ROTHER
HOTEL & VISITOR ACCOMMODATION FUTURES

Final Report

Prepared for:
Rother District Council

November 2013

hotel solutions
the hotel development consultancy

CONTENTS

APPENDICES

hotel solutions
the hotel development consultancy

Lynn Thomason
Hotel Solutions
Deleanor House
High Street
Coleby
Lincoln
LN5 0AG
t. 01522 811255
e. hotel@tourismsolutions.co.uk

Andrew Keeling
Hotel Solutions
Mill Field House
Mill Fields
Bassingham
Lincoln
LN5 9NP
t. 01522 789702
e. ackeeling@btinternet.com

EXECUTIVE SUMMARY

1. Background

- The Rother Hotel & Visitor Accommodation Futures Study has been commissioned by Rother District Council 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 Rother District. The findings are to be used to provide a demand side analysis to inform planning policy development and development management decision-making, and to support future inward investment and business support activities.

2. Changes in Rother Visitor Accommodation Supply

- Since 2009, Rother has seen a gradual increase in the supply of all forms of visitor accommodation, as well as a gradual improvement in quality. This has been achieved through both investment in the up-grading and expansion of existing accommodation operations and the development of a number of new high quality visitor accommodation businesses. There has been only limited loss of visitor accommodation to other uses over this period. The supply remains predominantly small in scale and owned and operated by independents, other than in the holiday park and holiday lodge park sectors, in which Rother has a number of national branded operators represented. The District has seen some innovative product development in the past 4 years, most notably in terms of glamping offers, high quality lodges and boutique inns.

3. Market Demand for Visitor Accommodation in Rother

- The market for visitor accommodation in Rother remains very much leisure-dominated, weekend focused and seasonal. There is very strong demand in the peak summer months and at weekends throughout the year for all types of visitor accommodation, with spare capacity during weekdays and out of season. Generally speaking, higher quality visitor accommodation operations are achieving higher occupancies and rates. The period since 2009 has seen some gradual strengthening of the market for most forms of visitor accommodation in Rother, reflecting both the 'staycation' trend and the improvement in the quality and range of supply. London, the South East and near European overseas visitor markets remain key sources of demand for Rother's visitor accommodation.

4. Visitor Accommodation Development Potential

- The Rother Hotel & Visitor Accommodation Futures Study identifies market potential for the development of a wide range of different types of visitor accommodation across Rother to meet currently strong and growing demand for short breaks and holidays in the District. Demand for visitor accommodation in the District is likely to remain highly seasonal (although there are some signs of the season extending), leisure driven and weekend-focused, with continuing spare capacity during the week in the winter and shoulder season months. This suggests a requirement for incremental growth in the District's accommodation supply and a focus on high quality provision in order not to dilute the out of season midweek market.

4.1. Opportunities by Type of Accommodation

- The research identifies market potential for the following accommodation development in the District:

  Hotels

  - The upgrading and possible expansion of existing hotels under existing or new owners.
  - The addition of hotel spas at some of the District's hotels.
  - The expansion and development of function facilities at existing hotels to enable them to cater for weddings and functions trade.
  - The possible development of small boutique hotels in Rye, Rye Harbour and Battle, most likely through the repositioning of existing hotels and inns, or possibly through the conversion of suitable properties if available and affordable.
  - Budget hotel development in Bexhill-on-Sea and possibly Rye, given a suitable site here.
  - The development of hotel accommodation on some of the District's golf courses.
  - Possible scope for the development of country house hotels and niche country house hotel products such as luxury family hotels, adults only hotels and spa hotels, given suitable properties for conversion.
  - The development of hotel accommodation linked to wedding venues.
  - The development of hotels on holiday parks and holiday centres in the District.
  - Possible scope for the development of winery hotels at Carr Taylor and Sedlescombe vineyards along the lines of hotels that have been developed on some European vineyards[1].

[1] Such opportunities have not been discussed with the owners of the vineyards

Pub Accommodation & Restaurants with Rooms

- The upgrading and/or expansion of existing well-located and characterful pub accommodation operations.
- The development of new pub accommodation operations through the development of guest bedrooms within and/or adjacent to pubs.
- Scope to develop gastropubs and restaurants with boutique guest bedrooms, especially around Rye and Battle.
- Potential for new-build pubs with budget bedrooms at Bexhill-on-Sea and possibly Rye.

Guesthouses and B&Bs

- The continual upgrading and/or expansion of existing guesthouses, B&Bs and farmhouse B&Bs to meet rising customer expectations.
- The establishment of new guesthouses, B&Bs and farmhouse B&Bs to replace the natural churn in the sector.
- Potential for 5 star and boutique guesthouses and B&Bs.
- Scope for more guest accommodation with family rooms and suites.
- Possible scope for B&B for Horses (providing bed and breakfast accommodation alongside stabling and grazing for horses).
- The development of walker and cyclist friendly services and facilities at guest houses and B&Bs.

Holiday Cottages, Homes & Flats

- Potential for further quality self-catering cottages and holiday homes across Rother of all sizes (residential lets and barn conversions).
- Potential for additional holiday cottages around Battle and Bexhill, and for high quality distinctive properties around Rye.
- An uncertain future for the remaining holiday flats in Bexhill in terms of their potential to meet the market for higher quality self-catering accommodation - but scope potentially for more contemporary self-catering and/or serviced apartments, primarily in terms of the letting of modern residential apartments as short stay accommodation.
- Scope for some additional high quality self-catering accommodation with sea views at Camber Sands (an option for the central car park development scheme).
- Scope for some further 5 star, fully en-suite and boutique holiday cottages.
- Possible scope for the development of self-catering complexes, potentially with swimming pools and other leisure facilities.

- Scope for additional 'super cottages' for large family and friends get togethers.
- Potential for a few additional 'access exceptional' cottages designed for independent wheelchair users.

Holiday Lodges/Holiday Lodge Parks

- Market potential for, and operator interest in the development of holiday lodge parks through the acquisition and redevelopment of existing holiday parks and/or touring caravan and camping sites or new holiday lodge park development given suitable sites that can achieve planning permission.
- Potential for existing holiday parks to replace caravan holiday homes with holiday lodges or to add holiday lodges to their offer.
- Possible scope for the development of eco lodges/eco lodge parks, for ownership and/or rental.
- Opportunities for holiday lodges linked to specific outdoor activities, such as fishing lodges associated with existing or new fishing lakes; holiday lodges alongside horse riding stables; and golf lodges at golf courses either for rental, timeshare or outright purchase.
- Possible scope for the development of a small number of self-catering treehouses in suitable woodland settings.

Holiday Parks

- A market requirement for the ongoing upgrading of existing holiday parks.
- Potential interest from national holiday park operators in acquiring and redeveloping existing independent holiday parks in the District.
- Market potential for the expansion of existing holiday parks if they have land available or can acquire additional land.
- Some interest in extending the season and trading year round.
- Market potential and possible interest from national holiday park operators in the development of new holiday parks given suitable sites that can achieve planning permission.

Touring Caravan & Camping Sites

- A market requirement for the ongoing upgrading of existing touring caravan and camping sites.
- Potential for the expansion of existing touring caravan and camping sites to cater for demand at peak times.
- Scope for existing touring caravan and camping sites to introduce camping pods and/or some form of glamping accommodation.
- Potential for the development of camping pod sites and the provision of camping pods at other sites such as fishing lakes, golf courses, hotels and holiday parks.
- A possible opportunity for a surfing pod development at Camber.
- Some potential for additional small touring sites and certificated sites, particularly on farms.
- Possible scope for new larger touring caravan and camping sites, particularly at Rye and Camber where there is more limited current provision for caravanning and camping holidays.
- Potential for the development of further eco camping sites in the District.
- Scope for touring caravan and camping sites to increase their numbers of seasonal tourer pitches.
- The development of permanent on-site accommodation for site managers for the purposes of site security and winter maintenance and opening.
- Possible interest in extended opening periods for touring caravan and camping sites, including some interest potentially in year-round operation.

Glamping

- Scope for existing glamping sites to add further units.
- Good potential for the development of further glamping sites.
- Scope and operator interest for year round operation of glamping sites.
- The development of facilities such as shops, cafes, meeting rooms, indoor leisure and possibly staff accommodation to help develop midweek and winter business.

Group and Youth Accommodation

- Potential interest from national and regional operators in suitable opportunities for the development of children's activity holiday centres.
- Possible scope for hostel accommodation linked to the development of a watersports centre at Camber Sands.
- Scope for the conversion of redundant agricultural buildings to camping barns or bunkhouse accommodation for groups, especially close to locations with appeal for watersports and outdoor activities.
- Potential for Ashburnham Place to develop additional accommodation provision.

4.2. Opportunities for Key Locations

- Our research shows the following potential for visitor accommodation development in each of Rother's key locations:

Bexhill-on-Sea

- Scope potentially for a budget hotel alongside a new-build pub restaurant on the Bexhill High School site or at the proposed business park in north east Bexhill. Such a hotel could challenge the town's existing hotels and guest houses, depending on how strongly the Bexhill hotel market grows as the town is regenerated, the population increases and new companies are attracted to the planned business park.
- A market requirement for the ongoing upgrading of the town's existing hotels, guest houses, B&Bs and pub accommodation.
- Scope possibly for the partial conversion of hotels to other uses to allow reinvestment in a smaller hotel.
- Possible scope for a small boutique hotel given an exceptional site or conversion opportunity and significant investment in Bexhill's visitor offer, particularly in terms of speciality retail, high quality restaurants, events and festivals and the arts and cultural offer of the town.
- Possible potential for, and developer interest in an additional pub accommodation operation in the town.
- Dwindling demand for the remaining lower quality holiday flats in the town.
- Possible scope for more contemporary self-catering and/or serviced apartments, most likely in terms of the letting of residential apartments as short stay accommodation.
- Potential for holiday cottages in the rural areas around Bexhill.

Battle

- A market requirement for the ongoing upgrading of the town's existing hotels, guest houses, B&Bs and pub accommodation, including possible repositioning as boutique accommodation.
- Possible scope for additional pub accommodation and restaurants with rooms.
- An ongoing need to encourage the opening of new guest houses and B&Bs to meet shortages at peak times and replace those that close.
- Potential for additional holiday cottages in the town and surrounding rural areas.
- Potential for Ashburnham Place to develop additional accommodation.

Rye

- A market requirement for the ongoing upgrading of the town's existing hotels, guest houses, B&Bs and pub accommodation.
- Possible scope for additional pub accommodation and restaurants with rooms.
- Scope possibly for the development of further small boutique hotels, either through the repositioning of existing hotels or the conversion of suitable properties.
- Developer interest for a budget hotel at Rye but no suitable site as yet identified.
- An ongoing need to encourage the opening of new guest houses and B&Bs to meet shortages at peak times and replace those that close.
- Scope for some boutique B&Bs.
- Potential for additional high quality holiday cottages in the town and surrounding rural areas. There are however some signs of Rye becoming saturated with self-catering accommodation although holiday cottage letting agencies would still be interested in additional properties here. The priority is for high quality, distinctive properties, including potentially boutique self-catering.

Camber

- An ongoing market requirement for and interest from the current owners in the upgrading of the Pontin's holiday centre and Park Resorts' Camber Sands Holiday Park.
- Scope potentially for the expansion of Park Resort's Camber Sands Holiday Park if the company can acquire additional land and secure planning permission.
- Possible scope for additional B&B and pub accommodation.
- Potential for additional high quality self-catering accommodation with sea views – a possible option for the central car park redevelopment scheme.
- Potential for a touring caravan and camping site.
- Scope possibly for a surfing pod development and/or a glamping site.
- Possible scope for the development of hostel accommodation, potentially as part of, or alongside a watersports centre – another possible option for the central car park redevelopment scheme.

Rother's Countryside

- The upgrading and possible expansion of existing hotels under existing or new owners.
- The addition of hotel spas at some hotels.
- The expansion and development of function facilities at existing hotels to enable them to cater for weddings and functions trade.
- The development of hotel accommodation on some of the District's golf courses.
- Possible scope for the development of country house hotels and niche country house hotel products such as luxury family hotels, adults only hotels and spa hotels, given suitable properties for conversion.
- The development of hotel accommodation linked to wedding venues.
- The development of hotels on holiday parks and holiday centres in the District.
- Possible scope for the development of winery hotels at Carr Taylor and Sedlescombe vineyards along the lines of hotels that have been developed on some European vineyards.
- The upgrading and/or expansion of existing well-located and characterful pub accommodation operations.
- The development of new pub accommodation operations through the development of guest bedrooms within and/or adjacent to pubs.
- Scope to develop gastropubs and restaurants with boutique guest bedrooms.

- The continual upgrading and/or expansion of existing guesthouses, B&Bs and farmhouse B&Bs to meet rising customer expectations.
- The establishment of new guesthouses, B&Bs and farmhouse B&Bs to replace the natural churn in the sector.
- Potential for 5 star and boutique guesthouses and B&Bs.
- Scope for more guest accommodation with family rooms and suites.
- Possible scope for B&B for Horses (providing bed and breakfast accommodation alongside stabling and grazing for horses).
- The development of walker and cyclist friendly services and facilities at guest houses and B&Bs.
- Potential for further quality self-catering cottages and holiday homes across Rother's Countryside of all sizes (residential lets and barn conversions).
- Scope for some further 5 star, fully en-suite and boutique holiday cottages.
- Possible scope for the development of self-catering complexes, potentially with swimming pools and other leisure facilities.
- Scope for additional 'super cottages' for large family and friends get togethers.
- Potential for a few additional 'access exceptional' cottages designed for independent wheelchair users.
- Market potential for, and operator interest in the development of holiday lodge parks through the acquisition and redevelopment of existing holiday parks and/or touring caravan and camping sites or new holiday lodge park development given suitable sites that can achieve planning permission.
- Potential for existing holiday parks to replace caravan holiday homes with holiday lodges or to add holiday lodges to their offer.
- Possible scope for the development of eco lodges/eco lodge parks, for ownership and/or rental.
- Opportunities for holiday lodges linked to specific outdoor activities, such as fishing lodges associated with existing or new fishing lakes; holiday lodges alongside horse riding stables; and golf lodges at golf courses either for rental, timeshare or outright purchase.
- Possible scope for the development of a small number of self-catering treehouses in suitable woodland settings.
- A market requirement for the ongoing upgrading of existing holiday parks.
- Potential interest from national holiday park operators in acquiring and redeveloping existing independent holiday parks in the District.
- Market potential for the expansion of existing holiday parks if they have land available or can acquire additional land.
- Some interest in extending the season and trading year round.

- Market potential and possible interest from national holiday park operators in the development of new holiday parks given suitable sites that can achieve planning permission.
- A market requirement for the ongoing upgrading of existing touring caravan and camping sites.
- Potential for the expansion of existing touring caravan and camping sites to cater for demand at peak times.
- Scope for existing touring caravan and camping sites to introduce camping pods and/or some form of glamping accommodation.
- Potential for the development of camping pod sites and the provision of camping pods at other sites such as fishing lakes, golf courses, hotels and holiday parks.
- Some potential for additional small touring sites and certificated sites, particularly on farms.
- Possible scope for new larger touring caravan and camping sites.
- Potential for the development of further eco camping sites in the District.
- Scope for touring caravan and camping sites to increase their numbers of seasonal tourer pitches.
- The development of permanent on-site accommodation for site managers for the purposes of site security and winter maintenance and opening.
- Possible interest in extended opening periods for touring caravan and camping sites, including some interest potentially in year-round operation.
- Scope for existing glamping sites to add further units.
- Good potential for the development of further glamping sites.
- Scope and operator interest for year round operation of glamping sites.
- The development of facilities such as shops, cafes, meeting rooms, indoor leisure and possibly staff accommodation to help develop midweek and winter business.
- Potential interest from national and regional operators in suitable opportunities for the development of children's activity holiday centres.
- Scope for the conversion of redundant agricultural buildings to camping barns or bunkhouse accommodation for groups, especially close to locations with appeal for watersports and outdoor activities.

5. Planning Policy & Process Recommendations

- Policy EC6 (incorporating the Council's proposed modifications) on tourism activities and facilities in the submission draft of the Core Strategy supports the enhancement of existing accommodation businesses and the development of new quality serviced and self-catering accommodation. For greater clarity it would be helpful, we suggest, to include in the Development & Site Allocations DPD (or a supporting evidence paper) a definitive list of all of the types of visitor accommodation for which there may be market interest in Rother and its constituent destinations (drawing on the findings of the 2013 Hotel & Visitor Accommodation Futures Study). It would also be helpful for the more detailed development management policy document to elaborate on the relationship between scale and visual and environmental impact for hotel and visitor accommodation development proposals in Rother's countryside.

- There is a need for the Development & Sites Allocation DPD to give clear guidance on the application of the visitor accommodation retention policy and the requirements for evidence to support change of use applications. The 2013 study suggests a need for some flexibility in applying the retention policy in Bexhill if a budget hotel opens in the town and given the reducing demand for holiday flats here.

- The new policy requiring holiday only use of visitor accommodation rather than a forced period of winter closure to control permanent residential use will allow operators to extend their operating season if they so wish.

- There are a number of specific circumstances when site allocations for hotel or visitor accommodation development might be appropriate that can be used to assess sites that are put forward as part of the Site Allocations process. In most cases sufficiently flexible development control policies are likely to be a more appropriate way forward. Care must be taken to ensure that allocated accommodation development sites are deliverable.

- It will be important to ensure that CIL charges to be applied to hotel and visitor accommodation development schemes do not overburden them to the point that they cannot be progressed. Similarly the cost of planning applications and requirements for supporting surveys need to be kept in proportion for what are often fairly marginal hotel and visitor accommodation development proposals.

6. Other Suggestions for Public Sector Intervention

- In addition to a positive planning policy framework we would suggest that there are other roles that Rother District Council and its public sector partners could play (subject to available budgets and staff resources) to more proactively support the development of the District's 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.

    - Marketing the budget hotel sites in Bexhill if and when they become available.

    - Identifying potentially suitable sites and conversion opportunities for more significant hotel and visitor accommodation development projects that can be put to potentially interested hotel and visitor accommodation companies.

    - Acting on the identified opportunities for visitor accommodation development in Camber.

    - The development of a programme to encourage the development of glamping in the District, possibly with other local authority partners and with a view to bidding for future funding opportunities.

    - The development of a programme to encourage pub accommodation development in the District.

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

    - The strengthening of destination marketing activity particularly in terms of focusing on the key themes and products that draw visitors to stay in the District for short breaks and targeting near European markets.

    - The ongoing development of the leisure tourism offer of Rother, especially with a view to boosting off-peak demand through the development of events and festivals, facilities to attract kite surfers and watersports and beach sports enthusiasts to Camber Sands in the winter and the District's food and drink offer to attract people for foodie breaks at all times of the year.

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

- It must however be recognised that the District Council is set to see further budget reductions in the coming years that will inevitably lessen its ability to implement these sorts of actions unless funding can be secured from external sources. The evidence provided in this report can hopefully be used to underpin funding bids as opportunities arise.

7. 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 Rother and some more location specific potential. These opportunities represent a mixture of new-build developments, conversion and redevelopment of existing buildings, and the up-grading and re-positioning of existing visitor accommodation businesses. They can provide opportunities for farm diversification and new uses for country houses, residential institutions, and redundant agricultural buildings. The development of hotel and visitor accommodation can make a significant contribution to economic development and employment growth in Rother. Whilst sensitive development is required - both in terms of the visual and environmental impact of schemes and the commercial impact on existing accommodation businesses - there remains a real opportunity for the development of the visitor accommodation product across Rother as part of a joined up approach to the wider development of tourism in the District. Delivering this market potential and product development on the ground will require action on a number of fronts – most notably in terms of the planning policies and process that provide the framework for development; the future inward investment strategy and action for the sector; and support for the sector in terms of destination development and marketing and business support.

1. INTRODUCTION

1.1 Study Objectives and Uses

1.1.1. The Rother Hotel & Visitor Accommodation Futures Study has been commissioned by Rother District Council 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 Rother District. The Study updates previous studies undertaken by Hotel Solutions in 2007 and 2009 that covered Rother[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 the District.
- A thorough assessment of the market potential for future accommodation development in Rother.
- Warm leads for hotel and visitor accommodation developers that are potentially interested in Rother.
- Clear guidance on the interventions that the District Council can make to support and encourage visitor accommodation development in its area.

[1] Hastings, Bexhill & 1066 Country Hotel & Guest Accommodation Futures, 2007
Rother Visitor Accommodation Futures, 2009

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

- Provide a demand side analysis to inform planning policy development for hotel and visitor accommodation uses, initially in terms of providing input into the Development & Site Allocations DPD and the final drafting of the Camber Village SPD.
- Inform the assessment of planning applications for hotel and visitor accommodation development projects and change of use applications.
- Support proactive inward investment and business support work to attract investment into the District'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 Rother:

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

1.2.2. Where possible the study has sought to identify the accommodation development opportunities for the following parts of Rother District:

- Bexhill-on-Sea;
- Battle;
- Rye;
- Camber;
- Rother's countryside.

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 District Council (Tourism, Planning Policy and Economic Development).

- An audit of the current and proposed supply of hotel and visitor accommodation in the District. This has included identifying recent changes and establishing the latest status of hotel and visitor accommodation development projects. The budget for the study has not allowed an audit of self-catering accommodation.

- A survey of hotel and visitor accommodation operators to gather data on performance and market trends and future development plans. This has been undertaken through face-to-face interviews with key hotels and some other significant visitor accommodation businesses, together with telephone interviews with representative samples of other types of visitor accommodation business – guest houses/B&Bs, pub accommodation establishments, touring caravan and camping sites, holiday parks, holiday lodge parks, holiday cottages and holiday cottage letting agencies, and glamping businesses. 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 including the De La Warr Pavilion, Rye Partnership and the Kitesurf Centre and Rye Watersports at Camber[1].

- A review of national accommodation development trends.

- A telephone survey of national and regional hotel and visitor accommodation developers to assess their interest in development opportunities in Rother and their requirements for information and support.

[1] Other consultees (Sea Change, Bedgebury Pinetum & Forest and Bewl Water did not respond to our consultations

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 Rother, 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:
- Future market prospects;
- 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 the visitor accommodation development opportunities in the District and sets out our planning policy recommendations from the study and suggestions for District Council intervention to support the future development of the visitor accommodation sector across the District.

2. THE STRATEGIC, POLICY & MARKET FRAMEWORK

2.1. National Planning Guidance

2.1.1 Since 2006, national planning guidance on the development of hotels and other forms of visitor accommodation has come in the form of the '**Good Practice Guide on Planning for Tourism',** which contains a specific appendix on tourist accommodation, dealing principally with the location of accommodation. A copy can be found at Appendix 2 to this report.

2.1..2 On a general note, the guidance recognises the economic benefits that visitor accommodation can bring to the areas in which they are 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.

2.1.3 Some of the key principles relating to hotels and other forms of serviced accommodation 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;
- New hotel developments in historic towns and cities need to be sensitive to their surroundings; conversions may also be a realistic proposition subject to impact;

- 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.

2.1.4 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;

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

- 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.

2.1.5 The issues surrounding tourism and hotel/visitor accommodation development were also addressed in **PPS 4**, 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.

2.1.6 The associated **Practice Guidance** on need, impact and the sequential approach 'Planning for Town Centres' includes an Appendix on its application 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)

2.1.7 With the publication of the **National Planning Policy Framework** in March 2012, planning policy has been streamlined and many of the detailed planning policy statements and guidance notes have been revoked. This includes PPS4 referred to above, although we understand that the associated Practice Guidance on need, impact and the sequential approach is still in place. The Good Practice Guide on Planning for Tourism has not been revoked, and so remains a material consideration in guiding and assessing applications for visitor accommodation development.

2.1.8 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.

2.1.9 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;
- Re-affirmation of the commitment to the Green Belt, with review only in exceptional circumstances;
- 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;
- A 12 month transitional period to up-date plans to conform with the national framework, but a requirement to treat these policies as a material consideration when deciding on planning applications with immediate effect;
- Weight will also be given to relevant policies within emerging Local Plans dependent on stage of preparation and conformity with the NPPF.

2.1.10 More recently, the government has introduced relaxations in the change of use rules that could impact on the development of visitor accommodation in the countryside. From May 2013 agricultural buildings up to 5400 sq ft are now covered by permitted development rights allowing them to be converted into a variety of alternative commercial uses without the need for planning consent. This also applies in National Parks, AONBs and Green Belt locations. Consideration is also being given to allowing conversion to residential use. Consultation has also taken place on relaxing the need for change of use between hotel and residential dwelling, the conclusion of which was that this should be dealt with through Local Plan policies.

2.2 Rother Visitor Accommodation Planning Policy

2.2.1 Current policies covering the development of visitor accommodation are contained in the **Rother District Local Plan 2006**. These policies have been saved until a new Local Plan is in place. Tourism features as part of the section on the economy, and policies recognise the economic benefits that tourism can bring and links tourism development to the delivery of the tourism strategy. The key policies are:

- EM9 – which directs visitor accommodation to within development boundaries and resists the loss of visitor accommodation unless it can be demonstrated there is no longer a demand or the quality unacceptable.
- EM3 – which permits visitor accommodation development in the countryside through conversion of existing buildings.
- EM10 – which does not permit any further static caravan or chalet accommodation in the countryside unless it will significantly improve an existing site or can be shown to be essential to a rural enterprise. This policy does however allow for additional touring caravan and camping facilities subject to environmental and other impacts.

- EM11 – which restricts the use of visitor accommodation to tourists through the application of seasonal occupancy conditions; typically 1st March to 31st October for touring caravan and camping sites, and 1st March to 14th January for chalets and static caravans. Other readily enforceable occupancy controls can be used on sites where visual impact and flooding are not a concern.
- EM12 – permits the use of static caravan sites and appropriate buildings for winter storage of caravans, provided there is no conflict with other Plan policies.

The existing Local Plan also makes reference to an SPD to be prepared setting out the tests applying to the retention policy in relation to visitor accommodation, but this has not been prepared.

2.2.2 The **new Local Plan** currently in preparation will cover the period to 2028. It is made up of a number of documents at different stages in the preparation process:

- The Core Strategy – scheduled for adoption in May 2014; this document contains the overall vision and spatial strategy for the District. It has been through examination by the Secretary of State and is being modified to reflect this;
- The Development & Site Allocations DPD – currently being worked up and scheduled for submission and adoption in 2015. This document will contain the detailed policies and key sites that will deliver the vision and strategy;
- The Camber Village SPD – at Draft stage at December 2012, setting out a spatial strategy and detailed development briefs for Camber and specific sites;
- Already adopted are:
    - The North East Bexhill SPD
    - Statement of Community Involvement
    - Affordable Housing SPD

2.2.3 In the **Core Strategy**, tourism again features in policies relating to the economy. The economic objectives identify tourism as a key existing sector to be further developed. Tourism is woven into some of the general employment and business policies, and some of the area policies:

- EC3 which covers retention, extension, and the possible requirement for enabling development:
- EC4 which refers to the re-use and adaptation of buildings in the countryside for tourism use;
- EC5 which gives particular support for key sectors, including tourism.
- BX2 – Bexhill town centre – which provides for hotel accommodation well-related to the town centre and/or De la Warr Pavilion.

The main tourism policy however is EC6, below:

EC6: Tourism Activities and Facilities

Proposals relating to tourism activities and facilities will be encouraged where they accord with the following considerations, as appropriate:

(i) It provides for the enhancement of existing attractions or accommodation to meet customer expectations;

(ii) It supports active use along the coast, consistent with environmental and amenity factors;

(iii) It develops markets for local produce, particularly that which supports land-based industries and cultural assets;

(iv) It does not involve the loss of tourism accommodation, unless there is no prospect of its continued use;

(v) It increases the supply of quality serviced and self-catering accommodation;

(vi) Appropriate controls are in places that restrict occupancy to that for holiday purposes, whilst not unduly restricting operators from extending their season (subject to visual impact and flood risk considerations, where applicable);

(vii) Compatibility with other Core Strategy policies

The text also draws on the previous visitor accommodation study prepared by Hotel Solutions in 2009, listing the types of accommodation proposal that there are opportunities for:

- Self-catering and serviced accommodation across the District;
- Existing accommodation to upgrade and enhance their offer;
- The expansion of country house and golf hotels;
- Larger self-catering holiday lets and barn conversions;
- Replacement of older caravan provision with log cabins/lodges and luxury camping;
- Both family and boutique hotels, and holiday flats in Bexhill;
- Upgraded accommodation and facilities at Camber;
- Development in support of activity breaks, both on the coast and inland.

2.2.4 The **Camber Village Draft SPD** sets out a vision for the area and a guide to its future development. From a tourism perspective, one of the objectives of the strategy is to develop active leisure activities including the promotion and enhancement of infrastructure and social tourism, and specifically to:

- Encourage a broader mix of visitors and increased spend through a more diverse offer;
- Carefully develop the extreme sports offer and its management;
- Develop a joint offer with Rye;
- Extend the season;
- Develop walking routes north of the village.

In terms of key sites and projects, the SPD proposes:

- A cluster of visitor uses at the central car park, possibly including an all weather visitor attraction, information point or education centre, or some form of craft activities or galleries;.
- Central car park is also identified as a location for new quality visitor accommodation – either serviced or self-catering;
- An environmental visitor centre at the western car park;
- A luxury camping site on a field to the west of the village;

- New eating venues in Camber village and Central car park;
- Upgrading of the Pontins site and better integration with the village;
- Beach huts at Central and Broomhill car parks, for retail and storage;
- The further development of film tourism and promotion of Camber for filming;
- A clearly defined extreme sports area around Broomhill car park;
- Development of the former putting green site for residential, visitor accommodation and commercial uses.

2.2.5 The adopted **North East Bexhill SPD** provides a framework for the development of a major urban extension to Bexhill on 100 acres of land opened up by the development of the Hastings-Bexhill Link Road. Mixed uses are proposed here, providing for over 1100 homes and 48,000 sq m of business space on two sites east and west of the link road. The sites will also accommodate other amenities, which could include a budget hotel and pub/restaurant.

2.2.6 In terms of **constraints** on development, the key ones are:

- Flooding, predominantly in Rye and Camber, but also inland e.g. around Robertsbridge. This makes all year round opening an issue for caravan and camping sites that are in the most vulnerable locations. Objections by the Environment Agency can in some cases be addressed e.g. through the development of appropriate evacuation procedures.
- Landscape sensitivity, with 82% of the district in AONB and a further 7% designated for its nature conservation value. Concerns focus around development impacting negatively on environmental quality and the appeal of the area.

2.3 Driving Growth - Other Policies, Strategies and Trends

2.3.1 The levels of **growth forecast** for Rother in the Core Strategy for the period 2011-2028 are as follows:

- At least 5,700 new homes
- At least 100,000 sq m of employment floorspace
- 6,300 new jobs
- Much of this growth focused on Bexhill-on-Sea – 3,100 new homes and 60,000 sq m of employment floorspace.

2.3.2 Rother's **Economic Regeneration Strategy** covers the period 2010 to 2015, and is focused around three main themes – innovation, inclusion and inspiration. Support for the visitor economy is a key plank of the strategy – through marketing, the provision of information services, public facilities such as toilets, car parks and museums, support for events and festivals, and advisory services to encourage new product development. Other actions relevant to the development of the visitor economy and the visitor accommodation offer include: improvements to the quality of the district's town centres; transport and communications improvements – particularly the Hastings-Bexhill Link Road and improvements to the A21; and a focus on developing high growth sectors, particularly knowledge-based businesses, digital media, advanced engineering and environmental technologies.

2.3.3 The redevelopment of **Bexhill Town Centre**, as the largest town in the district, is an important priority and is the subject of a consultation to determine the strategy to deliver this (August 2012). It seeks to:

- Re-brand Bexhill as a quality destination of appeal to high spending markets – making more of the De La Warr Pavilion's iconic image, seaside location and niche retail offer;
- Facilitate investment and new development including new employment uses, additional hotels, new leisure facilities and the clustering of high quality retail outlets;
- Improve the built environment and public realm;
- Improve traffic management, parking and signage;
- Improve housing stock to attract residents on higher incomes;
- Encourage and develop events and festivals in the town centre and strengthen the promotion of the retail and leisure offer to generate town centre vitality and increased footfall.

2.3.4 The De La Warr Pavilion is currently working with the Jerwood Gallery and other cultural assets in East Sussex to develop a joint project to encourage people to visit and stay for a funding application through the Visit England/ Arts Council three-year **Cultural Destinations** programme.

2.3.5. The **Rye Partnership** is working on a number of initiatives to develop and promote Rye as a visitor destination and extend the tourist season for the town. These include:

- A joint initiative with the Environment Agency to enhance and develop the River Rother from Rye Harbour to The Strand to attract visiting yachts;
- Working as part of the Romney Marsh Partnership to promote Rye as part of the Romney Marsh area as a means of securing a share of the million or so visitors that come here each year to visit the Dungeness National Nature Reserve, RSPB Reserve at Dungeness and other wildlife sites;
- Working with the Lydd Partnership to promote and develop Camber, Rye and Greatstone as a centre for watersports, beach sports and sea angling;
- A bid with the Creative Centre in Rye to the Arts Council for funding to support the development of a programme of arts and cultural events and festivals in Rye and across Romney Marsh.

2.3.6. Plans for a runway extension and new passenger terminal at **Lydd Airport** were finally approved by the Government in April 2013.

2.3.7. A third **Dungeness C nuclear power station** has been proposed to replace the current Dungeness B power station when it closes in 2018.

2.3.8. A report produced for the **High Weald AONB** Unit (October 2012) looked at **eco camping** from the perspective of environmental impacts and made recommendations for future development. The focus was on small scale development in rural, less accessible locations, and on how to minimise impacts. It identifies ancient woodland, lowland heath, and unimproved meadows as unsuitable for eco-camping. The report recommends that impacts can most effectively be reduced by concentrating activity rather than dispersing it, focusing on more ecologically resistant locations, keeping development small in scale, with careful management in terms of waste, and local sourcing of materials. It concludes that, with the right site selection and associated management, there is a role for eco-camping to increase visitor enjoyment of special landscapes, contribute to their management and deliver benefits to the local economy.

2.3.9 In terms of **tourism strategy**, Rother is promoted as part of 1066 Country. Rother's priorities are to grow tourism, to promote the area as a high quality short stay destination, and to extend the season. Key attractors to the area are its history and heritage, arts & culture (including the De La Warr Pavilion), the seaside (especially Camber Sands for extreme sports), literary connections, events, and gardens. London is a key market, as are visitors to friends and relatives.

2.3.10. The latest 2011 Economic Impact results for Rother show an increase in business turnover supported by tourism activity of 1.8% from 2010 to £271m. An estimated 490,000 staying trips were spent in the District in 2011, of which around 436,000 were made by domestic visitors (89%) and 54,000 by overseas visitors (11%). Compared to 2010, domestic overnight trips increased by 1.2% whereas the level of inbound overnight trips remained at the same level as in 2010. Staying trips resulted in an estimated 1,954,000 bednights in the District, an increase of 1.3% compared to 2010. Staying visitors spent in total £89.5 million in the District, up by 1.9 % compared to 2010 (domestic overnight trip spend and overseas trip spend both increased by 1.9%).

2.3.11. The key objective of the **1066 Country Marketing Plan** is to maximise visitor spend in 1066 Country, paying particular attention to extending the visitor season, whilst accepting that the peak summer season should not be ignored. The short break market is a key priority, targeted through the Visit 1066 Country website, PR activity, social media work, e-marketing, some paid-for advertising and attendance at a number UK and European holiday shows and travel trade exhibitions. Day trippers are the other priority market, targeted through the 1066 Country attractions leaflet. The marketing budget for 2013/14 is £69,500. Staff resources have been reduced in the current financial year with a reduction in the tourism team at Hastings Borough Council and additional non-tourism roles for the remaining team and Rother District Council's Tourism Officer.

2.3.12. 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 Rother 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.

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

- **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.

- **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.

- There is growing demand for **'foodie' breaks**, with increasing numbers of destinations and tourism businesses trying to entice people for breaks based on eating and drinking in award winning restaurants and gastropubs, sampling and buying local produce, cookery courses and attending food and drink festivals.

- **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 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, enabling 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.

2.4 Prospects for Growth in Accommodation Demand in Rother

2.4.1. Our analysis of the above strategic, policy and market context suggests good prospects for future growth in demand for visitor accommodation in Rother by market:

- Rother is well placed to capitalise on all of the trends and factors that are driving growth in the UK holiday and short break market in terms of its proximity and ease of access from key markets in London and the South East and its visitor offer in terms of its countryside and coastline; heritage towns and attractions; food and drink offer; opportunities for outdoor activities including walking, cycling and fishing and watersports and beach sports at Camber; and its arts and culture offer. The District should continue to attract strong weekend and summer demand for short breaks and self-catering and caravanning and camping holidays. The challenge will be to develop midweek demand during the winter and shoulder season months.

- Rother is also well placed to capitalise on the anticipated growth in inbound tourism to the UK. It is an ideal distance from Dover and Folkestone to attract European visitors for short breaks, stop-overs en-route to/from the West Country and longer self-catering and caravanning and camping holidays.

- Demand for accommodation from people attending weddings and family parties and visiting friends and relatives in the District should grow as Rother's population increases.

- Corporate and contractor demand is likely to increase in Bexhill-on-Sea given the planned business park in North East Bexhill, the regeneration of the town centre and the envisaged employment growth in the town. These markets could also increase in Rye if the development of Lydd Airport and the Dungeness C power station are progressed.

3. HOTELS

3.1. Current Hotel Supply

3.1.1 Rother currently has 17 hotels, with a total of 473 letting bedrooms. The District's hotels are predominantly of a 3 star standard. Rother also has two 4 star hotels (the Bannatyne Spa Hotel at Beauport and the Dale Hill golf hotel at Ticehurst), two boutique hotels (The George in Rye and The Gallivant in Camber) and four ungraded or guest accommodation graded hotels).

ROTHER – CURRENT HOTEL SUPPLY – NOVEMBER 2013

Standard of Hotel	Bexhill	Battle Area	Rye Area	Rother
4 Star				
Hotels		2		2
Bedrooms		73		73
Boutique				
Hotels			2	2
Bedrooms			52	52
3 Star				
Hotels	2	2	5	9
Bedrooms	61	66	133	260
Not Graded/ Guest Accommodation Graded				
Hotels		3	1	4
Bedrooms		60	28	88
TOTAL				
Hotels	**2**	**7**	**8**	**17**
Bedrooms	**61**	**199**	**213**	**473**

3.1.2 The District's hotel supply is split primarily between the Battle and Rye areas. There are only two hotels in the Bexhill-on-Sea area and only one in Bexhill-on-Sea itself. There are also only two hotels in Battle town. Rye (town) has a more significant hotel supply – 5 hotels/ 122 bedrooms.

3.1.3. All of Rother's hotels are relatively small. The largest hotel has 45 bedrooms. Most hotels have around 20-25 bedrooms.

3.1.4. Almost all of the District's hotels are independently operated. Bannatyne Hotels is the only national hotel company represented in Rother. There are no branded budget hotels in the District.

ROTHER – CURRENT HOTEL SUPPLY – NOVEMBER 2013

Hotel	Grade	Rooms
Bexhill-on-Sea		
Cooden Beach Hotel	3 star	41
The Northern Hotel	3 star	20[1]
Battle		
Battle Town		
Powder Mills Hotel	3 star	41
The George Hotel	n/a	22
Rural Battle		
Bannatyne Spa Hotel Hastings, Beauport	4 star	38
Dale Hill Hotel and Golf Club, Ticehurst	4 star	35
Brickwall Hotel, Sedlescombe	3 star	25
Leeford Place, Whatlington	n/a	18
Sedlescombe Golf Lodge	n/a	20
Rye		
Rye Town		
The George in Rye	Boutique	34
Hope Anchor Hotel	3 star	16
Mermaid Inn	3 star	31
River Haven Hotel	3 star	22
Rye Lodge Hotel	3 star	19
Rural Rye		
The Gallivant, Camber	Boutique	18
Flackley Ash, Peasmarsh	3 star	45
The Lodge at Winchelsea	4 star GA[2]	28

Notes:
1. The Northern Hotel also has another 15 studios and suites available for long stay guests and retirement living
2. Guest accommodation graded

3.2. Changes in Hotel Supply

3.2.1. Rother's hotel supply has steadily increased and improved over the last 5 years, with the expansion and upgrading of a number of existing hotels in the District, in some cases under new owners:

- Bannatyne Hotels acquired the former Beauport Park Hotel in 2008 and has since upgraded it to 4 stars, added 13 guest bedrooms and developed the £1.2m Montgomerie Suite function suite in the grounds of the hotel.
- The George in Rye extended into an adjacent property in 2011, giving the hotel an additional 10 bedrooms and additional restaurant space.
- The Powder Mills Hotel in Battle opened The Cloisters function room with 7 bedrooms above in August 2013.
- The new owners of The George Hotel in Battle have refurbished 16 bedrooms since taking over the hotel in August 2011. The remaining 6 bedrooms will be refurbished this coming winter.
- The Place at Camber was acquired by new owners in 2009 that have subsequently upgraded and repositioned it as The Gallivant boutique hotel.
- The Northern Hotel in Bexhill-on-Sea and River Haven and Hope Anchor Hotels in Rye have been upgraded to 3 stars.

3.2.2. Little Hemingfold Hotel is the only hotel to have closed in Rother in the last 5 years – a loss of 12 bedrooms. It was granted planning permission in August 2011 for conversion to a private dwelling.

3.2.3. Rye Lodge Hotel in Rye and the Flackley Ash Hotel in Peasmarsh are both currently up for sale.

3.2.4. The Cooden Beach Hotel has just renewed its planning permission for an extension to enlarge its function room and bar area, with 5 guest bedrooms above.

3.2.5. A number of the District's hotels have plans to gradually upgrade their bedrooms and public areas.

3.3. Potential Hotel Development Sites

3.3.1. A hotel is being considered as a possible amenity on the business park that is proposed on the edge of north east Bexhill at the junction of the Bexhill-Hastings Link Road and planned Gateway Road.

3.3.2. Rother District Council is currently looking at the potential redevelopment of the former Bexhill High School site that it owns at the junction of the A259 and the new Bexhill-Hastings Link Road. The Council is considering the development of a new leisure centre for Bexhill alongside potential commercial uses, which could include a hotel and/or pub restaurant with bedrooms.

3.3.3. Both of these sites could be suitable for a budget hotel. The High School site has the advantage of being within walking distance of the town centre and seafront. The potential to attract a budget hotel to the business park could be longer term and dependent on how quickly the business park develops and the occupiers that it attracts.

3.3.4. We viewed a site at 10 & 12 Egerton Road in the town centre, behind The Landmark apartments, which the District Council suggested as a possible hotel site. In our opinion it is too small, too tucked away and too costly to develop as a hotel.

3.3.5. At the time of writing no other potential hotel sites have been identified in Bexhill. Further sites may however come forward in the future.

3.3.6. As far as we have been able to establish there are no currently available hotel development sites in Rye or Battle.

3.4. Current Performance and Markets

A Largely Leisure-Driven, Weekend-Focused and Seasonal Hotel Market

3.4.1 The hotel market in Rother is largely leisure-driven, weekend-focused and seasonal. Hotel occupancies vary significantly by type and standard of hotel but are generally relatively low. Most hotels are achieving average annual room occupancies of around 40-60%. Some 4 star and boutique hotels and a few hotels in the Rye area are achieving higher average annual room occupancies in excess of 70% and in at least one case well over 80%.

Significant Differences in Achieved Room Rates

3.4.2. Achieved room rates for the District's hotels vary significantly depending on their occupancy levels, the markets they are targeting and their pricing strategy. Some hotels that cater primarily for weekend weddings and leisure break business during the summer achieve high average room rates but relatively low room occupancies. Hotels that achieve higher occupancies and stronger midweek and year-round demand generally achieve lower average room rates as they are selling more rooms at single occupancy and at discounted prices during the week and in the winter months. A few hotels that are trading primarily on price and driving business mainly through online comparison websites achieve relatively low average room rates but high occupancies.

Strong Weekend Demand in the Summer

3.4.3 Weekend occupancies for Rother hotels are strong between April and October, particularly on Saturday nights, when many hotels frequently fill and turn business away, at times to a fairly significant degree. Some hotels also turn business away on Friday nights in the peak summer months, although not to the same extent as on Saturday nights.

3.4.4. Key sources of weekend demand for Rother hotels are people attending weddings and other family parties and weekend break business. Weddings guests are the main weekend market for most of Rother's hotels. As they tend to book a long way in advance, hotels are often blocked out for last minute leisure break bookings and overseas tourists that have not booked in advance. Weekend break demand is strongest for hotels in Rye and 4 star and boutique hotels that have a good food offer. There is a strong weekend market for such hotels from career couples from London, Essex, North Kent, Surrey and the Home Counties looking to escape to the countryside and coast for a night or two. The market for two-night weekend breaks has reduced during the recession. There is a much weaker market for weekend breaks in Bexhill-on-Sea. Hotels here derive weekend business primarily from weddings and family parties or from people visiting friends and relatives in the town.

3.4.5. Hotels on golf courses attract good demand for weekend golf breaks and some midweek golf break business. Hotels with spas are finding a strong market for spa breaks.

3.4.6. Weekend weddings and leisure break business is highly seasonal. Demand from these markets is much lower during the winter and more rate-driven at this time of year, with hotels promoting special offers and added value packages to attract business, increasingly through the online hotel comparison websites such as LateRooms and booking.com.

3.4.7. Other weekend markets are overseas tourists during the summer months and special interest groups such as golf parties, shooting parties, cricket and rugby tours, garden tours and walking and cycling groups. People coming to Camber Sands for kite surfing and other watersports generate some demand for hotel accommodation in Camber.

3.4.8. Events that generate good demand for hotel accommodation in the District are as follows:

- Battle of Hastings Re-enactment
- Battle Bonfire
- Rye International Jazz Festival
- Rye Scallop Festival

3.4.9. Performances at the De La Warr Pavilion occasionally generate demand for hotel accommodation in Bexhill-on-Sea if an artiste has a good following. The De La Warr Pavilion uses boutique hotels in Hastings to accommodate artistes however, as Bexhill hotels do not offer a sufficiently high standard of accommodation. The Bexhill Sea Angling Festival generated some business for one of the town's hotels in its first year in 2012.

Relatively Weak Midweek Demand

3.4.10. Midweek demand for hotel accommodation in Rother is generally weak and seasonal. Weekday occupancies for hotels in Bexhill-on-Sea and Battle are averaging under 40%, while for Rye hotels they are typically in the region of 50-60% due to higher levels of business and contractor demand primarily related to Dungeness Power Station. Weekday occupancies are also understood to be low in Camber. Midweek occupancies for the District's hotels are slightly stronger in the summer but can be very low during the winter. Midweek denials are rare for Rother's hotels, other than occasionally during the peak summer months for some hotels in the Rye area.

3.4.11. The main midweek market for most of Rother's hotels is midweek breaks. They primarily attract demand from retired couples, who are often regular customers that have been coming to the same hotel for many years. Some hotels also attract midweek break business from families during school holiday periods. Midweek break business is primarily rate-driven, with most hotels increasingly using the online hotel comparison websites and daily deals sites, e.g. Groupon and Secret Escapes, to attract this business.

3.4.12. Business demand is relatively limited for the District's hotels, Hastings Direct is the only significant generator of business demand for Bexhill-on-Sea hotels. Some hotels in the Battle area attract midweek business demand from Hastings companies. Hotels in the Rye area attract good business from Dungeness Power Station and some business demand from Lydd Airport.

3.4.13. Residential conference business is minimal for the District's hotels and has reduced significantly during the recession.

3.4.14 Contractors working on projects in the area are a good source of midweek business for some lower-priced hotels. Dungeness Power Station periodically generates significant levels of contractor business. The construction of the new Bexhill-Hastings Link Road is generating contractor business for hotels in Battle.

3.4.15. People visiting their elderly relatives in the town and attending funerals are an important source of midweek trade for hotels in Bexhill-on-Sea.

3.4.16. Other midweek markets for Rother hotels are as follows:

- Overseas tourists, stopping off for a night or two en-route to and from the West Country;
- Special interest groups;
- Midweek weddings;
- Corporate activity events.

A Gradually Strengthening Hotel Market

3.4.17. Most of Rother's hotels have seen an increase in leisure break business over the last 3-4 years as a result of the 'staycation' trend during the recession and increased business through the online hotel comparison websites. Lengths of stay have however reduced for weekend breaks, with customers now generally only staying for one night. Leisure break business has also become more rate-driven as customers have switched to buying through the hotel comparison websites, on which hotels need to keep their prices competitive. Hotels also have to pay commission on the bookings they receive through these websites, thus further eroding their achieved room rates. There has also been a trend towards more last minute bookings. Some hotels reported a downturn in midweek break business from their retired customers that have seen a drop in the returns they are getting on their investments, leaving them with less disposable income to spend on holidays and breaks.

3.4.18. Weddings business has increased for some of the District's hotels but has become more price sensitive with hotels offering discounted wedding packages.

3.4.19. Business demand has reduced for most of the District's hotels during the recession, as has residential conference business.

3.4.20. There were mixed reports about trends in demand from overseas tourists. Some hotels reported a sharp drop in this market in 2012, with overseas tourists generally staying away from the area due to concerns about high prices during the London Olympics. Two hotels in the Rye area reported strong demand from overseas visitors that used them as a base for attending the Olympics, travelling to London from Ashford.

3.4.21. The managers and owners of hotels in Battle and Rye are generally optimistic about the prospects for their hotel in 2013. Most expect to see an improvement in their occupancy levels as the economy recovers and as a result of investment, improved marketing and more effective use of online hotel comparison websites. Some expect to see an improvement in achieved room rates, while others are more cautious in this respect, seeing the market as continuing to be highly price competitive, giving little scope to push up room rates. Some hotels reported a slow start to 2013 as a result of the cold spring weather. The good summer weather has subsequently provided a strong boost to the District's hotel market however.

3.4.22. The owners of hotels in Bexhill-on-Sea are much less optimistic about the future prospects for their hotels and see no signs of future growth at present.

3.5 National Hotel Development Trends

3.5.1 Key trends in UK hotel development of relevance to Rother are as follows:

- **Budget hotel development** has continued apace across the UK. Premier Inn typically opens 40 new hotels in the UK each year. Travelodge has continued to expand although has reduced its list of target locations and has offloaded some hotels in 2013 as part of the company's financial restructuring. Other budget brands (Days Inn, Ibis) and upper-tier budget brands (Holiday Inn Express, Hampton by Hilton and Ramada Encore) have developed more slowly, primarily in major towns and cities. Boutique budget hotel brands such as Sleeperz, Nite Nite Citizen M and Z Hotels have started to emerge in major cities.

- The other key trend in the UK hotel sector has been the growth of **boutique hotels**. The trend started in the late 1990s with the development of the Hotel du Vin boutique hotel chain in historic towns and cities and the Malmaison boutique hotel brand in major cities. Other boutique hotel companies such as ABode and Chapter Hotels have subsequently opened hotels in historic towns and cities. More recently some of the major hotel chains have introduced boutique hotel brands into larger cities e.g. IHG's Hotel Indigo and Starwood's Aloft brand. A number of small boutique hotel chains have recently been established and expanded. Robin Hutson (the founder of Hotel du Vin) has launched The Pig boutique hotel company with two hotels in the New Forest and Southampton and a third under development in Dorset. Hilbrooke Hotels has opened a new hotel in Stamford, Lincolnshire and is interested in further opportunities for 'quirky luxury' hotels. Bespoke Hotels has opened new boutique hotels in London and Leeds and is currently looking for new boutique hotel opportunities in other UK cities. The first of a new group of boutique hotels called the House Collection opened in Ely, Cambridgeshire in 2013. Small independent boutique hotels have also opened in many locations across the country, including small towns and rural locations, often through the repositioning of existing hotels, and there is no reason to think that this trend will not continue.

- There have been a few recent **country house hotel** and **golf hotel** openings in locations such as Hampshire, Cheshire, Cornwall, Yorkshire, Gloucestershire and Berkshire and proposals coming forward in Kent, Surrey, Hertfordshire, Devon, Yorkshire and Scotland.

- Another key trend has been the development of **hotel spas** at many country house hotels, which have enabled hotels to tap into the rapidly expanding UK spa breaks market.

- The niche Luxury Family Hotels company was relaunched in 2011 through the acquisition of seven hotels from the former Von Essen country house hotel group and an eighth hotel in Cornwall. The company focuses on the upper end of the family break market. It is currently focused on improving and developing its existing portfolio of hotels but may look at further acquisitions in due course. The success of Luxury Family Hotels could stimulate the development of other **family-focused hotels** and hotel companies.

- Another niche hotel company is Warner Leisure Hotels, which focuses entirely on the adults only leisure break market. It has no plans to expand at present. Its success could similarly stimulate the development of other **adults only hotels** and hotel companies.

- Another trend that could be relevant for Rother has been the development of **hotels at holiday parks and holiday centres**. Butlin's has now opened three contemporary hotels at its holiday centre in Bognor Regis. The Richardson's Group has unveiled plans for a 260-bedroom hotel as part of the redevelopment of the Seacroft Holiday Village at Hemsby on the north Norfolk coast.

3.6. Hotel Developer Interest in Rother

3.6.1. Approaches were made to a cross-section of hotel developers, operators and investors to probe their potential interest in investing in Rother. The target list focused on hotel companies that have expressed interest in the area in past studies, local developers and operators known to the Tourism and Regeneration Teams, together with branded and independent operators whose offers have fit with the identified market potential and/or destination aspirations, particularly those who have been active in the recent past.

3.6.2 The destinations in Rother are too small to meet the site requirements of many of the national branded operators, who typically target towns with a population of 100,000+. Travelodge and Premier Inn will locate in smaller towns of 25,000-50,000, and can deliver smaller developments to compensate for the size of the destination and the levels of demand likely to be generated.

3.6.3. Bexhill-on-Sea has previously been on Premier Inn's target list. While it is no longer a target town for the company it may be so again at some point in the future, particularly if evidence of the potential for a budget hotel here can be put before them. Travelodge has no immediate requirement for Bexhill-on-Sea but may consider developing a hotel here if they can be convinced that there would be sufficient demand from Bexhill-on-Sea to not undermine the trading performance of the company's Hastings hotel. The Bexhill High School site and proposed business park site on the Bexhill-Hasting Link Road could be of interest to both companies.

3.6.4. Rye is a target town for Premier Inn but they have not so far identified a suitable site in the town.

3.6.5. Neither Premier Inn nor Travelodge expressed interest in Battle.

3.6.6. The other budget hotel brands (Accor's Ibis and Ibis Budget, IHG's Holiday Inn Express, and Hilton's Hampton by Hilton) all felt that Rother's towns lack sufficient critical mass and corporate base to be of interest to them. An agent acting for another budget hotel company new to the UK indicated that the company was prepared to look at Bexhill. We were unable to gain any further insight however to establish how serious this interest might be.

3.6.7. Testing developer interest in boutique, country house and niche hotel development in a location such as Rother is very difficult as the development of such hotels will be largely opportunistic and is most likely to be taken forward by individual, most probably local hoteliers, restaurateurs and entrepreneurs. We did however speak to one local hotelier that expressed interest in developing a boutique hotel of around 30 bedrooms on the Rother coast, possibly at Rye Harbour or Bexhill-on-Sea (although he had no knowledge of the Bexhill-on-Sea hotel market).

3.7. Hotel Development Opportunities in Rother

3.7.1. The findings of our research suggest potential for the following types of hotel development in Rother:

- The upgrading and possible expansion of existing hotels under existing or new owners.
- The addition of hotel spas at some of the District's hotels.
- The expansion and development of function facilities at existing hotels to enable them to cater for weddings and functions trade.
- The possible development of small boutique hotels in Rye, Rye Harbour and Battle, most likely through the repositioning of existing hotels and inns, or possibly through the conversion of suitable properties if available and affordable.
- Budget hotel development in Bexhill-on-Sea and possibly Rye, given a suitable site here.
- The development of hotel accommodation on some of the District's golf courses.
- Possible scope for the development of country house hotels and niche country house hotel products such as luxury family hotels, adults only hotels and spa hotels, given suitable properties for conversion.
- The development of hotel accommodation linked to wedding venues.
- The development of hotels on holiday parks and holiday centres in the District.
- Possible scope for the development of winery hotels at Carr Taylor and Sedlescombe vineyards along the lines of hotels that have been developed on some European vineyards. Such opportunities have not however been discussed with the owners of the vineyards.

3.7.2. Our research shows clear potential for some additional hotel provision in Rye to meet current shortages at weekends. Care must however be taken not to encourage too significant and rapid a growth in hotel supply here as this could dilute midweek trade for the town's hotels.

3.7.3. While we did find one local hotelier that would be prepared to consider opening a boutique hotel in Bexhill-on-Sea, we do not believe from our research that the hotel market and destination offer here would be strong enough to support the development of a boutique hotel for the foreseeable future. Demand for hotel accommodation in Bexhill is primarily from wedding parties, people visiting friends and relatives in the town and business demand from Hastings Direct. The town's hotels attract very little leisure break business and the De La Warr Pavilion only occasionally generates demand for hotel accommodation in the town. A boutique hotel would thus largely need to create its own demand and act as a destination in its own right. This would require an exceptional site or conversion opportunity, ideally with sea views. As far as we have been able to establish no such opportunity has so far been identified in the town. The idea of incorporating a boutique hotel into the De La Warr Pavilion was suggested to us. This is the sort of opportunity that might possibly attract a boutique hotel operator. We have not investigated whether this could be a possibility however.

3.7.4. We are doubtful that the development of a new hotel on Camber central car park would be viable due to the highly seasonal nature of demand here and lack of midweek and winter trade.

3.7.5. The development of Premier Inn or Travelodge budget hotels in Bexhill-on-Sea and Rye would undoubtedly raise concerns among the existing hotel, guest house and B&B operators in the towns about their ability to compete with such hotels. While new Premier Inn and Travelodge hotels could well take business from existing accommodation businesses in the towns, these hotel brands benefit from strong customer awareness and loyalty, national marketing and central reservations systems. Their hotels can frequently help grow the market, attracting additional business to an area through their brand strength and customer base and referral business from sister hotels. They also cater well for the family market, which guest houses and B&Bs are frequently unable to accommodate as they lack family rooms. With limited food and beverage operations budget hotels usually generate business for local restaurants and bars. They create new employment, particularly for young people. Branded budget hotels can also have a beneficial effect in terms of helping to encourage investment in existing accommodation businesses and/or possibly forcing poor quality operations to exit the market. Given the relatively limited hotel and guest house supply in Bexhill-on-Sea and the lack of strong midweek demand for accommodation in the town, some existing hotels and guest houses could struggle to compete with a new budget hotel in Bexhill-on-Sea. Much will depend on how midweek demand develops once the new Bexhill-Hastings Link Road is open and as the proposed business park on the north eastern edge of the town develops. The greater stock of accommodation and stronger market in Rye suggests that existing accommodation businesses would be less affected by a new budget hotel here, although some poorer quality establishments might find it difficult to compete.

4. INNS & RESTAURANTS WITH ROOMS

4.1. Current Supply

Inns/Pub Accommodation

4.1.1 Our research has identified 18 inns and pubs offering accommodation in Rother with a total of 105 letting bedrooms.

ROTHER – CURRENT SUPPLY OF INNS/PUB ACCOMMODATION – NOVEMBER 2013

Standard	Bexhill-on-Sea	Battle Area	Rye Area	Rother
Boutique				
Establishments		2		2
Bedrooms		11		11
4 Star				
Establishments			2	2
Bedrooms			12	12
3 star				
Establishments		2	2	4
Bedrooms		13	11	24
Not Graded				
Establishments	1	4	5	10
Bedrooms	7	17	34	58
TOTAL				
Establishments	**1**	**8**	**9**	**18**
Bedrooms	**7**	**41**	**57**	**105**

4.1.2. While we have not undertaken a comprehensive assessment of the quality of pub accommodation across the District, it would appear that standards vary significantly between different establishments. There are some examples of high quality inns that offer a contemporary style of accommodation, such as The George Inn in Robertsbridge, the Bell In Ticehurst and the Old Borough Arms and Ship Inn in Rye. There also appear to be some examples of pub accommodation businesses that offer a lower standard of accommodation.

4.1.3 Pub accommodation operations in the District are all small, ranging in size from 3 to 10 bedrooms.

ROTHER PUB ACCOMMODATION SUPPLY – NOVEMBER 2013

Establishment	Grade	Rooms
Bexhill-on-Sea		
The Sussex Hotel	n/a	7
Battle		
Battle Town		
The Bull Inn	3 star	5
The Abbey Hotel	n/a	8
Rural Battle		
Bell In Ticehurst	Boutique	7
The George Inn, Robertsbridge	Boutique	4
The Bear Inn & Burwash Motel, Etchingham	3 star	8
The Ostrich Hotel, Robertsbridge	n/a	3
Rose & Crown, Burwash	n/a	3
The White Dog Inn, Ewhurst Green	n/a	3
Rye		
Rye Town		
Old Borough Arms	4 Star	9
Queen's Head Inn	3 star	3
The Ship Inn	n/a	10
Top O'The Hill	n/a	9
Rural Rye		
Hare and Hounds, Rye Foreign	4 star	3
Playden Oasts Inn, Playden	3 star	8
Two Sawyers, Pett	n/a	3
The Green Owl, Camber	n/a	6
New Inn, Winchelsea	n/a	6

4.1.4 The majority of pub accommodation establishments in Rother are independently operated by their owners or tenants. Inns that are owned and/or operated by pub and hotel companies are as follows:

- The Sussex Hotel, Bexhill-on-Sea – part of Relax Innz;
- The Abbey Hotel, Battle – owned by Shepherd Neame;
- Rose & Crown, Burwash – owned by the Sussex brewer Harveys.

4.1.5 Rother does not have any traditional coaching inns that are commonly found in counties such as Kent and Hampshire.

Changes in Pub Accommodation Supply

4.1.6 Our research has not involved a detailed assessment of recent and proposed changes in the supply of pub accommodation in Rother. From the research that we have undertaken it is evident that the quality of the District's pub accommodation offer has significantly improved in recent years, with investment in the upgrading and modernisation of a number of pub accommodation businesses, including the repositioning of a number as boutique inns:

- The Bell Inn Ticehurst reopened in August 2011 following a complete refurbishment by its new owners to reposition it as a 'quirky luxury' inn with 7 guest bedrooms that feature handmade Somnus mattresses, Apple TVs and luxury toiletries. Each bedroom incorporates a silver birch tree as a design feature. The owners have planning permission to develop 4 guest lodges. They submitted an alternative proposal for the lodges in July 2013 alongside a planning application to replace an adjacent building with two new en-suite guest bedrooms.
- The George Inn at Robertsbridge opened 4 luxury boutique bedrooms in 2010.
- The bedrooms have been modernised at the Old Borough Arms in Rye.
- The Ship Inn in Rye has refurbished its bedrooms in a quirky, contemporary style, with painted floors, jazzy wallpaper and bright paint and quirky extras such sticks of rock and rubber ducks in the bathrooms.
- The new owners of the Top o'the Hill in Rye are currently in the process of renovating the pub and its guest bedrooms. They have also applied for permission to site 4 static chalets in the car park.
- The Two Sawyers at Pett has refurbished its bedrooms.
- The guest bedrooms at the Green Owl in Camber are currently being modernised.

Restaurants with Rooms

4.1.7 Rother has two 5 star restaurants with rooms in Rye and Battle. The Peace and Plenty pub was reopened as a café bar and restaurant in 2010. It opened three self-contained bed & breakfast rooms in 2013.

ROTHER – RESTAURANTS WITH ROOMS – NOVEMBER 2013

Restaurant	Location	Grade	Rooms
White Vine House	Rye	5 star	6
Claverton Country House	Battle	5 star	6
Peace and Plenty	Playden	4 star	3

4.2. Current Performance and Markets

4.2.1 Our research has not included a comprehensive survey of pub accommodation establishments and restaurants with rooms in Rother. We have concentrated on speaking to a number of the 5 star and boutique inns and restaurants with rooms in the District, together with a small sample of other, lower grade pub accommodation establishments.

4.2.2. The 5 star and boutique inns and restaurants with rooms that we spoke to all achieve very high occupancies and room rates on Friday and Saturday nights throughout the year and frequently fill and turn business away on these nights. They attract strong demand for weekend breaks from career couples from London and the South East that are looking for high quality accommodation and good food. Weekend break business is more offer-driven in the winter but high-rated in the summer months. Demand from wedding parties is also strong between April and October. Other weekend markets are people visiting friends and relatives and overseas tourists.

4.2.3. Midweek occupancies and room rates are lower but slightly stronger in the summer. The District's high quality inns and restaurants with rooms attract demand for midweek breaks from older couples. They also attract some midweek demand from business visitors, overseas tourists and special interest visitors such as golf parties and people on wine tours and courses at The Lighthouse Bakery School at Ewhurst Green.

4.2.4. Average annual room occupancies for high quality inns and restaurants with rooms in Rother appear to be running at around 50-60%. The leisure-led and seasonal nature of the accommodation market in Rother makes it difficult to achieve higher occupancies than these levels. Most establishments reported a steady growth in occupancy levels in the last few years, other than 2012, when occupancies dropped as a result of the poor summer weather and the London Olympics, when many overseas tourists stayed away because of fears about high prices. All of the inns and restaurants with rooms that we spoke to reported a recovery in occupancy levels in 2013.

4.2.5. The lower grade pub accommodation businesses that we interviewed all achieve high occupancies on Friday and Saturday nights between April and October from a mix of business from wedding parties, people escaping from London for a weekend away, overseas tourists and people visiting friends and relatives. All of the establishments that we spoke to are frequently full and turn business away on Friday and Saturday nights during the peak summer months. Other weekend markets are kite surfers at Camber and walkers and cyclists. Friday and Saturday occupancies are lower (typically around 40-50%) during the winter months. The establishments that we spoke to are typically running at midweek occupancies of around 50-60% during the summer but occupancies of below 30% in the winter. Midweek markets are leisure break stays and overseas tourists and for some establishments contractors working at Dungeness Power Station.

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. Examples in Rother are the Bell In Ticehurst and The George Inn in Robertsbridge.

- 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 and owns The Abbey Hotel in Battle.
    - 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 Rother

4.4.1. Our research suggests potential for further good quality pub accommodation in Rother both in terms of the upgrading of existing well located, characterful pubs and the potential for other such pubs to refurbish, modernise and re-open letting bedrooms within their premises and/or possibly through the conversion of suitable outbuildings. This could include the development of further boutique inns, most probably through the repositioning of existing pub accommodation establishments by independent owners. Some of the national and regional pub companies that operate hotel and inn portfolios might also be interested in suitable acquisition and pub accommodation development opportunities. Care is needed however not to over encourage pub accommodation development. While existing pub accommodation establishments, especially boutique inns, are trading strongly and consistently turning business away at weekends, they have spare capacity during the week. Too rapid an increase in pub accommodation supply could therefore dilute midweek trade.

4.4.2 There could be scope for the development of further high quality restaurants with rooms in the county, either through the development of letting bedrooms at existing restaurants and/or the development of entirely new restaurant with rooms businesses.

4.4.3 It will be difficult for Rother to attract the national inn brands as the District lacks the larger coaching inns that pub companies are seeking for these brands.

4.4.4 There could be scope for a new build pub restaurant with bedrooms in Bexhill-on-Sea. The town is a target location for Marston's. 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.

4.4.5 Wetherspoons is also looking for a site/property in Bexhill, and if the property has upper floor space they would consider including hotel bedrooms in their development. Bexhill was also potentially of interest to Greene King for its Old English Inns brand; this would be for the acquisition of an existing property with additional development potential. We are aware from our wider research of some small boutique inn and gastropub operators that might be prepared to consider suitable acquisition and development opportunities in Rother.

4.4.6 Research that Hotel Solutions undertook for Tourism South East in 2004 to assess the potential for pub accommodation development in the South East[1] identified a number of 'drivers to success' of pub accommodation that it is worth bearing in mind when assessing development potential. These relate to a variety of aspects of the offer, including the physical product, management, marketing and quality of service. The offer sought by the market is far from the room above a smoky boozer – the type of property with best fit to a rooms offer would usually be a quality pub with character and distinctiveness, well-known for its food – often referred to as a 'destination dining' offer (as opposed to a local community drinking pub) - offering quality food, frequently with a separate restaurant, and with a good local profile, well-connected to businesses, the local community, and visitor markets. Active marketing, a stable and committed management, regular on-going investment and excellence in customer care will all play a part in ensuring success.

[1] Rural Pub Accommodation: Unlocking the Tourism Potential – Tourism South East (2004)

5. GUESTHOUSE AND B&B ACCOMMODATION

5.1. Current Supply

Current Guesthouse and B&B Supply

5.1.1. Our research has identified 91guesthouses, B&Bs and farmhouse B&Bs in Rother with a total of 329 letting bedrooms.

ROTHER – CURRENT SUPPLY OF GUEST HOUSE AND B&B ACCOMMODATION – NOVEMBER 2013

Standard	Bexhill-on-Sea	Battle Area	Rye Area	Rother
5 Star/Boutique				
Establishments	2	7	17	26
Bedrooms	4	20	69	93
4 Star				
Establishments	14	7	15	36
Bedrooms	72	26	60	158
3 Star				
Establishments	1	1	6	8
Bedrooms	2	4	31	37
2 Star				
Establishments			1	1
Bedrooms			3	3
Not Graded				
Establishments	1	9	10	20
Bedrooms	3	14	21	38
TOTAL				
Establishments	**18**	**24**	**49**	**91**
Bedrooms	**81**	**64**	**184**	**329**

5.1.2. The Rye area has the most significant stock of guest house and B&B accommodation in the District, followed by Bexhill-on-Sea. The Battle area has the lowest supply and Battle town only has 9 guest houses and B&Bs with a total of 23 letting bedrooms. Rye town, by contrast, has 20 guest houses and B&Bs and a total of 86 letting bedrooms.

5.1.3. Rother has a good supply of 5 star guest houses and B&Bs and a few establishments that position themselves as luxury or boutique B&Bs. The District also has a good stock of 4 star guest accommodation. There are fewer 3 star establishments and only one 2 star B&B. Twenty guest houses and B&Bs are not currently inspected under the national grading scheme. This includes a number of establishments that appear to be of a good quality.

ROTHER GUEST HOUSES & B&Bs – NOVEMBER 2013

Establishment	Grade	Rooms
Bexhill-on-Sea		
Highwoods Farm	5 star	2
The Old Manse	5 star	2
Albany House	4 star	3
Arden House	4 star	2
Arosa	4 star	9
Barrington	4 star	5
Buenos Aires Guesthouse	4 star	5
Coast B&B	4 star	3
Collington Lodge	4 star	6
Dunselma	4 star	7
English Rose	4 star	6
Eve's B&B	4 star	5
The Garth	4 star	2
The Old Vicarage	4 star	2
Park Lodge	4 star	10
The Wiltons	4 star	7
Manor Farm	3 star	2
Tides	n/a	3
Battle		
Battle Town		
Clouds	5 star	2
Heather Hill	5 star	4
Battlefield Cottage	4 star	3
Tollgate Farmhouse	4 star	4
Battle Golf Club	3 star	4
Chantlers	n/a	2
Lilac Tree Lodge	n/a	2
Stream House, Netherfield Hill	n/a	1
Tudor House	n/a	1
Rural Battle		
Clouds B&B, Ewhurst Green	5 star	2
Prawles Court, Ewhurst Green	5 star	4
Slides Farm, Robertsbridge	5 star	2
Woodside, Staplecross	5 star	2
Shoyswell Cottage, Etchingham	Boutique	4
Forest Edge Motel, Flimwell	4 star	6
Four Winds, Westfield	4 star	3
Glenferness, Robertsbridge	4 star	6
Kester House, Sedlescombe	4 star	3
The Old Court House, Hurst Green	4 star	1
Judins, Burwash	n/a	3
King Johns Lodge, Etchingham	n/a	2
Rosebank B&B, Etchingham	n/a	1
St Benedict's Byre, Crowhurst	n/a	1
Woodside Farm, Crowhurst	n/a	1

Establishment	Grade	Rooms
Rye		
Rye Town		
Apothecary	5 star	3
Haydens	5 star	7
Jeake's House	5 star	11
Oaklands	5 star	3
Old Vicarage, Rye Harbour	5 star	3
The Rise	5 star	3
Willow Tree House	5 star	6
26 Mill Road	4 star	1
At Wisteria Corner	4 star	2
Four Seasons	4 star	3
Little Saltcote	4 star	4
The Windmill Guest House	4 star	10
Wishing House	4 star	2
Aviemore Guesthouse	3 star	8
Regent Motel	3 star	9
Tower House	3 star	3
Ascham House	n/a	1
Glencoe Farm	n/a	3
Leswinton B&B	n/a	2
Vine Cottage	n/a	2
Rural Rye		
The Barn House, Fairlight	5 star	3
Fairacres, Broad Oak	5 star	3
Knelle Dower, Northiam	5 star	1
The Lookout, Pett	5 star	2
Manor Farm Oast, Icklesham	5 star	3
Old Moat House, Ivychurch	5 star	3
Saltcote Place, Playden	5 star	12
Stream House, Fairlight	5 star	3
Coromandel House, Boonshill Farm, Iden	Boutique	2
The Writer's Retreat	Boutique	1
Brede Court Country House, Brede	4 star	6
The Corner House, Playden	4 star	3
Little Garth B&B, Brede	4 star	2
The Mill House, Brede	4 star	2
Fairlight Cottage, Fairlight	4 star	3
Iden Coach House, Iden	4 star	2
Spring Farm, Bodiam	4 star	3
The Strand House, Winchelsea	4 star	13
White Cottage, Fairlight	4 star	4
Cliff Farm, Iden Lock	3 star	3
Point Farm, Camber	3 star	4
Ranter's Rest, Udimore	3 star	4
Stone Link Cottages, Brede	2 star	3
Chestnut Lodge, Beckley	n/a	2
Lamberden Cottage, Sandhurst	n/a	2
Little Monkings, Northiam	n/a	3
Mount Pleasant Farm, Guestling	n/a	2
The Poplars, Beckley	n/a	2
West View B&B, Winchelsea Beach	n/a	2

Recent Changes in Guesthouse and B&B Supply

5.1.4 The study has not included a detailed audit of changes in the supply of guesthouses and B&Bs in Rother over the last 5 years. From our research however it is clear that there have been a number of changes: some new establishments have opened; some guest houses have new owners; a few guest houses have expanded; a number of guest houses and B&Bs have ceased trading, or will close in the next few months, in most cases due to the retirement or ill health of their owners; and a number of guest houses are currently up for sale. This is typical of the churn factor in this sector of the visitor accommodation market: people generally enter the sector pre-retirement and run a guesthouse or B&B for a period of around 10 years before retiring and either selling up or closing down.

5.1.5. It is difficult to say whether the overall quality of the district's guest house and B&B offer has improved in the last 5 years. Rother does however now have a good stock of 4 and 5 star guest accommodation businesses and appears to have very few lower standard guest houses and B&Bs. There have been some recent openings of boutique B&Bs e.g. Shoyswell Cottage at Etchingham in 2013.

5.2. Current Performance and Markets

5.2.1. Our research has included telephone and face-to-face interviews with a sample of 17 B&Bs and guest houses across Rother (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 guest house/ B&B accommodation in the District;
- The key weekend and midweek markets for guest house/ B&B accommodation;
- The extent to which guest houses and B&Bs are regularly filling and turning business away;
- The future prospects for these types of accommodation in the District.

Room Occupancies

5.2.2. Very few guest house and B&B owners record their occupancy levels and are able to provide accurate occupancy data. From those that we spoke to that gave some indication of occupancy rates, average annual guest house and B&B room occupancies ranged from under 30% to 70-80% and were most typically around 50-60%. Occupancies are strongest in Rye. Some guest houses in Bexhill-on-Sea reported very low annual room occupancies of around 30-40%. Others reported room occupancies of over 75% however. Running a guest house or B&B is usually a lifestyle choice. Occupancies can therefore vary widely depending on how busy owners wish to be. Low occupancies are not necessarily an indication of a lack of demand therefore.

5.2.3. There appears to have been a slight decline in 2012 occupancies compared with the previous two years which is attributed primarily to the impact of the recession, the poor summer weather and the London Olympics. Trading in the early part of the 2013 season was reported as being slow but has recovered in late spring and throughout the summer, largely as a result of the improved weather.

Weekend Demand and Markets

5.2.4. Rother's B&Bs and guest houses are generally performing very well at weekends. Weekend occupancies peak during the summer season but are high throughout the year for many establishments. Demand is particularly strong for Saturday nights.

5.2.5. Some guest house and B&B owners indicated that they drive weekend business outside the peak season by offering packages, deals and discounts for repeat visitors.

5.2.6. Having a strong online presence and the ability to take online bookings has enhanced the performance of a number of the businesses that we spoke to. One operator indicated that as much as 75% of their bookings are made online.

5.2.7. The main weekend markets for guest houses and B&Bs in Rye and Battle are leisure break customers from London and the South East and overseas tourists (German, Dutch, Belgian, Italian, French and Swiss) during the summer months. Rother is clearly an ideal stopping off point for European visitors arriving via Dover, Folkestone and Ashford and is close enough to these ports of entry to attract weekend break business from near European visitors. One guest house in Rye also reported strong demand from Japanese visitors. Weekend break customers coming down from London tend to be career couples. There is also weekend demand from families but many guest houses and B&Bs are unable to cater effectively for this market, in terms of having large enough bedrooms, dedicated family rooms or suites and interconnecting bedrooms.

5.2.8. Rye's heritage and restaurant offer are a key draw for weekend break business for the town's B&Bs and guest houses. Events in Battle and Hastings appear to be a key draw for leisure visitors here.

5.2.9. Other weekend markets for B&Bs and guest houses in the Rye and Battle areas are people attending weddings and other family celebrations; people visiting friends and family, including students at Battle Abbey School; kite surfers at Camber; walkers, cyclists, golfers and bird watchers.

5.2.10. Weekend customers for Bexhill-on-Sea guest houses and B&Bs are primarily people attending weddings and other family parties or visiting friends and family in the town. The town's B&Bs and guest houses also attract some demand from overseas tourists stopping off for the night and a small proportion of guests staying for a leisure break. Major concerts at the De La Warr Pavilion occasionally generate single night stays for Bexhill's B&Bs and guest houses. House hunters are a further weekend market.

5.2.11. There is evidence that weekend business is being turned away due to lack of availability at many of the premises interviewed. This is particularly the case during the peak summer period and on Saturday nights and can be quite substantial for some establishments, particularly those in the Rye area. The Rye Hotel & Caterers Association has a system in place to advise members of room availability in the town. While this can assist referral business, we understand that the system often shows no weekend availability during peak periods.

5.2.12. Our research shows that demand is particularly strong for high quality guest houses and B&Bs that offer contemporary luxury accommodation together with a top quality food offer. Such establishments command premium rates which can reach £130-£145 per room per night at weekends. They are particularly popular for special celebrations such as birthdays and anniversaries.

5.2.13. Most of the B&B and guest house operators that we spoke to in the District reported no significant changes in the markets that they attract at weekends. One operator noted a decline in US visitors. Some operators reported a marginal decline in their overall weekend business in 2012 compared with the previous 2 years. Some reported a slight improvement.

Midweek Demand and Markets

5.2.14. Most of the District's B&Bs and guest houses perform strongly in the week during the main summer months. Outside of these periods, midweek occupancies are much lower.

5.2.15. The primary weekday markets for Bexhill guest houses and B&Bs are contractors and people visiting friends and relatives. They also attract some demand from people attending funerals, business visitors and overseas tourists. In contrast, the key midweek markets for properties in the Rye and Battle areas are leisure break customers and overseas tourists, together with a small proportion of business visitors, film crews and people in the area for family occasions. Midweek leisure break guests are primarily emptynesters and newly retired people.

5.2.16. Our research shows no real changes in the weekday markets for the District's guest houses and B&Bs over the last few years.

5.2.17. Most guest house and B&B operators indicated that they sometimes deny midweek business during the peak summer season. For some establishments, this can be substantial. Overall however, the level and frequency of weekday denials is relatively low.

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 guest houses and B&Bs that are not fully or mostly en-suite.

5.3.2 An emerging trend in the South of England, Wales and some major historic cities (e.g. Bath, Chester, London and Edinburgh) 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 in neighbouring areas include:

- Black Rock House, Hastings www.hastingsaccommodation.com
- The Cloudesley, St Leonards-on-Sea www.thecloudesley.co.uk
- Cobbe Place, Lewes www.cobbeplace.com
- The Reading Rooms, Margate www.thereadingroomsmargate.co.uk
- Chilverbridge House, Arlington www.chilverbridgehouse.com

5.4 Sector Development Potential in Rother

5.4.1 Our research suggests potential for additional guest houses and B&Bs in Rother to meet weekend demand, and an ongoing need to encourage the opening of new guest houses and B&Bs to replace those that close. Care will be needed to avoid the opening of too many new establishments however, which could dilute midweek and low season trade. The strongest potential for additional guest accommodation appears to be in the Rye and Battle areas. Guest houses in Bexhill-on-Sea are less optimistic about future growth prospects and may see a downturn in business if a new budget hotel opens here and some may decide to exit the market as a result. There could be scope for some additional guest accommodation in Camber – there is only one small, newly opened B&B here at present.

5.4.2 There will be a need to encourage the continual upgrading of existing guest houses 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 guest house 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 was identified by a number of the guest house and B&B owners that we spoke to as holding back improvements that they would like to make.

5.4.3 There could be scope for the opening of further boutique B&Bs in the District. Such establishments consistently trade well and command high prices at weekends.

5.4.4. Our research suggests potential for further guest accommodation with family rooms and suites to cater for the family market. Few guest houses and B&Bs in the District are currently able to accommodate this market. The need for such provision may however be lessened in new budget hotels (which cater very well for the family market) open in Bexhill or Rye.

5.4.5 There might be potential for Horses Welcome B&Bs in the District - B&Bs that also provide stabling and pasture for horses - possibly at equestrian centres or on farms. Further work will be needed to identify whether there is a market and a sufficiently developed bridleway network in the District for horse riding holidays to be actively promoted here. There could be an opportunity for such establishments at Camber to capitalise on the demand for horse riding on the beach between October and March, when the restrictions on beach riding are lifted.

5.4.6 There could be merit in encouraging B&B and guest house providers across the District to develop walker and cyclist friendly policies and facilities to attract the walking and cycling break markets.

6. HOLIDAY COTTAGES, HOMES & FLATS

6.1. Current Supply

6.1.1 The 2013 study has not included an audit of the current supply of self-catering holiday cottages, homes and flats in Rother or changes in supply since 2009. It is evident however that the District still has a significant stock of holiday cottages and homes, with concentrations in the Rye area and at Camber and a much smaller supply of holiday cottages and holiday flats at Bexhill-on-Sea. The supply is a mix of residential cottages and homes that are let out as holiday accommodation and self-catering barn conversions. Planning application lists provided by the District Council include a significant number of barn conversions to holiday lets that have been granted permission. While we have not undertaken work to assess how many of these permissions have been implemented it is likely that the District's supply of self-catering barn conversions has increased since 2009.

6.2 Current Performance and Markets

Holiday Cottages

6.2.1 We spoke to most of the holiday cottage letting agencies that have properties in Rother and a small sample of independently operated holiday cottages and holiday cottage complexes. These interviews showed strong demand for holiday cottages of all types and sizes in all parts of Rother. Average annual lettings range from 20 to 40 weeks but are most typically around 32-36 weeks. Demand is particularly strong for properties in Rye and for coastal properties with sea views and on the beach at Camber Sands.

6.2.2 Holiday cottages across the District achieve high levels of occupancy between April and October. Many are fully booked for the majority of this period and most turn business away during the peak summer months, although in some cases not to the same extent as in previous years. Demand at these times of the year is primarily for full week holidays. Most holiday cottages only take late availability bookings for short lets during these months.

6.2.3 Demand also peaks over the Christmas and New Year period, when the majority of holiday cottages in the District are fully booked and turning business away.

6.2.4 Demand between November and March is otherwise primarily for short breaks, mainly at weekends but to some extent also during the week. One bedroom properties, coastal cottages and holiday homes with sea views, properties with log burners, cottages that take dogs and properties in Rye generally achieve higher lettings in the winter. Very large properties attract good demand at weekends from family and friendship get togethers and celebrations. A few properties in the District attract long lets during the winter months from people working in the area or requiring temporary accommodation while house hunting.

6.2.5 Demand is strongest for 4 star properties. Holiday cottage agencies also reported good demand for 3 star cottages. Lettings are generally stronger for higher quality units. Two of the leading holiday cottage agencies with properties in Rother indicated a reluctance to take on 5 star holiday cottages as they felt that customers' expectations from such properties are too high and properties at these levels are not generally very child-friendly. Their preference would be more for 4 star Gold properties. Some of the luxury properties that we spoke to and two other agencies reported strong demand at the top end of the market however.

6.2.6 A number of the holiday cottage agencies and operators that we spoke to reported growing demand for short breaks from the London and Brighton market, even in the summer months, and a trend towards later bookings.

6.2.7 Some holiday cottage agencies reported strong and growing demand from the Continent, with around 35-40% of bookings coming from European customers, especially from the Netherlands and Germany, and as much as 70% of bookings coming from European customers for one agency.

6.2.8 Some holiday cottage agencies reported strong growth in demand for holiday cottages in the District. Others reported a downturn in bookings in 2012 as a result of the poor summer weather and the London Olympics, while others reported no noticeable change in booking levels over the past 3 years. Some agencies and operators reported a slow start to the 2013 season as a result of the cold weather but a strong recovery in bookings since May. Some of the independent holiday cottage operators in Rye reported a sharp downturn in lettings in 2013, which they felt was due to the significant increase in self-catering barn conversions in the area. The larger holiday cottage agencies reported strong demand for Rye however.

6.2.9 A number of the holiday cottage letting agencies that we interviewed indicated an interest in taking on more properties in Rother. Two agencies identified a need for more properties in the Battle and Bexhill-on-Sea areas. Another two agencies expressed some interest in taking on additional properties with sea views at Camber Sands. Both felt that there were sufficient holiday homes now being let at the White Sand development however. Some agencies were a little more cautious, expressing interest only in high quality properties in good locations. Some agencies saw potential for more large properties in Rother.

6.2.10 In general terms it would appear that the holiday cottage market is becoming more competitive in Rother. A number of operators reported less frequent and reduced levels of denials at peak times. Some also reported ever rising customer expectations in terms of quality and facilities. It is evident that holiday cottage owners will need to offer high quality, modern holiday accommodation if they are to continue to attract bookings in the future.

Holiday Flats – Bexhill-on-Sea

6.2.11 Our research suggests a reducing market for the remaining holiday flats in Bexhill-on-Sea. They cater primarily for ageing customers that have been coming to Bexhill for years and families during school holiday periods. They are not attracting demand from newly retired people. Demand is highly seasonal and is very limited outside peak periods. The town's holiday flats no longer attract the demand that they used to get from holiday home owners that were required to leave the area's holiday parks in the winter, now that the holiday parks are operating over an 11 month season.

6.2.12 Quality is likely to be the key factor behind the dwindling demand for holiday flats in Bexhill-on-Sea. While we have not undertaken a detailed assessment of the quality of the holiday flats in the town, from a review of Bexhill holiday flat websites some of them appear to offer a fairly old-fashioned style of accommodation. In other coastal resorts that we have looked at in recent years, e.g. Worthing and Eastbourne, more contemporary self-catering apartments are finding a good market. There may also be demand for such accommodation in Bexhill-on-Sea.

6.3 Sector Development Trends

6.3.3 In terms of holiday cottage sector development trends housing market trends have a significant impact on **residential properties let as holiday accommodation**, which forms the largest proportion of the stock of 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.

6.3.4 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.

6.3.5 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.

6.3.6 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.

6.3.7 **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 include:

- Agra Cottage, Healey, near Ripon (www.selfcateringcottages.net)
- The Reading Room, Long Compton, Warwickshire (www.compton-house.co.uk/#/reading-room/4573650024)
- The Restoratory, Sandwich Bay, Kent (www.uniquehomestays.com/unique/details.asp?id=2800)
- The Peren, near Hay-on-Wye, Herefordshire (www.theperen.com)
- Windfall Cottage, Beckford, Gloucestershire (www.windfallcottage.com)

6.3.8 Examples of letting agencies specialising in boutique self catering include:

- Unique Home Stays (www.uniquehomestays.com)
- Boutique Getaways (www.boutiquegetaways.com)
- Boutique Retreats (www.boutique-retreats.co.uk) – specialising in boutique self-catering in Cornwall.

6.3.9 Another emerging product development trend in the UK has been the growth in the supply of large **'super' cottages** that can accommodate parties of up to 20-30 guests. These can be large residential properties, e.g. manor houses that are let out as self-catering accommodation or large purpose-designed self-catering barn conversions. Such properties have developed to cater for the growing demand for family and friendship get togethers, celebrations 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 include:

- Marris Barn, Thorganby Hall, Lincolnshire (www.thorganbyhall.co.uk/marris-barn)
- Tregulland in Cornwall (www.tregulland.co.uk)
- Treasury Barn at Ickham in Kent (www.mulberrycottages.com/cottage/holiday-cottages-in-kent/52477-the-treasury)
- Pedington Manor in Gloucestershire (http://bigcottage.com/houses/pedington-manor)
- Cliff Barns in Norfolk (www.cliffbarns.com)

6.3.10. A number of agencies and web-based directories have been established in the UK specialising in the letting and marketing of large self-catering properties. The key ones currently are as follows:

- Unique Home Stays (www.uniquehomestays.com)
- The Wow House Company (www.thewowhousecompany.com)
- House Party Solutions (www.housepartysolutions.co.uk)
- Acacia Cottages (www.acaciacottages.co.uk)
- The Country Castle Company (www.thecountrycastlecompany.co.uk)
- The Big Domain (www.thebigdomain.com)
- Group Accommodation (www.groupaccommodation.com)
- Big Cottages (www.big-cottages.com)
- Big Holiday House (www.bigholidayhouse.com)
- The Big Cottage Company (www.bigcottage.com)

6.3.11 The development of **Access Exceptional self-catering cottages** that are 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.

Examples include:

- The Calf Shed, Bardown Farm, Stonegate, East Sussex (www.bardownfarm.co.uk)
- Mellwaters Barn, Rother (www.mellwatersbarn.co.uk)
- Treworgans Farm Holidays, Cornwall (www.treworgans.co.uk)
- The Hytte, Northumberland (www.thehytte.com)
- Windrush Barn, Manor Farm Holidays, Cumbria (www.manorfarmholidays.co.uk)
- Mitchelland Farm, Lake District (www.lakedistrictdisabledholidays.co.uk)

6.4. Sector Development Potential in Rother

6.4.1 Our research suggests market potential for further high quality self-catering holiday cottages and holiday homes across Rother of all sizes, in terms of both residential properties being let for holiday accommodation and self-catering barn conversions.

6.4.2. Feedback from holiday cottage letting agencies suggests good opportunities for further holiday cottages in the Battle and Bexhill-on-Sea areas. Our research shows some signs of Rye becoming saturated with self-catering holiday accommodation, although holiday cottage letting agencies would still be interested in additional properties here. The priority here is for high quality, distinctive properties.

6.4.3. There appears to be dwindling demand for the more traditional holiday flats in Bexhill-on-Sea that no longer meet the market's expectations in terms of quality, but could be scope here for more contemporary self-catering and/or serviced apartments, most likely in terms of the letting of modern residential apartments as short stay accommodation.

6.4.4. There would appear to be scope for some additional high quality self-catering accommodation with sea views at Camber Sands. This could be an option for the central car park development scheme. We spoke to one local entrepreneur that expressed an interest in operating self-catering holiday homes or apartments here.

6.4.5. The strongest potential appears to be for 4 star self-catering properties. There could also be some scope for further 5 star and fully en-suite self-catering cottages and possibly boutique self-catering in the District.

6.4.6. There may be scope for the development of self-catering complexes, possibly with swimming pools and other leisure facilities. Proposals for such complexes will need to be carefully evaluated however to check that they are financially viable. Complexes have the added advantage of being able to cater for larger groups of family members or friends that wish to holiday together.

6.4.7. There may be some scope for the development of 'super cottages' in the District that can cater for large family and friendship get togethers, celebrations and house parties. Holiday cottage letting agencies indicated good demand for such properties during the summer months and at weekends throughout the year. We have not however undertaken any research to assess the current provision of such properties in Rother, but suspect that there are relatively few.

6.4.8. There could be potential for a few 'Access Exceptional' self-catering cottages in Rother. As far as we have been able to establish there is very little fully accessible and adapted self-catering accommodation in the District. This is a niche market however, so significant additional provision is not warranted.

7. HOLIDAY LODGES & HOLIDAY LODGE PARKS

7.1 Current & Proposed Holiday Lodge/ Lodge Park Supply

Current Supply

7.1.1 There are three holiday lodge operations in Rother at present:

- The Dream Lodge Group has developed the Woodlands Park holiday lodge park at Westfield over the last 4 years. The park has 70 privately owned holiday lodges and provides a rental service for owners. The park has no central facilities.

- Crowhurst Park Holiday Village has 64 luxury holiday lodges for hire and seven privately owned holiday lodges.

- Lordine Court Caravan Park at Ewhurst Green has 12 timber-clad lodge-style holiday homes and a number of plots available for new lodges, alongside 108 static caravan plots and a large touring caravan and camping site.

Planned & Proposed Development

7.1.2 Crowhurst Park is about to commence work on its Little Finland development of 49 luxury Honka log homes. The scheme will include a variety of single and two-storey log homes for sale, with 2, 3 or 4 bedrooms. The log homes will be fitted out to a luxury specification and will include features and options such as hot tubs and saunas, underfloor heating, fully fitted kitchens and outside decking areas. They will be developed to be as close to carbon neutral as possible. The logs used in their construction will be sourced from sustainable Finnish forests and the homes will include energy and water saving features, such as ground source heat pumps, solar panels and rainwater collection systems. The log homes will be offered for sale, with the park operating a rental service for owners if they so wish.

7.2 Current Demand

7.2.1 The Dream Lodge Group has just sold the last remaining holiday lodge at Woodlands Park and is still receiving enquiries for holiday lodge sales. Crowhurst Park is confident that there will be strong demand for its Little Finland log homes.

7.2.2. Both parks report strong and growing demand for holiday lodge rental, for full week lets for one and for short breaks at the other. Weekend break demand is very strong throughout the year. Midweek breaks are more difficult to sell outside of school holiday periods

7.3. Sector Development Trends

7.3.1 **Holiday lodge parks** offering timber holiday lodges for outright or timeshare purchase and/or rental are a new offer to emerge over the past 20 years. They have developed primarily in inland locations, often woodland or waterside settings and/or associated with other developments and activities such as marinas, golf courses (golf lodges), fishing lakes (fishing lodges), watersports or alongside hotels. Most holiday lodge parks are small – the average holiday lodge park covers 32.2 acres and has 35 lodges. Timber holiday lodges are generally seen as a more up-market and exclusive alternative to the traditional caravan holiday home: they are particularly popular with older and more affluent customers. Most holiday lodges have two or three bedrooms. Holiday lodge parks increasingly have a number of on-site leisure facilities, including restaurants, bars, swimming pools, gyms and children's play areas. Holiday lodges are generally purchased as second homes for holiday purposes. Most park operators offer a holiday rental service to owners and many make participation in such a service a condition of purchasing a lodge. Lodge owners typically live within 3 hours of their holiday lodge and are aged over 50. The lodge rentals market attracts a younger clientele, with rental holidaymakers most typically aged 31-50. The recession has resulted in a significant slowdown in UK holiday lodge sales, with the reduced consumer confidence and falling house prices resulting in far fewer buyers for such holiday properties. Some operators are changing their strategy to holiday letting as a result.

7.3.2 Key holiday lodge park operators/developers in the UK are as follows:

- The Dream Lodge Group (www.thedreamlodgegroup.co.uk) – 8 sites in East Sussex, Essex, Norfolk, Cambridgeshire, Devon and Cornwall;
- Lodge Retreats – part of Bourne Leisure – 7 sites in Yorkshire, Northumberland, Dorset, Somerset and Wales;
- Forest Holidays – part of the Forestry Commission (www.forestholidays.co.uk/cabins) – 7 sites in Scotland, Wales, Gloucestershire, Hampshire and Nottinghamshire, with a proposal for a new site in Delamere Forest in Cheshire for 78 forest cabins. Private equity firm LDC backed a management buyout of the company in September 2012. Its investment will support a roll out of up to a further 5 sites in the next 3-5 years.
- Natural Retreats (www.naturalretreats.co.uk) has developed 6 holiday home sites in UK National Parks and AONBs, including eco lodge parks in the Yorkshire Dales and North Scotland and has ambitions to develop a further 9 sites across the UK. It has secured planning permission to redevelop a former hotel on the Llyn Peninsula in North Wales into a terrace of holiday lodges (http://www.rayhole-architects.com/node/182#)
- Darinian Leisure Resorts (www.darinian.co.uk) has two holiday lodge parks in Essex and the Yorkshire Dales offering luxury, contemporary lodges for rental and ownership.

7.3.3 Examples of other recent and current holiday lodge park developments include:

- West Tanfield Luxury Lodges, Yorkshire Dales (www.westtanfieldluxurylodges.com) – a development of 32 contemporary log cabin style lodges for holiday home ownership.
- Scampston Park Lodges, Malton, North Yorkshire (www.scampston.co.uk/park-lodges.html) – a development of 75 luxury holiday lodges for sale.
- Westholme Estate (www.westholme-estate.co.uk) – Darinian Leisure Resorts' £10 million development of a former caravan holiday home park.
- The Lakes by yoo, Cotswolds (www.thelakesbyyoo.com) – a development of luxury second homes around a series of lakes.
- The Cornwall, St Austell (www.thecornwall.com/homes-to-buy/the-homes.aspx) – 22 architect-designed 5 star woodland self-catering homes developed alongside a boutique hotel and spa.

7.3.4 **Fishing lodges and lodge parks** are a particular type of holiday lodge accommodation that has developed across the UK. These are clusters of timber lodges that are developed around fishing lakes for sale or rental. They can range in size from 2-3 lodges up to more extensive developments of 40-50 lodges. They vary in standard but are frequently high quality, luxury 4 and 5 star lodges. Examples include:

- Heron Lakes, East Yorkshire (www.heron-lakes.co.uk) – 50 lodges
- Thornham Lake, Thetford, Norfolk (www.thornhamlake.co.uk)
- Celtic Lakes Resort, Lampeter, Wales (www.celticlakesresort.com) – sixteen 5 star lodges developed around 6 fishing lakes

7.3.5. Similarly, **golf lodges**, built on golf courses, for sale, timeshare purchase or rental, have been another emerging sector trend. Similar to fishing lodge developments they can range from a small number of lodges up to major golf lodge complexes. Golf lodges generally offer a high standard of accommodation. They are often developed alongside golf hotels. Examples include:

- Rutland Lodges, Greetham Valley Golf Course, Rutland (www.greethamvalley.co.uk/self-catering/rutland-lodges)
- South Winchester Lodges, South Winchester Golf Course, Hampshire (www.southwinchesterlodges.co.uk)
- Overstone Park, Northamptonshire (www.overstonepark.com)- 114 golf lodges alongside a clubhouse, leisure club and 31 bedroom hotel
- Lakeside Lodge, Huntingdon, Cambridgeshire (www.lakeside-lodge.co.uk) – seven 2-storey timber lodges alongside a 64 bedroom hotel, health club and conference and banqueting suite
- De Vere Luxury Lodges (www.devereluxurylodges.co.uk) – luxury golf lodges for sale or rent have been developed as part of De Vere's Belton Woods and Slaley Hall golf resorts in Lincolnshire and Northumberland.

7.3.6 **Eco lodges and eco lodge parks** are a more recent product development. These are individual timber lodges or complexes of lodges that are built to the highest possible environmental sustainability standards and designed and operated to minimise their carbon footprint. Eco lodges will typically include features such as the use of sustainable materials in their construction, grass or sedum roofs, renewable energy sources, waste recycling, energy conservation measures and water conservation systems. Their green credentials are a key part of their marketing and many customers are increasingly choosing these types of accommodation because they want to go on an eco-friendly holiday and reduce their carbon footprint. Eco lodge operators will usually also encourage their guests to take part in green activities in terms of car-free days out, walking and cycling, nature study, foraging, bird and wildlife watching, and buying local produce. Examples include:

- Natural Retreats' Yorkshire Dales eco lodge park development near Richmond (www.naturalretreats.co.uk/yorkshire-dales/self-catering-holidays.php)
- Brompton Lakes, Yorkshire (www.bromptonlakes.co.uk/log-cabins-yorkshire.asp)
- Mill Meadow Eco Homes, Somerset (www.millfieldecoprojects.co.uk)
- Rosehill Lodges, Cornwall (www.rosehilllodges.com)
- Wheatland Farm Eco Lodges, Devon (www.wheatlandfarm.co.uk)
- Cranmer Country Cottages, Norfolk (www.norfolk-luxury-cottages.co.uk)
- Ludlow Ecolog Cabins, Shropshire (www.ludlowecologcabins.co.uk)

7.3.7 An interesting although very niche self-catering accommodation product that has emerged in the UK in recent years is self-catering **treehouses**. A number of these have been developed across the UK, primarily as individual units. They are generally very high quality. They clearly have appeal to the family market. Center Parcs has opened a small number of luxury two-storey treehouses at its holiday villages in Sherwood Forest and Longleat Forest. Aimed primarily at the family market the treehouses include 4 en-suite bedrooms; an open plan kitchen, dining and living area; a games den (accessed along a timber walkway) with plasma TV, pool table, games console, Blu Ray player and a bar area with fridge; and a private hot tub. (www.centerparcs.co.uk/accommodation/By_Type/treehouse.jsp). Forest Holidays (the Forestry Commission) has introduced luxury Golden Oak Treehouse Cabins at its forest cabin holiday sites in Cornwall, Forest of Dean, Sherwood Forest, Hampshire and North Yorkshire (www.forestholidays.co.uk/cabins/cabins/treehouse.aspx). Other examples in the UK include:

- The Treehouse at Lavender Hill Holidays, Somerset (www.lavenderhillholidays.co.uk/properties.asp?id=101)
- Bryn Meurig Bach, Powys, Wales (www.canopyandstars.co.uk/find-a-place/living-room/bryn-meurig-bach)
- The Treehouse at Harptree Court, near Bristol (www.harptreecourt.co.uk/treehouse.php)

7.4 Sector Development Potential in Rother

7.4.1. Our research suggests potential for the development of further holiday lodge parks in Rother from both a market demand and a developer interest perspective. The Dream Lodge Group indicated that based on the success of its Woodlands Park site it could be interested in developing a second holiday lodge park in Rother. Natural Retreats has previously looked at an opportunity to work with a development partner to bring forward a holiday lodge park development in the Rye area, which did not eventually come to fruition for a number of reasons. The company indicated that they could be interested in a similar opportunity again if a development partner wished to work with them. Other holiday lodge park operators known to be actively looking for opportunities across the UK might also be interested in suitable development opportunities in the District. These could be in terms of opportunities to acquire and redevelop existing holiday parks or touring caravan and camping sites and/or the development of entirely new holiday lodge parks, given suitable sites that can satisfy environmental, traffic management and other planning considerations.

7.4.2. There could also be potential for holiday parks in the District to replace some caravan holiday homes with holiday lodges or to add holiday lodges to their accommodation offer, subject to meeting planning requirements.

7.4.3. The District may be able to support the development of eco lodges and eco lodge parks, for ownership and/or rental.

7.4.4. There may also be scope for the development of holiday lodges linked to specific outdoor activities e.g.

- Fishing lodges associated with existing or new fishing lakes.
- Golf lodges on golf courses either for rental, timeshare or outright purchase.
- Holiday lodges alongside horse riding stables.

7.4.5. There could also be scope for the development of a small number of self-catering treehouses in suitable woodland settings.

8. HOLIDAY PARKS

8.1 Rother Holiday Park Supply

Current Supply

8.1.1 Holiday parks provide by far the largest amount of visitor accommodation in Rother. Our research has identified 13 holiday parks in Rother, with a total of 3,127 privately owned caravan holiday homes, 1,613 static caravans, chalets and holiday lodges for hire and 326 touring caravan and camping pitches. In addition there are two large holiday parks bordering Rother in Hastings Borough.

ROTHER – CURRENT SUPPLY OF HOLIDAY PARKS – NOVEMBER 2013

Standard	Bexhill-on-Sea	Battle Area	Rye Area	Rother
5 Star				
Holiday parks	1	1		2
Owned caravan holiday homes	73	133		206
Rental holiday homes		71		71
Touring pitches	60			60
4 Star				
Holiday parks			1	1
Owned caravan holiday homes			820	820
Rental holiday homes			170	170
Touring pitches			90	90
3 Star				
Holiday parks		1	4	5
Owned caravan holiday homes		620	1051	1671
Rental holiday homes		24	198	222
Touring pitches			11	11
Not Graded				
Holiday parks		1	4	4
Owned caravan holiday homes		80	350	430
Rental holiday homes		5	1145	1150
Touring pitches		120	45	165
TOTAL				
Holiday parks	**1**	**3**	**9**	**13**
Owned caravan holiday homes	**73**	**833**	**2221**	**3127**
Rental holiday homes		**100**	**1513**	**1613**
Touring pitches	**60**	**120**	**146**	**326**

ROTHER – HOLIDAY PARKS/ HOLIDAY CENTRES – NOVEMBER 2013

Site	Grade	Owned Statics/ Units	Statics/ Units for Hire	Touring/ Tent Pitches
Bexhill-on-Sea				
Kloofs Caravan Park	5 star	73		60
Battle Area				
Crowhurst Park	5 star	133	71	
Beauport Holiday Park	3 star	620	24	
Lordine Court, Ewhurst Green		80	5	120
Rye Area				
Rye Harbour				
Rye Harbour Holiday Park	3 star	295	60	
Winchelsea				
Winchelsea Sands Holiday Park	3 star	246	60	
Rye Bay Caravan Park, Winchelsea Beach		262		40
Ferryfields Holiday Home Park, Winchelsea		68	2	
Camber Sands				
Pontin's Cambers Sands Holiday Park			1143	
Camber Sands Holiday Park	4 star	820	170	90
Peasmarsh				
Cock Inn Caravan Park, Peasmarsh		20		5
Hastings Borders				
Stalkhurst Caravan Park	3 star	21		11
Coghurst Hall	3 star	489	78	
Hastings				
Coombe Haven Holiday Park	4 star	497	283	
Shearbarn Holiday Park	4 star	450		

8.1.2. Seven holiday parks in Rother are large parks with extensive central leisure, catering and entertainment facilities, including swimming pool complexes. The 2 parks in Hastings are similarly large parks with extensive facilities.

8.1.3. Six of Rother's holiday parks are operated by national holiday park operators. This includes the Pontin's site at Camber Sands and the Camber Sands Holiday Park operated by Park Resorts. Park Holidays runs four holiday parks in the District – Rye Harbour, Winchelsea Sands, Coghurst Hall and Beauport Park. The two holiday parks in Hastings Borough are also operated by national holiday park companies. Haven runs Coombe Haven and Haulfryn operates the Shearbarn Holiday Park.

8.1.4. The supply of holiday parks in Rother is concentrated in the Rye area – at Rye Harbour, Winchelsea Beach and Camber Sands. The holiday parks in these locations account for almost 80% of the District's total supply of caravan holiday homes.

8.1.5. The majority of units on the District's holiday parks are static caravans. Crowhurst Park has 64 luxury log cabins for rent. Lordine Court has 12 privately owned timber lodge-style holiday homes.

8.1.6. Most of Rother's holiday parks close for a period of 6 weeks in the winter. We understand that in most cases this is to comply with planning conditions. One park that has permission to remain open all year chooses to close for 6 weeks to assist in deterring residential use of holiday homes. Park Resorts' Camber Sands Holiday Park is open all year. It controls residential use by requiring owners to provide evidence of a permanent residence. Most holiday parks in the District operate on an 8 month season for holiday home rental between March and October.

Recent Changes and Planned Investment

8.1.7 Park Resorts and Park Holidays have both increased their hire fleets of caravan holiday homes since 2009 in response to the growing demand for holiday home hire as a result of the staycation trend and growth in demand for short breaks. Park Resorts increased the hire fleet at its Camber Sands Holiday Park by 50 units in 2013 alone.

8.1.8. Both companies have also invested in their holiday parks in Rother. Park Holidays opened a new leisure complex at its Rye Harbour Holiday Park in 2011. Park Resorts added a number of new leisure facilities at its Camber Sands Holiday Park in 2013. Its owners, Electra Partners, have recently announced a refinancing of Park Resorts' debt facilities that will allow £60million to be made available for investment to improve the facilities at its 39 UK holiday parks, which should include investment in the Camber Sands Holiday Park.

8.1.9. Pontin's was acquired by Britannia Hotels in 2011. The new owners subsequently announced a £25 million investment programme to refocus the five Pontin's holiday parks as themed seaside destinations. According to the Pontin's Camber Sands website 120 of the holiday park's chalets have been upgraded to new club chalets.

8.1.10. As far as we have been able to establish, the independently operated holiday parks in Rother have not benefitted from any significant investment in the last 4 years.

8.2. Current Performance & Markets

8.2.1 Demand for holiday home ownership has remained buoyant at the large holiday parks in the District that are operated by national holiday park companies. They all have some level of turnover of owners each year but are usually able to replace those that leave, although have had to work much harder to attract new owners in recent years, through sales and marketing activity and special offers. Some park managers reported a drop in sales of new holiday homes, with buyers switching more to second hand homes during the recession. One independent holiday park reported a significant drop in demand for holiday home ownership since 2008. Another reported that it has traded at full capacity for holiday home ownership in the last 6-7 years. Another independent park reported no downturn in demand.

8.2.3 The national holiday park operators represented in the District reported very strong and growing demand for caravan holiday home hire. They are currently achieving occupancies of over 90% for their hire fleets for their entire operating season. Demand is particularly strong during the summer months, and significant numbers of bookings are being turned away at such times. Demand is also very strong at weekends. Parks only have spare capacity during the week in the shoulder season months. Demand is mainly for full week lets during the school holidays and weekend and midweek short breaks at other times. There is strong demand for short breaks from people living in London and the South East. Holiday park managers do not feel that there would be demand for caravan holiday home hire during the winter. The danger of pipes freezing in the winter also precludes winter lettings.

8.2.4. We were not able to speak to anybody at the Pontin's Cambers Sands Holiday Park as part of the 2013 study. We would expect that the park still achieves high occupancies throughout its operating season from the C1, C2 and D family break market. It also hosts adult and junior football, rugby, hockey and netball tours and festivals and generates business through weekend events, festivals and parties.

8.3 Sector Development Trends

8.3.1 The market for caravan holiday home parks has remained relatively robust during the economic downturn, with relatively few holiday parks going into administration compared to other elements of the visitor accommodation sector such as hotels. However, the Credit Crunch has affected the sales of holiday parks, as despite market interest prospective buyers have had difficulty in securing finance.

8.3.2. 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.

8.3.3. 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.

8.3.4. UK holiday park operators are generally positive about their prospects for 2013. Most expect to see a drop in caravan sales as a result of the introduction of the 5% VAT on caravan sales in April 2013. Some have increased their hire fleets to compensate and take advantage of the growing market for caravan holiday home rental.

8.3.5 The leading UK holiday park operators have all embarked on **long-term investment programmes** to capitalise on the current growth in demand and ensure that they are well placed when consumer confidence returns. Many independent holiday park operators have also invested in their sites but with more limited access to commercial funding investment in the independent holiday park sector has generally been at a slower pace and in many cases is not keeping up with the changes in customer expectations. Some of the key improvements and investments that have been made include:

- The replacement of hire fleets with new, high quality caravan holiday homes that include such features as double glazing, central heating, en-suite bathrooms, large lounge areas and outdoor decking areas and verandahs.
- New and up-graded leisure facilities including indoor pools, entertainment centres, indoor and outdoor sports, children's play areas, club houses, bars and restaurants.
- Layout improvements with cul-de-sacs replacing long rows, and larger plots with direct access, landscaping and private patios, resulting in lower density parks.
- The introduction of luxury lodges to sites for sale and/or rental which are of a very high specification, with contemporary design and the latest technology. Park Leisure, for example, has just opened what it is calling the UK's first boutique holiday park – Oyster Bay at Goonhaven in North Cornwall. It will offer luxury caravan and lodge holiday homes, together with an on-site spa and leisure suite and a range of personal services including a fleet of chauffeur driven Mercedes Benz cars to take guests to local beaches and attractions.
- Environmental improvements, with better screening, the development of wildlife areas, recycling schemes and the use of solar power. Over 600 holiday parks now have the David Bellamy Conservation Award for nature and environmental conservation management.
- Whilst some holiday parks have expanded in response to the growth in demand for holiday home ownership and rental over the last 20 years, many are constrained by land availability, the ability to secure planning permission and flood risk, although there are examples of more positive approaches being adopted provided that adequate flood mitigation and evacuation measures can be introduced.

- There has been something of a trend in recent years for holiday park operators to convert touring caravan and camping pitches to caravan holiday home plots as this is usually much more profitable for them.

8.3.6 Holiday park operators are continuing to develop **new holiday parks** and to look for sites for new development or the re-positioning and expansion of existing sites. The difficulty of obtaining planning permission for a new holiday park has generally constrained the development of new sites however. The majority of local authorities across the country have planning policies that resist the development of new holiday parks because of their visual impact on the landscape. Flood risk issues are also a major barrier to new holiday park development. These constraints on the development of new holiday parks have however been a key factor in the robustness of the sector as it has meant that market demand has generally exceeded supply in most parts of the country. New caravan holiday home parks are very capital intensive to develop due to the investment needed in site infrastructure, the development of leisure and entertainment facilities, holiday home plot development and the establishment of hire fleets.

8.3.7 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. In some locations holiday parks have been lost to residential development and may face renewed pressure for this as an alternative use once the residential property market recovers. There could also be pressure for other alternative uses such as retail parks. In some cases it may not be economically viable to upgrade and develop holiday parks to meet modern standards. This may be where holiday parks have become very run down and will require substantial investment or where the accommodation stock is primarily in the form of holiday chalets. It may therefore be appropriate to consider alternative uses for such parks.

8.4 Sector Development Potential in Rother

8.4.1 Our research suggests a market requirement for, and operator interest in the ongoing upgrading of the District's holiday parks in terms of:

- The replacement of older hire fleets with more modern, higher specification, and in some cases larger, caravan holiday homes and holiday lodges.
- Investment in central leisure, sports, catering and entertainment facilities;
- Improved amenities;
- Better access and facilities for disabled guests;
- Improved landscaping and layout.

8.4.2. There could be interest from national holiday park operators that are looking to expand their operations in the UK in the acquisition and redevelopment of some of the independent holiday parks in Rother.

8.4.3. Some holiday parks may be interested in extending their operating season, possibly to year round operation for holiday home ownership. Most of the holiday park managers that we spoke to did not see a forced period of winter closure as being a major problem and some welcomed it in order to allow maintenance and assist in deterring residential occupation of holiday homes. Others have found ways of controlling residential use by requiring owners to provide evidence of a permanent residence, thus avoiding the need for winter closure. None of the holiday park operators that we spoke to are currently looking to extend their operating season for caravan holiday home rental.

8.4.4. There could be market potential for the expansion of existing holiday parks if they have land available and could secure planning permission. Only one of the holiday park operators that we interviewed expressed an interest in expansion and has land available. As far as we are aware, other holiday parks would need to negotiate with neighbouring land owners to acquire land for expansion.

8.4.5. There could be potential for the development of new holiday parks in Rother, given suitable sites that could achieve planning permission. We are aware of a number of national holiday park operators that are looking for opportunities to develop new holiday parks that might consider Rother as a development location. As no suitable site has been identified at this stage we have not approached these operators to assess their interest in the District.

9. TOURING CARAVAN & CAMPING SITES

9.1 Rother Touring Caravan & Camping Provision

Current Supply

9.1.1 Our research has identified a total of 12 touring caravan and camping sites in Rother with 891 pitches and 16 certificated sites[1] with a total of 90 pitches. A number of the District's holiday parks offer a further 266 touring pitches, giving a combined total supply of touring caravan and camping pitches in Rother of 1,247. Some sites also have fields that they use for camping for 28 days in the summer and/or for caravan rallies and private hire.

ROTHER – CURRENT SUPPLY OF TOURING CARAVAN & CAMPING SITES – NOVEMBER 2013

Standard	Bexhill-on-Sea Area	Battle Area	Rye Area	Rother
5 Star				
Sites		1		1
Pitches		143		143
4 Star				
Sites	1			1
Pitches	55			55
3 Star/ 3 Pennants				
Sites		2		2
Pitches		105		105
Not Graded				
Sites	2	4	2	8
Pitches	275	231	82	588
Certificated Sites				
Sites		11	5	16
Pitches		65	25	90
TOTAL				
Sites	**3**	**18**	**7**	**28**
Pitches	**330**	**544**	**107**	**981**

[1] Small 5-pitch sites that are certificated to operate by the Caravan Club or Camping and Caravanning Club, without the need for planning permission

ROTHER - TOURING CARAVAN & CAMPING SITES – NOVEMBER 2013

Site	Grade	Seasonal Touring Pitches	Touring Pitches	Tent Only Pitches
Bexhill-on-Sea Area				
Cobbs Hill Farm Caravan and Camping Site	4 star		55	
Chestnut Meadow			75	
Normans Bay Camping & Caravanning Club Site			200	
Battle Area				
Normanhurst Court Caravan Club Site, Battle	5 star	15	128	
Senlac Wood Holiday Park, Battle	3 star	10	65	
Brakes Coppice Park, Crowhurst	3 pennants		30	
Meadowview Park, Sedlescombe			36	
Buckhurst Campsite, Sedlescombe			n/a[1]	
Park Farm Caravan and Camping, Bodiam			180	
Bodiam Boating Station			5	10
1 Uckham Lane Gardens, Battle	Certificated		5	
Redcoat Orchard	Certificated		5	
Brackendale Farm, Catsfield	Certificated		5	10
Glebelands Campsite, Catsfield	Certificated		5	
Broomham Farm, Catsfield	Certificated		5	
Moor Hall Farm, Ninfield	Certificated		5	
Church Barn Farm, Ninfield	Certificated		5	
Stone Crouch Cottage, Flimwell	Certificated		5	
Squibs Farm, Etchingham	Certificated		5	
Upper Morgay Wood, Cripps Corner	Certificated		5	
Cairds, Stonegate	Certificated		5	
Rye Area				
Fairlight Wood Caravan Club Site, Pett			42	
Rother Valley Caravan & Camping Park, Northiam			40	
Sculdown Vineyard & Orchard, Broad Oak	Certificated		5	
Dogwood Cottage, Brede	Certificated		5	
Leasam Farm, Playden	Certificated		5	
The Old Dairy, Playden	Certificated		5	
Eagles Garth, Northiam	Certificated		5	

Notes:
1. We have been unable to establish how many pitches the Buckhurst Campsite has

9.1.2. The Battle area has the largest supply of touring caravan and camping pitches in the District with 7 sites (with 479 pitches) and 11 certificated pitches (with 65 pitches). There are three sites in the Bexhill-on-Sea area (330 pitches). The Rye area only has two sites (with 82 pitches) and 5 certificated sites (25 pitches). There are no touring caravan and camping sites at Camber Sands, although the Camber Sands Holiday Park has 90 touring pitches.

9.1.3. The Caravan Club has two sites in Rother. The Camping and Caravanning Club has one site in the District at Normans Bay.

9.1.4. Most of the District's touring caravan and camping sites are not currently graded under the VisitBritain or AA grading schemes. Most of the ungraded sites appear to be of a good quality and receive generally very favourable reviews on the UK Campsite website.

9.1.5. Most touring caravan and camping sites in the District offer the majority of their pitches with electric hook ups. Some sites have a number of hard standing pitches that allow use in wet weather and into the winter. A few sites offer a limited number of fully serviced pitches with water connection and drainage.

9.1.6. Some sites in the District offer seasonal tourer pitches, allowing touring caravans to occupy a pitch throughout the season for periodic use by owners. Some sites offer caravan storage. This can be vital for ensuring the commercial viability of touring caravan and camping sites by providing an income stream over the winter.

9.1.7. The majority of touring caravan and camping sites in the District are open from March or April to October.

Changes in Supply

9.1.8. Rother's supply of touring caravan and camping provision has gradually increased and improved since 2009. Our research has identified the following changes to the District's touring caravanning and camping offer:

- The Chestnut Meadow Camping and Caravan Park opened at Bexhill-on-Sea in 2010 following significant investment by new owners into the renovation and redevelopment of the former St John Ambulance Camp Site and Training Centre.
- Park Farm at Bodiam has added 50 pitches, refurbished its toilet and shower block in 2010 and opened a range of children's play areas and facilities in 2013.
- The Camping and Caravanning Club has invested in a number of site improvements at its Normans Bay site and developed additional hard standing pitches.
- The toilet and shower block at the Caravan Club's Normanhurst site was refurbished in 2011.
- Buckhurst Campsite has refurbished its toilet and shower block.
- Brakes Coppice Park has been granted planning permission for an additional 30 pitches.
- The new owners of Bodiam Boating Station expanded their certificated site in 2012 with an additional 10 tent pitches.
- The Crazy Lane Touring Park at Sedlescombe has been renamed as the Meadowview Park under its new owners.

9.2 Current Performance & Markets

9.2.1 Our research has included a telephone survey of a sample of 7 of the District's touring caravan and camping sites. The findings of the survey show demand for touring caravanning and camping in Rother to be highly seasonal and weather dependent , as it is generally across the UK. Most of the sites that we interviewed are fully booked and consistently turn business away for Bank Holiday weekends and during the summer school holidays in July and August. Some also trade at capacity and frequently turn business away at weekends in May, June and September if the weather is good. A number of these sites also reported strong midweek demand during these months. Other sites achieve much lower occupancies during these months. Pitch occupancies are lower at the beginning and end of the season in March, April and October. Weekends tend to busier during these months. Midweek demand can be very low. Most of the site operators that we spoke to felt that there would be insufficient demand to justify winter opening. Only one site operator was considering opening into November.

9.2.2 Demand is primarily for long stays of 1-3 weeks during the school holidays by UK and European families, in particular from the Netherlands and Germany. Demand at other times of the year is primarily for short breaks. A lot of weekend break demand comes from London and the South East. The other key market for the District's touring caravan and camping sites is 1-2 night stop overs by overseas tourists travelling en-route to and from the West Country via Dover and Folkestone. Demand is particularly strong from the Dutch and German markets. Site operators also reported demand from French, Belgian, Italian and Swiss tourers. Many overseas tourers do not book in advance and sites often have to turn them away at peak times.

9.2.3 Families are the key market at weekends and during the summer months. Older couples are also a key market and the main source of demand during the week.

9.2.4 Most of the District's touring caravan and camping sites reported a sharp drop in business in 2012 as a result of the poor summer weather and the London Olympics. Only one site that has good indoor facilities reported a strong performance in 2012. The 2013 season started slowly for most sites but has picked up strongly during the summer as a result of the good weather.

9.2.5. In terms of underlying trends, some site operators reported a growth in demand for short breaks and increasing demand for camping, largely as a result of the recession, with customers having less disposable income for long holidays and switching to cheaper holiday options.

9.3 Sector Development Trends

9.3.1 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.

9.3.2 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.

9.3.3 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.

9.3.4 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.

9.3.5 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.

9.3.6, 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.

9.3.7. 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.

Camping Pods

9.3.8. 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 . The Old Thorns Manor Hotel and Golf Club at Liphook has develop a number of luxury eco pods adjacent to the hotel as an alternative accommodation option for guests www.oldthorns.com/home/accommodation-old-thorns-hotel-hampshire/luxury-eco-pods. As far as we have been able to establish there are no camping pods currently in East Sussex.

9.4 Sector Development Potential in Rother

9.4.1. Our research suggests a market requirement for, and operator interest in the ongoing upgrading of the District's touring caravan and camping sites in terms of:

- Electrical upgrades;
- The provision of hard standing pitches for touring caravans and motorhomes to enable sites to trade during periods of wet weather and into the winter months;
- The development of fully serviced pitches;
- The improvement and development of toilet and shower blocks;
- New reception and amenity buildings e.g. laundry rooms, drying rooms, site shops, catering facilities;
- Indoor leisure facilities e.g. games rooms, gyms, saunas;
- The development of children's play areas;
- Improved access and facilities for disabled people;
- Improvements to landscaping, site layouts and site infrastructure;
- Waste recycling facilities and energy and water conservation measures.

9.4.2. There could be scope for existing touring caravan and camping sites to introduce camping pods and/or some form of glamping accommodation (see Section 10). There may also be potential for the development of separate camping pod sites and the provision of camping pods at other sites such as fishing lakes, golf courses, hotels, holiday parks, B&Bs, pubs and self-catering operations. There could be an opportunity for a surfing pod development at Camber Sands along the lines of the Atlantic Surf Pods sites at Bude in Cornwall (www.atlanticsurfpods.co.uk).

9.4.3. Our research suggests potential for the expansion of existing touring caravan and camping sites in the District to cater for demand at peak times. Many sites are frequently full and turn business away at weekends and during school holiday periods if the weather is good. The expansion of sites may make them more viable and allow investment in site facilities. Brakes Coppice Park has recently been granted permission for an additional 30 pitches. Two of the other operators that we spoke to expressed an interest in expanding their sites if they can acquire land and secure planning permission. Care must however be taken not to encourage too great an increase in provision as this could dilute off peak business for the District's touring caravan and camping sites.

9.4.4. There could be scope for further small touring caravan and camping sites and certificated sites, particularly on farms.

9.4.5. There may be scope for the development of a few new larger touring caravan and camping sites in the District, given suitable sites that can achieve planning permission. There may be scope to encourage the development of a new site in the Rye area, given the limited provision here at present. There might also be an opportunity for a touring caravan and camping site at Camber. It is often difficult to make large new touring and camping sites stack up financially because of the level of investment required for what is a largely seasonal, weather dependent and price sensitive business. Large new sites are most commonly developed by the Caravan Club and Camping and Caravanning Club, primarily to provide additional choice to their members. Both of these organisations indicated that they have no interest in opening additional club sites in Rother for the foreseeable future.

9.4.6. There could be potential for the development of further eco camping sites in the District.

9.4.7. There could be scope for touring caravan and camping sites to increase their numbers of seasonal tourer pitches. There is strong and growing demand for such pitches and they provide sites with a guaranteed income.

9.4.8. Some sites may look to develop some form of permanent on-site accommodation for site managers for the purposes of site security and maintenance in the winter and possible winter operation of sites.

9.4.9. There could be scope for sites to extend their operating season and possibly to open all year. Only one of the site operators that we spoke to expressed an interest in staying open into November. Others felt that there would be insufficient demand to justify the costs of staying open in the winter. In other parts of the country however touring caravan and camping sites have started to attract year round demand at weekends and over the Christmas and New Year period.

10. GLAMPING

10.1. Current Supply in Rother

10.1.1. Our research has identified 12 glamping sites in Rother, with a total of 54 glamping units, including yurts, tipis, bell tents, shepherd's huts and geodesic domes. All of the sites have opened since 2008 and three new sites have opened in 2012. Three of the sites also operate small camp sites alongside their glamping operations.

ROTHER – CURRENT SUPPLY OF GLAMPING SITES – NOVEMBER 2013

Site	Number of Glamping Units	Type of Glamping Units	Camping Pitches
Battle Area			
Woodside, Cripps Corner	7	Tipis, yurts	
The Original Hut Company, Bodiam	6	Shepherd's huts	10
Wattle Hill Oast, Staplecross	8	Bell tents	
Eco Camp UK, Beech Estate Woodland Campsite, Battle	6	Bell tents	9
Glottenham Castle, Mountfield	4	Geodomes, yurt, vintage tent	
Rye Area			
Sussex Tipi Holidays	7	Tipis	
Swallowtail Hill, Beckley	4	Wooden cabins/ cottages on wheels	
Fresh Winds Camping Holidays	4	Yurts, tipi, shepherd's hut	15
Feather Down Farms, Lunsford Farm, Pett	4	Canvas tents	
Barefoot Yurts, Brede Valley	2	Yurts	
Dogwood Glamping, Brede	1	Yurt	
Hare Farm Hideaways, Brede	1	Shepherd's hut	

10.1.2. Some glamping sites started with one or two units and/or operated initially for 28 days during the summer before adding further units or extending their opening season once they had tested the market. The Original Hut Company at Bodiam is in the process of developing two further wooden cottages on wheels. Some of the other operators that we spoke to indicated that they would be interested in adding a few more units. All of them intend to stay as small glamping sites however as their small size is a key part of their market appeal. One glamping site operator is looking at plans to develop a farm shop, café and meeting room for courses to improve its viability and help to attract business at quieter times.

10.1.3. All of the glamping sites that we spoke to currently operate on a seasonal basis. In most cases this is due to planning restrictions that require a period of winter closure.

10.2. Current Performance

10.2.1. All of the glamping site operators that we interviewed advised that their sites trade at full occupancy during the summer school holidays, at Easter and school half term holidays and into September in some cases. Most sites turn away significant business at these times. Outside of these periods glamping sites achieve high occupancies at weekends and often turn weekend business away. Midweek demand is lower and tends to be more price-driven through special offers that glamping site operators promote to attract midweek business. Some of the glamping operators that we spoke to felt that they could attract demand during the winter, particularly for the bonfire season, at Christmas and New Year and during February half term. Some glamping units are insulated and can be heated to allow winter use. One operator felt that there is good potential to attract couples for foodie breaks in the winter.

10.2.2. The key markets for glamping sites in the District are ABC1 families and couples from London and the South East. Some sites also attract group bookings that take a number or all of their glamping units.

10.2.3. All of the glamping sites that we spoke to attracted strong demand as soon as they opened and achieve good repeat custom. Occupancies were down in 2012 as a result of the poor summer weather. The 2013 season started slowly for most sites but has picked up strongly during the summer as a result of the good weather.

10.3. Sector Development Trends

10.3.1. 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.

10.3.2. Key luxury camping products that have so far emerged in the UK are as follows:

- **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

10.4. Sector Development Potential in Rother

10.4.1. Our research shows good potential for the development of further glamping sites in Rother and scope for existing sites to add further glamping units. While it is rapidly growing, glamping is still its infancy in the UK and represents only a tiny proportion of the total accommodation supply. The glamping sites that have so far opened in Rother are all achieving high occupancies during the summer months and at weekends and turning away significant business at these times. There is clearly potential for more glamping provision in the District. Care should however be taken not to encourage too rapid a growth in supply as this could dilute midweek demand.

10.4.2. There would also appear to be scope and operator interest for year round operation of glamping sites and a need therefore to avoid planning conditions that require a period of winter closure.

10.4.3. Some glamping sites may look to develop permanent buildings such as shops, cafes, meeting rooms and indoor leisure facilities to allow them to develop other income streams and assist them in developing midweek and winter business. One glamping operator indicated that they would need some form of permanent on-site accommodation to operate their site on a full year basis.

11. GROUP AND YOUTH ACCOMMODATION

11.1 Current Supply and Demand

11.1.1. There are no **children's activity holiday centres** in Rother at present. JCA no longer runs an activity holidays programme at the Pestalozzi International Village at Sedlescombe. We do not know the reason for this. Further afield Barnabas Adventure Centres operates a residential activity centre for school and youth groups at Carroty Wood near Tonbridge and PGL operates the Windmill Hill adventure holidays centre at Hailsham.

11.1.2. There are no **youth hostels** in Rother. YHA has recently opened a hostel near Lewes which serves the South Downs National Park and is YHA's main groups hostel in the South East. Also close to Rother is The Glade at Blackboys, near Uckfield in Wealden. This is now a privately owned hostel that is marketed through the YHA.

- There are no **camping/ bunkhouse barns** currently in Rother.

- Ashburnham Place is a **residential Christian conference centre** and prayer centre at Battle. It has dormitory, budget and en-suite accommodation for up to 305 people and offers camping in the summer for large groups and festivals. It has a range of conference and meeting rooms and offers a number of outdoor activities and sports in its grounds. The centre's core market is church and Christian groups. It also offers individual and group retreats, prayer events and holidays and caters for corporate and public sector conferences and training courses and school groups. The centre achieves high levels of occupancy during the summer and at weekends but has spare capacity during the week and in the winter.

- The **Bewl Water Outdoor Centre** at Lamberhurst now provides en-suite group accommodation for up to 36 people.

11.2 Sector Development Potential in Rother

Children's Activity Holiday Centres

11.2.1. The specialist children's activity holiday centre sector is rapidly expanding in the UK and is identified as having good potential for further expansion[1]. The sector is made up of many different operators, from those with multiple centres across several countries to smaller, family-run independents. Centres range in size from 50 to 900 beds and are operated largely by the private sector but also through local authorities and charitable organisations.

11.2.2. The two main players in the sector are PGL and Kingswood. Both companies have been the subject of high profile acquisitions. PGL was acquired by Holidaybreak plc in May 2007 for £100m. Kingswood was acquired by DJL Merchant Banking (a division of Credit Suisse Bank) in July 2008, also for £100m. Both companies have since nearly doubled in size and now handle around 500,000 children each year. PGL opened the former Windmill Hill Place Tennis Centre near Herstmonceux in East Sussex as a children's activity holiday centre in May 2009 following a £7m revamp. The centre now offers activity courses for school and youth groups, together with summer camps and family activity holidays during the summer. The centre can accommodate up to 450 guests in bunk –bedded accommodation and new 4-6 person en-suite lodges. Facilities include a sports hall, swimming pool, climbing tower and zip wires and a multi-sports area. Existing lakes are used for canoeing and raft building. The centre has created 130 jobs.

11.2.3. The other key player in the children's activity holiday centre market is JCA, which became part of TUI Travel plc in 2007. It works with 9 UK centres and one centre in France to provide multi-activity courses of 2-4 nights, netball tournaments and summer camps for young people. The company launched its first JCA-owned activity holiday centre at Condover Hall in Shropshire in 2011.

[1] The information provided on the UK children's activity holiday centre sector is taken from an article published in Strutt & Parker's Leisure Comment journal in 2009 – 'Room to Grow. Duncan Willard

11.2.4. JCA and PGL responded to our consultations. JCA indicated that they would be prepared to look at any suitable opportunities to develop a children's activity holiday centre in Rother. They would be most interested in some form of former residential institution in extensive grounds with a lake and room for the development of high ropes courses, a swimming pool and the potential for 350-1000 beds. PGL indicated that Rother would not be of interest to them as they already have the Windmill Hill centre in East Sussex.

11.2.5. We are aware that the West Sussex-based charity CCHF All About Kids is currently looking for a site in South East England for the development of a residential activity centre for disadvantaged children aged 7-11. They might consider a suitable opportunity in Rother. They require to be a maximum of 2 hours from London, ideally coastal or countryside with good rail links; accommodation for 80 children and 20 staff, gardens, space for internal activities, offices, and manager's accommodation.

Hostels

11.2.6. The YHA has no plans to develop another hostel in East Sussex at present and is focusing on filling gaps in its network in other key areas.

11.2.7. There might be scope for hostel accommodation linked to the development of a watersports centre at Camber, possibly on the central car park. We spoke to two watersports operators here. They both identified a shortage of basic, budget-priced accommodation at Camber for kite surfers and watersports and beach sports enthusiasts and felt that they would be able to use a hostel for groups coming for lessons and courses. A hostel here could also attract demand from walking and cycling groups and possibly school groups. Such a project might attract funding from the Lottery, Sports Council and charitable organisations.

Camping Barns/ Bunkhouses

11.2.8. There could be scope for the conversion of redundant agricultural buildings to camping barns or bunkhouse accommodation for groups. Such accommodation could find a market in locations that are popular for watersports and outdoor activities such as Bewl Water and Camber Sands. It can however be difficult to make a commercially viable case for the development of a camping barn or bunkhouse, so growth in this type of accommodation in Rother is likely to be very limited.

Residential Conferences Centres

11.2.9. Ashburnham Place is currently focusing on upgrading its existing accommodation. It may in time look at developing additional accommodation such as camping pods or glamping units to increase its capacity for large groups and enable it to offer a wider choice of accommodation to develop existing and new markets.

11.2.10. We are not aware of any residential conference centre operators that are currently looking for development opportunities in the South East that might consider Rother as a development location.

12. CONCLUSIONS & RECOMMENDATIONS

12.1 Identified Accommodation Development Potential

12.1.1 The Rother Hotel & Visitor Accommodation Futures Study identifies market potential for the development of a wide range of different types of visitor accommodation across Rother to meet currently strong and growing demand for short breaks and holidays in the District. Demand for visitor accommodation in the District is likely to remain highly seasonal (although there are some signs of the season extending), leisure driven and weekend-focused, with continuing spare capacity during the week in the winter and shoulder season months. This suggests a requirement for incremental growth in the District's accommodation supply and a focus on high quality provision in order not to dilute the out of season midweek market.

Opportunities by Type of Accommodation

12.1.2. Our research shows the following potential opportunities for the development of different types of visitor accommodation in Rother:

Hotels

- The upgrading and possible expansion of existing hotels under existing or new owners.
- The addition of hotel spas at some of the District's hotels.
- The expansion and development of function facilities at existing hotels to enable them to cater for weddings and functions trade.
- The possible development of small boutique hotels in Rye, Rye Harbour and Battle, most likely through the repositioning of existing hotels and inns, or possibly through the conversion of suitable properties if available and affordable.
- Budget hotel development in Bexhill-on-Sea and possibly Rye, given a suitable site here.
- The development of hotel accommodation on some of the District's golf courses.
- Possible scope for the development of country house hotels and niche country house hotel products such as luxury family hotels, adults only hotels and spa hotels, given suitable properties for conversion.
- The development of hotel accommodation linked to wedding venues.
- The development of hotels on holiday parks and holiday centres in the District.

- Possible scope for the development of winery hotels at Carr Taylor and Sedlescombe vineyards along the lines of hotels that have been developed on some European vineyards[1].

Pub Accommodation & Restaurants with Rooms

- The upgrading and/or expansion of existing well-located and characterful pub accommodation operations.
- The development of new pub accommodation operations through the development of guest bedrooms within and/or adjacent to pubs.
- Scope to develop gastropubs and restaurants with boutique guest bedrooms, especially around Rye and Battle.
- Potential for new-build pubs with budget bedrooms.

Guesthouses and B&Bs

- The continual upgrading and/or expansion of existing guesthouses, B&Bs and farmhouse B&Bs to meet rising customer expectations.
- The establishment of new guesthouses, B&Bs and farmhouse B&Bs to replace the natural churn in the sector.
- Potential for 5 star and boutique guesthouses and B&Bs.
- Scope for more guest accommodation with family rooms and suites.
- Possible scope for B&B for Horses (providing bed and breakfast accommodation alongside stabling and grazing for horses).
- The development of walker and cyclist friendly services and facilities at guest houses and B&Bs.

Holiday Cottages, Homes & Flats

- Potential for further quality self-catering cottages and holiday homes across Rother of all sizes (residential lets and barn conversions).
- Potential for additional holiday cottages around Battle and Bexhill, and for high quality distinctive properties around Rye.
- An uncertain future for the remaining holiday flats in Bexhill, but scope potentially for more contemporary self-catering and/or serviced apartments, primarily in terms of the letting of modern residential apartments as short stay accommodation.
-

[1] Such opportunities have not been discussed with the owners of the vineyards

- Scope for some additional high quality self-catering accommodation with sea views at Camber Sands (an option for the central car park development scheme).
- Scope for some further 5 star, fully en-suite and boutique holiday cottages.
- Possible scope for the development of self-catering complexes, potentially with swimming pools and other leisure facilities.
- Scope for additional 'super cottages' that can cater for large family and friends get togethers.
- Potential for a few additional 'access exceptional' cottages designed for independent wheelchair users.

Holiday Lodges/Holiday Lodge Parks

- Market potential for, and operator interest in the development of holiday lodge parks through the acquisition and redevelopment of existing holiday parks and/or touring caravan and camping sites or new holiday lodge park development given suitable sites that can achieve planning permission.
- Potential for existing holiday parks to replace caravan holiday homes with holiday lodges or to add holiday lodges to their offer.
- Possible scope for the development of eco lodges/eco lodge parks, for ownership and/or rental.
- Opportunities for holiday lodges linked to specific outdoor activities, such as fishing lodges associated with existing or new fishing lakes; holiday lodges alongside horse riding stables; and golf lodges at golf courses either for rental, timeshare or outright purchase.
- Possible scope for the development of a small number of self-catering treehouses in suitable woodland settings.

Holiday Parks

- A market requirement for the ongoing upgrading of existing holiday parks.
- Potential interest from national holiday park operators in acquiring and redeveloping existing independent holiday parks in the District.
- Market potential for the expansion of existing holiday parks if they have land available or can acquire additional land.
- Some interest in extending the season and trading year round.
- Market potential and possible interest from national holiday park operators in the development of new holiday parks given suitable sites that can achieve planning permission.

Touring Caravan & Camping Sites

- A market requirement for the ongoing upgrading of existing touring caravan and camping sites.
- Potential for the expansion of existing touring caravan and camping sites to cater for demand at peak times.
- Scope for existing touring caravan and camping sites to introduce camping pods and/or some form of glamping accommodation.
- Potential for the development of camping pod sites and the provision of camping pods at other sites such as fishing lakes, golf courses, hotels and holiday parks.
- A possible opportunity for a surfing pod development at Camber.
- Some potential for additional small touring sites and certificated sites, particularly on farms.
- Possible scope for new larger touring caravan and camping sites, particularly at Rye and Camber where there is more limited current provision for caravanning and camping holidays.
- Potential for the development of further eco camping sites in the District.
- Scope for touring caravan and camping sites to increase their numbers of seasonal tourer pitches.
- The development of permanent on-site accommodation for site managers for the purposes of site security and winter maintenance and opening.
- Possible interest in extended opening periods for touring caravan and camping sites, including some interest potentially in year-round operation.

Glamping

- Scope for existing glamping sites to add further units.
- Good potential for the development of further glamping sites.
- Scope and operator interest for year round operation of glamping sites.
- The development of facilities such as shops, cafes, meeting rooms, indoor leisure and possibly staff accommodation to help develop midweek and winter business.

Group and Youth Accommodation

- Potential interest from national and regional operators in suitable opportunities for the development of children's activity holiday centres.
- Possible scope for hostel accommodation linked to the development of a watersports centre at Camber Sands.
- Scope for the conversion of redundant agricultural buildings to camping barns or bunkhouse accommodation for groups, especially close to locations with appeal for watersports and outdoor activities.
- Potential for Ashburnham Place to develop additional accommodation provision.

Opportunities for Key Locations

12.1.3. Our research shows the following potential for visitor accommodation development in each of Rother's key locations:

Bexhill-on-Sea

- Scope potentially for a budget hotel alongside a new-build pub restaurant on the Bexhill High School site or at the proposed business park in north east Bexhill. Such a hotel could challenge the town's existing hotels and guest houses, depending on how strongly the Bexhill hotel market grows as the town is regenerated, the population increases and new companies are attracted to the planned business park.
- A market requirement for the ongoing upgrading of the town's existing hotels, guest houses, B&Bs and pub accommodation.
- Scope possibly for the partial conversion of hotels to retirement living or residential use to allow reinvestment in a smaller hotel.
- Possible scope for a small boutique hotel given an exceptional site or conversion opportunity and significant investment in Bexhill's visitor offer, particularly in terms of speciality retail, high quality restaurants, events and festivals and the arts and cultural offer of the town.
- Possible potential for, and developer interest in an additional pub accommodation operation in the town.
- Dwindling demand for the remaining holiday flats in the town.
- Potential for holiday cottages in the rural areas around Bexhill.

Battle

- A market requirement for the ongoing upgrading of the town's existing hotels, guest houses, B&Bs and pub accommodation, including possible repositioning as boutique accommodation.
- Possible scope for additional pub accommodation and restaurants with rooms.
- An ongoing need to encourage the opening of new guest houses and B&Bs to meet shortages at peak times and replace those that close.
- Potential for additional holiday cottages in the town and surrounding rural areas.
- Potential for Ashburnham Place to develop additional accommodation.

Rye

- A market requirement for the ongoing upgrading of the town's existing hotels, guest houses, B&Bs and pub accommodation.
- Possible scope for additional pub accommodation and restaurants with rooms.
- Scope possibly for the development of further small boutique hotels, either through the repositioning of existing hotels or the conversion of suitable properties.
- Developer interest for a budget hotel at Rye but no suitable site as yet identified.
- An ongoing need to encourage the opening of new guest houses and B&Bs to meet shortages at peak times and replace those that close.
- Scope for some boutique B&Bs.
- Potential for additional high quality holiday cottages in the town and surrounding rural areas. There are however some signs of Rye becoming saturated with self-catering accommodation although holiday cottage letting agencies would still be interested in additional properties here. The priority is for high quality, distinctive properties, including potentially boutique self-catering.

Camber

- An ongoing market requirement for, and operator interest in the upgrading of the Pontin's holiday centre and Park Resorts' Camber Sands Holiday Park.
- Scope potentially for the expansion of Park Resort's Camber Sands Holiday Park if the company can acquire additional land and secure planning permission.
- Possible scope for additional B&B and pub accommodation.
- Potential for additional high quality self-catering accommodation with sea views – a possible option for the central car park redevelopment scheme.
- Potential for a touring caravan and camping site.
- Scope possibly for a surfing pod development and/or a glamping site.
- Possible scope for the development of hostel accommodation, potentially as part of, or alongside a watersports centre – another possible option for the central car park redevelopment scheme.

Rother's Countryside

- The upgrading and possible expansion of existing hotels under existing or new owners.
- The addition of hotel spas at some hotels.
- The expansion and development of function facilities at existing hotels to enable them to cater for weddings and functions trade.
- The development of hotel accommodation on some of the District's golf courses.
- Possible scope for the development of country house hotels and niche country house hotel products such as luxury family hotels, adults only hotels and spa hotels, given suitable properties for conversion.
- The development of hotel accommodation linked to wedding venues.
- The development of hotels on holiday parks and holiday centres in the District.
- Possible scope for the development of winery hotels at Carr Taylor and Sedlescombe vineyards along the lines of hotels that have been developed on some European vineyards.
- The upgrading and/or expansion of existing well-located and characterful pub accommodation operations.
- The development of new pub accommodation operations through the development of guest bedrooms within and/or adjacent to pubs.
- Scope to develop gastropubs and restaurants with boutique guest bedrooms.
- The continual upgrading and/or expansion of existing guesthouses, B&Bs and farmhouse B&Bs to meet rising customer expectations.

- The establishment of new guesthouses, B&Bs and farmhouse B&Bs to replace the natural churn in the sector.
- Potential for 5 star and boutique guesthouses and B&Bs.
- Scope for more guest accommodation with family rooms and suites.
- Possible scope for B&B for Horses (providing bed and breakfast accommodation alongside stabling and grazing for horses).
- The development of walker and cyclist friendly services and facilities at guest houses and B&Bs.
- Potential for further quality self-catering cottages and holiday homes across Rother's Countryside of all sizes (residential lets and barn conversions).
- Scope for some further 5 star, fully en-suite and boutique holiday cottages.
- Possible scope for the development of self-catering complexes, potentially with swimming pools and other leisure facilities.
- Scope for additional 'super cottages' for large family and friends get togethers.
- Potential for a few additional 'access exceptional' cottages designed for independent wheelchair users.
- Market potential for, and operator interest in the development of holiday lodge parks through the acquisition and redevelopment of existing holiday parks and/or touring caravan and camping sites or new holiday lodge park development given suitable sites that can achieve planning permission.
- Potential for existing holiday parks to replace caravan holiday homes with holiday lodges or to add holiday lodges to their offer.
- Possible scope for the development of eco lodges/eco lodge parks, for ownership and/or rental.
- Opportunities for holiday lodges linked to specific outdoor activities, such as fishing lodges associated with existing or new fishing lakes; holiday lodges alongside horse riding stables; and golf lodges at golf courses either for rental, timeshare or outright purchase.
- Possible scope for the development of a small number of self-catering treehouses in suitable woodland settings.
- A market requirement for the ongoing upgrading of existing holiday parks.
- Potential interest from national holiday park operators in acquiring and redeveloping existing independent holiday parks in the District.
- Market potential for the expansion of existing holiday parks if they have land available or can acquire additional land.
- Some interest in extending the season and trading year round.

- Market potential and possible interest from national holiday park operators in the development of new holiday parks given suitable sites that can achieve planning permission.
- A market requirement for the ongoing upgrading of existing touring caravan and camping sites.
- Potential for the expansion of existing touring caravan and camping sites to cater for demand at peak times.
- Scope for existing touring caravan and camping sites to introduce camping pods and/or some form of glamping accommodation.
- Potential for the development of camping pod sites and the provision of camping pods at other sites such as fishing lakes, golf courses, hotels and holiday parks.
- Some potential for additional small touring sites and certificated sites, particularly on farms.
- Possible scope for new larger touring caravan and camping sites.
- Potential for the development of further eco camping sites in the District.
- Scope for touring caravan and camping sites to increase their numbers of seasonal tourer pitches.
- The development of permanent on-site accommodation for site managers for the purposes of site security and winter maintenance and opening.
- Possible interest in extended opening periods for touring caravan and camping sites, including some interest potentially in year-round operation.
- Scope for existing glamping sites to add further units.
- Good potential for the development of further glamping sites.
- Scope and operator interest for year round operation of glamping sites.
- The development of facilities such as shops, cafes, meeting rooms, indoor leisure and possibly staff accommodation to help develop midweek and winter business.
- Potential interest from national and regional operators in suitable opportunities for the development of children's activity holiday centres.
- Scope for the conversion of redundant agricultural buildings to camping barns or bunkhouse accommodation for groups, especially close to locations with appeal for watersports and outdoor activities.

12.2 Planning Policy & Process – Critique & Recommendations

12.2.1 A key purpose of the Hotel & Visitor Accommodation Futures Study is to provide a demand side analysis to inform the District Council's planning policies for hotel and visitor accommodation development. The following critique and recommendations are made on the basis of this analysis for consideration by the Council in the context of the local economic, social and especially environmental circumstances of the District.

12.2.2. The policies that are currently in place in the **2006 Local Plan** (EM7-EM12) are generally positive towards tourist attractions and accommodation, but contain a number of restrictions to the delivery of the visitor accommodation development we have identified potential for. Most notably these restrictions relate to the development of accommodation in the countryside which does not involve converting an existing building, the development of any form of chalet or lodge park in the countryside (unless improving an existing site), and restrictions on occupancy periods (Policy EM11). While the Council has a retention policy in place for tourist accommodation (Policy EM9), there is no detailed guidance setting out how change of use applications for tourist accommodation will be assessed or what evidence applicants are required to provide.

12.2.3 Policy EC6 in the proposed submission **Core Strategy** is the main policy that covers visitor accommodation. It supports the enhancement of existing accommodation to meet customer expectations and increases to the supply of quality serviced and self-catering accommodation. It also seeks to resist the loss of tourism accommodation unless there is no prospect of its continued use and replaces the opening period restrictions for visitor accommodation in the 2006 Local Plan with a requirement to restrict occupancy to purely holiday purposes, thus enabling operators to extend their season, subject to visual impact and flood risk considerations. The supporting text to the policy lists a number of 'particular opportunities' for visitor accommodation development, which have been drawn from our 2007 and 2009 Hotel and Visitor Accommodation Futures Studies for Rother.

12.2.4. While Policy EC6 (incorporating the Council's proposed modifications) is positive, both in recognising the strategic economic role of tourism and in encouraging visitor accommodation development in Rother, there are a number of aspects that perhaps require clarification in the forthcoming Development & Sites Allocations DPDs. One issue that would benefit from clarification is the interpretation of Policy RA3 (covering development in the countryside) in relation to Policy EC6. The former supports the development of suitable tourism opportunities including through the conversion of farm buildings and the sensitive, normally small-scale growth of existing business sites and premises. It also requires that all development in the countryside is of an appropriate scale and will not adversely impact on landscape character or the natural resources of the countryside. This appears to imply that large-scale visitor accommodation proposals are unlikely to be acceptable in Rother's countryside. The relationship between scale and visual impact of visitor accommodation development proposals in the countryside could usefully be elaborated in the more detailed Development Management Policy document, to clarify whether there could be any circumstances when larger scale visitor accommodation development proposals might be positively considered in Rother's countryside..

12.2.5. The list of 'particular opportunities' for visitor accommodation proposals (paragraph 16.32) does not refer to all of types of visitor accommodation for which there was identified market potential in the 2007 and 2009 Hotel & Visitor Accommodation Studies, which has again been confirmed in the 2013 study in terms of:

- New holiday lodge parks;
- New holiday parks;
- New build self-catering – individual or groups of units;
- Fishing or golf lodges;
- New touring caravan & camping sites;
- Activity holiday centres;
- Hostels, camping barns and bunkhouse accommodation;
- Glamping – other than replacing older caravan provision;
- Camping pods – different from tented camping as they have a permanent base;
- New country house hotels;
- The development of hotel accommodation at golf courses;
- The addition of bedrooms to pubs and restaurants;
- The provision of permanent accommodation for site managers at touring caravan and camping sites and staff accommodation at holiday parks.

12.2.6 It is acknowledged that the earlier reports identified varying levels of market interest in the respective types of accommodation, as well as a requirement for the Council to make judgements on the potential for additional accommodation provision in planning terms. Although the list in the Core Strategy does not purport to be comprehensive, it would be helpful if the Development & Site Allocations DPD (or a supporting evidence paper)could include a definitive list of all of the types of visitor accommodation for which there may be market interest in Rother (drawing on this 2013 study). This should also inform the consideration of acceptability of different types and scales of visitor accommodation development proposals.

12.2.7. It is noted that the Core Strategy (at paragraph 16.32) makes specific reference to opportunities in Bexhill and Camber but not Rye and Battle, although Policy BA1 (for Battle) makes provision to allow the development of new tourist accommodation in Battle, while Policy RY1 refers to both enhancing tourism assets and promoting 'green tourism' in Rye (although without reference to opportunities for visitor accommodation). Policy RA1 is supportive of tourism facilities in the countryside but further consideration may need to be given to whether visitor accommodation in the District's villages should also be covered by detailed policies. We would suggest therefore that it would be helpful for the Development & Sites Allocation DPD (or supporting evidence document) to include a definitive list of visitor accommodation development opportunities for each of the key locations, drawing on the 2013 study.

12.2.8. There may be merit in the District Council setting out in the Development & Sites Allocation DPD how the sequential test should be applied to hotel development in Bexhill and Rye. Both towns could have potential for budget hotel development. There are two potentially strong budget hotel sites at Bexhill (the Bexhill High School site and the proposed business park at north east Bexhill), neither of which is in the town centre, yet no currently identified budget hotel site in the town centre. It would seem unreasonable therefore to require detailed sequential test assessments for budget hotel proposals that might come forward on the two identified sites. Rye is a target town for Premier Inn. A suitable site for a budget hotel here is most likely to be on the edge of the town than in the town centre. Again it would seem unreasonable to require detailed sequential test assessments under this circumstance.

12.2.9 The wording of the retention policy ('no prospect of its continued use') is open to potentially wide interpretation. The Development & Sites Allocation DPD should thus set out guidance that clearly explains what is meant in terms of demonstrating there is no prospect of the accommodation's continued use. The guidance needs to provide clarity about what is and is not a qualifying reason for exiting the market, and what the requirements are for demonstrating evidence of endeavours to sell the business as a going concern, together with proof of non-viability, both now and in the future (should an operator take it over and invest in it). Hotel Solutions' work with Tourism South East[1] should be a helpful source to draw on in putting this guidance together. It included an example evaluation tool for a viability test against which to assess change of use applications. This can be applied to serviced, self-catering, holiday park and touring caravan and camping operations, and covers:

- **The criteria against which applications should be assessed**, principally:
    - Proof of marketing for sale
    - Evidence of business performance
    - Evidence of professional management
    - Evidence of attempts to save the business

- **The type of evidence sought from applicants** to demonstrate that they meet these criteria – or otherwise, including:
    - Independent valuation
    - Sale marketing materials and responses
    - Accounts
    - Occupancy and Achieved Room Rate data
    - Business Plans
    - Marketing Plan, schedule and brochures
    - Investment schedule and plans
    - Details of plans to up-grade/re-position with full costings

[1] 'Here to Stay?' Tourist Accommodation Retention & Loss – Guidance for Local Authorities on the Development of Planning Policy (Tourism South East, 2006)

- **The response required from the Local Authority, including sources of information and expertise**, which could include:
    - Tourism Strategy inputs/consultation with the Tourism Team
    - Independent property valuations/local agent inputs on hotel sales
    - Monitor of supply, loss and development
    - Monitor of demand across the destination and by area
    - Assessment of hotel standards and fitness for purpose
    - Benchmark data on business performance by size and type
    - Accountancy inputs on viability of current and potential schemes
    - Surveyor inputs on required investment costs

12.2.10 Our 2013 research indicates a need for some flexibility in applying these retention policies in Bexhill, given the potential impact on the town's existing hotels and guest houses of a budget hotel and the reducing demand for holiday flats in the town. There may therefore be a case for allowing some of the town's accommodation businesses to exit the market. Another solution might be to allow partial change of use of a hotel in return for a guarantee of investment and up-grading in the remaining hotel bedrooms and facilities.

12.2.11 With regard to **ensuring holiday only use of visitor accommodation**, national guidance advocates a planning condition or legal agreement to this effect, backed up by a register of owners and hirers, without requiring closure for a minimum amount of time each year. It may well be that a number of operators are happy to close over the quieter months, but those that feel a market is there in the winter should not be restricted in opening unless there are overriding concerns, for example to do with flooding or the visual impact of caravans in the winter months. The new policy will thus allow accommodation operators to extend their opening period should they so wish.

12.2.12 In terms of **allocating sites for hotel and visitor accommodation** development, the arguments in favour would normally be:

- To provide certainty to the market;
- Where hotel/visitor accommodation developments might be priced out of the market by higher value competing uses e.g. residential, retail and office uses in a town centre;
- Where the delivery of a hotel or other form of visitor accommodation is critical to a wider scheme of strategic interest;
- Where there is a known requirement for the particular site/location and little alternative in terms of other suitable sites;
- Where the hotel or visitor accommodation is a preferred use/better fit with destination objectives for a particular location, building or site.

12.2.13. Clearly, if the Council does decide to allocate sites for hotel and visitor accommodation development there needs to be confidence that they will be delivered to avoid sterilising sites and potentially resisting development for similar developments on non-allocated sites elsewhere. There could be merit in applying the above criteria to individual sites as part of the site allocations assessment process, and in the light of agreement being reached on the wider strategic approach to hotel and visitor accommodation development. This may throw up some sites where allocation would be appropriate. Other than this, the application of development control policies that are sufficiently flexible to permit the development of the forms of hotel and visitor accommodation for which market potential has been identified, subject to material planning considerations, would we suggest be the route to pursue.

12.2.14. Another issue that the District Council will need to consider is the application of the **Community Infrastructure Levy** to hotel and visitor accommodation development proposals. In many cases, the viability of hotel and other visitor accommodation schemes is marginal, and the burden of significant CIL contributions could be the factor that kills a potential proposal. This is a new area, but some initial investigations recently conducted alongside another consultancy commission show significant variations in what is being proposed: some London Boroughs are charging £450/sq m for hotel schemes, adding 27% to the development cost for some hotel projects, whereas viability assessments by other authorities, e.g. Worthing Borough Council and Cambridge City Council, have resulted in a zero charge being applied to hotel schemes. Work on the District Council's CIL Charging Schedule is about to get underway in November 2013. We would recommend that learning from the experience of other authorities and consulting with private sector visitor accommodation operators are built into this work to ensure assumptions relating to costs and viability are accurate for hotel and visitor accommodation development schemes.

12.2.15. Linked to the point about CIL and the fragility of the hotel and visitor accommodation sector in a seasonal, leisure-driven market, are concerns that prospective developers of hotel and visitor accommodation projects often raise about the **cost of planning applications and the supporting information required**, and the risks of aborted costs if applications are turned down. These costs can be prohibitive for small scale accommodation operators, particularly if they feel there is a risk of refusal. Finding a route to giving confidence to visitor accommodation operators when they are working up schemes that require planning permission would help, perhaps via closer integration of planning and regeneration activities in advising potential applicants and operators on their proposals and pre-application discussions.

12.3 Other Suggestions for Public Sector Intervention and Support

12.3.1 In addition to a positive planning policy framework we would suggest that there are other roles that Rother District Council and its public sector partners can play to more proactively support the development of the District's hotel and visitor accommodation sector, subject to funding and staff resource availability. It must however be recognised that the District Council is set to see further budget reductions in the coming years that will inevitably lessen its ability to fulfil these roles, unless funding can be secured from external sources. The evidence provided in this report can however hopefully be used to underpin funding bids as opportunities arise.

Disseminating the Study Findings

12.3.2 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 Rother 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 can most 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. These fact sheets could be further enhanced with case studies of successful accommodation businesses in the District or other parts of the UK. The alternative would be to make the report available to interested parties. This would certainly be much quicker and cheaper to achieve.

12.3.3. The availability of the fact sheets or full report will need to be publicised to the following audiences:

- Existing accommodation businesses in the District – 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 Rother;
- Farmers and other land owners in the District;
- Pub landlords, breweries and pub companies;
- The owners of fishing lakes, golf courses, wedding venues, vineyards, restaurants, visitor attractions, watersports centres and equestrian centres that might be interested in visitor accommodation development opportunities;
- Commercial property agents.

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

Marketing the Budget Hotel Sites in Bexhill

12.3.5. Our research suggests a potential market opportunity for, and operator interest in the development of a budget hotel in Bexhill, with two potentially suitable sites in the Bexhill High School site and at the proposed business park in north east Bexhill. These sites will need to be proactively marketed to Premier Inn and Travelodge if and when they become available. There could also be interest from another budget hotel operator that might be worth following up. The District Council might also usefully compile information on the market opportunity for a budget hotel at Bexhill to support the marketing of the sites. The District Council will need to be mindful in all of this of the potential impact of a budget hotel on the town's existing hotels and guest houses.

Identifying Sites for Hotel and Visitor Accommodation Development

12.3.6. Many of the hotel and visitor accommodation development opportunities that we have identified will require the identification of suitable sites and conversion opportunities that can achieve planning permission that can be put to potentially interested hotel and visitor accommodation companies. There could therefore be merit in the District Council undertaking work to identify potential accommodation development sites as part of, or alongside the Development & Site Allocations DPD work, possibly including a call for sites to be considered for the following types of hotel and visitor accommodation:

- Country house hotels;
- Children's activity holiday centres;
- Holiday lodge parks;
- Holiday parks;
- Touring caravan and camping sites.

Promoting Visitor Accommodation Development in Camber

12.3.7. The Hotel & Visitor Accommodation Futures Study identifies a range of opportunities for visitor accommodation development in Camber. These need to be incorporated into the final version of the Camber Village SPD and the Development Briefs for the central car park and possibly the former putting green site. If accepted, the suggestion of a hostel development in association with a watersports centre will need to be worked up with partners into a feasible scheme and funding applications. There will also be a need to promote the other identified opportunities to local land owners and potential accommodation operators and developers.

Encouraging the Development of Glamping

12.3.8. The Hotel & Visitor Accommodation Futures Study identifies strong potential for the further development of glamping in Rother. The low impact and high quality aspects of glamping have strong appeal and fit well with the District's rural nature and its strong product in terms of outdoor activities and local food and drink. There could therefore be a case for the District Council to develop a **Glamping Development Programme** that might include the following:

- A **glamping development advice sheet** with guidance on the various types of accommodation this covers, the rationale and potential for development, the benefits and typical performance indicators, planning and legal requirements, sources of advice and suppliers;
- A **luxury camping exhibition** of the suppliers of bell tents, yurts, tipis, wigwams, camping pods etc.
- **Training workshops** for people considering setting up a glamping operation covering issues such as planning, customer expectations, set up costs, running costs and marketing.

12.3.9. Resourcing such an initiative would clearly be the key challenge. There may however be scope to progress a project like this through joint working with neighbouring local authorities in East Sussex or Kent, possibly with a view to working up a funding bid e.g. to any future RDPE programme.

Encouraging Pub Accommodation Development

12.3.10. In a similar vein there could be merit in working up some form of **Pub Accommodation Development Programme** again possibly with other local authorities and with a view to bidding for further RDPE or other funding. Rother has a good supply of pubs with rooms, and some high quality offers. The development of rooms associated with pubs/gastropubs is a good and viable way to deliver high quality bedrooms on a small scale. Adding guest bedrooms can also help to make pubs more commercially sustainable. Elements of a programme might include:

- User-friendly **business development guidance** for pub and restaurant owners/tenants on the how and why behind rooms development, including key performance indicators and case studies to inform the business planning process. Hotel Solutions has previously prepared such guidance for TSE as part of its Great Country Pubs project that could be used;
- **Training** in accommodation development project planning, welcome skills, and marketing;
- **Targeting breweries and pub companies** to inform their pub development teams of the potential for pub accommodation development in Rother;
- Working with TSE to encourage pub accommodation businesses to take part in the **Great Country Pubs** marketing initiative;
- Working with **Pub Is The Hub** to develop some of the identified opportunities in the District and explore other potential support available;
- **Exploring routes to funding** through the RDPE, banks, breweries and other potentially available sources.

12.3.11. It might be possible to broaden such a programme to include the development of restaurants with rooms and possibly accommodation linked to food producers and other food-related businesses e.g. vineyards and cookery schools.

Tailored Business and Quality Improvement Support for Accommodation Businesses

12.3.12. The provision of tailored and targeted business support and quality improvement initiatives would be beneficial for existing and prospective visitor accommodation operators and would contribute to capitalising on the visitor accommodation development opportunities across Rother. 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;
- Grants or other forms of financial assistance.

12.3.13. Key requirements for advice and training for accommodation operators are most commonly to do with marketing, especially e-marketing. Some destinations have successfully implemented Walkers & Cyclists Welcome training workshops to help accommodation operators to understand how they can cater for and attract people for walking and cycling breaks. A number of the accommodation operators that we spoke to commented that they would welcome more opportunities to meet with the District Council and network with other accommodation and tourism businesses in their area. 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. Grant assistance is likely to be welcomed by such operators. Awards schemes have been shown to be effective in other destinations as a means of encouraging higher standards.

12.3.14. The suggested Accommodation Development Fact Sheets (drawing on the information in the 2013 Hotel & Visitor Accommodation Futures Study report), 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.

12.3.15. This is another area of work that could be progressed in partnership with neighbouring local authorities, possibly through the shared economic development resource, and with other bodies e.g. Let's Do Business Group, with a view to securing funding from external sources.

Strengthening Destination Marketing

12.3.16. While it is not the remit of this study to advise Rother District Council on destination marketing, our discussion with the District's hotel and visitor accommodation businesses provide some useful insights into what they see as the marketing priorities for the District Council:

- Key reasons why people come to stay in Rother were cited as the town of Rye, high quality, award winning restaurants and gastropubs, local food and drink produce, gardens, the countryside particularly in terms of walking and to a lesser extent cycling; and the beach, kite surfing and watersports at Camber Sands. These are perhaps the key themes that need to be used to raise awareness of Rother's key assets and appeal for leisure breaks.
- A number of accommodation operators commented about a need for stronger promotion of their towns – Bexhill, Battle and Rye.
- Near European markets are generating strong demand for the District's accommodation businesses, especially its holiday cottages and touring caravan and camping sites. A number of accommodation operators felt that there was merit in targeting these markets more aggressively.

Developing the Leisure Tourism Product

12.3.17. Our research suggests an ongoing need to develop the leisure tourism offer of Rother, particularly with a view to helping to boost off peak demand. Suggestions made by accommodation operators included:

- More events and festivals at quieter times of the year;
- The development of facilities to attract kite surfers and other watersports and beach sports enthusiasts during the winter at Camber Sands;
- A broader programme of year-round events and concerts at the De La Warr Pavilion;
- The development of speciality retail in Bexhill;
- The development of the District's food and drink offer in terms of high quality restaurants and gastropubs; food and drink attractions, events and festivals; and cookery schools, demonstrations and courses – all of which can have year-round appeal;
- Improving the evening entertainment offer in Rye;
- The development of the walking and cycling product in the District.

Keeping a Finger of the Pulse

12.3.18. There will be an ongoing need for the District Council to keep track of changes in hotel and visitor accommodation supply and demand in the District 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 its 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.

12.4 Concluding Thoughts

12.4.1. The 2013 Hotel & Visitor Accommodation Futures Study identifies opportunities for the development of a wide range of different types of visitor accommodation across Rother and some more location specific potential. These opportunities represent a mixture of new-build developments, conversion and redevelopment of existing buildings, and the up-grading and re-positioning of existing visitor accommodation businesses. They can provide opportunities for farm diversification and new uses for country houses, residential institutions, and redundant agricultural buildings. The development of hotel and visitor accommodation can make a significant contribution to economic development and employment growth in Rother. Whilst sensitive development is required - both in terms of the visual and environmental impact of schemes and the commercial impact on existing accommodation businesses - there remains a real opportunity for the development of the visitor accommodation product across Rother as part of a joined up approach to the wider development of tourism in the District. Delivering this market potential and product development on the ground will require action on a number of fronts – most notably in terms of the planning policies and process that provide the framework for development; the future inward investment strategy and action for the sector; and support for the sector in terms of destination development and marketing and business support.

APPENDICES

APPENDIX 1

ROTHER ACCOMMODATION BUSINESSES INTERVIEWED

CONFIDENTIAL

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