include the following features:

- Wide doorways and corridors;
- Extra space for wheelchair users;
- Wheel-in showers, possibly with hoist rails;
- Bathrooms and toilets adapted for wheelchair users;
- Low-level kitchen counters;
- Ramps, lifts or stair lifts if needed.

Sector Development Potential in Adur & Worthing

6.1.23. Our research suggests that there is scope for additional self-catering accommodation in Adur & Worthing to meet current shortages during the main summer season and to capitalise on the expected growth in domestic and inbound overseas tourism in the UK and the potential increase in long stay corporate demand in Adur & Worthing as the local economy develops and new companies are attracted to the area.

6.1.24. The future requirement will be for high quality, modern self-catering apartments and holiday homes. Supply growth is most likely to be in terms of the letting of residential apartments and homes as self-catering accommodation. This could include serviced apartments, where the accommodation is cleaned and serviced on a nightly or weekly basis, which could appeal to the long stay corporate market. There may be potential for local self-catering and serviced apartment lettings agencies to develop further to capitalise on these opportunities.

6.1.25. There could be scope for some boutique self-catering apartments and holiday homes in Adur & Worthing and luxury/ boutique beach houses, particularly at Shoreham –by-Sea. These types of self-catering properties are finding a strong market in other seaside resorts in the South East and could develop in Adur & Worthing.

6.1.26. There may be potential for some large 'super' holiday homes in Adur & Worthing to cater for the growing demand for family and friendship get togethers and celebration breaks for large parties. There is very little of this type of self-catering accommodation in the area at present.

6.1.27. There might be an opportunity for some 'Access Exceptional' self-catering provision in Adur & Worthing. As far as we have been able to establish there is no fully accessible and adapted self-catering accommodation in the area. This is a niche market however, so significant new supply is not warranted.

6.1.28. In the rural parts of Adur & Worthing/ the South Downs National Park there may be opportunities for the conversion of redundant agricultural buildings to self-catering accommodation. We have not however undertaken any research to assess if there are any farmers in these locations that would be interested in developing such accommodation.

6.2. Touring Caravan and Camping Sites

Current Supply in Adur & Worthing

6.2.1. Current provision for caravanning and camping in Adur & Worthing comprises the Northbrook Farm Caravan Club site in Worthing and three 5-van certificated sites in Adur (two certificated by the Caravan Club and one by the Camping and Caravanning Club). Further afield there are 3 touring caravan and camping sites at Littlehampton – the Littlehampton Caravan Club site (116 pitches), Daisyfields Touring Park (80 pitches) and Acorns campsite (14 pitches) – and one site at Washington to the north of Worthing – Washington Caravan & Camping Park (21 touring caravan pitches and 80 tent pitches).

ADUR & WORTHING - TOURING CARAVAN & CAMPING SITES – DECEMBER 2013

Site	Grade	No. Pitches
Worthing		
Northbrook Farm Caravan Club Site	4 star	79
Adur		
Church Farm, Coombes	CL	5
Lancing Fruit Farm, Lancing	CL	5
The Barn Caravan Park, Lancing	CL	5

6.2.2. Northbrook Farm was open from 22 March to 4 November in 2013. The Church Farm CL site at Coombes operates from Easter to October. The Barn Caravan Park and Lancing Fruit Farm CL sites are open all year.

Changes in Supply

6.2.3. The Caravan Club's lease on the Northbrook Farm site comes to an end in March 2015. The Club has been trying to negotiate a new lease with Worthing Borough Council for a number of years. Its proposal to extend the use of the caravan storage compound to year-round operation and to continue to operate the touring element from March to November was rejected by the Council in 2012. With this uncertainty about whether the Borough Council will grant a new lease the Club has not invested in the site for some time and it has consequently deteriorated in terms of quality, to the point where its toilet and shower block is now no longer in use. The Caravan Club advised us that they would be prepared to invest at least £1million in the site to improve the standard of all facilities to match the demands of modern caravanners, if they can secure a long (50-year) lease from the Council.

6.2.4. The Barn Caravan Park in Lancing was granted planning permission in July 2013 to increase to 25 pitches. The new pitches will be ready for the 2014 season. The owners may install electric hook up points and develop some hard standing pitches if they feel that there would be sufficient demand into the winter.

Current Performance & Markets

6.2.5. The lack of investment in the Northbrook Farm site and deterioration in the quality of the site has resulted in a significant decline in the site's pitch occupancy, from around 50% in 2010 to 40% in 2012. Weekend demand remains strong but midweek pitch occupancies have reduced.

6.2.6. Research that we have recently completed in East Sussex (for Rother District Council) showed strong demand for good quality touring caravan and camping sites at weekends between May and September and during the week in July and August, at Easter and for the May half term school holiday week. Most of the sites that we spoke to were consistently full and turning business away at these times when the weather was good. Pitch occupancies, particularly during the week, are lower at the beginning and end of the season in March, April and October. Sites attract some weekend business in these months however. Most of the site operators that we spoke to felt that there would be insufficient demand to justify winter opening.

6.2.7. The three CL sites in Adur reported high demand between March and September when the weather is good. They frequently fill and turn caravanners and campers away at weekends and during the Easter, May half term and summer school holidays. Winter business is limited for the two sites that are open year-round. The strongest market for the CL sites is weekend break customers coming to visit Brighton or Worthing. Much of this business comes from the local area or London. It includes some kite surfers and watersports enthusiasts together with some people that are visiting friends and relatives for the weekend. The CL sites also attract some demand for 1 and 2 week holiday stays in the summer and pick up some business from Dutch, German, French and Scandinavian tourers. One site also caters for Duke of Edinburgh Award groups.

Sector Development Trends

6.2.8. The focus of product development in the UK touring caravan and camping sector has been primarily on the **upgrading** and development of existing sites and the **extension of opening periods**, rather than on new site development. Where new sites have been developed they have generally been relatively small sites. Planning constraints impose a significant barrier on the development of large new touring caravan and camping sites in many parts of the UK, particularly for schemes that involve new buildings and/or winter caravan storage. Achieving commercially viable large touring caravan and camping site development projects is also very difficult. The Caravan Club and Camping and Caravanning Club are the main operators that have opened large new sites. They are motivated more by providing additional choice for their members than entirely commercial considerations. The Camping and Caravanning Club is continually looking for opportunities for new club sites. Sites associated with visitor attractions and leisure and sports facilities are of particular interest, for example a recent club site opening has been at the Gulliver's Kingdom theme park in Milton Keynes. The Caravan Club has acquired established touring parks in a number of locations and upgraded and developed them into new club sites. These have included sites in West Sussex, Cheshire, Lincolnshire and Scotland. The Caravan Club also opened entirely new club sites in Barnard Castle in County Durham in 2010 and Bridlington, East Yorkshire in 2011.

6.2.9. Both the Caravan Club and the Camping and Caravanning Club are investing substantially in improving their sites. The Caravan Club has so far invested over £90 million in site development and acquisition over the last 10 years, while the Camping and Caravanning Club embarked on a 5-year, £29 million investment programme in 2009 to position its site network amongst the best in the UK by 2015.

6.2.10. Many independent touring caravan and camping parks are also investing in improving and developing their sites and facilities. The sorts of investments that are being made include the following:

- The installation of electric hook-up points;
- The development of hard standing pitches, which allow winter use by tourers and motor homes;
- The development of fully serviced pitches with water and drainage connection;
- Investment in site infrastructure e.g. drainage, roads, lighting, signage, entrances;
- Improvements to landscaping and site layouts;
- Better quality, heated toilet and shower blocks;
- New laundry facilities;
- Leisure facilities e.g. games rooms, saunas, gyms, internet rooms;
- The development of children's play areas and improvements to existing play areas;
- Catering operations;
- On-site shops;
- Installation of Wi-Fi;
- Improved access and facilities for disabled guests;
- The introduction of camping pods and glamping units.

6.2.11. The **'greening' of touring caravan and camping parks** in terms of promoting biodiversity, reducing environmental impact and encouraging guests to engage in environmentally sustainable activities has also been a key trend in the sector that looks set to continue. Examples include investing in environmentally sustainable technologies for electricity generation, water heating and waste recycling; promoting bio-diversity through creating wildlife areas and planting to encourage butterflies and bees; and providing nature and orienteering trails, cycle hire and wildlife watching activities.

6.2.12. The other key development trend in the sector has been the **lengthening of the season** with many site operators now wanting to operate over a longer period and increasing numbers of sites looking to stay open throughout the year. The higher specifications of today's touring caravans and motor homes is resulting in growing numbers of owners wanting to use their caravans and motor homes throughout the year. Sites are increasingly investing in hard standing pitches to enable them to cater for this demand. Planning restrictions have not necessarily kept pace with this market demand, underpinned by concerns about permanent residential use.

6.2.13. The recession, together with innovations in easy-to-erect tents and camping equipment, have stimulated **strong growth in demand for camping** in the UK, despite the poor summer weather in 2011 and 2012. In a recent survey undertaken by Campsites UK 23% of campers indicated that the current economic climate had made them more likely to choose a camping holiday in the UK in 2013 and nearly two thirds said that wet weather would not force them to pack up and go home.

6.2.14. Another emerging trend is the development of **eco camping** sites. These are small, low impact, environmentally friendly, off-grid camp sites with solar or wind powered showers and eco/ compost toilets. They often have a central campfire area and/or allow campers to have their own campfires. Some sites offer secluded and isolated pitches for individual camping. Sites may have wildlife areas and some offer nature study and environmental activities and courses. Examples are Cerenity Camp Sites in Cornwall (www.cerenetycampsite.co.uk) and Comrie Croft in Perthshire (www.comriecroft.com/sleep/eco-camping.html). In some cases eco camping sites also offer glamping units or glamping sites have opened eco camping sites.

6.2.15. **Camping pods** were first introduced in the UK at the Eskdale Camping & Caravanning Club site in the Lake District in 2008. These are wooden tents made from locally sourced timber and insulated with sheep's wool. They have hard foam floors, French windows, wooden decking areas, heaters and electric lighting. Each pod sleeps 4 people. The Eskdale site has 10 pods priced at £42.75 per night. They have proved extremely popular and have even attracted demand during the winter. The Camping and Caravanning Club has now introduced camping pods and dens at its club sites in Bellingham, Northumberland; Hayfield in the Peak District; Ravenglas in Cumbria; Skye; Gulliver's Kingdom at Milton Keynes; and Thetford Forest www.campingandcaravanningclub.co.uk/ukcampsites/club-glamping/camping-pods. Newfoundland Leisure Lodges, the company that manufactured the pods for these sites reports huge interest in the concept, which is rapidly developing throughout the UK. The company has now supplied camping pods to over 70 sites across the country. The YHA has introduced camping pods alongside its hostels at Reeth in the Yorkshire Dales and Hawkshead in the Lake District. The National Trust is another organisation that has started to offer camping pods at three sites in the Lake District, Clumber Park in Nottinghamshire and a site in Northern Ireland www.nationaltrust.org.uk/holidays/camping/camping-pods .

Sector Development Potential in Adur & Worthing

6.2.16. Our research has shown market potential for, and Caravan Club interest in, the continued operation and upgrading of the Northbrook Farm touring caravan site. The Caravan Club advised us that they would be prepared to invest a substantial amount of money to bring the site back up to modern standards and meet the requirements of their members, if they can secure a 50-year lease from Worthing Borough Council. The Northbrook Farm site is clearly a significant contributor to the local economy. The Caravan Club estimates that the site is currently contributing around £220,000 per annum to the local economy and with investment believes that this figure could easily increase to at least £500,000 per year. Its closure will thus result in a significant economic impact locally.

6.2.17. Our research suggests that there could be scope for additional small-scale caravanning and camping provision in the rural parts of Adur & Worthing/ the South Downs National Park in terms of:

- Additional certificated sites, particularly on farms;
- Small touring caravan and camping sites;
- Eco camping sites;
- Small camping pod operations.

6.2.18. As far as we have been able to establish there are no sites available in Adur & Worthing for the development of a large touring caravan and camping park.

6.2.19. The Barn Caravan Park will increase to 25 pitches in 2014 and may put in electric hook up points and hard standings. Neither of the other two certificated sites in Adur have aspirations to develop further.

6.2.20. Given a suitable site there could be an opportunity for a surfing pod development at Shoreham or Lancing Beach along the lines of the Atlantic Surf Pods sites at Bude in Cornwall (www.atlanticsurfpods.co.uk), subject to environmental considerations.

6.2.21. There could be scope for the conversion of a redundant agricultural building in the South Downs National Park to a camping barn or bunkhouse accommodation for groups, particularly walking groups on the South Downs Way. Such accommodation could also attract demand from cycling groups and groups coming for watersports. Our research has not included any work to investigate potential interest in such an opportunity from local farmers. Care should be taken in encouraging such a project as it can be difficult to make a commercially viable case for the development of a camping barn or bunkhouse accommodation. Environmental considerations would also need to be taken into account.

6.3. Glamping

6.3.1. A key trend in recent years has been the rapid growth of luxury camping or 'glamping' (glamorous camping) offers, in terms of ready-erected, fully-equipped tents, yurts, tipis and other unusual forms of camping and caravanning accommodation such as geodesic domes, gypsy caravans, retro caravans, safari tents, glamping cabins and tree camping. These types of accommodation have proved to be highly popular with more affluent families that want to experience camping holidays but without the hassle of having to bring their own tents and camping equipment. As a new form of accommodation they have attracted significant media coverage and wherever they have opened such accommodation operations have quickly attracted strong demand. Go Glamping (www.goglamping.net), the leading online directory of luxury camping sites, now lists 174 locations in the UK. Appendix 4 provides further information on the types of luxury camping product that have developed in other parts of the UK. Given the strength of demand for these types of accommodation there could be scope for some provision in the rural parts of Adur & Worthing/ the South Downs National Park.

6.4. Holiday Parks

6.4.1. There is only one holiday park in Adur & Worthing – Beach Park at Lancing (formerly the Golden Sands Holiday Park). It has 40 plots for privately owned holiday homes. The majority of these are occupied by static caravan holiday homes. Some holiday lodges have also been introduced. The site is restricted by its planning permission to an 8-month operating period.

6.4.2. The owners of the holiday park advised that the last few years have been a difficult trading period for holiday home sales during the recession, which was made even worse in 2013 with the introduction of the 5% VAT charge on new caravan holiday homes. There has been a stronger market for pre-owned caravans.

6.4.3. The performance of Beach Park is broadly in line with the national picture. Colliers International's Caravan Park Sector Review for 2012 reported a largely stable trading performance for the UK holiday park sector for the last 3 years. Holiday parks that have invested to improve their facilities have generally retained holiday home owners. The volume of static caravan sales in 2012 was broadly in line with 2011 although sales of new caravans were down compared to demand for pre-owned holiday homes. The caravan holiday home rental market grew strongly in 2012 and looks set to grow further in 2013. Some holiday parks found it more of a challenge to maintain their level of occupied plots. Owner retention and recruitment and caravan sales performance is closely related to the strength of location, the quality of holiday parks and how proactive the operator is in terms of their approach to sales and marketing. The requirements and expectations of caravan holiday home owners and hirers are continually increasing. Holiday parks that fail to invest are likely to struggle to compete in the future. Continued investment in Beach Park will thus be needed to ensure the future success of the site.

6.4.4. The owners of Beach Park indicated that they might be interested in opening over a longer season, and possibly year-round, if they would be allowed to do so. There may also be scope for the owners to consider introducing holiday homes for rental to holidaymakers and possibly kite surfers and watersports enthusiasts.

6.4.5. Holiday parks often face pressure from residential use of holiday homes. Bona fide holiday park operators are generally keen to deter such use, but it can be difficult to control, although the planning system endeavours to regulate this, usually through an enforced period of closure, as is currently the case for Beach Park. It is however possible to control residential use of holiday parks by requiring park operators to provide evidence from holiday home owners of a permanent residence elsewhere. Applying such a condition to Beach Park would allow the site to operate over a longer season and possibly year-round, as the owners have indicated they might wish to do.

6.5. Hostel Accommodation

6.5.1. The YHA has a youth hostel at Truleigh Hill to the north of Shoreham-by-Sea. They have no plans to develop another hostel in the area.

6.5.2. Planning permission has been granted for the change of use and alterations to a partially built building on Beach Green in Lancing to provide a water sports centre with an 8-bed hostel, café and residential flats above. The hostel should attract demand from kite surfers and watersports enthusiasts that typically require fairly basic, budget-priced accommodation. It may also assist local kite surfing schools in developing business from groups that may be looking for lessons, courses and experience days. There could also be demand from walking and cycling groups and possibly school groups. The aviation school at Shoreham Airport may also be able to make use of this accommodation for some trainees.

7. CONCLUSIONS & RECOMMENDATIONS

7.1 Identified Accommodation Development Potential

7.1.1 The Adur & Worthing Hotel & Visitor Accommodation Futures Study identifies market potential for the development of a wide range of different types of visitor accommodation across Adur & Worthing to meet current shortages at peak times during the summer; satisfy demand for more contemporary accommodation products; and capitalise on the potential growth in terms of contractor demand, corporate business, demand from people attending weddings and family parties and visiting friends and relatives locally, and possible growth in leisure break and overseas tourist demand as these markets grow nationally and given the development of a stronger leisure tourism offer in Worthing and Shoreham-by-Sea. Demand for accommodation is likely to remain highly seasonal and price competitive, impacting on the ability of many accommodation businesses to maintain, let alone increase their profits. This suggests a requirement for incremental growth in accommodation supply and a focus on high quality, modern accommodation offers that can generate new business, in order not to dilute the out of season market and significantly undermine the viability of existing accommodation businesses.

7.1.2. Our research shows the following potential opportunities for the development of different types of visitor accommodation in Adur & Worthing:

Hotels

- The redeveloped Beach Hotel on Worthing seafront is due to open in 2015, at this stage either as a 76-bedroom hotel with spa and restaurant (as already consented) or as an 81-bedroom hotel without the basement spa (if the current planning application to alter the specification for the hotel is approved and Roffey Homes' negotiations with a national hotel chain are progressed).
- Premier Inn still has a stated requirement for an 80-bedroom hotel in Worthing
- Other national budget/ limited service hotel operators might be interested in a hotel operating opportunity as part of one of the major regeneration schemes, most likely on a franchise basis, although this is likely to present a challenge to fund.
- There may be scope for a small, upmarket boutique hotel in Worthing, possibly through the repositioning of an existing small hotel or large guest house.

- The Burlington on Worthing seafront may proceed with its proposed bedroom extension and spa development.
- There is a need for the existing hotels in Worthing to modernise their offer to meet customer expectations and compete with the new hotels that open in Worthing. The Ardington and Chatsworth are already progressing investment plans to meet this requirement.
- In the rural parts of Worthing/the South Downs National Park there could be market potential for the Worthing or Hill Barn Golf Clubs to develop some form of hotel accommodation, subject to environmental considerations and the views of the South Downs National Park Authority.
- There would appear to be potential for a budget hotel in Shoreham-by-Sea

Pub Accommodation

- There could be scope for some additional pub accommodation provision in Worthing, Shoreham-by-Sea and Lancing.
- There is a need for some existing pub accommodation establishments to upgrade the quality of their guest bedrooms to meet market expectations.
- There may be potential for a gastropub with boutique bedrooms in Shoreham-by-Sea.
- There could be scope for national pub companies to develop hotel bedrooms in conjunction with pub/restaurant development projects that they may progress in Worthing or Shoreham-by-Sea/ Shoreham Harbour.

Guesthouses and B&Bs

- There is a clear case for seeking to retain existing good quality, well located guesthouses in Worthing unless the opening of new budget hotels significantly erodes the demand for guesthouse and B&B accommodation in the town.
- There is scope for additional guesthouses and B&Bs in Worthing to meet current shortages and replace any that close – subject to the impact of new budget hotels that open in the town.
- There may be potential for additional guesthouse and B&B provision in Shoreham-by-Sea, again subject to the impact of a budget hotel opening here.
- There is a need for the continual upgrading of existing guesthouses and B&Bs and for new operators to provide high quality accommodation, to meet constantly rising customer expectations.

- o There may be scope for some 5 star and boutique B&B accommodation in Worthing and Shoreham-by-Sea.
- o There could be potential for guesthouses and B&Bs to develop family rooms and suites to cater for the family market.
- o There is scope possibly for farmhouse B&Bs in the rural parts of Adur & Worthing/ the South Downs National Park, if there are farming families here that wish to provide such accommodation.

Self-Catering Accommodation

- o There would appear to be scope for additional high quality, modern self-catering apartments, holiday homes and beach houses.
- o There may be potential for some serviced apartments to meet long stay corporate demand.
- o There could be scope for some boutique self-catering apartments and holiday homes and luxury/boutique beach houses.
- o There may be an opportunity for some 'super' holiday homes that can cater for large family and friends get togethers.
- o There could be potential for some 'Access Exceptional' self-catering accommodation, purpose-designed for independent wheelchair users.
- o In the rural parts of Adur & Worthing/ the South Downs National Park there may be possible opportunities for the conversion of redundant agricultural buildings to self-catering accommodation.

Touring Caravan & Camping Sites

- o There is clear market potential and Caravan Club interest in the continued operation and upgrading of the Northbrook Farm touring caravan site, subject to a new long-term lease from Worthing Borough Council.
- o There may be potential in the rural parts of Adur & Worthing/the South Downs National Park for additional small scale caravanning and camping provision in terms of certificated sites; small touring caravan and camping sites; eco camping sites; small camping pod operations; and camping barns/ bunkhouse accommodation.
- o There could be an opportunity for a surfing pod development at Shoreham or Lancing Beach.

Glamping

- There may be scope for some glamping provision in the rural parts of Adur & Worthing/the South Downs National Park.

Holiday Parks

- There will be a need for continued investment in Beach Park to meet customer expectations.
- There could be potential for the introduction of holiday homes for hire at Beach Park.
- There may be scope for Beach Park to operate over a longer season and possibly year-round, given adequate safeguards to prevent permanent residential occupation of caravan holiday homes and lodges.

Hostel Accommodation

- The development of the proposed hostel, watersports centre and café at Beach Green could help to develop the market for accommodation from kite surfers and watersports markets and may attract other group markets that may require low-cost accommodation in the Shoreham-by-Sea area.

7.2 Planning Policy & Process – Critique & Recommendations

7.2.1 Policy 5 in the Worthing Core Strategy, covering The Visitor Economy, and its supporting text adequately provide for all of the hotel and visitor accommodation development opportunities and requirements that we have identified market potential for in this updated Hotel & Visitor Accommodation Futures Study. The specific hotel and visitor accommodation development opportunities that are set out in the supporting text are those that were identified in the 2008 Coastal West Sussex Hotel & Visitor Accommodation Futures Study. This update has confirmed that these opportunities still exist, as few of them have been taken forward in the last 5 years as a result of the economic crisis and recession. With signs of the economy now beginning to recover it is more likely that hotel and visitor accommodation development activity with restart. The identified opportunities will thus need to be revisited periodically over time.

7.2.2. It is appropriate to focus hotel development on the town centre and seafront, where it can contribute most to regeneration and economic vitality. National guidance also supports this approach and the sequential test provides a tool to achieve this objective. With more than sufficient potential hotel sites in the town centre and on the seafront, the Council has a strong case to resist hotel development in other parts of the Borough that might undermine the potential to secure hotels in these priority locations.

7.2.3. The Borough Council clearly sets out its criteria for assessing planning applications that propose the loss of visitor accommodation in the Sustainable Economy SPD. We consider these criteria to be an example of best practice: they clearly set out exactly what evidence applicants are expected to provide to support a change of use application. This 2013 study provides clear evidence that there is an ongoing case for seeking to retain visitor accommodation in Worthing to:

- Meet current shortages at peak times in the summer;
- Meet likely future growth in demand from the contractors and local corporate markets and demand from people attending weddings and family parties and visiting friends and relatives in the town;
- Maintain support for town centre and seafront vitality and regeneration in terms of spending by hotel and guesthouse guests in town centre and seafront pubs, bars, restaurants, cafes and shops
- Provide the town with a sufficient base of accommodation to allow the future development of leisure tourism stays.

7.2.4. There are however two factors that suggest a need to allow some flexibility in applying the policy to hotels and guesthouses:

- The opening of the redeveloped Beach Hotel and possibly another budget hotel as part of one of the major regeneration schemes (depending on what happens with the Beach Hotel) are likely to result in a substantially more competitive serviced accommodation market in Worthing, which might challenge some of the town's existing hotels and guesthouses. Hotel performance in Worthing remains seasonal and is not particularly strong at present, with hotels only occasionally turning business away during the peak summer months. The introduction of additional hotel bedrooms to the town's serviced accommodation supply could dilute the Worthing hotel and guesthouse market at off peak times and increase price competition. This could erode the income and profit levels of existing hotels and guesthouses, possibly threatening their future viability. Much will depend on how many new hotel bedrooms are opened, how quickly they come on stream and the extent to which new hotels generate new business for the town and how quickly the Worthing hotel market grows.

- The hotel and guesthouse property market has been depressed for the last 5 years, largely as a result of the difficulties that prospective purchasers have faced in securing bank finance to fund acquisitions. If this situation persists for many more years hotel and guesthouse owners that are trying to sell their properties are likely to face ongoing challenges in finding buyers. There is a limit to how long such owners can be expected to continue to operate hotels and guesthouses of a deteriorating quality in these circumstances. There will come a point when hotels and guesthouses deteriorate to such a point where they have no viable future and where their continued operation contributes very little to the town's economy and possibly starts to undermine the town's reputation as a visitor destination. This appears to have been the case with the Cavendish Hotel on the seafront.

7.2.5. The Borough Council will also need to consider how the visitor accommodation retention policy should be applied to the Northbrook Farm Caravan Club site. If rigorously applied, the Borough Council should be seeking to find a long term solution to the continued operation and upgrading of this visitor accommodation business, particularly when the Caravan Club is saying that it is prepared to invest substantially in the site if it can secure a long lease from the Borough Council.

7.2.6. Draft Policy 26 in the Revised Draft Adur Local Plan 2013 covering The Visitor Economy supports the development of visitor accommodation in the Built Up Area. The supporting text to this policy can usefully be updated to include the findings of this study in relation to hotel and visitor accommodation development opportunities in Adur. The study identifies potential market potential for some small-scale visitor accommodation development in Adur’s countryside in terms of farmhouse B&Bs, self-catering barn conversions (which Draft Policy 13 would allow), small-scale provision for touring caravanning and camping, and possibly some glamping units. The Council may therefore wish to consider amending Draft Policy 26 to make provision for these forms of visitor accommodation outside the Built Up Area, subject to meeting environmental impact and traffic management criteria.

7.2.7. Draft Policy 24 seeks to protect and enhance existing employment sites and premises, including Shoreham Airport. Depending on whether a hotel is viewed as an employment use, this policy could preclude hotel development at the Airport, which could be a good location for a new hotel and where a hotel may be able to support the development of other employment uses. The Council may therefore wish to consider how a hotel planning application at the Airport might be viewed against this policy and amend or clarify it if required.

7.2.8. The Western Harbour Arm of Shoreham Harbour could be an appropriate location to meet the identified market potential for a budget hotel in Shoreham-by-Sea. The Development Brief identifies a hotel as an appropriate use to be considered here as the location develops as a destination. There are however other locations where a new budget hotel could come forward e.g. Ropetackle North, Shoreham Airport, New Monks Farm. One of our consultees also suggested that a hotel use should not be a priority at the Western Harbour Arm, given the challenges that the Council faces in bringing forward other uses here. The Council may therefore need to review how far it might wish to encourage a hotel to be developed at the Western Harbour Arm.

7.2.9. Informed by emerging evidence and reflecting the position being taken in Worthing, it is expected that a nil charge will be set for hotel and visitor accommodation development schemes within the Adur Community Infrastructure Charging Schedule when it is progressed and published for consultation.

7.2.10. We see no particular need for a visitor accommodation retention policy in Adur. The priority here is to encourage additional accommodation provision. A retention policy could put prospective accommodation operators off from applying for change of use permission for residential properties if they will not subsequently be able to revert to a residential use at a later stage e.g. at retirement.

7.2.11. We see no clear need to allocate sites for hotel development in Adur or Worthing. There are more than sufficient good hotel sites available in both locations to meet the identified market potential for additional provision. Hotel development can thus be left for the market to determine, without the need for Council intervention in terms of site allocation.

7.2.12. The Hotel & Visitor Accommodation Futures Study suggests potential opportunities for the development of a number of different types of visitor accommodation in those parts of Adur & Worthing that fall within the South Downs National Park, although the potential interest of farmers and land owners in developing such forms of accommodation has not been researched. These opportunities need to be communicated to the National Park Authority for its consideration in the drafting of the South Downs National Park Local Plan.

7.3 Other Requirements for Public Sector Intervention and Support

7.3.1 In addition to a positive planning policy framework there are other roles that Adur & Worthing Councils and their public sector partners can play to more proactively support the development of the hotel and visitor accommodation sector in the area.

Disseminating the Study Findings

7.3.2 The 2013 Hotel & Visitor Accommodation Futures Study includes a lot of information that can be used to encourage and support the upgrading and development of existing hotels and visitor accommodation businesses in Adur & Worthing and the development of new accommodation. It will be important to ensure that the study findings and the information in the report are shared fully with existing and prospective new accommodation business operators. This could usefully be achieved by reconfiguring the information in the report into a series of Accommodation Development Fact Sheets for specific types of visitor accommodation that can be made available online to download. The alternative would be to make the report, or an edited version of it, available to interested parties. This would certainly be much quicker and cheaper to achieve.

7.3.3. The availability of the Fact Sheets or full report will need to be publicised to the following audiences:

- Existing accommodation businesses – and in particular those that have contributed to the research;
- National, regional and local accommodation operators that might be interested in acquisition and development opportunities in Adur & Worthing;
- Farmers and other land owners in the rural parts of Adur & Worthing;
- Pub landlords, breweries and pub companies;
- Commercial property agents;
- Local banks and other funding institutions to help encourage a more positive approach to financing hotel and guesthouse upgrading projects.

7.3.4. There would also be merit in PR activity to publicise the availability of the fact sheets or report in local press and media.

7.3.5. It will also be important to ensure that all of the relevant Council officers and members receive a copy of the report, or are made aware of it, and to share the report's findings with other relevant public sector bodies including the South Downs National Park Authority, the Coastal West Sussex Partnership and Coast to Capital LEP, and with Tourism South East.

7.3.6. As part of this dissemination process there could be merit in some presentations of the study findings to hotel and visitor accommodation business owners and managers, Council officers and members and other public sector bodies.

Tailored Business and Quality Improvement Support for Accommodation Businesses

7.3.7. The provision of tailored and targeted business support and quality improvement initiatives could be beneficial for existing and prospective visitor accommodation operators and could contribute to capitalising on the visitor accommodation development opportunities across Adur & Worthing. Other destinations have successfully provided support, often through securing government and EU funding, in terms of:

- Business advice visits from suitably qualified and experienced advisers;
- Training seminars and workshops;
- Business advice surgeries;
- Business mentoring programmes;
- Business networking opportunities;
- Quality awareness days;
- Quality awards schemes;
- Walkers and cyclists welcome programmes;
- Grants or other forms of financial assistance.

7.3.8. Key requirements for advice and training for accommodation operators are most commonly to do with marketing, especially e-marketing. A number of the guest houses and B&Bs that we interviewed identified a lack of finance as holding back improvements that they would like to make to their facilities. Grants or other financial assistance are likely to be welcomed by these operators. Awards schemes have been shown to be effective in other destinations as a means of encouraging higher standards.

7.3.9. The suggested Accommodation Development Fact Sheets, if produced, would provide a useful tool to support business advice and quality improvement work. They could be further developed to include specific advice on marketing and legal requirements and could be enhanced with case studies. Tourism South East has a lot of useful material that can potentially be drawn on.

7.3.10. Work in these areas could perhaps be progressed in partnership with neighbouring local authorities and other bodies, such as Tourism South East, with a view to securing funding from external sources.

Developing the Corporate Market

7.3.11. The corporate market is the primary source of midweek business for hotels and guesthouses in Adur & Worthing. Recovery and renewed growth in this market is vital therefore to the future prosperity and viability of existing hotels and guesthouses and will be key to supporting new hotel and guesthouse development. This will require work to progress office and business park development projects and attract occupiers that will generate strong demand for accommodation. This will include regional, national and international bases for companies in sectors such as financial and business services, advance manufacturing, digital technology, pharmaceuticals, telecoms and environmental technology. Training centres can also be productive in terms of generating demand for accommodation, while call centres produce very little demand.

Developing Leisure Break Business

7.3.12. Our research findings suggest that Worthing's current leisure tourism offer motivates only limited leisure break business for the town's hotels and guesthouses. The Tourism Vision & Action Plan identifies that developing Worthing as a visitor destination is a considerable challenge given the current uncompetitive leisure tourism product of the town. It identifies developing a visitor product that will motivate visits and encourage longer stays as a key pillar of activity alongside events development, improving the visitor experience and promotion, but includes no suggestions for product development that will achieve a step change in Worthing's appeal as a leisure break destination.

7.3.13. From the accommodation industry's point of view the priority is off peak business outside the peak summer months. This suggests requirements for:

- Events and festivals at off peak times and that can be staged indoors during cold and wet weather e.g. food and drink events; music, comedy, literary or other cultural festivals; hobby shows and conventions; indoor sport tournaments; association congresses.
- Events and festivals targeted at people that can visit at off peak times e.g. emptynesters and retired people.
- Indoor and wet weather attractions and activities for these markets.

7.3.14. Our research suggests that the strongest opportunity for accommodation businesses in Shoreham-by-Sea to attract leisure break stays is to position themselves as a base for Brighton. The development of the town's evening economy in terms of bars, restaurants and evening entertainment should be a priority here therefore, to enhance the town as a place to stay with things to do in the evening. The development of events and festivals in Shoreham-by-Sea could also generate demand for local accommodation businesses, both from those attending the event and exhibitors, stall holders and set-up crews.

7.3.15. The other product development requirement in Adur is the development of facilities at Shoreham and Lancing for kite surfing and watersports to fully capitalise on the potential to use these activities to attract staying visits to the area. This is likely to remain a small, niche market for accommodation businesses, so care needs to be taken when deciding how much resource should be devoted to its development and attraction. Research is first needed to better understand the scale and nature of the opportunities and benefits from developing this market.

7.3.16. There could also be potential for Adur & Worthing accommodation businesses to develop collection services for walkers and cyclists and walking and cycling groups using the South Downs Way and Downs Link. The Council is currently developing a Walkers & Cyclists Welcome programme for 2014 to highlight this opportunity.

7.3.17. Effective marketing of Adur & Worthing to attract leisure break customers will also be needed. With the priority for accommodation businesses being to boost off peak business and product development likely to move forward most quickly in relation to events and festival development (with the appointment of a Council Events Officer in 2014) it may be most productive to focus leisure break marketing activity on capitalising on events and festivals in Adur & Worthing, Brighton and other surrounding locations as the main motivation for a leisure break stay in Adur & Worthing.

Reviewing the Worthing Regeneration Schemes

7.3.18. Our research suggests that the scope to secure a hotel as part of one of the major regeneration schemes in Worthing is very much tied up with what happens with the new Beach Hotel. The 2013 study has shown market potential for a second budget hotel in the town in addition to the Travelodge on the seafront. Premier Inn still has a stated requirement for an 80-bedroom hotel in Worthing and as the leading UK budget hotel brand represents a strong prospect for the town, particularly given its covenant strength to enter into a fundable lease deal with a developer and its ability to fund freehold hotel development schemes itself. The company has indicated that it could be interested in being part of one of the major regeneration schemes if it could be confident of a scheme being progressed. This could include the new Beach Hotel. Other budget hotel operators expressed some interest in operating hotels in Worthing but only on a franchise basis, which developers are likely to find difficult to fund.

7.3.19. All of this suggests that the potential to secure a budget hotel as part of one of the major regeneration schemes is very much dependant on what happens with the new Beach Hotel. If this becomes a Premier Inn it is difficult to see another budget hotel being successfully incorporated into one of the regeneration schemes, given that the interest from other budget hotel operators is purely on a franchise basis. If Roffey Homes goes with another hotel chain however, Premier Inn might still be interested in progressing a hotel as part of one of the regeneration schemes, given the strength of its brand, its ability to refer business from nearby sister hotels and its stated requirement for a hotel in the town. Clearly therefore it may be necessary to review the potential to secure a hotel as part of one of the regeneration schemes once the position is clear with the new Beach Hotel.

Securing a Budget Hotel for Shoreham-by-Sea

7.3.20. Our research suggests potential for a budget hotel at Shoreham-by-Sea to meet currently unsatisfied/ displaced demand from local companies and training centres; likely future growth in demand from these markets as new companies and training centres are attracted; expected growth in demand from the contractors market as the regeneration of Shoreham Harbour and other development schemes are progressed; demand from people attending weddings and family parties and visiting friends and relatives; and overspill leisure business from Brighton. Shoreham-by-Sea has previously been a target location for both Premier Inn and Travelodge but is not on their current targets lists. The priority therefore is to present these companies with information on the market opportunity in Shoreham-by-Sea and the available hotel sites here. This could be in the form of a Shoreham-by-Sea Hotel Market Fact File compiled from the information in the Hotel & Visitor Accommodation Futures Study report. This could be enhanced and animated by a more in depth survey of local companies to fully assess the potential local corporate demand for a hotel in Shoreham-by-Sea.

7.3.21. There may also be a need to undertake some work to further investigate and prioritise the sites to put to these two companies. Our research has identified at least 5 potential hotel sites in Shoreham-by-Sea – Ropetackle North; the Quora Developments/ Morrisons scheme for the Frosts Car Sales/ Minelco Chemicals site on Brighton Road; Shoreham Airport; New Monks Farm; and possibly the Civic Centre. Ropetackle North is a live proposal that include a 70-bedroom hotel. It would seem to make sense therefore for the Council to share our research findings with the developers of this site to support them in their negotiations with hotel companies. A budget hotel might also have a good fit with the Quora Developments/ Morrisons scheme, as an alternative to the currently proposed residential apartments. There may be merit therefore is quickly progressing discussions with these developers. Both of these sites are sufficiently close to Shoreham-by-Sea town centre for hotels here to generate footfall in the evening for town centre bars and restaurants. Further discussions may also be needed with Shoreham Airport and the owners of New Monks Farm to determine their interested in putting forward hotel sites.

A Fully Informed Decision on Northbrook Farm

7.3.22. We understand that the Caravan Club's lease on the Northbrook Farm site runs out in 2015 and that Worthing Borough Council has not so far responded positively to the Club's approaches to negotiate a new long-term lease for the continued operation of the site. Our research has shown that:

- There is market potential for a good quality touring caravan and camping site in Worthing;
- The Northbrook Farm site makes a significant contribution to the Worthing economy in terms of spending in the local area by its customers, which could be increased given investment in the site, which would likely result in increased customer numbers;
- The Caravan Club is interested in continued operation of the site and would be prepared to invest around £1million to bring the site up to modern standards.

7.3.23. While we have not had any discussions with the Borough Council about the future of the Northbrook Farm site, we felt it appropriate to include these findings in our report to inform the Council's further plans for the site, particularly given the visitor accommodation retention policy in the Sustainable Economy SPD.

Keeping a Finger of the Pulse

7.3.24. There will be an ongoing need for Adur & Worthing Councils to keep track of changes in hotel and visitor accommodation supply and demand in order to ensure effective and appropriate ongoing support for the sector in terms of the assessment of planning applications for hotel and visitor accommodation development projects and changes of use and other interventions in support of the sector. The monitoring of changes in supply can be reasonably easily achieved. Monitoring accommodation performance on an ongoing basis is expensive and notoriously difficult to achieve in terms of getting accommodation operators to contribute to regular industry surveys. The periodic updating of the Hotel & Visitor Accommodation Futures Study is likely to be a more achievable way forward.

7.4 Concluding Thoughts

7.4.1. The 2013 Hotel & Visitor Accommodation Futures Study identifies opportunities for the development of a wide range of different types of visitor accommodation across Adur & Worthing and some more location specific potential. These opportunities represent a mixture of up-grading and re-positioning of existing visitor accommodation businesses, some new-build developments and possible conversion and redevelopment of existing buildings. The development of hotel and visitor accommodation can make a significant contribution to economic, tourism and employment growth in Adur & Worthing. Whilst measured and paced expansion is required, particularly in terms of the commercial impact on existing accommodation businesses, there remains a real opportunity to develop a stronger, more modern visitor accommodation product across Adur & Worthing as part of a joined up approach to the wider development of the local economy and tourism. Delivering this market potential will require action on a number of fronts – most notably in terms of the planning policies and process that provide a positive framework for accommodation development; progress on the implementation of the major regeneration schemes; some proactive work to bring forward budget hotel development; and support for the sector in terms of visitor product and events development and marketing, and focused business and if possible financial support for the upgrading and development of existing accommodation businesses.

APPENDICES

APPENDIX 1

ADUR & WORTHING ACCOMMODATION BUSINESSES INTERVIEWED

Accommodation Establishment	Location
Hotels	
Chatsworth	Worthing
Ardington	Worthing
Kingsway	Worthing
Windsor	Worthing
The Burlington	Worthing
Travelodge Worthing	Worthing
Inns/Pub Accommodation	
Grand Victorian Hotel	Worthing
The Bay	Worthing
The New Sussex Hotel	Lancing
The Bridge Inn	Shoreham-by-Sea
The Crabtree Inn	Shoreham-by-Sea
Guest Houses/ B&Bs	
The Beacons	Worthing
Merton House	Worthing
Avalon Guest House	Worthing
Manor Guest House	Worthing
The Moorings	Worthing
Camelot House	Worthing
Heenefield Guest House	Worthing
Marine View	Worthing
Olinda Guest House	Worthing
Cavatina Lodge	Lancing
The White House	Shoreham Beach
Holiday Flats/Self-Catering Properties	
Aldine House Holiday Flat	Worthing
Knightsbridge House	Worthing
Navarino Flat	Worthing
Heene Court Mansions	Worthing
Wilmington Court	Worthing
Worthing Holiday Lets	Worthing
The Bungalow	Goring-by-Sea
Ocean House	Shoreham-by-Sea
Sussex Beach House	Shoreham-by-Sea
Shoreham Beach House	Shoreham-by-Sea
Touring Caravan and Camping Sites	
Caravan Club	Head office
The Barn Caravan Park	Lancing
Lancing Fruit Farm	Lancing
Church Farm	Coombes
Washington Caravan & Camping Park	Washington
Holiday Parks	
Beach Park	Lancing

APPENDIX 2

EXTRACT FROM DCLG GOOD PRACTICE GUIDE ON PLANNING FOR TOURISM

Tourist Accommodation

1. Tourism accommodation takes many different forms, including hotels, guesthouses and bed and breakfast premises, self-catering, touring and static caravans and camping, and caters for a variety of tastes and budgets. But all are capable of bringing economic benefits to the areas in which they are located. These benefits will need to be assessed alongside other issues such as suitability of the location in terms of its sustainability.

2. The issues that will need to be addressed in considering planning applications or tourist accommodation will vary according to the type, size, and nature of the accommodation being provided. These are considered further below.

Hotel and serviced accommodation

GENERAL LOCATIONAL PRINCIPLES

3. The process of identifying suitable locations for hotel and serviced accommodation, whatever its nature, should be an integral part of the plan making process. Local planning authorities and the tourist industry should therefore engage constructively to identify suitable locations in plans for hotel accommodation to meet identified current and future needs. This is particularly important for major hotels – for example those with business, conference and banqueting facilities, or large hotels catering for tourists – where the preference should be to identify town centre sites wherever possible, in line with national policies set out in PPS6. Such sites are the most sustainable in planning terms, since they allow greater access by public transport, contribute to urban vitality and regeneration, and allow visitors to easily access other town centre facilities and attractions. Where proposals for major hotel facilities come forward outside the development plan process, their location should be assessed in line with the policies in PPS6 and the sequential approach to site selection.

4. Proposed locations for other types of hotel and serviced accommodation should also be considered through the plan process wherever possible. The emphasis, whatever the type of accommodation, should be on identifying the most sustainable locations, having regard to national planning policies. But in allocating sites in plans, or considering planning applications that come forward outside of the plan process, developers and planning authorities need to recognise that the particular market being met by the accommodation may influence the nature of the location chosen. So, for example, accommodation catering for those seeking to enjoy the natural environment through walking and outdoor recreation may be better located in a rural area, in or at the edge of the centre of a village or small town, rather than in a major town centre some distance away from the attractions it serves.

5. Whatever the type of hotel or serviced accommodation and whatever its location, it should:

   - Fit well with its surroundings, having regard to siting, scale, design, materials and landscaping; and
   - Be in harmony with the local environment (taking account of, amongst other factors, residential amenity, noise, traffic and parking in the vicinity).

HOTEL ACCOMMODATION IN RURAL AREAS

6. National planning policies set out in PPS7 *Sustainable Development in Rural Areas* makes it clear that the expectation is that most tourism accommodation requiring new buildings should be located in, or adjacent to, existing towns and villages. PPS7 also recognises that proposals to convert existing rural buildings to provide hotel and other serviced accommodation should be acceptable, subject to any general criteria that may be set in development plans on the re-use of such buildings.

7. National Parks and Areas of Outstanding Natural Beauty attract visitors who wish to enjoy the special qualities of the landscapes and the countryside of these areas. It is important that sufficient accommodation of a suitable range of types is provided for these visitors. However, particular care needs to be taken over the number, scale and location of accommodation facilities in these designated areas to ensure that the particular qualities that justified the designation are conserved. These considerations are best addressed through the plan process wherever possible.

HISTORIC TOWNS AND CITIES

8. Historic towns and cities are an attraction to tourists from home and overseas and there is pressure to increase hotel accommodation in them. Great importance is attached to the preservation of buildings of architectural or historic interest both for their intrinsic qualities and for the contribution they make to our towns and villages, and to tourism. It is therefore important that any proposals for new hotel accommodation in such towns and cities are sensitive to their surroundings.

9. Conversion into hotels is often a realistic proposition for ensuring the retention and maintenance of historic buildings provided it is sensitively handled, does not materially alter the character or historic features of the building, and provided the new use does not generate traffic movements which cannot be accommodated.

10. Many historic buildings in town and country are already in use as hotels. If carefully designed, additions can be achieved without adversely affecting the historic fabric or character and maintain the historic building in viable use. But large-scale buildings in a small-scale setting, buildings which adversely affect the existing skyline, and those which by their design, materials, illumination or building line are out of sympathy with neighbouring historic buildings will normally be unacceptable.

MODERNISATION AND EXTENSIONS

11. Aside from historic buildings, there are many redundant or semi-obsolete buildings – such as closed mills, distilleries, warehouses, or railway stations – that can lend themselves well to adaptation and modernisation as hotels, other forms of serviced accommodation or restaurants. To convert such buildings to compatible use can bring life back to an otherwise wasted asset – thus conserving a useful and often attractive building, improving a neglected site and helping the local economy.

12. Similarly, moderate-sized extensions to an existing hotel or public house, including the addition of bedroom accommodation, can help to ensure the future viability of such businesses. This may satisfy a local need as well as a tourism one, by fully utilising the potential of the site but without any disproportionate increase in scale. In all cases, careful consideration should be given to ensure that the size of the extension proposed is not disproportionate for the location concerned.

BUDGET HOTELS, MOTELS, AND TRAVEL LODGES

13. Where budget hotels are designed to cater for longer stays at a destination (for example, those catering for visitors to historic towns and cities), their location should be considered in light of policies in the development plan and national policies in PPS6 on town centres. Location of such hotels in town centres maximises the opportunities for visitors to easily access other town centre facilities and attractions.

14. Other types of budget hotels and similar types of development such as motels and travel lodges cater more for car-born travellers, often for a single overnight stay – e.g. business travellers en-route to a destination. In such cases, the preference of developers will be for sites on major traffic routes outside of the centre of large towns or tourist centres. However the aim should be to make any development as sustainable as possible, and it will not normally be appropriate for such developments to be located in open countryside away from major settlements. Edge of town centre locations, for example on a ring road or on a major route out of the town centre, will usually be the most appropriate locations if a town centre location is not suitable, available or viable.

15. For out-of-centre locations, design and layout of the development is likely to be of considerable importance in deciding whether it is acceptable in planning terms. Depending on the setting, an open layout in which careful attention has been paid to achieving a high standard of design and landscaping is likely to be more acceptable than a dense concentration of buildings.

16. Where a proposal includes other new facilities, such as a petrol station or shop, these will have to be considered on their own merits. If they are objectionable in themselves, the fact that they are combined with a hotel will not remove the objections. Restaurants, fast food outlets, leisure, fitness and other facilities open to the general public as well as residents are also sometimes combined with hotel proposals, in which case the extra traffic they are likely to generate and its effect on the highway must also be taken into account.

CAR PARKING

17. Maximum car parking standards for hotel and serviced accommodation may be included in development plans. Where such standards are not included in plans, planning authorities will need to consider what are appropriate levels of parking, based on the market which the hotel serves, its location and availability of public transport facilities. In addition, for those hotels where a substantial part of the parking needs are attributable to public rooms used mainly for functions which attract non-residents, then the availability of public parking in the vicinity of the hotel will also need to be taken into account.

18. Planning authorities should also take account of the proposed arrangements for service loading and unloading and setting down space for visitors. Organised tours demand adequate loading and unloading facilities for coaches. Access and waiting areas should be designed with this in mind. Access points should be sited so as to minimise turning movements across traffic and to avoid congestion of the highway caused by vehicles queuing to pick up or drop passengers. Developers should discuss proposed access arrangements with the highway authority at the earliest possible stage.

Holiday, touring caravan, and chalet parks

19. In the UK as a whole, the parks industry accounts for tourist spend of some £3.23 billion[1] each year, accommodating some 22% of all holiday bed nights. The industry comprises holiday chalets, caravan holiday homes, pitches for touring caravans, motor-homes and tenting and all types of self-catering accommodation. Holiday parks are the largest provider of rural tourism bed spaces.

20. PPS7 provides advice for planning policies and development proposals for static holiday and touring caravan parks and holiday chalet developments. Planners should carefully weigh the objective of providing adequate facilities and sites with the need to protect landscapes and environmentally sensitive sites. They should examine the scope for relocating any existing visually or environmentally intrusive parks away from sensitive areas, or for re-location away from sites prone to flooding or coastal erosion. However, the high land values associated with holiday parks, the cost of infrastructure and possible planning issues relating to a proposed site may make such proposals impractical and unviable.

21. This advice recognises that planning provides an opportunity to improve the attractiveness of such developments to those who visit them and as features in the landscape. The *Environmental Code for Holiday parks, Caravan and Camping Sites, and Park Home Estates*[2] advises park owners on fulfilling the industry's commitment to environmental protection. *Holiday Parks: Caring for the Environment – a guide to good practice* (1991), published by the Countryside Commission, remains an important reference document that includes many case studies directing holiday park operators toward best practice. Planners should work with owners and developers of sites to ensure that the most is made of these opportunities. Where there is an identified demand for new or expanded sites, planners should ensure that environmental impacts and impacts on visual amenity are minimised.

[1] UKTS 2002

[2] Park home estates are outside the scope of this guide as they are residential and not tourist developments

22. New sites that are close to existing settlements and other services will generally be more sustainable as some local services may be accessed by means other than by car. Similarly caravan storage facilities that are close to existing settlements may have less adverse impact and be more sustainable. However, there may be valid reasons for extending or improving existing holiday parks that are not be located close to existing settlements by virtue of their support for successful local businesses and the provision of employment. Authorities should also consider how the proposal will affect tourism in the area, particularly in terms of its economic and environmental impacts.

23. Local planning authorities may attach conditions to planning permissions for holiday parks to ensure that they are used for holiday purposes only. However, with better caravan standards and the trend towards tourism as a year round activity, authorities should give sympathetic consideration to applications to extend the opening period allowed under existing permissions. Annex B covers these matters in more detail.

STAFF ACCOMMODATION

24. For many types of holiday parks, a residential managerial presence is often essential, to achieve quality service to the customer, security for the property, and to meet the obligations of health and safety regulations. Accommodation may sometimes also be needed for key members of staff. As far as possible, suitably located existing dwellings should be used to meet these accommodation needs. But where this is not a feasible option, and particularly in locations where suitable housing is not available, or is unaffordable, it may be necessary to provide new, on-site accommodation for managerial and/or other staff. In such cases the conversion of any suitable available existing buildings should be considered first in preference to the construction of new and potentially intrusive housing development in the countryside.

25. PPS7 makes it clear that isolated new houses in the countryside require special justification for planning permission to be granted. PPS7 further states that one of the few circumstances in which isolated residential development may be justified is when accommodation is required to enable agricultural, forestry and certain other full-time workers to live at, or in the immediate vicinity of their place of work. There will be some cases where the nature and demands of the work concerned make it essential for one or more people engaged in a tourism enterprise to live at, or very close to, the site of their work. Local planning authorities should give consideration to the essential needs of all businesses located in rural areas, including tourism and should apply the policies set out in PPS7 – in particular those in Annex A. Planning conditions can ensure that such accommodation is occupied for this purpose only.

Other forms of self-catering accommodation

26. PPS7 advises that local planning authorities should support the provision of other forms of self-catering holiday accommodation in rural areas where this would accord with sustainable development objectives. The re-use and conversion of existing non-residential buildings for this purpose may have added benefits, e.g. as a farm diversification scheme.

Seasonal and Holiday Occupancy Conditions

1. The nature of holidays in this country has become increasingly diverse, in location, in season and in duration. Many people go away several times a year, often for short breaks and not exclusively in the summer months. Much of this demand is for self-catering accommodation – whether in new or converted buildings or in caravan holiday homes. This spread of demand improves the use that is made of this accommodation and so is advantageous to the businesses which provide it and to those host communities which are supported by the spending that it generates. It can help to reduce the disadvantages of seasonal employment, including the difficulties of retaining trained and experienced staff.

2. Whilst extension of the season has these advantages, the demand for this accommodation may occur in areas in which the provision of permanent housing would be contrary to national or local policies which seek to restrict development, for example in order to safeguard the countryside. The planning system can reconcile these two objectives through the use of occupancy conditions designed to ensure that holiday accommodation is used for its intended purpose. Planning authorities commonly impose such conditions when granting permission for self-catering holiday accommodation. Chapter 6 above explains the general use of conditions with planning permissions.

3. One type of condition frequently used for holiday accommodation, particularly in holiday areas, is known generically as a 'holiday occupancy condition'. The aim of such conditions is generally to ensure that the premises are only used by visitors and do not become part of the local housing stock. There are three principal reasons why a planning authority might seek to do this:

   - in order that national or local policies on development of the countryside are not compromised. Often the conversion of redundant rural buildings to holiday accommodation provides a means to retain those buildings without introducing a level of activity that would occur with permanent households;

- to avoid occupation by permanent households which would in turn put pressure upon local services. Permanent households may place demands for local schools and social and health services that would not normally arise from visitors. Moreover, in remote locations the cost of providing these services is greater. It may therefore be reasonable for the planning authority to place an occupancy condition when properties are being built or converted for residential use; and
- to strengthen tourism in a particular area by ensuring that there is a wide range of properties available to encourage visitors to come there on holiday.

Planning authorities will frame these conditions according to local circumstances, and in accordance with general Government advice that conditions should be reasonable and fair. They will also need to frame them so that they can be readily enforced by the authority but in a way that is not unduly intrusive for either owners or occupants.

Controlling use of holiday caravan and other holiday park accommodation

East Riding of Yorkshire Council established a joint working group to establish the best approach to secure holiday use of caravan parks. This group comprised councillors and council officers; representatives from the British Holiday and Homes Parks Association Ltd; the park operators and their agents; and the caravan manufacturers. It concluded that planning conditions needed to be stronger, requiring documentary evidence of occupiers maintaining a primary residency elsewhere to be provided. As a result the planning committee agreed that future planning permissions for holiday caravan parks, holiday log cabins and holiday chalets shall normally be subject to the following conditions:

(i) the caravans (or cabins/chalets) are occupied for holiday purposes only;

(ii) the caravans (or cabins/chalets) shall not be occupied as a person's sole, or main place of residence;

(iii) the owners/operators shall maintain an up-to-date register of the names of all owners/occupiers of individual caravans/log cabins/chalets on the site, and of their main home addresses, and shall make this information available at all reasonable times to the local planning authority.

The reason for these conditions is to ensure that approved holiday accommodation is not used for unauthorised permanent residential occupation. The register required in (iii) above shall normally be collected by the caravan site licence holder or his/her nominated person.

4. Another type of condition that may be appropriate for tourist areas is known as a 'seasonal occupancy' condition. This would seek to restrict use of holiday accommodation during particular times of year, perhaps to protect the local environment. This could be used if, for example, use of the premises or the site might affect an important species of bird during its breeding season or when it is winter feeding. Local planning authorities will need to balance the need to impose seasonal occupancy conditions with the wish to avoid exacerbating the seasonal nature of tourism in the locality and its possible adverse effects upon local businesses and jobs.

APPENDIX 3

EXTRACT FROM PRACTICE GUIDANCE ON NEED IMPACT & THE SEQUENTIAL APPROACH – Appendix C: Assessing the Scope for Other Town Centre Uses

vii) Hotels

c.48 There is a range of different types of hotel accommodation, as recognised in the practice guidance on planning for tourism. When planning for new hotel accommodation it is important to understand the future need and market demand for a broad range of new facilities so that appropriate provision can be made for their future development and new applications for development can be assessed against any established need.

c.49 A general indication of need can be derived through 'gap analysis' and a planning authority should consider whether there is an absence or paucity of hotel or serviced accommodation, catering to different market segments, within reasonable proximity to serve a town centre or a major visitor attractor. This involves identifying the geographical pattern of hotel room provision in a given survey area by type and standard (i.e. quality rating), and plotting imbalances and shortfalls in the provision and distribution; this 'survey area' may be a local authority's borough boundary or a sufficient drive-time 'isochrone' from the town centre or major attractor that a particular hotel proposal is intended to serve. Identifying locational need at this local level serves the purposes of sustainable development by seeking to reduce the need to travel and promoting balanced sub-regional development.

c.50 It may be relevant to refine this gap analysis on the basis of the occupancy levels per quality rating. Hotels cater to different market segments and while occupancy rates may be low at one end of the market, there may be turnaway trade occurring at the other end due to high levels of demand in that segment leading to hotels being booked up to capacity. High annualised occupancy rates (where seasonal fluctuations cause instances of turnaway trade) in a given market segment are an indication of local hotel need. Occupancy rates rise as demand for hotel facilities increases, when occupancy rates rise to the point that turn-away trade occurs in accommodation of a certain quality category there is a need for additional hotel facilities catering to that market segment.

c.51 It is possible to assess quantitative, by comparing the current and projected demand for staying visitor nights, with available and planned stock in each category. The starting point is to establish the existing stock of hotel rooms in a given survey area using a variety of data sources, and categorise them by their quality ratings to indicate which market segment they serve. Although regional assessments may wish to identify a broad need for hotel accommodation across a region, the assessment of need for hotel accommodation is normally best undertaken at local level where it may be appropriate to differentiate between the need for different market sectors (e.g. business, short stay and holiday/visitor accommodation).

c.52 The next step is to establish the existing average annualised occupancy rate per quality category (i.e. the average occupancy rate among the number of hotels in each quality category), noting the range of seasonal fluctuations in occupancy. Where occupancy levels are above optimal levels, indicated by instances of turnaway trade in a given quality category, then need is demonstrated in that specific market segment. If the occupancy levels in each quality category are within the optimal range, projected increases in visitor numbers may pressurise the existing hotel stock.

c.53 Estimates of growth in tourism and visitor activity can be identified using an econometric approach (based on global GDP projections and the consequent impact on tourism trends) and/or through discussions with the tourism industry in the context of future long-term growth trends at a regional, sub-regional and local level. Once the increase in visitor numbers is established it may be necessary to consider other factors, accounting for expected trend shifts, in order to estimate the number of extra visitor nights that the hotel provision will be expected to accommodate over a given time horizon. These include:

- Average number of staying nights spent by foreign and domestic visitors.
- Estimated percentage of visitors who stay in hotels.
- Estimated average number of people per room.

c.54 This information is used to calculate the estimated percentage increase in staying visitor nights, which can be used to grow the existing room stock in each quality category, preserving the same occupancy levels.

c.55 Having established a gross need by category, the final stage is to subtract any hotel commitments or developments coming through the pipeline (or anticipated loss of rooms) to leave a residual hotel room need in each quality category in a given survey area

APPENDIX 4

LUXURY CAMPING PRODUCTS IN THE UK

Feather Down Farms (www.featherdown.co.uk) is a concept that has been operated in the UK since 2005 by the Feather Down Farm Days company as a seasonal luxury camping holiday option. Originally developed in Holland, the concept involves Feather Down Farm Days providing working farms with 5-10 fully equipped Feather Down tents for erection between Easter and October. The tents provide spacious, ready-to-use camping accommodation including beds, bedding, a toilet, wood-burning cooking stove, cool chest and cooking equipment. The farmer is responsible for providing a cold water supply to each tent and connection to a mains sewer or septic tank, together with the provision of a communal hot shower facility. Feather Down Farm Days runs a national marketing, advertising and PR campaign and provides a central booking system. The company now has 31 sites across the UK. Their development strategy has focused initially on locations that are within a 2 hour drive time of London, as this is their core market. These holidays require some affluence, at circa £1000 for the week, and they recognise that they are aiming at the educated city dweller wanting rural family 'experience' for themselves and their children.

Ready-pitched luxury camps: Jolly Days Luxury Camping (www.jollydaysluxurycamping.co.uk) in North Yorkshire is a boutique campsite that offers the ultimate in luxury camping, with 5 large tented lodges with four poster beds, sofas and chandeliers, and 5 pairs of bell tents. Shieling Holidays (www.shielingholidays.co.uk) on the Isle of Mull provides 16 fully equipped Shieling cottage tents, which take their name from the summer cottages that Highland shepherds traditionally use. The tents are equipped with proper beds and fully equipped kitchens and have electricity and gas heaters. Some also have shower and toilet facilities. Dandelion Hideaway (www.thedandelionhideaway.co.uk) in Leicestershire offers a number of canvas cottages.

Country House Hideout (www.countryhousehideout.co.uk) is a new venture from the creator of Feather Down Farm Days, Dutchman Luite Moraal, and opened in England by Mark Gordon. The concept is that guests are invited to stay in the grounds of a private country estate in luxury tented encampments in the style of explorers from years gone by. Each encampment is located in its own private clearing, sleeping up to eight people in luxurious beds, with a plumbed-in toilet, bathing tent, cooking cart and discovery tent equipped with binoculars, microscope and telescope. Four sites have opened so far in the UK in the Scottish Borders, Essex, Shropshire and Lancashire.

Yurts, based on the Mongolian yurt, are wooden frame, insulated circular tents that are usually furnished with beds, wood burning stoves and kitchen equipment. The Bivouac (www.thebivouac.co.uk) on the Swinton Estate in the Yorkshire Dales has 8 yurts and six timber frame shacks. Each yurt sleeps 5 and comes with beds, bed linen, a terracotta cold store, wood burning stove and gas burner for outdoor cooking on a wooden veranda. Lincoln Yurts at Welton in Lincolnshire (www.lincolnyurts.com) offers 5 themed yurts that are fully equipped with beds, bedding, a gas stove, BBQ and decked seating area and supported by a bathroom cabin with a Jacuzzi bath. Another example is Hidden Valley Yurts in Monmouthshire (www.hiddenvalleyyurts.co.uk).

Tipi sites offer a similar set up. Examples include Wild Northumbrian Tipis & Yurts (www.wildnorthumbrian.co.uk); Lincolnshire Lanes Camp Site in the Lincolnshire Wolds (www.lincolnshire-lanes.com); Eco Retreats in Powys, Wales (www.ecoretreats.co.uk); and 4 Winds Lakeland Tipis (www.4windslakelandtipis.co.uk) in the Lake District.

Wooden **wigwams** rented out at around 20 sites in Scotland and the North East of England are another alternative. Northumbria's Pot-a-Doodle-Do (www.northumbrianwigwams.com) has 12 wooden wigwams sleeping 4/5 people. Each wigwam is fully insulated and has electric lighting and heating. Foam mattresses are provided. The site has a central shower and toilet block, kitchen for guests' use and licensed restaurant on site. Springhill Farm in Northumberland (www.springhill-farm.co.uk/wigwams) offers a number of wooden wigwams alongside self-catering cottages and a touring caravan and camping site.

Other examples of luxury camping offers include:

- **Geodesic domes** e.g. The Dome Garden (www.domegarden.co.uk) at Coleford in Gloucestershire has 6 geodesic ecodomes equipped with wood burning stoves, beds, private flushing toilets, a fully-equipped outside kitchen area with fridge and timber en-suite hot shower. Another example is Ekopod (www.ekopod.co.uk) in Cornwall.
- **Gypsy caravans** e.g. Gypsy Caravan Breaks in Somerset (www.gypsycaravanbreaks.co.uk) and Roulotte Retreat in the Scottish Borders (www.roulotteretreat.com), which has 4 French roulette gypsy caravans for hire.
- **Retro caravans** e.g. Vintage Vacations on the Isle of Wight (www.vintagevacations.co.uk), which has a collection of 10 vintage American Airstream and Spartan caravans for hire. Happy Days Retro in East Dorset (www.happydaysrv.co.uk) has 2 airstream caravans available for hire for holidays.
- **Shepherds Huts** e.g. Herdy Huts in the Lake District (www.herdyhuts.co.uk) and Shepherds Huts South East (www.shepherdshuts-southeast.com) in Kent.
- **Tree camping** in tents and structures suspended in trees e.g. Red Kite Tree Tent in Mid Wales (www.sheepskinlife.com/relax-at/red-kite-tree-tent) and Treehotel in Sweden (www.treehotel.se), which features 5 quirky, individually designed 'treerooms'.
- **Bubble camping** in transparent inflatable tents was introduced in France in 2010 but has yet to come to the UK. Bulle d'R is an example https://sites.google.com/site/bulledr87