SOUTH DOWNS NATIONAL PARK
VISITOR ACCOMMODATION REVIEW

Report of Key Findings

Prepared for:
South Downs National Park Authority

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CONTENTS

APPENDICES (separate document)

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EXECUTIVE SUMMARY

The Purpose

This study has been commissioned by the South Downs National Park Authority to inform the development of the emerging South Downs National Park Local Plan and the delivery of the Partnership Management Plan.

The Evidence

The findings of the different modules of research combine to show potential for visitor accommodation development across all parts of the South Downs National Park both in terms of the expansion, development and upgrading of existing accommodation businesses and the development of new ones. The evidence shows:

- A visitor accommodation sector that is performing very strongly at weekends and during the week in the peak summer months, with frequent shortages of all types of accommodation at these times.
- Strong demand for high quality accommodation, which generally trades at the highest levels of occupancy and price.
- Clear prospects for future growth in the demand for all types of visitor accommodation in the National Park.
- Good potential for the South Downs to expand on many of the current and emerging rural visitor accommodation development trends.
- Some clear gaps in current accommodation provision, including most notably in terms of hotel accommodation in Petersfield (one of the National Park's largest towns) and gaps in accommodation supply along the South Downs Way.
- Strong interest from national, regional and local visitor accommodation developers, operators and investors, as well as from land and property owners interested in visitor accommodation development.
- A largely leisure driven and seasonal market for visitor accommodation in the National Park, suggesting a need for incremental supply growth in order to avoid overly diluting winter trade.

Key Conclusions Rationale and Forward Action

The SDNPA in its Partnership Management Plan has made a clear commitment to the development of sustainable tourism, including the development of a variety of visitor accommodation that responds to market demands. The Plan also seeks to increase visitor spending and recognises that encouraging more high spending staying visitors is a smart way to achieve this. There is also a wider rationale for supporting the development of visitor accommodation, in that it provides opportunities to:

- Improve the vitality of the National Park's towns and villages, particularly in terms of helping to boost their evening economies;
- Keep village and country pubs open and viable, maintaining them as a resource for local communities;
- Improve farming and country estate incomes and thus supporting agriculture and land management;
- Create jobs for local people and self-employment opportunities;
- Sustain existing tourism and leisure businesses, such as golf courses, fishing lakes, horse riding stables, wedding venues and visitor attractions;
- Find new uses for redundant and even derelict buildings and sites.

Rather than viewing the development of visitor accommodation in isolation, it can be seen that if appropriately managed it can be stitched into the fabric of the National Park's economic, environmental and community life to bring widespread benefits.

All of this concurs with the pursuance of the National Park's second purpose – to promote opportunities for the understanding and enjoyment of the special qualities of the National park by the public and its duty to foster the economic and social well-being of its communities. However, with much of the National Park's current visitor accommodation supply trading at full capacity and turning business away at peak periods, additional visitor accommodation will be needed to achieve this, and needs to be planned for. In doing so, these needs must be balanced against the purpose to conserve and preserve the Park's natural and cultural heritage. The NPPF states that great weight should be given to conserving landscape and scenic beauty in National Parks, which have the highest status of protection in relation to landscape and scenic beauty. The conservation of wildlife and cultural heritage are important considerations in all these areas, and should be given great weight. It also states that planning permissions should be refused for major developments in these designated areas except in exceptional circumstances and where it can be demonstrated that they are in the public interest – with considerations including need, the scope to accommodate that need elsewhere/in another way, and the extent to which any detrimental impacts can be moderated.

Clearly, the South Downs is an attractive location for visitor accommodation development, operation and investment; the market work indicates there is a shortage of accommodation; and the fact that development interest is not being realised on any scale points to a context of constraint. The key barriers are focused around planning, site availability/suitability, funding and issues surrounding project viability. Any forward programme of action needs to concentrate on redressing the balance in some of these key areas to facilitate the development of additional visitor accommodation, within a policy framework that will both permit the benefits of staying visitors in the economy to be maximised whilst ensuring the other purposes of the National Park are not jeopardised.

In addition to a positive planning policy framework and process for visitor accommodation development, the recommendations detail other roles that SDNPA and its partners can play to accelerate investment in the visitor accommodation offer and to more proactively support the growth and sustainability of the visitor accommodation sector across the National Park.

1. INTRODUCTION

1.1 Background to the Study

1.1.1. The South Downs is England's newest National Park, and became fully operational in April 2011. The South Downs National Park Authority (SDNPA) recognises that tourism has an important part to play in the economic, social and everyday life of the National Park and its constituent communities, and must balance promoting opportunities for the understanding and enjoyment of the special qualities of the National park by the public (purpose 2) and the duty to foster economic and social well-being of the local communities within the National Park, with purpose 1, conserving and protecting its natural and cultural heritage.

1.1.2. The provision of the right amount of visitor accommodation, of the right quality, and in the right locations will be important to maximising the benefits that tourism can bring to the National Park, with overnight visitors adding much greater value to the local economy. Identifying what 'right' means in this context requires a thorough understanding of market performance and visitor needs, to help develop a delivery strategy for visitor accommodation that is fully integrated with the wider objectives of the SDNPA.

1.1.3. This Visitor Accommodation Review has been commissioned by the SDNPA to meet this requirement by providing an assessment of current provision and future need. Its principal purposes will be to provide evidence to inform the emerging South Downs National Park Local Plan, as well as to inform the delivery of the Partnership Management Plan.

1.2 Study Objectives

1.2.1. This Visitor Accommodation Review seeks to provide an objective assessment of the opportunities and requirements for building the future capacity, quality and profitability of the visitor accommodation sector across the South Downs National Park, as well as to provide guidance on the roles that the SDNPA and its partners can play to achieve this.

1.2.2. Key requirements as set out in the brief include to:

- Review previous hotel and visitor accommodation studies that have covered parts of the National Park and adjacent or similar areas in Hampshire, East and West Sussex;
- Update the audit of visitor accommodation supply in the National Park undertaken by TSE in 2012;
- Provide an up-to-date assessment of visitor accommodation performance across the National Park;
- Assess the long-term visitor accommodation needs of the Park, by type and location, including reviewing proposals for visitor accommodation development;
- Identify opportunities for new visitor accommodation development linked to gaps in provision and relationships to existing tourism resources;
- Set out policy recommendations and criteria to safeguard visitor accommodation.

1.3 Study Coverage

1.3.1. In terms of types of accommodation, the study covers the following:

- Hotels
- Pub accommodation
- Guest houses/B&Bs
- Self-catering properties
- Touring caravan and camping sites
- Glamping
- Holiday parks
- Hostel accommodation
- Children's activity holiday centres

1.3.2. In terms of geography, the study focuses on the National Park, but incorporates some supply on the Park fringes where clearly of relevance to the National Park.

1.4 Methodology

1.4.1. This Visitor Accommodation Review has involved gathering information from a variety of sources, plus detailed analysis, to deliver the required outputs. The work programme has involved the following modules:

- Stakeholder consultations with key SDNPA managers, particularly to understand the strategic vision for the National Park; key strands of policy relevant to the development of the visitor economy and visitor accommodation; projects and activities that could drive future demand for the accommodation sector; the planning issues surrounding visitor accommodation development and its retention; and visitor accommodation development proposals coming forward.
- A review of relevant policy and strategy documents to establish the policy framework and strategic context for hotel and visitor accommodation development.
- A review of previous hotel and visitor accommodation studies covering parts of the National Park and adjacent areas in Hampshire, East and West Sussex.
- An update of the 2012 audit of visitor accommodation supply in the National Park completed by TSE, in order to identify key characteristics by size, standard and location; any recent changes; gaps in provision; and exemplar products.
- An assessment of visitor accommodation performance, delivered via a survey of operators conducted via structured telephone interviews.
- Identification of changes in supply in the last 3 years (in terms of new visitor accommodation businesses, extensions and upgrading, and closures) as well as proposals for future hotel and visitor accommodation development, through stakeholder consultations and a trawl of planning applications.
- A review of national trends in rural and market town visitor accommodation development, covering each of the identified types of visitor accommodation being researched in the study, and giving examples of good practice in similar locations.
- A survey of land and property owners to assess levels of interest in visitor accommodation development, particularly important given that availability of sites is at a premium.

- A survey of visitor accommodation developers, operators and investors as a measure of aspiration and potential for larger scale investments in the National Park, with a focus on the developers/operators of holiday lodge parks, large-scale touring caravan and camping sites, children's activity holiday centres, country house hotels, boutique inns and budget hotels. The interviews probed levels of interest in the National Park, site and locational requirements, and barriers to investment.
- Interviews with holiday cottage letting agencies as a key source of performance data, trends, market and product feedback for the self-catering sector in the National Park. Their views on where there are shortages of provision, and for what type of self-catering unit, were also sought.

1.4.2. The above modules of research and analysis have been drawn together to identify the potential opportunities for visitor accommodation development in the National Park, by accommodation type, drawing out where possible locational priorities.

1.5 Reporting Structure

1.5.1. This document presents the key findings of our research in a succinct report that synthesises the key messages from the many strands of detailed research set out above in terms of policy, product, market and potential, and concludes with recommendations for forward action relating to planning, inward investment and sector support.

1.5.2. The more extensive outputs of the various surveys undertaken that form the evidence base for these recommendations have been combined into a Technical Appendices document for separate reference where more detailed insight is required.

2. THE POLICY FRAMEWORK

2.1 National Planning Policy

2.1.1. With the publication of the **National Planning Policy Framework** in March 2012, planning policy has been streamlined. National planning practice guidance has subsequently been completely refreshed and updated to support the NPPF and in March 2014 was launched via a new website.

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

- Tourism development (including hotels) is identified as a main town centre use (para. 23):
  - The NPPF focuses on a town centre first approach, with sequential testing to be applied should these uses wish to locate elsewhere and not be in accordance with an up-to-date Local Plan. This means proving that no alternative suitable sites in or closer to the town centre are available or viable;
  - However, it also indicates that the sequential approach need not apply to applications for small scale rural development (para 25).

- Tourism development is also dealt with in the NPPF's rural policy (para.28) which supports tourism in the countryside as part of a prosperous rural economy. Sustainable rural tourism development that can benefit rural businesses, visitors and communities and which respects the character of the countryside should be supported. This includes the provision and expansion of tourist and visitor facilities in appropriate locations.

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

- Sustainable development focusing on economic growth is described as a 'golden thread' that should run through plan-making and decision-taking, but the NPPF recognises that in National Parks and other sensitive sites specific policies will indicate development should be restricted[1];
- A streamlined and speedy approach to decision-making on schemes that accord with the development plan;
- Retention of requirements relating to the setting of local car parking standards, reflecting local levels of ownership, and encouragement of sustainable modes of transport;
- Policies should seek to address potential barriers to investment;
- Pro-active engagement with applicants is a key strand, with positive planning and pre-application discussions encouraged;
- Joint working is expected between local authorities on cross-boundary issues, in relation to which there is a duty to co-operate;
- Weight will also be given to relevant policies within emerging Local Plans dependent on stage of preparation and conformity with the NPPF.

[1] NPPF Para 14, footnote 9.

2.1.4. Specifically with reference to development in National Parks, the NPPF emphasises that:

- Great weight should be given to conserving landscape and scenic beauty in National Parks, the Broads and Areas of Outstanding Natural Beauty, given their highest status of protection in relation to landscape and scenic beauty;
- Planning permission should be refused for major developments in these designated areas except in exceptional circumstances and where it can be demonstrated they are in the public interest. Consideration of such applications should include an assessment of:
    - The need for the development, including in terms of any national considerations, and the impact of permitting it, or refusing it, on the local economy;
    - The cost of, and scope for, developing elsewhere outside the designated area, or meeting the need for it in some other way;
    - Any detrimental effect on the environment, the landscape and recreational opportunities, and the extent to which that could be moderated.

2.1.5. The government consulted in 2013 on proposals to permit hotels to convert to other uses under permitted development rights. The proposal to allow hotels to convert to state funded schools and childcare nurseries was granted, but the proposal to allow hotels to convert from C1 to C3 residential was not.

2.1.6. Prior to March 2014, national planning guidance on the development of hotels and other forms of visitor accommodation came in the form of the 'Good Practice Guide on Planning for Tourism' (2006), which contained a specific appendix on tourist accommodation, dealing principally with the location of accommodation. There was also previously a specific section on hotel development in the 'Practice Guidance on Need, Impact and the Sequential Approach' (2009). With the advent of the NPPF, both of these have been cancelled. There is a lack of clarity around how much of this is now reflected in current policy and guidance. Initial advice indicates that:

- The Planning Practice Guidance published by DCLG alongside the NPPF only makes reference to tourism under the section entitled 'Ensuring Vitality of Town Centres' Paragraph 007 – 'What should local authorities consider when planning for tourism?' This refers to engaging with the tourist industry, considering their locational and operational needs, analysing the opportunities for tourism to support local services and the environment, and paying regard to non-planning guidance.
- Specific tourism planning guidance appears to have been reduced to a six point framework that can be found on the VisitEngland website[1] (see Appendix 2). This addresses the following issues:
    - How should tourism developers maximise the economic benefits of tourism for their areas;
    - How should tourism uses be accommodated in urban areas?
    - How should tourism be accommodated in rural areas?
    - What are the key locational considerations in choosing the best site for tourism development?
    - How can tourist accommodation be maintained as a tourism use?
    - What about applications for permanent staff accommodation?

[1] http://www.visitengland.org/england-tourism-industry/gov_tourism_policy/tourism-planning.aspx"

2.2 Local Planning Policy

2.2.1 The SDNPA took on its full planning responsibilities as a local planning authority on 1 April 2011. SDNPA has statutory purposes and socio-economic responsibilities as specified in the Environment Act of 1995.

1. To conserve and enhance the natural beauty, wildlife and cultural heritage of the area.
2. To promote opportunities for the understanding and enjoyment of the special qualities of the National Park by the public.

Working in partnership with other Local Authorities and other organisations, it is also the duty of the Authority to seek to foster the economic and social well-being of the local communities within the National Park.

In addition, Section 62 of the Environment Act 1995 requires all relevant authorities, including statutory undertakers and other public bodies, to have regard to these Purposes. Where there is an irreconcilable conflict between the statutory purposes, the Sandford Principle is statutorily required to be applied and the first Purpose of the National Park will be given priority.

2.2.2. The South Downs National Park covers parts of 11 districts[1] and one Unitary Authority[2], and crosses three counties[3]. Until a Local Plan for the South Downs National Park is adopted, the planning policies of these local authorities and the joint core strategies adopted since 2011, guide the development of visitor accommodation in the Park. Though other material planning considerations such as the policies of the South Downs Partnership Management Plan (see Section 2.3) do play a part in determining planning applications in advance of this.

2.2.3. The Local Plan for the National Park is at the early stages of preparation. The first consultation took place in February 2014 in the form of an Options Consultation Document. It set out a number of issues relating to tourism in the National Park and options for how these could be dealt with in the Local Plan. It included proposals to:

[1] Adur, Arun, Chichester, East Hampshire, Eastbourne, Horsham, Lewes, Mid-Sussex, Wealden, Winchester and Worthing

[2] Brighton and Hove

[3] Hampshire, East Sussex and West Sussex

- Support sustainable tourism to meet the Park's second purpose (subject to meeting the first purpose).
- Have a presumption against the loss of visitor accommodation and set criteria within a policy for any applications to be assessed against.
- Support the development and maintenance of appropriate tourism facilities and visitor hubs including a mix of good quality accommodation that responds to market demands and contributes to a sustainable visitor economy.

The consultation also sought feedback on some options including:

- The criteria for determining if visitor accommodation should be retained.
- Whether the development of visitor accommodation should be directed to or away from certain areas.
- The approach that should be taken to new static caravan sites.

2.2.4. The consultation responses:

- Were generally in favour of adopting a flexible approach to visitor accommodation development, informed by landscape and character assessments rather than directing development to or away from certain areas.
- Were split in relation to the development of new static caravan sites between a general presumption against them and permitting some development where appropriate in size and meeting the National Park Purposes.
- Suggested that criteria for the retention of visitor accommodation should include providing evidence of need and usage.

2.2.5. The evidence gathered as part of this Visitor Accommodation Review about market need, visitor accommodation business performance, and development potential will inform the next stage of the Local Plan preparation and associated draft policies which will form part of the Preferred Options Consultation in 2015.

2.2.6. In addition to the emerging South Downs National Park Plan, there are a number of Neighbourhood Plans (at various stages) covering parts of the National Park which feature tourism and visitor accommodation to varying degrees.

- Fernhurst – refers to its role as a gateway to the Park and welcomes the provision of a limited amount of visitor accommodation of an appropriate scale.
- Kirdford – supports the provision of appropriate visitor accommodation to create sustainable growth and local employment, and identifies that current demand appears to exceed supply.
- Ringmer – identifies accommodation serving the area in surrounding settlements and states that past attempts to establish hotels in Ringmer have failed.
- Petersfield – refers to a widespread perception that Petersfield lacks visitor accommodation and in particular an up-market hotel within walking distance of the town centre. The final draft plan has identified a potential site for hotel or holiday accommodation to meet this expanding need. The Petersfield Neighbourhood Plan has also identified key community buildings to be converted from existing use to form an expanded heritage and visitor information centre. Both these proposals will strengthen Petersfield's role as a gate way to the South Downs National Park.
- Lewes – the Lewes Neighbourhood Plan will focus on tourism and visitors and sees a key role for the town in the National Park, but policies are not yet drafted.
- Hurstpierpoint & Sayers Common – includes a tourism policy that encourages the provision of small scale hotel accommodation.
- Ditchling, Westmeston and Street – The DWS Neighbourhood Plan will encourage a positive visitor-friendly environment that attracts visitors to use the commercial and cultural facilities in the area. The Neighbourhood plan also aims to make the area known for its cycle-friendly policies and facilities, building on the national reputation of Ditchling Beacon
- Hamsey – includes a policy to support sustainable rural tourism and leisure developments that benefit businesses, the community and visitors
- Henfield – includes a policy on Green Infrastructure which refers to supporting development proposals that encourage recreational or tourism use of the River Adur and its immediate environs.

2.3 South Downs Management Plan

2.3.1 The South Downs Partnership Management Plan 2014 - 2019(PMP) was adopted in December 2012. The Vision to 2050 is set out below.

> **By 2050 in the South Downs National Park:**
>
> The iconic English lowland landscapes and heritage will have been conserved and greatly enhanced. These inspirational and distinctive places, where people live, work, farm and relax, are adapting well to the impacts of climate change and other pressures.
>
> People will understand, value, and look after the vital natural services that the National Park provides. Large areas of high-quality and well-managed habitat will form a network supporting wildlife throughout the landscape.
>
> Opportunities will exist for everyone to discover, enjoy, understand and value the National Park and its special qualities. The relationship between people and landscape will enhance their lives and inspire them to become actively involved in caring for it and using its resources more responsibly.
>
> Its special qualities will underpin the economic and social wellbeing of the communities in and around it, which will be more self-sustaining and empowered to shape their own future. Its villages and market towns will be thriving centres for residents, visitors and businesses and supporting the wider rural community.
>
> Successful farming, forestry, tourism and other business activities within the National Park will actively contribute to, and derive economic benefit from, its unique identity and special qualities.

2.3.2. Visitors and tourism are one of six important sectors that have been prioritised in the PMP to strengthen partnership working, improve sustainability and expand delivery that enhances the Park's special qualities. The Plan contains four sustainable visitor and tourism policies:

- Policy 41: Maintain visitor enjoyment and influence visitor behaviour in order to reduce impacts on the special qualities and increase visitor spend in and around the National Park.
- Policy 42: Develop a consistent and co-ordinated approach to the promotion and marketing of the South Downs National Park as a sustainable visitor destination.

- Policy 43: Support the development and maintenance of appropriate recreation and tourism facilities and visitor hubs, in and around the National Park, including a mix of quality accommodation, which responds to market demands and supports a sustainable visitor economy.
- Policy 44: Encourage and support tourism providers to develop sustainable business practices and increase knowledge about the National Park's special qualities to provide a distinctive and high-quality visitor experience.

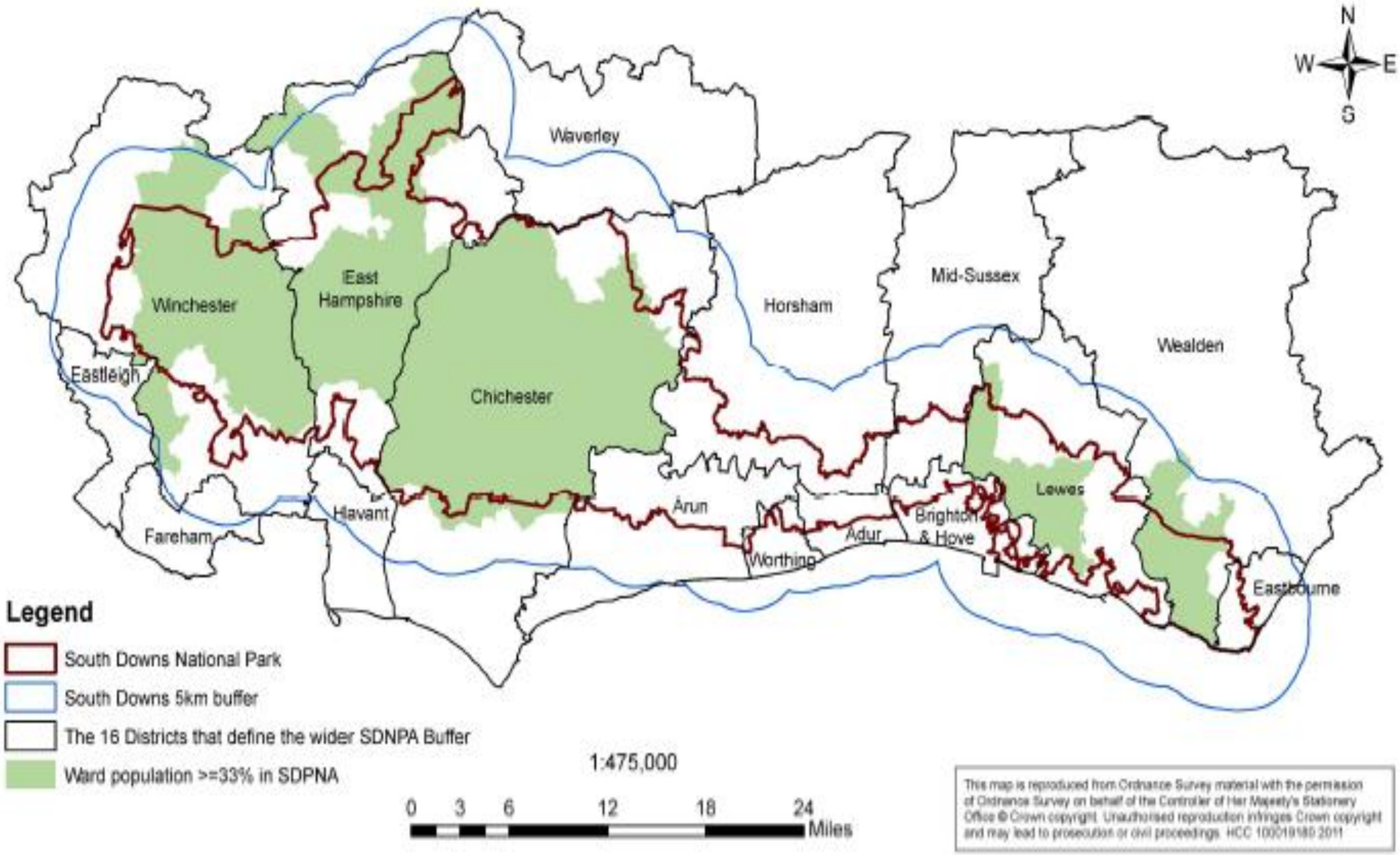
2.3.3. The text supporting the sustainable visitor and tourism policies also refers to:

- The importance to the economy of encouraging more staying visitors, who spend six times more than residents making a day visit from home, and the need to add to the depth and variety of the visitor accommodation product on offer, particularly of high quality, to do this.
- Gaps in visitor accommodation provision along the South Downs Way.
- The need for a greater variety of accommodation types in and around the National Park to cater for all incomes.
- Future development of tourism facilities to drive the economy should build on existing gateways, visitor hubs and sustainable transport.

2.3.4. The PMP provides a framework for the emerging National Park Local Plan, and once in place, the new Local Plan and subsequent development management decisions will play a key role in the delivery of the PMP's policies and 2050 vision.

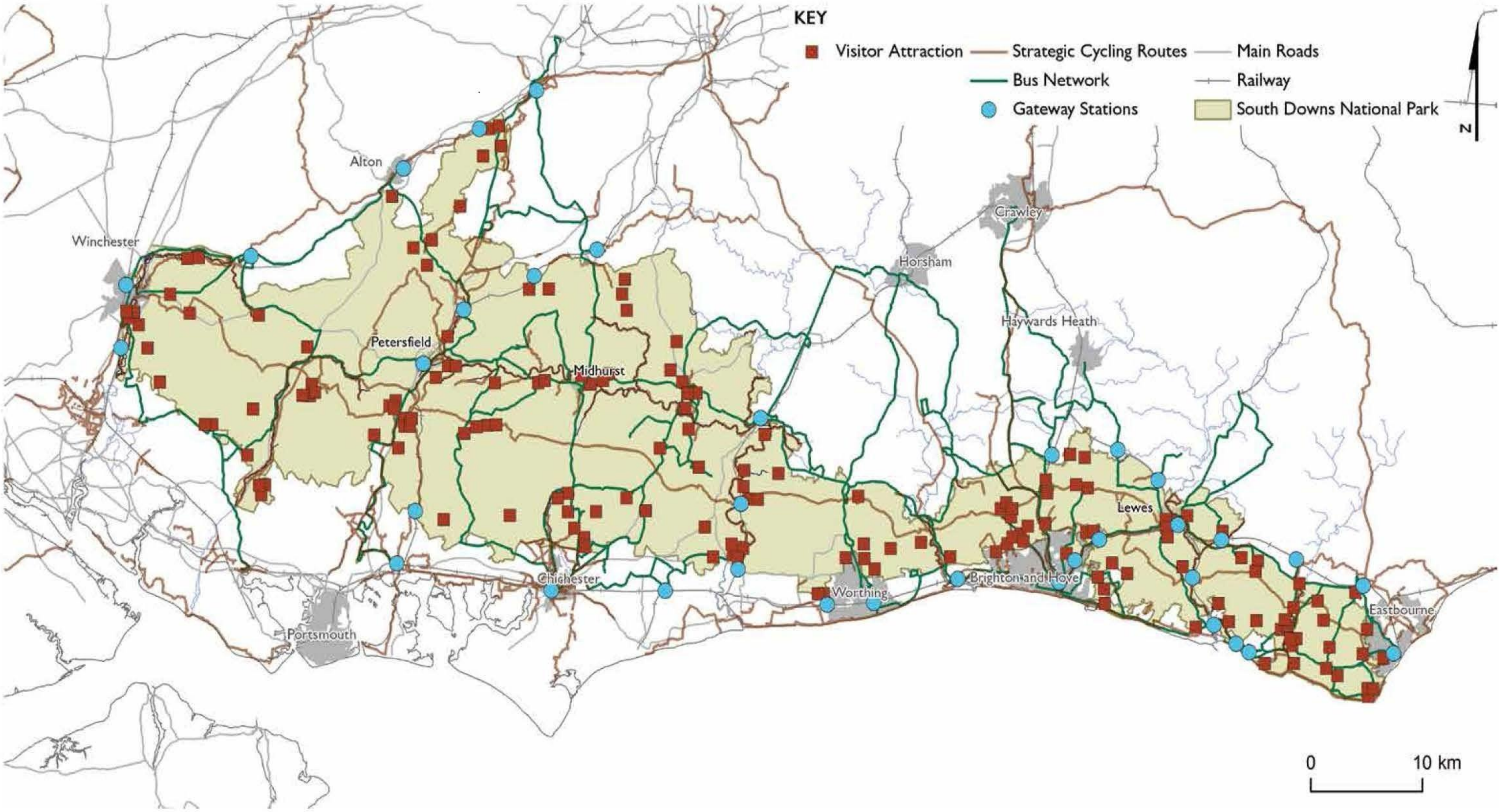
MAP OF SOUTH DOWNS NATIONAL PARK

MAP OF SOUTH DOWNS NATIONAL PARK ADMINISTRATIVE BOUNDARIES



Source: Hampshire County Council

VISITOR ATTRACTIONS AND TRANSPORT GATEWAYS



2.4 Other Relevant Strategies, Plans & Research

National Rural Tourism Framework & Rural Tourism Action Plan

2.4.1 The Rural Tourism Package was announced in November 2011 and was designed to develop and promote rural tourism in England and stimulate growth in rural economies. It forms part of the Government's wider drive to maximise tourism's contribution to the economy and achieve 5% year on year growth in the value of the tourism sector to 2020.

2.4.2. VisitEngland's Rural Tourism Action Plan 2010-2020 recognises the importance of rural tourism and its growth potential to support employment, supplement income streams of businesses in rural locations, support the economic viability of communities and support the conservation and enhancement of the natural and built environment in rural areas, It sets out three objectives:

- To diversify and modernise rural tourism products to generate business opportunities suited to local environments and to develop a year round offer.
- To increase consumer awareness, understanding and enjoyment of the products and experiences available in rural areas.
- To encourage rural communities and economies to benefit from the value of rural tourism by taking ownership for the development, management and protection of rural assets and locations.

South Downs Visitor & Tourism Economic Impact Study[1]

2.4.3. This report summarises a series of research studies commissioned by SDNPA that included:

- A business study – an audit of visitor-related businesses in the South Downs, alongside surveys of business performance and development plans.
- Visitor and resident surveys – to understand the profile of those using the Park, their experiences and impacts.
- Volume and value modelling - an econometric modelling exercise to calculate the economic impact of tourism on the South Downs.

[1] Tourism South East 2013

2.4.4. Some of the headline findings include:

- The audit identified 386 accommodation businesses in the South Downs with 8888 bedspaces. Two-thirds of businesses were in guest accommodation, but caravan and camping sites dominated bedspace capacity with 55% of bedspaces.

Total Commercial Accommodation Stock in the South Downs

Visitor Accommodation	Number of businesses	Total bedspaces
Guest Accommodation	222	1,415
Hotel Accommodation	31	1,860
Caravan & Camping Sites	28	4,845
Self-catering Accommodation	100	552
Youth Hostels	5	216
All visitor accommodation	386	8,888

Source: Tourism South East 2013

- 40% of tourism businesses indicated they had plans for growth, often because they were operating at full capacity. Planning and funding were identified as key barriers.

- In terms of visitor profile, just over three quarters of visitors to the National Park were day visitors from home and 17% were people visiting for the day while staying on holiday in another location. Only 5% of visitors were staying overnight in the South Downs National Park. However staying visitors spent 4 times as much per day as day visitors.

Distribution between Overnight and Day Visitors

	Proportion
	2011/12
Day visitor from home South Downs, of which:	78%
Day visitors from homes outside South Downs	*72%*
Day visitors from homes inside South Downs	*6%*
Day visitor from accommodation elsewhere	17%
Overnight visitor in South Downs	5%
Total	100%

Note: [1] *Difference in classification of local residents in 2003/4 study*

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Source: Tourism South East 2013

- 46 million visitor days were spent in the South Downs National Park in 2011/12, generating over £464m of expenditure and supporting 8194 jobs.

3. THE CURRENT VISITOR ACCOMMODATION OFFER

3.1 South Downs Visitor Accommodation Audit

3.1.1 The audit of existing visitor accommodation across the South Downs National Park took as its starting point the TSE audit of 2012, and cross-checked this with a range of visitor accommodation websites to identify both additional establishments and any that have ceased trading. A full report with breakdowns of supply by type, location, standard and size can be found at Appendix 3.

3.1.2. The audit identified a total of 449 establishments offering 9,510 bedspaces. The largest number of establishments were self-catering and guest houses/B&Bs but the largest number of bedspaces were in caravanning and camping, followed by hotels.

SOUTH DOWN NATIONAL PARK VISITOR ACCOMMODATION SUPPLY NOVEMBER 2014

Type of Accommodation	Total Establishments	%	Total Bedspaces	%
Hotels	24	5.3	2115	22.2
Inns	50	11.1	607	6.4
Guest Houses/ B&Bs	153	34.1	829	8.7
Self-Catering	161	35.9	937	9.9
Caravan & Camping Sites	39	8.7	4148	43.6
Glamping Sites	9	2.0	220	2.3
Group & Youth Accommodation	13	2.9	654	6.9
TOTAL	**449**	**100**	**9510**	**100**

3.1.3. In terms of changes in supply, the period since 2012 has seen the following key trends:

- Increases in the supply of self-catering, inns and glamping;
- Decreases in the numbers of guest house/B&Bs;
- No new hotel development but the closure of 5 hotels;
- The closure of the Arundel YHA hostel and the opening of the new South Downs YHA hostel at Southease;

3.1.4. The distribution of visitor accommodation across the National Park (by County and District) is summarised in the tables overleaf.

SOUTH DOWNS NATIONAL PARK VISITOR ACCOMMODATION SUPPLY - NOVEMBER 2014
ANALYSIS BY DISTRICT & COUNTY – ESTABLISHMENTS

District/County	Hotels		Inns		Guest Houses/B&Bs		Self-Catering		Caravan & Camp Sites		Glamping Sites		Group & Youth Accom		TOTAL	
	Estabs	%	Estabs	%	Estabs	%	Estabs	%	Estabs	%	Estabs	%	Estabs	%	Estabs	%
East Hampshire	4	16.7	13	26.0	35	22.9	31	19.3	7	17.9	3	33.3	2	15.4	95	21.2
Winchester	2	8.3	4	8.0	9	5.9	11	6.8	5	12.8	1	11.1	3	23.1	35	7.8
Hampshire	**6**	**25.0**	**17**	**34.0**	**44**	**28.8**	**42**	**26.1**	**11**	**30.7**	**4**	**44.4**	**5**	**38.5**	**130**	**29.0**
Adur													1	7.7	1	0.2
Arun	6	25.0	2	4.0	9	5.9	21	13.0	10	25.6	1	11.1	2	15.4	51	11.3
Chichester	5	20.8	15	30.0	50	32.7	50	31.1	6	15.4	1	11.1			127	28.3
Horsham	1	4.2	4	8.0	11	7.2	11	6.8	3	7.7					30	6.7
Mid Sussex							1	0.6			1	11.1			2	0.4
Worthing	1	4.3	2	4.0											3	0.7
West Sussex	**13**	**54.2**	**23**	**46.0**	**70**	**45.7**	**83**	**51.5**	**19**	**48.7**	**3**	**33.3**	**3**	**23.1**	**214**	**47.6**
Eastbourne					1	0.7	2	1.2					1	7.7	4	0.9
Lewes	3	12.5	7	14.0	29	18.9	17	10.6	6	12.8	2	22.3	2	15.4	65	14.5
Wealden	2	8.3	3	6.0	9	5.9	17	10.6	3	7.7			2	15.4	36	8.0
East Sussex	**5**	**20.8**	**10**	**20.0**	**39**	**25.5**	**36**	**22.4**	**9**	**20.5**	**2**	**22.3**	**5**	**38.4**	**105**	**23.4**
TOTAL	**24**	**100**	**50**	**100**	**153**	**100**	**161**	**100**	**40**	**100**	**9**	**100**	**13**	**100**	**449**	**100**

SOUTH DOWNS NATIONAL PARK VISITOR ACCOMMODATION SUPPLY - NOVEMBER 2014
ANALYSIS BY DISTRICT & COUNTY – BEDSPACES

District/County	Hotels		Inns		Guest Houses/B&Bs		Self-Catering		Caravan & Camp Sites		Glamping Sites		Group & Youth Accom		TOTAL	
	Beds	%	Beds	%	Beds	%	Beds	%	Beds	%	Beds	%	Beds	%	Beds	%
East Hampshire	440	20.8	172	28.3	158	19.1	162	17.3	448	10.8	96	43.6	67	10.2	1543	16.2
Winchester	435	20.6	41	6.8	47	5.6	104	11.1	1048	25.3	12	5.5	268	41.0	1955	20.6
Hampshire	**875**	**41.4**	**213**	**35.1**	**205**	**24.7**	**266**	**28.4**	**1496**	**36.1**	**108**	**49.1**	**335**	**51.2**	**3498**	**36.8**
Adur													56	8.6	56	0.6
Arun	348	16.5	37	6.1	70	8.4	102	10.9	884	21.3	48	21.8	42	6.4	1531	16.1
Chichester	447	21.1	164	27.0	273	32.9	277	29.6	860	20.7	2	0.9			2023	21.3
Horsham	76	3.6	68	11.2	76	9.2	40	4.2	120	2.9					380	4.0
Mid Sussex							4	0.4			24	10.9			28	0.3
Worthing	20	0.9	21	3.5											41	0.4
West Sussex	**891**	**42.1**	**290**	**47.8**	**419**	**50.5**	**423**	**45.1**	**1864**	**44.9**	**74**	**33.6**	**98**	**15.0**	**4059**	**42.7**
Eastbourne					12	1.5	22	2.3					32	4.9	66	0.7
Lewes	206	9.7	79	13.0	125	15.1	112	12.0	428	10.3	38	17.3	88	13.5	1076	11.3
Wealden	143	6.8	25	4.1	68	8.2	114	12.2	360	8.7			101	15.4	811	8.5
East Sussex	**349**	**16.5**	**104**	**17.1**	**205**	**24.8**	**248**	**26.5**	**788**	**19.0**	**38**	**17.3**	**221**	**33.8**	**1953**	**20.5**
TOTAL	**2115**	**100**	**607**	**100**	**829**	**100**	**937**	**100**	**4148**	**100**	**220**	**100**	**654**	**100**	**9510**	**100**

3.2 Headlines & Identified Gaps in Supply

3.2.1 In addition to the quantity of supply and its broad locational spread, some additional headlines emerging from the audit of visitor accommodation across the South Downs National Park include:

- The hotel stock is limited in scale and mixed in quality, with an apparent lack of investment in some of the poorer quality supply.
- The supply of inns is growing, and there are some good boutique inns amongst the supply.
- The supply of hotels, guest houses and B&Bs has reduced.
- There is a fairly good supply of caravan and camping and B&B/guest houses all across the Park, of mixed quality, but including some very good quality provision.
- There is a limited but growing supply of glamping offers.
- In terms of self-catering, a lot of the provision is small in scale, and there is a shortage of larger self-catering properties, holiday cottage complexes with leisure and cottages adapted for independent wheelchair users.
- There are no holiday lodge parks in the National Park, but a small number on its borders.
- The principal gaps identified by location are for a town centre hotel in Petersfield, and for networked accommodation along the South Downs Way.
- There is a significant supply of visitor accommodation around the National Park, both in the immediate areas bordering the Park, but also in the surrounding cities, towns and resorts.

4. PERFORMANCE, MARKETS & GROWTH PROSPECTS

4.1 Current Visitor Accommodation Performance

4.1.1 Information on current visitor accommodation performance and markets was gathered through telephone surveys of 80 small visitor accommodation businesses; 23 hotels, holiday cottage complexes, large touring caravan and camping sites and group and youth accommodation establishments; and 4 holiday cottage letting agencies that are represented in the South Downs. The full results of these surveys can be found at Appendices 5,6 and 9.

4.1.2 These surveys all show strong demand for all forms of visitor accommodation in all parts of the National Park between April and October, with frequent shortages of supply at weekends during these months and also on weekdays in the peak summer season. Demand is however largely leisure driven, and as a result seasonal. Although weekend demand remains strong throughout the winter, other than in January and February, midweek occupancy levels drop significantly between November and March. The survey findings show potential for additional provision of all forms of visitor accommodation across the National Park to meet peak period shortages, but a need for a gradual, incremental increase in supply in order not to overly dilute low season business for both existing and new accommodation businesses. In all cases the requirement is for high quality accommodation: visitor accommodation businesses that deliver a quality product consistently achieve the strongest trading performance, while poor quality establishments often struggle to generate sufficient profits for reinvestment to meet ever rising customer expectations in terms of quality. A more detailed insight into the current performance of each category of accommodation is provided in the paragraphs that follow overleaf.

Hotels

4.1.3 Budget hotels are performing strongly in the South Downs with occupancies and achieved room rates well above average for these types of hotel and business being consistently denied. This indicates potential for additional budget hotel provision in terms of extensions to existing budget hotels and/or new budget hotels at Petersfield, Arundel and Lewes. The other market towns of Midhurst and Petworth are too small to support budget hotel development.

4.1.4. 3 star hotel performance varies significantly according to the quality of hotels. High quality boutique and country house hotels achieve high room rates (over £100) but at lower occupancies (50-60%), whereas lower grade 3 star hotels drive business more on price through online travel agents and daily deals sites, so achieve higher occupancies (over 70%) but at lower average room rates (£45-60). Trends show an improvement in performance for most 3 star hotels over the last 3 years. Weekends are generally busier than weekdays as the market is leisure-driven. Most hotels turn business away on Friday and Saturday nights between April and October, Saturdays in November and December, and weekdays during the Glyndebourne Festival in Lewes. The potential for 3 star hotel development is in terms of investment in upgrading existing poor quality 3 star hotels and the addition of facilities such as function rooms, new restaurants, spas and leisure facilities that can help hotels attract new markets, increase their turnover and improve profitability and viability.

Guest Houses and B&Bs

4.1.5. Guest house and B&B performance is not as strong as for other forms of visitor accommodation and is much more variable, typical of this sector as many are lifestyle businesses operated according to the personal circumstances of their owners. Nationally performance is typically 50-55%, and in the South Downs 60% were trading above 50% which is comparatively strong.

Inns & Pub Accommodation

4.1.6. Occupancy levels for pub accommodation businesses in South Downs were good, with 79% achieving over 50%. Pub accommodation operators reported the strongest growth in occupancies of the small accommodation businesses, and were frequently trading at full capacity at weekends in the summer, some in the winter also.

Self-Catering

4.1.7. Occupancy levels were strong for self-catering accommodation businesses with 70% reporting occupancies over 60% and 37% occupancies in excess of 70%. These levels of trading are above average levels nationally, and on a par with the generally stronger levels found in the South East. Levels of occupancy have remained stable in the past 3 years for 63% of businesses and increased for 30% showing stability and some growth.

Holiday Cottage Complexes

4.1.8. Holiday cottage complexes are achieving very strong levels of occupancy in the National Park - 75-80% in 2014 for six of the seven complexes interviewed. School holiday periods are strong as are weekends for most of the year, when in both cases denials are frequent. The high levels of occupancy these complexes are achieving in the National Park suggest good potential for the development of further high quality cottage complexes, especially with some form of leisure facilities.

Touring Caravan & Camping Sites

4.1.9. Occupancies were generally good for touring caravan and camping sites (70% over 50%), which given the seasonal dimension to these businesses is an indicator of strong demand for this form of accommodation in the National Park. Occupancies had improved for most in the past 3 years, with 60% expecting an increase in the next 3 years. There are frequent shortages during school holidays and at weekends between April and October. There is strong demand for, and generally a shortage of seasonal tourer pitches. There is potential for investment in up-grading existing sites and small scale extensions to meet demand at peak times.

Group & Youth Accommodation

4.1.10. Group and youth accommodation businesses in the South Downs reported high levels of occupancy between March and October across the week, with frequent denials at weekends and during the week and peak times. Weekend demand remains strong throughout the year. Occupancy levels have generally increased in the past 3 years. This strong market indicates potential and need to retain and upgrade this provision and to develop new hostel/bunkhouse accommodation and camping barns, especially along the South Downs Way.

4.2 Markets

4.2.1. The markets for South Downs visitor accommodation and their relative significance to some extent vary according to the type of accommodation. Below we highlight some key messages emerging from the research:

- The key market for all types of visitor accommodation in the South Downs is people coming for short breaks.
- People attending weddings and family parties are another significant market for hotels, B&Bs/guest houses, inns/pub accommodation businesses, and to a slightly lesser extent self-catering properties and touring caravan and camping sites.
- People coming for long holidays (of a week or longer) are a key market for self-catering businesses/holiday cottage complexes and some touring caravan and camping sites, but are of less or no importance to B&Bs/guest houses, inns/pub accommodation businesses and hotels.
- Overseas tourists are an important market for all categories of accommodation.
- Walkers on the South Downs Way are a reasonably important market for all types of visitor accommodation business.

- People stopping off en-route to the West Country are a market for some B&Bs/guest houses and inns/pub accommodation businesses but are of only slight or no importance for the majority of self-catering operations and touring caravan and camping sites.
- Business visitors are an important market for some hotels and inns/pub accommodation establishments, a secondary market for some hotels, B&Bs/guest houses and self-catering businesses, but of little or no importance to touring caravan and camping site operations and youth and group accommodation.
- Contractors and workmen are a market for some hotels, B&Bs/guest houses, inns/pub accommodation businesses and self-catering establishments, but are of little or no importance to touring caravan and camping sites and group/youth accommodation;
- Events such as the Glyndebourne Festival and Goodwood Festival of Speed and Revival are important drivers of business for hotels, pubs and guest houses/B&Bs, and self-catering and caravan and camping businesses in the surrounding area.
- Hotels attract some additional markets, though to varying degrees - high quality hotels attract some residential conference business from London; shooting parties are an important market for some hotels in Lewes and Midhurst between August and December; hotels in Lewes occasionally attract overspill from Brighton conferences, and a few hotels take some group tours.
- Group and youth accommodation establishments attract schools groups, special interest activity groups, corporate groups on team building courses and family and friends get-togethers.

4.3 Growth Prospects

4.3.1. Most accommodation operators appear to be optimistic about the future prospects for their businesses, as the market picks up from recession and the economy strengthens, which should lead to renewed growth in both leisure and business markets.

4.3.2. The markets seen as offering the strongest growth potential for hotels, B&Bs/guest houses, inns/pub accommodation establishments and touring caravan and camping sites are short breaks, overseas tourists, walkers on the South Down Way and people coming for weddings and family parties. Some self-catering operators also see these markets as offering growth potential. Key growth markets for self-catering businesses are seen as long holidays and overseas tourists. Long holidays were also identified as a growth market by the majority of touring caravan and camping sites interviewed. Business visitors and contractors/workmen were seen as a growth market for many hotels, inns and pub accommodation businesses, but identified as growth markets by much smaller proportions of B&Bs/guest houses, self-catering businesses and touring caravan and camping sites.

4.3.3. Key reasons for historic and anticipated growth in occupancy include:

- The establishment of the South Downs as a National Park;
- Increased/ improved marketing, particularly in terms of internet marketing and the use of online travel agents such as booking.com and LateRooms;
- Good weather;
- The economic recovery;
- The growth of the staycation;
- Increasing demand for weekend breaks from the London market;
- Growing demand from walkers and cyclists;
- An increase in demand from people attending weddings;
- Growth in demand from contractors working on construction projects in the area;
- Upgrading/ an improved product;
- Good reviews on Tripadvisor;
- Repeat business;
- A new business, so demand still building;

- An increase in last minute bookings;
- The increased popularity of camping.

4.3.4. Concerns about future market prospects and past and potential decreases in occupancy were:

- The potential impact of the proposed Premier Inn budget hotel in Lewes;
- The lack of ability to invest in up-grading resulting in low performance and fall back in demand;
- Taking less business as nearing retirement or due to illness or personal circumstances;
- Reduced marketing, including less use of online travel agents because of the commission that they charge on bookings;
- The economic recovery resulting in more people going abroad for their holidays;
- The recession;
- Fewer overseas tourists as a result of the strength of the pound;
- Insufficient marketing of the South Downs as a destination.
- More competition.

5. INTEREST IN VISITOR ACCOMMODATION DEVELOPMENT

5.1 Visitor Accommodation Development Proposals

5.1.1 Intelligence about visitor accommodation development proposals has been gathered from a number of sources:

- Records from SDNPA's planning registers, which date back to 2011 when the National Park came into full operation as a planning authority[1];
- Feedback from existing visitor accommodation businesses via the operator surveys[2];
- Feedback on development intent from the land and property owners and managers survey[3];

5.1.2. A total of 151 potential visitor accommodation development schemes were identified through the above research.

- In terms of type of scheme:

    - The greatest number of proposals were for self-catering (55), largely for individual units or small numbers of units, frequently barn conversions, plus some interest in adding facilities to existing holiday cottage complexes such as games rooms.
    - Interest in caravan and camping site development – new small sites, additional pitches, warden accommodation, shower facilities, hard standings – was the next most popular type of scheme (25 expressions of interest).
    - Interest in holiday lodges was at a similar level (25 schemes), again mostly small numbers of units including timber lodges, eco lodges and fishing lodges.

[1] Full details can be found at Appendix 4
[2] Full reports can be found at Appendices 5 and 6
[3] Full report can be found at Appendix 7

  - There were 14 expressions of interest in various forms of glamping, including yurts, treehouses and shepherds huts.
  - Other forms of visitor accommodation provision – hotels, pub accommodation, B&Bs, bunkhouses, and children's activity centres were of interest to between 2 and 11 respondents.
  - There were also 7 applications for change of use amongst the planning records, primarily change from hotel to residential.

- In terms of location:

  - Levels of interest were similar for Hampshire and West Sussex (60 and 59 schemes respectively), with interest at approximately half this level in East Sussex, though proportionate to their size;
  - Where possible, the 151 proposals could be mapped using GIS to see whether this shows any particular clusters in terms of 'hotspots' of development interest.

5.1.3. During the course of our research and consultations, several other schemes have been mentioned in discussion, correspondence and the press which it has either not been appropriate to specifically identify (as in the case of pre-application discussions) or for some reason not been possible to follow up in order to access further detail. So there could well be other schemes at various stages of germination not mentioned here. As an example, the SDNPA's Planning Link Officers who are sometimes involved with and assist with pre-application enquiries have also been working with a number of Estates to develop a more joined up approach to bringing forward schemes by helping them develop estate plans, including planning briefs, a number of which are known to incorporate one or more proposals for visitor accommodation development.

5.1.4. In terms of potential developments of scale, we draw attention to a live scheme being proposed by Forest Holidays, to develop 75 timber lodges on Forestry Commission land at Houghton Forest near Arundel. These developments offer luxury facilities and high quality accommodation, aimed at couples, families and groups for long holidays, short breaks and corporate retreats. There are currently 9 sites across the UK, the most recently developed being Thorpe Forest in Norfolk and Blackwood Forest in Hampshire. Forest Holidays present all their developments as being eco-friendly, green tourism products that are adapted to the environmentally sensitive landscapes that are their setting. The economic impact analysis for the proposal evidences that these sites perform at very high levels of occupancy, typically 90%+, with the Hampshire site trading at 90% in its first 8 months of operation, and the proposal is forecast to generate significant economic benefits in terms of jobs and spending. However, it can be argued that the potential for a successful visitor accommodation scheme will depend significantly on the sustainable location of the accommodation, not just in terms of landscape and scenic beauty but also other considerations relating for example to light pollution and tranquillity. Developing on 77 acres of land outside of a settlement boundary within the National Park and therefore a sensitive area with the highest status of protection in relation to landscape and scenic beauty will require a detailed environmental impact assessment in order to fully consider the potential landscape and visual impacts, whatever potential economic, tourism and educational benefits there may or may not be. At the time of writing, a planning application had yet to be submitted.

SOUTH DOWNS - VISITOR ACCOMMODATION DEVELOPMENT PROPOSALS

BY TYPE OF ACCOMMODATION[1]

TYPE OF VISITOR ACCOMMODATION[2]	PLANNING RECORDS	LAND OWNER SURVEY	OPERATOR SURVEY	OTHER SOURCES	TOTALS	COMMENTS
Hotel	7	1	2	1	11	Small extensions, larger extensions (20-30 rooms), staff accommodation, function space, new country house hotels, a new budget hotel, re-positioning & major refurbishment
B&B/Guest House[3]	2				2	
Pub	1		4		5	Addition of bedrooms, function facilities
Self-catering	27	21	7		55	Mostly 1-2 units, barn conversions, additional units, games room
Caravan & camping	11	7	6	1	25	New sites, warden accommodation, showers, hard standing, extra pitches
Glamping	5	7	1	1	14	Yurts, treehouses, small numbers of units
Holiday lodge	8	14	1	2	25	Timber lodges, eco-lodges, fishing lodges, holiday lodge park
Hostel						
Bunkhouse		3	1	1	5	
Children's activity centre		2			2	
Change of use	7				7	Mostly hotel to residential; also self-catering and hostel
TOTAL	**68**	**55**	**22**	**6**	**151**	

[1] NB Potential for some double counting e.g. if schemes reported through the operator or landowner survey already have planning or are in the planning system

[2] As some respondents were interested in providing several different forms of visitor accommodation, the number of possible schemes may be larger than the number of responses

[3] As bed and breakfast uses will frequently fall outside the planning system, there could be interest here not picked up by these surveys, including new entrants to the market

SOUTH DOWNS - VISITOR ACCOMMODATION DEVELOPMENT PROPOSALS BY LOCATION (COUNTY)

TYPE OF VISITOR ACCOMMODATION	HAMPSHIRE	WEST SUSSEX	EAST SUSSEX	TOTALS
Hotel	4	4	3	11
B&B/Guest House	1		1	2
Pub	3	1	1	5
Self-catering (& complexes)	25	21	9	55
Caravan & camping	9	7	9	25
Glamping	6	5	3	14
Holiday lodge (& complexes)	10	12	3	25
Hostel				
Bunkhouse		4	1	5
Children's activity centre	1	1		2
Change of use	1	4	2	7
TOTAL	**60**	**59**	**32**	**151**

5.2 Visitor Accommodation Developer/Operator Interest in the South Downs

5.2.1 A survey was undertaken of 26 visitor accommodation developers, operators and investors to test potential interest in their being represented in the South Downs National Park – either via acquisition (and likely further development) of an existing business, or in the form of new visitor accommodation developments. Their interest is a 'live' indicator of market potential, but also an opportunity to explore their site requirements, any issues surrounding the development of their offer, and to 'warm up' that interest by making them aware of the market research and identified opportunities. Full details can be found at Appendix 11.

5.2.2 The sample was made up of national operators known to be active in the market, with brands with good fit to the identified market potential; also some regional developers and operators that are represented in the National Park or surrounding area. In terms of type of offer, the sample covered all types of visitor accommodation for which market potential had been identified.

The South Downs as an Investment Location for Visitor Accommodation

5.2.3 The South Downs National Park in general has a positive image as a location for investment in visitor accommodation. Underpinning this are certain key strengths including:

- Location in terms of catchment population, particularly access to and from London, but also the affluence of much of the demographic, which is especially important for high-end offers such as luxury hotels, boutique inns and glamping;
- An attractive environment and setting for any accommodation development;
- The draw of activities such as walking and cycling providing a motivation to visit.

5.2.4 Clearly responses vary according to the nature and type of the product concerned, for example, the lack of sizeable towns in the National Park means that many of the larger hotel brands would not consider developing here due to the lack of a critical mass of population and businesses to support a 100+ room hotel. In terms of hotel products that rely on a leisure-driven market, the image of the South Downs in terms of market potential is very strong however.

5.2.5 Whilst the South Downs name and approximate location was understood at a general level, there was some blurriness about the boundaries of the National Park itself, and a need in several cases to provide a map to provide clarity on the exact area which was the focus of our interest.

Interest by Type of Visitor Accommodation

5.2.6 Interest by type of visitor accommodation is summarised overleaf, noting where this is location-specific. Those that were not interested in being represented in the National Park either already have establishments covering this area, had other geographic priorities (for operational reasons), or in the case of business-led offers, felt the area lacked sufficient corporate drivers of demand.

VISITOR ACCOMMODATION DEVELOPER/OPERATOR/INVESTOR INTEREST IN SOUTH DOWNS

Type	Developer/Operators/Investor/Agent Interest	Interest by Location
Budget hotels	Two leading national brands	Lewes Petersfield
Boutique hotels	Three operators with regional representation	n/s
Luxury country house hotels	Two leading developer/operators with local/regional representation Regional developer/operator	In the Chichester, Petersfield, Lewes and Winchester areas
Pub accommodation	National pub restaurant chain National inn chain Independent pub owners	Lewes Petersfield Across the National Park
B&Bs	Independent developers/operators[1]	Across the National Park
Holiday lodge parks	Three national investor/developer/operators National operator requiring development partner	n/s
Holiday lodges	Independent developers/operators[1]	Across the National Park
Holiday cottages	Independent developers/operators[1]	Across the National Park
Touring caravan & camping sites	Independent developers/operators[1]	Across the National Park
Camping pods	Independent developers/operators[1]	Across the National Park
Glamping	National glamping chain Independent developers/operators[1]	Across the National Park
Bunkhouses/camping barns	Independent developers/operators[1]	n/s
Hostels	YHA	Interested in expanding accommodation provision at the South Downs hostel + in Winchester city centre
Children's residential activity centres	Regional developer/operator (via agent)	Max. 20 miles from coast

Notes
[1] Interest expressed via operator/landowner survey
n/s Location non-specific

5.3 Barriers to Investment

5.3.1 The proposals and potential interest we have identified in Sections 5.1 and 5.2 from all sources are at different levels in their conception, design and potential implementation, so identifying this number of schemes by no means intimates that the South Downs National Park is likely to be overrun with applications for new visitor accommodation provision. What it does indicate is a level of potential interest should conditions permit the progression of an initial idea to a deliverable scheme on the ground.

5.3.2 However, the various strands of research have identified a number of barriers to entry in terms of investing in or developing new visitor accommodation in the South Downs National Park:

- The most frequently cited barrier to investment was planning. These comments are based on a combination of experience with SDNPA and its predecessor local authorities, together with experience of developing in other rural areas including AONBs and National Parks. There are several dimensions to issues surrounding planning:
    - Extremely restrictive planning policies, particularly limiting developments of scale.
    - The planning process, in terms of the time it takes to get decisions and the volume of associated documentation.
    - The requirement for investigations to support applications adding to cost but also to time delays.
    - A failure to recognise the commercial implications of what is being requested as part of the planning process and the cost and time delay implications.
    - Restrictions on the letting for self-catering properties to a maximum of 28 days, preventing owners from taking long winter lets, often key to viability in a seasonal marketplace.
    - A need for some degree of certainty around the likelihood of getting planning especially where significant costs would be incurred to work up a scheme.

- Consultees did also quote examples of good practice where planning authorities were working with them to find the optimum solutions for a site, for both the owner and the planning authority. SDNPA's activities include Planning Link Officers working with estates and landowners to help develop estate plans with integrated planning briefs is one such case.

- The availability and suitability of sites is also a significant barrier to investment in an area such as the South Downs National Park. This applies not just to the sensitive rural areas but also within the market towns where hotel developer interest in locations such as Petersfield has proved difficult to move forward due to the lack of available hotel sites in the town centre.

- Other barriers to investment relate to funding and the difficulty in securing it. Since 2008, the availability of funding for visitor accommodation development schemes – as with the general development market - has been a challenge to secure, often requiring larger amounts of equity, with available lending at higher rates and end values lower, all resulting in smaller margins and often a difficulty in getting schemes to stack up. In a difficult funding climate, the availability of other sources of finance, such as LEADER grants, could make all the difference to getting a scheme off the ground.

- Also the delicate balance in terms of viability of schemes where associated costs and need for quality are high, but income limited by seasonality constraints. Infrastructure costs associated with schemes in rural areas are also frequently high and require a critical mass of development to bear them which might be deemed inappropriate in a National Park setting. The viability concern was also specifically mentioned in relation to camping barns, which require a relatively high development cost but as low cost accommodation brings in limited returns.

- Independent operators and landowners also raised the issue of a gap in market knowledge and expertise relating to the potential for visitor accommodation development, and requests for support and access to market data, which would give confidence and direction to the developer/operator, but also help give confidence to any funding institution.

6. VISITOR ACCOMMODATION DEVELOPMENT OPPORTUNITIES

6.1 The Evidence

6.1.1. The findings of the different modules of research combine to show significant interest in and market potential for visitor accommodation development across all parts of the South Downs National Park both in terms of the expansion, development and upgrading of existing accommodation businesses and the development of new ones. The evidence shows:

- A visitor accommodation sector that is performing very strongly at weekends and during the week in the peak summer months, with frequent shortages of all types of accommodation at these times.
- Strong demand for high quality accommodation, which generally trades at the highest levels of occupancy and price.
- Clear prospects for future growth in the demand for all types of visitor accommodation in the National Park.
- Good potential for the South Downs to expand on many of the current and emerging rural visitor accommodation development trends.
- Some clear gaps in current accommodation provision, including most notably in terms of hotel accommodation in Petersfield (as one of the National Park's key towns) and gaps in accommodation supply along the South Downs Way.
- Strong interest from national, regional and local visitor accommodation developers, operators and investors, as well as from land and property owners interested in visitor accommodation development.
- A largely leisure driven and seasonal market for visitor accommodation in the National Park, suggesting a need for incremental supply growth in order to avoid overly diluting winter trade.

6.2 Development of Existing Visitor Accommodation Businesses

6.2.1. Investment in existing visitor accommodation businesses is a clear priority in terms of:

- Upgrading to meet ever rising market expectations, attract new markets , improve trading performance and extend the season;
- Expansion to meet peak period demand that accommodation businesses do not currently have the capacity to satisfy;
- The development of additional facilities, e.g. spa and leisure facilities and function rooms, to provide extra income streams, attract new markets, extend the season and attract winter demand.

6.2.2. Opportunities and priorities for investment in existing accommodation businesses are as follows:

- **Hotels**
    - Refurbishment and upgrading, including repositioning to boutique hotels in some cases;
    - Bedroom extensions to meet peak period demand;
    - The development of leisure and spa facilities to boost appeal for leisure breaks.
    - The development of banqueting facilities to help develop weddings and functions trade.
    - Expanded or new restaurant capacity.
- **Inns/Pub Accommodation**
    - Refurbishment and upgrading, including repositioning to boutique inns in some cases;
    - The opening of additional en-suite guest bedrooms.

- **B&Bs/ Guest Houses**
    - Refurbishment and upgrading, including repositioning to a boutique standard in some cases;
    - Expansion in terms of opening up additional en-suite bedrooms or the provision of accommodation units in gardens and grounds e.g. camping pods or glamping units.
    - Development of facilities for walkers and cyclists e.g. drying rooms and cycle storage.

- **Holiday Cottages**
    - Refurbishment and upgrading;
    - The opening of additional units;
    - The development of leisure facilities, e.g. swimming pools, games rooms, saunas, at holiday cottage complexes.

- **Touring Caravan and Camping Sites**
    - Continuous investment is needed in site infrastructure, landscaping, toilet and shower blocks, and other on-site facilities such as laundry rooms and children's play areas.
    - The expansion of existing touring caravan and camping sites, where they have land available, to cater for demand at peak times. Many sites are frequently full and turn business away at weekends and during school holiday periods. The expansion of sites may make them more viable and allow investment in site facilities.
    - The development of existing larger child-friendly sites in terms of adding leisure facilities, games rooms and children's activities.
    - The introduction of eco-activities e.g. nature study, foraging.
    - Improving green credentials through measures such as the use of biomass, solar or wind energy, composting, recycling, and planting to improve biodiversity.
    - The provision of more hard standings for touring caravans and motor homes to enable sites to extend their season and allow trading during periods of wet weather and into the winter months.

- Additional seasonal tourer pitches[1], which can provide sites with a good base of guaranteed income, whatever the weather.
- The introduction of camping pods and/or some form of glamping units.
- The development of permanent on-site accommodation for site managers for the purposes of winter opening, site security and maintenance.
- The extension of site operating seasons into the winter months and possibly year-round operation.

- **Glamping Operations**

  - Expansion through the provision of additional glamping units.
  - The extension of the operating season for glamping sites, including perhaps to year-round trading.
  - The development of facilities such as shops, meeting rooms and indoor leisure facilities.
  - The provision of staff accommodation to help glamping sites develop midweek and winter business.

[1] Where owners leave touring caravans on a site for the season to use them periodically for weekend stays, midweek breaks and holidays.

6.3 Opportunities for New Visitor Accommodation Development

6.3.1. The research findings also show good potential for the development of new accommodation businesses of all types in order to meet current peak period shortages and capitalise on current rural visitor accommodation development trends: without new accommodation supply tourism growth in the National Park will clearly be constrained.

6.3.2. In terms of the opportunities for new visitor accommodation development, the research findings to date show the following:

- **Hotels**

    - Potential for a new budget hotels in Petersfield and Lewes.
    - Scope for boutique hotels in Petersfield, Midhurst and Lewes - developed through the conversion of suitable buildings, the repositioning of existing hotels and inns, or possibly new-build hotels as part of town centre mixed-use development schemes.
    - Potential for the development of luxury and/or boutique country house hotels, given suitable country house properties for conversion. This could also include conversion to luxury family hotels and/or spa hotels.
    - Scope for the development of hotels on golf courses.

- **Inns/Pub Accommodation**

    - There is clear potential for futher pubs in the National Park to offer letting bedrooms either within their premises, through the conversion of suitable outbuildings, or possibly in terms of small-scale new-build guest bedroom extensions. This includes the development of new boutique inns.
    - There could be potential for new build pubs with adjacent budget hotel bedrooms on the outskirts of Petersfield and Lewes. Both towns are target locations for the national pub company Marston's, which has developed budget hotel bedrooms in association with new pub development projects in other similar locations.

- **Restaurants with Rooms**
    - There could be potential for the development of high quality, possibly boutique guest bedrooms linked to existing or new restaurant operations.

- **B&Bs/ Guest Houses**
    - New B&Bs and guest houses will be needed to replace those that close as their owners retire. The priority will be high quality, en-suite B&Bs and guest houses, including some 5 star and boutique establishments.
    - There may be scope for the development of B&B for Horses businesses in the rural parts of the National Park. These are B&Bs that also provide stabling and pasture for horses.

- **Holiday Cottages**
    - There is clear potential for additional holiday cottages to meet peak season demand, in terms of barn conversions and the letting of residential properties. There could be potential for all standards of holiday cottage but the priority should be for high quality accommodation, including some 5 star, fully en-suite and boutique holiday cottages.
    - There could be scope for some 5 star holiday cottage complexes with leisure facilities.
    - There is potential for more 'super cottages' that can cater for the growing demand for large family and friendship get togethers, celebrations and house parties.
    - There is scope for some 'access exceptional' self-catering cottages that are specially designed for independent wheelchair users. The market for such accommodation is quite niche however, so significant provision is not warranted.

- **Holiday Lodges**
  - The research shows potential for holiday lodge development in terms of:
    - Individual rental holiday lodges or small complexes of them;
    - Woodland or lakeside holiday lodge parks with lodges for ownership and/or rental. Relatively modest scale holiday lodge parks are likely to be most appropriate in the National Park. It is likely to be difficult to find sites where large-scale holiday lodge parks could be acceptably developed in planning terms.
    - Eco lodges, small complexes of eco lodges and eco lodge parks;
    - Fishing lodges associated with existing or new fishing lakes;
    - Golf lodges on golf courses, for rental, timeshare or purchase.
    - Shooting lodges on country sports estates.

- **Treehouses**
  - There is scope potentially for some treehouse developments in suitable woodland and forest settings.

- **Caravan Holiday Home Parks**
  - There is likely to be interest from national holiday park operators in developing new caravan holiday home parks in the South Downs for ownership and/or rental if potential development sites are available. Given the sensitivity of the landscape in the National Park and the fit with the wider offer and target markets, encouraging suitable scale holiday lodge park developments might be deemed more appropriate however.

- **Wellness Retreats**
  - There may be scope for the development of wellness retreats in the South Downs.

- **Touring Caravan and Camping Sites**
  - The research findings show potential for:
    - Further small scale touring caravan and camping sites in the National Park (of up to 30-50 pitches) and further certificated sites[1], particularly on farms and next to country pubs.
    - More camp sites;
    - The development of eco camping sites - small, low impact, environmentally-friendly, off-grid sites.

- **Camping Pods**
  - There is potential for small camping pod sites;
  - The development of a camping pod network along the South Downs Way could be feasible given effective co-ordination, marketing support and booking arrangements.

- **Glamping**
  - There is clear scope for the development of further glamping sites across the South Downs.

- **Group & Youth Accommodation**
  - There could be potential for the development of bunkhouses and camping barns through the conversion of suitable buildings along the South Downs Way.
  - There is scope for the development of residential activity centres linked to outdoor pursuits and water sports centres.
  - There could be potential for further children's activity holiday centres, given suitable properties and sites.

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

7. RECOMMENDATIONS & FORWARD ACTION

7.1 Rationale

7.1.1. The SDNPA in its Partnership Management Plan has made a clear commitment to the development of sustainable tourism, including the development of a variety of visitor accommodation that responds to market demand. The Plan also seeks to increase visitor spending and recognises that encouraging more high spending staying visitors is a smart way to achieve this. There is also a wider rationale for supporting the development of visitor accommodation, in that it provides opportunities to:

- Improve the vitality of the National Park's towns and villages, particularly in terms of helping to boost their evening economies;
- Keep village and country pubs open and viable, maintaining them as a resource for local communities;
- Improve farming and country estate incomes and thus supporting agriculture and landscape management;
- Create jobs for local people and self-employment opportunities;
- Sustain existing tourism and leisure businesses, such as golf courses, fishing lakes, horse riding stables, wedding venues and visitor attractions;
- Find new uses for redundant and even derelict buildings and sites.

7.1.2. Rather than viewing the development of visitor accommodation in isolation, it can be seen that if appropriately managed it can be stitched into the fabric of the National Park's economic, environmental and community life to bring widespread benefits.

7.1.3. All of this concurs with the SDNPA's statutory purpose to promote opportunities for the understanding and enjoyment of the special qualities of the National Park by the public, as well as the duty to foster the economic and social well-being of the local communities within the National Park. However, with much of the National Park's current visitor accommodation supply trading at full capacity and turning business away at peak periods, additional visitor accommodation will be needed to achieve this, and needs to be planned for. In doing so, these needs must be balanced against the National Park Authority's first purpose to conserve and enhance the natural beauty, wildlife and cultural heritage, and the NPPF's guidance to National Parks to give great weight to landscape protection, and to refuse major developments unless there are exceptional circumstances - in terms of need, the scope to accommodate that need elsewhere/in another way, and the extent to which any detrimental impacts can be moderated.

7.1.4. Clearly, the South Downs is an attractive location for visitor accommodation development, operation and investment. The market work indicates there is a shortage of all types of accommodation across the National Park, and the fact that development interest is not being realised on any scale possibly points to a context of constraint. The key barriers are focused around planning, site availability/suitability, funding and issues surrounding project viability. Any forward programme of action needs to concentrate on redressing the balance in some of these key areas to facilitate the development of additional visitor accommodation, within a policy framework that will both permit the greater economic benefits of attracting more staying visitors to be maximised whilst ensuring the two purposes of the National Park Authority are not jeopardised.

7.1.5. In addition to a positive planning policy framework and process for visitor accommodation development, the recommendations detail other roles that SDNPA and its partners can play to accelerate investment in the visitor accommodation offer of the National Park and to more proactively support the growth and sustainability of the visitor accommodation sector across the South Downs. We explore these recommendations in more detail overleaf.

7.2 Planning Policy Considerations

7.2.1. The SDNPA's general stance on development is still to be confirmed (it will be expressed through the emerging spatial strategy and Local Plan policies) and the recommendations that follow in this section of the report do not seek to pre-empt this. However, they present evidence in the form of an objectively assessed market view of need for consideration alongside other evidence as part of the strategy and policy development process.

A Positive Planning Framework

7.2.2. A positive, flexible and enabling planning framework will be vital to support the future development of the South Downs National Park visitor accommodation sector in line with the opportunities identified in this study. Operator feedback indicated that planning is perceived to be a key barrier to investment in the sector; greater clarity around the types of visitor accommodation development that SDNPA would like to see, combined with a more co-operative approach in supporting and directing developers in working up their proposals, would do much to break this down. To do so requires positive actions in terms of both policy and process.

Give Due Consideration to the Full Range of Potential Visitor Accommodation Offers

7.2.3. To get to this point, and as part of developing the emerging Local Plan policies, planners need to recognise and give due consideration to the full range of different types of visitor accommodation business that the study has identified market potential for and developer interest in. This could include potentially some developments in the countryside of scale, some that could involve new buildings e.g. timber holiday lodges or new hotel buildings on golf courses, and some that would include potentially visually intrusive provision such as touring caravan and camping sites. It may not be appropriate to meet all of the visitor accommodation development aspirations identified given the National Park purposes. However, given the significant economic and employment benefits of larger-scale visitor accommodation development schemes, they should be considered on suitable sites, subject to major development test in the NPPF and other relevant policies.

7.2.4. In this context, it might be helpful in guiding development to define in any supporting text for future policies what is meant by 'scale' in terms of acceptable size of development in the National Park, and also to identify types of site where visitor accommodation developments of scale might be appropriate e.g. woodland settings; sites requiring remediation such as quarries; schemes that involve using an existing building but require an element of new-build; non-natural landscapes such as country parks and golf courses; and sites where there are already established uses/activities such as fishing, water sports, outdoor pursuits or visitor attractions.

Planning for Static Caravan Parks

7.2.5 The Local Plan Options Consultation specifically sought views on the development of new static caravan sites. Opinion was split between a general presumption against new sites, and some limited new provision where it could meet the National Park purposes. The issues surrounding static caravan parks centre around visual intrusion, particularly in the winter months; concerns to avoid permanent residential use; and the quality of the fabric and layout of sites. It has to be said that the quality of both the caravans themselves and investment in site infrastructure, landscaping and green credentials has improved massively in the past 10-20 years, with many operators now seeking and achieving gold standard and eco-friendly accreditations. There is certainly a market for static caravans in holiday home parks, both owned and for rental. Should the NPA decide to go down the route of permitting new static caravan sites, strong measures would need to be undertaken to secure high quality development in all respects through legal agreements and planning conditions.

7.2.6. Should the SDNPA's view on balance be that this not an appropriate use for the South Downs National Park, timber lodges and smaller scale holiday lodge parks would meet some of the same need in the market and could have better aesthetic fit with a National Park setting. Elsewhere where static caravan parks are long established in sensitive landscapes, the onus tends to be on trying to up-grade these, replacing caravans with lodges, reducing density, and improving landscaping and the wider quality of the environment. It could therefore be seen as a retrograde step to consider new static caravan sites, albeit that the quality of units and parks has improved significantly in recent years.

Recognising the Opportunistic Nature of Visitor Accommodation Development

7.2.7 In identifying locational priorities for visitor accommodation development, a fuller understanding will be required of the emerging spatial strategy which we understand is still under development as part of the Local Plan process. Clearly gateway locations and service centre hubs have a role to play in providing visitor accommodation to serve the National Park, which is more readily acceptable in planning terms than sites outside the main settlements. In return, visitor accommodation can help secure the vitality of town centres and improve the evening economy. These are key locations where it would be appropriate to encourage further visitor accommodation provision, particularly in terms of hotels, guest houses and B&Bs.

7.2.8. However, as recognised by NPPF, certain types of visitor accommodation, e.g. country house hotels, golf hotels, touring caravan and camping sites, holiday cottage barn conversions, holiday lodge parks and glamping operations, require a rural setting. Visitor accommodation development is generally opportunistic where a land or property owner, entrepreneur or developer spots an opportunity to open an accommodation business. Defining a locational strategy that seeks to focus visitor accommodation development in specific parts of the National Park is therefore likely to limit the sector's development. Directing new visitor accommodation provision primarily to the towns and villages would clearly limit the potential for farms and country estates to diversify into the accommodation sector. One option could be for a policy that specifies the types of location where different categories of visitor accommodation might be acceptable, subject to meeting other material planning considerations. This could be particularly helpful in terms of giving clear guidance on the types of location where larger scale visitor accommodation development projects might potentially be acceptable in planning terms.

7.2.9. Through the research for this study we now have several strands of information about visitor accommodation proposals and development aspirations – from planning records, the landowner survey, and the operator surveys. Mapping these schemes would provide some idea of their spatial distribution to help identify optimal locations for visitor accommodation development going forward, and a closer examination of the proposals could shed some light on the types of site, buildings and schemes coming forward that again might help to inform this element of policy development.

Developing a Consistent Planning Approach in the South Downs 5km Buffer

7.2.10. The 5km buffer around the National Park (see p15) takes in parts of 16 districts and boroughs, which includes some major towns and resorts, but also an extensive rural area. The areas immediately bordering the South Downs play an important role as gateways to the National Park and also set the scene for the special and protected landscapes within it. There would seem to be merit in encouraging neighbouring planning authorities to develop a consistent approach to planning for visitor accommodation in the rural parts of this buffer zone, to ensure that accommodation development is appropriate in areas that border a National Park and will not impact negatively on it. The SDNPA Planning Link Officers and the area Rangers can assist in providing initial early communications for the SDNPA approach being adopted and to encourage consistency in policy development and application.

Planning to Accommodate Users of the South Downs Way

7.2.11. A clear gap has been identified in terms of the provision of visitor accommodation serving the South Downs Way. As a significant visitor draw it will be important to plan to meet the needs of these user groups and create a network of accommodation establishments at appropriate stopping off points. It should however be borne in mind that some of these locations could be quite isolated and remote. The accommodation requirements of South Downs Way users could be met by a mixture of B&Bs, bunkhouse accommodation, camp sites, hostels, camping barns, camping pods and glamping sites. Identifying locations that would be acceptable in planning terms for one or more of these types of accommodation will provide an important input into any future strategy or action plan to deliver such a network.

Facilitating Year Round Operation

7.2.12 Seasonality is a key weakness of the visitor market currently in the South Downs National Park, and attempts to extend the season an important dimension to developing the destination and helping to ensure the viability and long term sustainability of the visitor accommodation and wider tourism sector. Many accommodation businesses wish to open year round, or to extend their opening period beyond the core months of March to October, but planning conditions frequently prevent them from doing so. National guidance highlights the need to avoid occupancy conditions that will restrict the ability of accommodation businesses to attract shoulder season and winter business e.g. forced periods of closure and limits on the maximum length of let that may prevent holiday cottages from taking longer lets in the winter and caravan sites from offering seasonal tourer pitches. In some cases the reason for the restriction might relate to visual impact, but where it relates to securing holiday use and preventing permanent residential use, other planning conditions relating to occupancy and guest registers can be used.

Planning for the Staff Accommodation Needs of Rural Businesses

7.2.13. The planning framework also needs to recognise and cater for other operational needs of rural visitor accommodation businesses. National guidance recognises that many types of visitor accommodation require some form of permanent on-site staff accommodation, to support year round operation, improve the quality of service to the customer, provide security, meet other health and safety obligations, and assist in attracting and retaining key staff. This can apply across the range of visitor accommodation offers, from hotels to caravan and camping sites. As with holiday use, staff accommodation use can be secured through appropriate planning conditions.

The Need for a Robust Accommodation Retention Policy

7.2.14. The South Downs and surrounding Districts and Boroughs have seen the loss of some hotels and other forms of visitor accommodation, primarily due to the pressure for higher value permanent residential use. With the housing market picking up, this pressure is likely to increase. In an area such as the South Downs National Park, development sites are at a premium, meaning that the loss of a hotel or other visitor accommodation use can be hard to replace. The market evidence is pointing to a need for an increase in capacity to meet current peak period shortages and anticipated future growth in demand. It will be important therefore to seek to retain existing stock as much as possible. A visitor accommodation retention policy will greatly assist in this respect.

7.2.15. The starting point for developing a robust policy to determine if accommodation can be released is a sound analysis of the market to provide the underpinning evidence – which this study will provide - and a realistic commercial appraisal of potential viability. To have teeth, be robust, and be easy to implement and administer, this retention policy should set out criteria and evidence requirements for the assessment of change of use applications for hotels and visitor accommodation establishments, providing greater clarity for applicants and development control teams. The criteria should focus around:

- Evidence of marketing for sale for the existing use for a minimum period of time, with a reputable specialist agent, at a realistic price that reflects the value of the business;
- Evidence of non-viability, in terms of poor performance, lack of market demand, extraordinary levels of cost, in the face of a clear demonstration that the business has been well-managed and marketed and all reasonably efforts have been made to find a viable future for the business.

7.2.16. In 2006 Hotel Solutions[1] and Tourism South East produced detailed retention guidance for planners entitled 'Here To Stay' – Tourist Accommodation Retention And Loss. Whilst now a little dated, certainly in terms of the national and regional context, the basic approach to the issue remains sound. It sets out guiding principles relating to retention policy and an evaluation tool that can be used by local authorities and adapted as required to local circumstances. The guidance details the criteria against which applications should be assessed, the information applicants will be expected to provide to make their case against these criteria, and the sources of information and expertise that planning authorities can access in order to effectively evaluate the commercial case. Relevant extracts can be found at Appendix 12.

A Simple and Responsive Planning Process

7.2.17. In terms of process, visitor accommodation developers would welcome a positive planning application process where they can engage with planners to achieve workable schemes on a timely basis. Pre-application requests and discussions with the Development Management team are valued in this respect. In addition, the work that the SDNPA Planning Link Officers and area Rangers have been doing in liaising with landowners and estates is first key steps work to encourage and support them in putting together integrated plans for their landholdings rather than putting forward a series of ad hoc development ideas is very commendable in this respect. It also provides an opportunity to steer and direct the type of visitor accommodation development that might be undertaken, which when informed by this market study will support the pro-activity which is advocated as a way forward.

7.2.18. Other issues commonly raised in terms of planning process include requirements for supporting information and technical studies. These need to be proportionate and affordable. Similarly, the cost implications of design requirements and planning conditions can sometimes be so significant that they can push schemes beyond the point of viability. The planning authority needs to understand the implications of these requirements and try to achieve its aims without over-burdening a potentially viable scheme. There is much to be said for keeping the planning process simple and responsive, rather than complex and confrontational, in an attempt to try and achieve common goals

[1] Then trading as Tourism Solutions and ACK Tourism

Enabling Development of Key Visitor Accommodation Schemes

7.2.19. The viability of visitor accommodation development schemes in rural areas is a challenge, particularly in sensitive environments, where a combination of seasonality of trade and high development costs can make it difficult to get schemes to stack up. The planning system can help in exceptional circumstances by permitting an element of enabling development to help fund a scheme. We have come across several examples of such permissions, particularly where historic properties are being developed or brought back into use, so securing a long term future for an important heritage building. An example is Adhurst St Mary near Petersfield which has a residential permission to enable the hotel development. Another example could be in terms of allowing partial conversion of a poor quality hotel to an alternative use, e.g. residential, to generate an income for investment in upgrading the remaining hotel property. A planning policy approach that is flexible enough to consider such enabling development where appropriate would be helpful therefore.

A Case for Site Allocation?

7.2.20. We would advocate that the allocation of sites for visitor accommodation uses requires a very strong case to be made. However, there may be circumstances where this could be justified. These include:

- 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 or other location;
- 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;
- Where the market requires certainty, for example to progress/work up a scheme requiring significant cost and time;
- Where there is potential for a scheme to deliver significant economic benefit, few suitable or available sites, and/or an opportunity for site improvement/remediation.

7.2.21. The difficulty of securing hotel sites in Petersfield for both budget and boutique offers where there is known operator interest could be such a case where it might be possible to make provision through the allocation process, whether single use or as part of a mixed use scheme. Another case might be for a larger scale visitor accommodation offer, e.g. a holiday lodge park, should SDNPA decide to prioritise this for its economic and job creation benefits, and a suitable site that would minimise impacts be identified. Given the levels of investment required in these sites, which can be as much as £30m, together with the costs of working up any scheme, developers need some certainty around the possibility of achieving planning permission and Allocation would give this. Sites in need of improvement, such as poor quality caravan sites, worked out quarries or brownfield sites with uses such as chicken sheds are examples of where holiday lodge park development has brought an additional environmental and landscape benefit to sites, including sites in National Parks and AONBs.

Monitoring Visitor Accommodation Development

7.2.22. It will be important to monitor visitor accommodation development activity to assess the effectiveness of planning policies in achieving their objectives, including monitoring the implementation of schemes to understand what has actually happened on the ground. It would help if the NPA's online planning application system was set up in a way that was searchable by type of visitor accommodation use. Clearly this is a matter of resource, but it might be possible to build this into future funding bids for visitor accommodation development initiatives that SDNPA and its partners might progress in order to act on the following recommendations for more proactive intervention to accelerate visitor accommodation development in the National Park.

7.3 Accelerating Investment in Visitor Accommodation

Bringing Forward Sites for Hotel Development in Petersfield

7.3.1 Demand and developer interest has been identified for budget and boutique hotel development in Petersfield, but site availability is a challenge. A pro-active approach to identifying and bringing forward sites for hotel development here could facilitate this process, particularly as a number of the sites discussed in previous Hotel Futures studies are complex to deliver.

Identifying Sites Appropriate for Larger Visitor Accommodation Development

7.3.2. Market potential has been identified for a number of visitor accommodation offers of scale which clearly presents a challenge in a sensitive environment such as South Downs National Park. Given the benefits they can bring however, there is merit in a proactive approach to identifying suitable sites where larger-scale visitor accommodation development projects would be acceptable in planning terms. There is a role for SDNPA and its partners to play in identifying sites that could accommodate these types of development – holiday lodge parks, golf and fishing lodge developments, activity holiday centres, caravan an camping sites – where there are opportunities to minimise impacts.

Co-ordinating the Delivery of an Accommodation Network along the South Downs Way

7.3.3. Delivering a network of camping pods and/or other forms of visitor accommodation along the South Downs Way will require a plan to co-ordinate this, and a body with resource to oversee it. The starting point will be to take a detailed look at identifying gaps in provision and possible sites and locations that might offer potential to develop visitor accommodation to meet these needs. Marketing and booking requirements will also need to be looked at.

7.3.4. Resource will need to be identified to do this, possibly through a future funding bid. There may be other associated requirements for support to make this co-ordinated network happen. Bunkhouse and camping barns for example are expensive to develop yet only command low prices as a basic form of accommodation, making it difficult to get them to stack up as a commercially viable investment proposition. The availability of financial support (should this become available through an existing or future programme) could take a slice out of that cost and make the viability equation much more workable. A pop-up camping or glamping initiative of ready erected tents along the route that might run over one or more seasons would provide a good opportunity to test out demand and give farmers and landowners confidence to invest in more permanent facilities. Again this would require funding support.

A South Downs Pub Accommodation Development Programme

7.3.5. The South Downs has seen a significant increase in the provision of pub accommodation, and the strong performance of this type of accommodation in the National Park indicates potential for additional provision, particularly of high quality pub accommodation and boutique inns. There are opportunities for existing pub accommodation businesses to upgrade and further develop, including adding guest bedrooms. Providing accommodation bedrooms can also help to ensure the commercial sustainability and future of pubs. There could be scope for some form of Pub Accommodation Development Programme for the South Downs National Park which might include:

- User-friendly business development guidance for pub owners and tenants on rooms development, including key performance indicators and case studies to inform the business planning process. Hotel Solutions has previously prepared similar guidance for Tourism South East as part of its Great Country Pubs project that could be built upon, up-dated and enhanced;
- Training in accommodation development project planning, welcome, and marketing;
- Targeting breweries and pub companies to inform their pub development teams of the potential for pub accommodation development;
- A South Downs Country Inns marketing initiative;
- Working with Pub Is The Hub to develop some of the identified opportunities and explore other potential support available;
- Exploring routes to funding for pub accommodation development through the RDPE, banks, breweries and other potentially available sources.

A Glamping Development Programme

7.3.6. Glamping is rapidly growing in popularity in the UK. The South Downs National Park has a small supply of glamping accommodation at present. Glamping businesses that have opened here have quickly found a strong market. We believe that there is scope for significant expansion of this type of accommodation, which could be appropriate to encourage in the National Park, and have good fit with an eco-related product development strand. The SDNPA and its partners could play a role to encourage and support the development of the glamping sector in the South Downs through a Glamping Development Programme. This 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; typical performance indicators; planning and legal requirements; sources of advice; and suppliers;
- A glamping exhibition of the suppliers of bell tents, yurts, tipis, wigwams, camping pods etc., which would also present an opportunity for supply chain development in terms of supporting existing, and encouraging the development of new, glamping product suppliers.
- Training workshops for people considering setting up a glamping operation covering issues such as planning, customer expectations, set up costs, running costs and marketing;
- A South Downs Glamping marketing campaign.

Business Support for the Visitor Accommodation Sector

7.3.7. The provision of tailored business support and quality improvement initiatives would be beneficial for existing and prospective visitor accommodation operators across the South Downs and would contribute to capitalising on the visitor accommodation development opportunities across the National Park. Based on requirements identified in the research, this could include:

- Accommodation Development Fact Sheets - drawing on the information in the Visitor Accommodation Review on the performance and market demand for different types of accommodation;
- Business advice visits from suitably qualified and experienced advisers;
- Training seminars and workshops – particularly South Downs Sense of Place seminars, Walkers & Cyclists Welcome training, Green Tourism Business training, and marketing/digital marketing courses;
- Business advice surgeries;
- Business mentoring programmes;
- Business networking;
- Quality awareness days;
- Quality awards schemes;
- Grants or other forms of financial assistance.

Capital grants (if funding can be secured for them) would be particularly beneficial in terms of accelerating visitor accommodation development and achieving high quality new provision. Financial assistance for marketing would also be welcomed by accommodation business operators.

7.4 Supporting Sector Development

A Clearly Articulated Tourism Strategy

7.4.1. Whilst the Partnership Management Plan has policies relating to tourism and integrates tourism as an activity into the wider vision and objectives for the Park, there is no clearly articulated tourism strategy as such for the South Downs. Since its inception in 2011, the SDNPA has commissioned many strands of research around the tourism sector and also wider issues of relevance to tourism such as branding the South Downs. It should be possible to draw this intelligence together into a tourism strategy that articulates the big vision for the tourism sector in helping achieve and deliver the PMP; the strengths and weaknesses of the National Park's tourism offer; key markets to target; product development requirements to meet the needs of these market needs; marketing/branding activity to attract them; and co-ordinated tourism product development and marketing action plans to move the sector forwards. This would clarify to visitor accommodation operators and developers where the potential is and help guide all in working together to achieve this. It could also set targets against which to monitor progress, and look more closely at what this means for the carrying capacity of the Park and the infrastructure and product development required to meet these targets.

Destination Marketing to Boost Off-Peak Business

7.4.2. Destination marketing activity is important to support the visitor accommodation sector across the South Downs. To meet the needs of accommodation businesses it should focus on boosting off-peak demand in terms of additional business in the spring, autumn and winter, especially during the week. The summer months are at capacity with business being turned away so there is no need to drive business for these times. This suggests a need to focus on markets that will visit at off peak times (emptynesters, retired people, career couples, pre-school families and group visits), and the promotion of attractions, activities and events that will generate off-peak business for hotels and accommodation businesses, helping reduce seasonality and create year round sustainable and viable businesses.

Product Development with Off-Peak Appeal

7.4.3. The focus for destination development needs to mirror this theme, focusing on products that have the ability to boost off-peak demand. Examples include:

- More events and festivals at quieter times of the year with drawing power from further afield and for longer periods;
- The development of the South Downs' food and drink tourism 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;
- Further development of the walking, cycling and horse riding product.

Keeping a Finger on the Pulse

7.4.4. This Visitor Accommodation Review provides a snapshot of the South Downs visitor accommodation sector and market at one point in time. Moving forward it will be important for SDNPA and its partners to monitor how the sector is developing and performing over time to establish ongoing priorities for the further development of visitor accommodation, and to evaluate the impact of any interventions to proactively support the development of the sector. This can best be achieved through periodic in depth research, rather than the establishment of ongoing accommodation occupancy surveys, which are very time consuming and costly to deliver.