HORSHAM DISTRICT

HOTEL & VISITOR ACCOMMODATION STUDY

Technical Appendices

Prepared for:
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hotel solutions
the hotel development consultancy

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Caravan Holiday Home Parks

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

National holiday park operators will develop new holiday parks if they can find suitable sites hat might be acceptable in planning terms. The difficulty of obtaining planning permission for a new holiday park has generally constrained the development of new sites however. The majority of local authorities across he country have planning policies hat resist he development of new holiday parks because of their visual impact on the landscape. Flood risk issues are also a major barrier to new holiday park development. These constraints on the development of new holiday parks have however been a key factor in the robustness of the sector as it has meant that market demand has generally exceeded supply in most parts of he country.

Touring Caravan and Camping Sites

The focus of product development in the UK touring caravan and camping sector has been primarily on the **upgrading** and development of existing sites and the **extension of opening periods**, rather than on new site development. Where new sites have been developed they have generally been relatively small sites. Planning constraints impose a significant barrier on the development of large new touring caravan and camping sites in many parts of the UK, particularly for schemes that involve new buildings and/or winter caravan storage. Achieving commercially viable large touring caravan and camping site development projects is also very difficult. The **Caravan Club** and **Camping and Caravanning Club** are the main operators that have opened large new sites. They are motivated more by providing additional choice for their members than entirely commercial considerations. The Camping and Caravanning Club is continually looking for opportunities for new club sites. Sites associated with visitor attractions and leisure and sports facilities are of particular interest, for example the Club's site at the Gulliver's Kingdom theme park in Milton Keynes. The Caravan Club has acquired established touring parks in a number of locations and upgraded and developed them into new club sites. These have included sites in West Sussex, Cheshire, Lincolnshire and Scotland. It also opened entirely new club sites in Barnard Castle in County Durham in 2010, Bridlington in East Yorkshire in 2011, Strathclyde Country Park near Glasgow in 2012 and Stonehaven in Aberdeenshire in 2013. The development of Caravan Club sites is carried out using local suppliers and contractors where possible, and with an emphasis on landscaping using native species to promote biodiversity. The Club has developed an expertise in land reclamation, with a number of new sites having been developed on brownfield sites such as worked-out quarries, former railway stations and ex-service camps.

Both the Caravan Club and the Camping and Caravanning Club are investing substantially in improving their sites. The Caravan Club typically invests in excess of £10million annually in site improvement and development, while the Camping and Caravanning Club completed a 5-year, £29million investment programme in 2014. The Club invested a further £4.8million in 2014/15 and £4million in 2015/16 in site improvements including upgrading toilet and shower blacks, new reception buildings and site shops, resurfacing site roads, more hard standing and electric hook-up pitches, new children's play areas, and site security measures.

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

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

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

The t aravan t lub tis tfirmly tcommit ed t o tboosting tits tgreen tcredentials twith ta tnumber tof t policy initiatives across its sites network, including using biodegradable and environmentally-t friendly products, building with t imber from sustainable sources, shredding t ree prunings on t site to use as mulch, and using low-energy lighting. The t lub has made a major commitment t o eco-friendly caravanning t hrough a £1.8 million investment in its Poolsbrook t ountry Park t lub tsite tnear t hesterfield tin tDerbyshire, tincluding t rialling ta twhole trange tof tenergy tand t water efficient t echnologies such as solar panels and photovoltaic cells, wind t urbines, rain t water harvesting and grey water recycling, geothermal energy and heat recovery ventilation t systems, for possible roll out to other sites. The t lub also has 43 sites that have signed up to its t Boosting Biodiversity programme. t

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The other key development trend in the sector has been the **lengthening of the season** with t many site operators now wanting to operate over a longer period and increasing numbers of t sites looking t o stay open t hroughout t he year. The higher specifications of t oday's t ouring t caravans and motor homes is resulting in growing numbers of owners wanting t o tuse t heir t caravans tand tmotor thomes t hroughout t he tyear. t ites tare tincreasingly tinvesting tin thard t standing tpitches t o tenable t hem t o tcater tfor t his tdemand. tPlanning trestrictions thave tnot t necessarily kept pace with this market demand, underpinned by concerns about permanent t residential use and visual impact in the winter. t

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The trecession, t ogether twith tinnovations tin teasy-to-erect t ents tand tcamping tequipment, t have stimulated strong growth in demand for **camping** in the UK. t

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nother temerging t rend tis t he tdevelopment tof t**eco camping** tsites. tThese tare tsmall, tlow t impact, environmentally friendly, off-grid camp sites with solar or wind powered showers and t eco/ tcompost t oilets. tThey toften thave ta tcentral tcampfire tarea tand/or tallow tcampers t o t have t heir town tcampfires. t ome tsites toffer tsecluded tand tisolated tpitches tfor tindividual t camping. t ites tmay thave twildlife tareas tand tsome toffer tnature tstudy tand tenvironmental t activities t and t courses. t t Examples t are t erenety t amp t ite t in t ornwall t (www.cerenetycampsite.co.uk); t Northlodge t in t Pembrokeshire t (www.eco-camping.co.uk); t The t ecret t ampsite tin tEast t ussex t(www.thesecretcampsite.co.uk t); tand t omrie t roft tin t Perthshire t(www.comriecroft.com/sleep/eco-camping.html t). t n tsome tcases teco tcamping t sites also offer glamping units or glamping sites have opened eco camping sites. Eco t amp t UK (www.ecocampuk.co.uk), for example, offers fully equipped bell t ents alongside forest t ent pitches at its Beech Estate ecological woodland camp site in East t ussex. t

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Camping Pods

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amping pods were first introduced in the UK at the Eskdale t amping & t aravanning t lub t site in the Lake District in 2008. The site has 10 camping pods priced at £43.75 per night. They t are made from locally sourced timber and insulated with sheep's wool. They have hard foam t floors, tFrench twindows, twooden tdecking tareas, theaters tand telectric tlighting. tEach tpod t sleeps t4 tpeople. tThey thave tproved textremely tpopular tand thave teven tat racted tdemand t during the winter. The t amping and t aravanning t lub has now introduced camping pods t and dens at its club sites in Bellingham, Northumberland; Hayfield in the Peak District; Eskdale t and t avenglas tin t umbria; t kye; tGulliver's tKingdom tat tMilton tKeynes; tand tThetford tForest t www.campingandcaravanningclub.co.uk/ukcampsites/club-glamping/camping-pods. t Newfoundland tLeisure tLodges, t he tcompany t hat tmanufactured t he tpods tfor t hese tsites t reports thuge tinterest tin t he tconcept, twhich tis trapidly tdeveloping t hroughout t he tUK. tThe t company has now supplied camping pods to over 70 sites across the country. The YHt has t introduced camping pods alongside its hostels at Malham and Grinton in the Yorkshire Dales, t Hawkshead t and t Borrowdale t in t he t Lake t District, t ratford-upon-t von, t Manorbier t in t Pembrokeshire, and its t outh Downs hostel at Lewes in East t ussex (www.yha.org.uk/places-t o-stay/alternative-accommodation/camping-pods). t The t National t Trust t is t another t organisation that has started to offer camping pods at three sites in the Lake District, t lumber t Park t in t Not inghamshire t and t a t site t in t Northern t reland t www.nationaltrust.org.uk/holidays/camping/camping-pods t. tHoliday tparks, tholiday tlodge t parks, touring caravan and camping sites and hotels are increasingly introducing camping t pods as an alternative accommodation option. Examples are: t

- The Pure Leisure Group has introduced camping pods at three of its holiday parks t (ht p://www.pureleisuregroup.com/holidays/camping-pods). t
- The Hillcrest Park touring caravan park at t aldwell in t ounty Durham t (www.hillcrestpark.co.uk/pods)introduced 3 camping pods in t ugust 2011, t increasing this to 5 pods in March 2012 and 10 in October 2012 due to the strength t of demand. t
- The Old Thorns Manor Hotel and Golf t lub at Liphook has developed a number of t luxury teco tpods tadjacent to the thotel tas tan talternative taccommodation toption t (www.oldthorns.com/home/accommodation-old-thorns-hotel-hampshire/luxury-t eco-pods). t
- Woodland t Park t Lodges t at t Ellesmere t in t hropshire t (www.woodlandparklodges.co.uk/camping-huts.html t) t has t 5 t camping t huts t alongside 11 holiday lodges. t

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Glamping

key t rend in recent years has been t he rapid growth of glamping (glamorous camping) t offers, in t erms of ready-erected, fully-equipped t ents, yurts, t ipis and other unusual forms of t camping and caravanning accommodation such as geodesic domes, gypsy caravans, retro t caravans, tsafari t ents, tglamping tpods tand t ree tcamping. tThese t ypes tof taccommodation t have tproved t o tbe thighly tpopular twith tmore taffluent tfamilies t hat twant t o texperience t camping tholidays tbut twithout t he thassle tof thaving t o tbring t heir town t ents tand tcamping t equipment. t s ta tnew tform tof taccommodation t hey thave tat racted tsignificant tmedia t coverage and wherever t hey have opened such accommodation operations have quickly t at racted tstrong t demand. t t Go t Glamping t (www.goglamping.net t), t he tleading t online t directory of luxury camping sites, now lists 286 locations in the UK. t

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

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- **Feather Down Farms** t (www.featherdown.co.uk) t is t a t concept t hat t has t been t operated tin t he tUK tsince t2005 tby t he tFeather tDown tFarm tDays tcompany tas ta t seasonal t luxury t camping t holiday t option. t Originally t developed t in t Holland, t he t concept tinvolves tFeather tDown tFarm tDays tproviding tworking tfarms twith t5-10 tfully t equipped Feather Down t ents for erection between Easter and October. The t ents t provide spacious, ready-to-use camping accommodation including beds, bedding, t a t oilet, twood-burning tcooking tstove, tcool tchest tand tcooking tequipment. tThe t farmer is responsible for providing a cold water supply to each t ent and connection t o ta tmains tsewer tor tseptic t ank, t ogether twith t he tprovision tof ta tcommunal thot t shower facility. Feather Down Farm Days runs a national marketing, advertising and t Pt campaign and provides a central booking system. The company currently has 29 t sites across the UK. Their development strategy has focused initially on locations that t are within a 2 hour drive time of London, as this is their core market. These holidays t require some affluence, at circa £1000 for the week, and t hey recognise that t hey t are taiming tat t he teducated tcity tdweller twanting trural tfamily t'experience' tfor t hemselves and their children. t

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- n November 2014 Feather Downs Farms launched a sister brand, **Country Retreats** (www.featherdown.co.uk/country-retreats)in order to offer the Feather Down Farm model to a wider range of country estates. Under the new scheme, land, country estate and vineyard owners choose new, fully collapsible log cabins and/or luxury canvas lodges and become part of The ountry etreats ollection that Feather Down Farms is marketing. Owners are encouraged to personalise the interiors of the cabins/lodges and to offer a range of interesting activities for guests. Five ountry etreats sites have opened so far, in Essex, hropshire, ornwall, Lancashire and cotland. The aim is to eventually expand to 50 sites across the UK.

- **Ready-pitched luxury camps:** Jolly Days Luxury amping (www.jollydaysluxurycamping.co.uk) in North Yorkshire is a boutique campsite that offers the ultimate in luxury camping, with 8 large lodge tents with four poster beds, sofas and chandeliers, 7 vintage style tents and 7 bell tents. hieling Holidays (www.shielingholidays.co.uk) on the sle of Mull provides 16 fully equipped hieling cot age tents, which take their name from the summer cot ages that Highland shepherds traditionally use. The tents are equipped with proper beds and fully equipped kitchens and have electricity and gas heaters. ome also have shower and toilet facilities. Dandelion Hideaway (www.thedandelionhideaway.co.uk) in Leicestershire offers a number of canvas cot ages.

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

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

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

  Wigwam Holidays is a national wigwam holiday franchise that now offers 70 sites across the UK. The company manufactures the wigwams and sells them to franchisees who then pay a franchise fee to cover the use of the Wigwam Holidays brand, marketing through the Wigwam Holidays website and online booking system, and ongoing IT, marketing and operational support.

  Springhill Farm in Northumberland (www.springhill-farm.co.uk/wigwams) offers a number of wooden wigwams alongside self-catering cottages and a touring caravan and camping site.

- Other examples of luxury camping offers include:

  - **Geodesic domes** e.g. The Dome Garden (www.domegarden.co.uk) at Coleford in Gloucestershire has 10 geodesic ecodomes equipped with wood burning stoves, beds, private flushing toilets, a fully-equipped outside kitchen area with fridge and timber en-suite hot shower. Another example is Ekopod (www.ekopod.co.uk) in Cornwall.
  - **Persian alachigh tents**, similar to yurts e.g. Penhein Glamping near Chepstow in Monmouthshire (www.penhein.co.uk)
  - **Gypsy caravans** e.g. Gypsy Caravan Breaks in Somerset (www.gypsycaravanbreaks.co.uk) and Roulotte Retreat in the Scottish Borders (www.roulotteretreat.com), which has 4 French roulotte gypsy caravans for hire.
  - **Retro caravans** e.g. Vintage Vacations on the Isle of Wight (www.vintagevacations.co.uk), which has a collection of 13 vintage American Airstream and Spartan caravans for hire; Happy Days Retro in East Dorset (www.happydaysrv.co.uk) with 4 airstream caravans available for hire for holidays; and Mad Dogs and Vintage Vans in Herefordshire (www.maddogsandvintagevans.co.uk), which has 4 vintage caravans.
  - **Shepherds Huts** e.g. Herdy Huts in the Lake District (www.herdyhuts.co.uk) and Shepherds Huts South East (www.shepherdshuts-southeast.com) in Kent.

- **Safari Tents** e.g. t Port t Lympne t Wild t nimal t Park t in t Kent t (www.aspinallfoundation.org/short-breaks t) thas tdeveloped t wo tsafari t ent t encampments t- tLivingstone tLodge tand tElephant tLodge toverlooking t he t elephant paddocks, and the t amping and t aravanning t lub has 4 safari t ents for hire at its club site at Gulliver's Kingdom theme park at Milton Keynes t and one at its club site at Teversal in Not inghamshire. t (www.campingandcaravanningclub.co.uk/ukcampsites/club-t glamping/safari-tents/ t). t nother t example t is t t Lit le t Bit t of t ough t at t Uppingham in t utland (www.alit lebitofrough.co.uk) t
- **Medieval Glamping** e.g. tWarwick t astle thas t41 tready-to-bed tmedieval-t hemed tents and guests are served breakfast at medieval-styled tables in a t banqueting t ent. t They t are t also t offered t medieval-themed t evening t entertainment, tincluding tarchery, ta tjester's tschool tand tknight's tschool tand t medieval t games t (www.warwick-castle.com/accommodation/mediaeval-t glamping-at-warwick-castle.aspx t). tLeeds t astle tin tKent toffers t8 tstriped t canvas tpavilions tbased ton ta tmedieval tdesign tas tits tKnight's tGlamping tsite t (www.leeds-castle.com/t ccommodation/Knight%92s+Glamping) t
- **Tree camping** in t ents tand tstructures tsuspended tin t rees te.g. t ed tKite tTree t Tent t in t Mid t Wales t (www.sheepskinlife.com/relax-at/red-kite-tree-tent t), t The Tree Tent at The t ecret t ampsite in East t ussex t (www.thesecretcampsite.co.uk/secret-shelters t), tand tTreehotel tin t weden t (www.treehotel.se t), t which t features t 5 t quirky, t individually t designed t 'treerooms' and a tree sauna. t
- **Bubble camping** in t ransparent inflatable t ents was introduced in France in t 2010 but has yet to come to the UK (www.bubblecabins.com) t
- **VW camper van pop-up camps** t e.g. t Volkswagen t ommercial t Vehicles t partnered t with t booking t website t Latet ooms t in t 2014 t o t provide t 6 t VW t alifornia camper vans for hire on a nightly basis at Temple tsland in Henley-t on-Thames t t
- **Cargo pods**, converted from shipping containers have been introduced a t he Lee Wick Farm glamping and t ouring site at t Osyth, near t lacton-on-t ea in Essex (www.leewickfarm.co.uk). t
- **Converted train carriages** e.g. Long Hill t arriage at t ucklington in t omerset is t a restored 1882 Great Western t ailway carriage that provides a living space t and t kitchen t alongside t an t en-suite t double t bedroom t in t an t adjacent t converted 1950s goods wagon (www.longhillcarriage.co.uk)t

- **Converted lorries** e.g. t edar Valley in the Meon Valley in Hampshire offers a t converted horse lorry as a glamping unit sleeping 3 people, alongside safari t ents, a yurt and a campsite (www.cedarvalley.co.uk/bet y/about-bet y)t
- **Champing** (camping tin ta tchurch) t- t he t hurches t onservation tTrust toffers t champing t at t four t of t its t churches t in t Kent, t ambridgeshire t and t Northamptonshire. Guests enjoy a full breakfast delivered to the church in the t morning, tmade tusing tlocal tproduce. tThe tTrust talso tarranges tactivities tfor t champing tguests, tincluding twalks, tcanoe t rips, tstorytelling tand tmeditation t (www.visitchurches.org.uk/champing).t

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Youth Hostels

The tYouth tHostels t ssociation thas tbeen tgoing t hrough ta tprogramme tof tnetwork trenewal t since 2006. This saw the disposal of 32 hostels between 2006 and 2008 and reinvestment of the t proceeds in upgrading the remaining hostels in the network and some new hostel openings, t including ta tnew thotel tin tEastbourne tin t2009. t tnumber tof t he thostels t hat tYHt tsold t subsequently t re-opened t as t independent t hostels, t in t some t cases t benefiting t from t YHt t marketing support through the YHt Enterprise scheme. t new capital strategy was launched t in t2010. tThis thas tfocused ton tfurther trationalisation tof t he tYHt thostel tnetwork t o tgenerate t £40million for reinvestment in hostel improvements and some new hostels. This has included t he development of the new YHt t outh Downs hostel at t ford Farm near Lewes in 2013 and t he tYHt tEden tProject tin t ornwall tin t2014, twhich twas tbuilt tby tportable thotel tcompany t noozebox and is made entirely from shipping containers. t offers 54 contemporary en-suite t bedrooms tfor t2 t o t4 tguests. tYHt 's tlatest thostel topenings tare t he tnew tYHt tBrighton tin t he t former t oyal York Hotel, which opened in November 2014, and the new YHt t ardiff, which t opened in March 2015. YHt is currently progressing plans for a new 86-bed hostel as part of t The t ill landscape discovery centre project in the Northumberland National Park, due to open t in summer 2017. t

Children's Activity Holiday Centres

The children's activity holiday centre sector is rapidly expanding in the UK and is identified as t having tgood tpotential tfor tfurther texpansion[3]. tThe tsector tis tmade tup tof tmany tdifferent t operators, tfrom t hose twith tmultiple tcentres tacross tseveral tcountries t o tsmaller, tfamily-run t independents. t entres range in size from 50 t o 900 beds and are operated largely by t he t private sector but also by local authorities and charitable organisations. t

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The two main players in the sector are PGL and Kingswood. Both companies have been the t subject of high profile acquisitions. PGL was acquired by Holidaybreak plc. in May 2007 for t £100m. Kingswood was acquired by DJL Merchant Banking (a division of t redit t uisse Bank) in t July 2008, also for £100m. Both companies have since nearly doubled in size and now handle t around 500,000 children each year. PGL opened the former Windmill Hill Place Tennis t entre t near Herstmonceux in East t ussex as a children's activity holiday centre in May 2009 following t a £7m revamp. The centre now offers activity courses for school and youth groups, together t with tsummer tcamps tand tfamily tactivity tholidays tduring t he tsummer. tThe tcentre tcan t accommodate up to 450 guests in bunk –bedded accommodation and new 4-6 person en-t suite lodges. Facilities include a sports hall, swimming pool, climbing tower and zip wires and t a multi-sports area. Existing lakes are tused for canoeing and raft building. The centre has t created 130 jobs. PGL also opened a new holiday centre at Liddington, near t windon in 2010 t hrough t he tconversion tof t he tformer tLiddington tHotel. t tcan taccommodate tup t o t1,000 t children and employs 250 staff. Kingswood is currently looking for a site for a new centre in t he Oxfordshire/Berkshire/Buckinghamshire/Wiltshire area/ t

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The other key player in the children's activity holiday centre market is Jt t dventure, which t became part of TUt Travel plc. in 2007. t works with 13 UK centres and two centres in France t o tprovide tmulti-activity tcourses tof t2-4 tnights, tnetball t ournaments tand tsummer tcamps tfor t young tpeople. tThe tcompany tlaunched tits tfirst tJt -owned tactivity tholiday tcentre tat t ondover Hall in t hropshire in 2011. t

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For new centres these operators would require properties of a substantial size within their own t formal tgrounds tideally twith taccess t o tlakes, trivers tand twoodland. tThey twill tconsider t leaseholds tand tfreeholds tin trural tand tsemi-rural tlocations. t tresidential tinstitution tuse tclass t (t 2) ton tproperties tsuch tas tformer tboarding tschools tor tresidential tcolleges tcan tbe tan t advantage but is not essential. t

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[3] The information provided on the UK children's activity holiday centre sector is taken from an t article published in t rut & Parker's Leisure t omment journal in 2009 – 't oom to Grow. t Duncan Willardt

Wellness Retreats

nascent trend that may develop further in the UK is the development of wellness retreats. t urrent examples include: t

- ecoYoga in t rgyll (www.ecoyoga.org)runs yoga courses, retreats and holidays in self-t catering taccommodation. tThe tsite toffers ta trange tof tbathing tfacilities tincluding t rainforest showers, a large hot tub, artisan sauna and two wild river hot baths. t
- limmeria t etreat tin t rowhurst tin tEast t ussex t(www.slimmeria.com t), twhich toffers t detox, fitness and weight loss holidays in a Georgian country house offering boutique t hotel bedrooms and a luxury health spa. t
- Tofte Manor at t harnbrook in Bedfordshire (www.toftemanor.co.uk) is a manor house t wedding and events venue that offers a range of wellness retreats and inspirational t workshops including massage, meditation, yoga and labyrinth walking. t has 12 luxury t guest bedrooms and can also offer accommodation in yurts and tents with outdoor t hot water showers for larger groups. t
- Brightlife (www.brightlife.com) is a country house on the outskirts of t amsey on the tsle t of Man, which offers a range of wellness courses and retreats, from yoga and pilates t o chakra healing and life coaching. t has 12 luxury guest bedrooms and opened a t new spa in 2015. t
- The t eynolds t etreat thealth, tfitness tand twellbeing tcentre tat tBorough tGreen, tnear t evenoaks t in t Kent t is t in t he t process t of t adding t accommodation t (www.reynoldsgroup.co.uk/retreat/accommodation). t

Vineyard Accommodation

number of vineyards across England and Wales provide accommodation in terms of B&B rooms, self-catering holiday cot ages and lodges, restaurants with rooms and small hotels, often offering wine tours as part of an accommodation package. Examples include:

- Denbies Wine Estate, Dorking, urrey – a 7-bedroom, 4 star farmhouse B&B (www.denbies.co.uk/accommodation).
- Three hoirs Vineyard, Newent, Gloucestershire – a restaurant with rooms and wooden cabins in he vineyard (www.three-choirs-vineyards.co.uk/gloucestershire/rooms-and-lodges/).
- The English Wine entre, Berwick, East ussex – opened the Green Oak Lodge in 2011, with 5 boutique guest bedrooms (ht p://englishwinecentre.co.uk/lodge).
- Jabajak, armarthenshire – 10-bedroom vineyard restaurant with rooms (www.jabajak.co.uk).
- amel Valley Vineyard, ormwall – wo holiday cot ages (www.camelvalley.com/stay)
- Valley Farm Vineyards, uffolk – a self-catering barn conversion (www.valleyfarmvineyards.co.uk/accommodation/4584721095)

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APPENDIX 9

UK HOTEL DEVELOPMENT - FUNDING CONTEXT

The Economic Backdrop

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The fortunes of the hotel industry are closely aligned to the national and local economy and t so the economic downturn that began in 2008 and the subsequent climb out of recession has t hit the sector in a number of ways. Hotel performance fell back with occupancy dropping t below 70% from 2009, only recovering to pre-recession levels in 2013. tn terms of achieved t room rates, they have taken until 2014 to recover to these levels. The drop in performance t affected end values in some cases to the point where it would cost more to build a hotel t han tits tvalue, tresulting tin thotel tinvestors tholding tback ton tnew tbuild tschemes tuntil tyields t improved. t tThis thas tmade tfunding tmore tdifficult t o tsecure, tespecially tfor tsmall thotel t companies tand tfranchisees, tand twhen tavailable toften ton tless tfavourable t erms, twith tless t debt funding and more equity required. These trends have had implications for the type of t new hotel being delivered, favouring conversions and re-brandings alongside refurbishment t and timprovement, tencouraged tby t he tability t o tbuy texisting thotel tstock tat tless t han t replacement value. t

t

s a result of this risk-averse climate, many hotel companies are now focusing on asset-light t development strategies that don't involve them in capital outlay. t number of 4 star and t luxury international brands like Hyat and Millennium & t opthorne have for some time only t done management contract deals, but certainly their prevalence has spread as funding has t become more difficult to secure. These schemes involve significant levels of investment and t what t he toperator tbrings t o t he t able tis t heir tsector texpertise tand tbrand tstrength. t tThis t reinforces tan tearlier t rend tin t he tsector tpre-recession, tfor thotel tcompanies t o tdivest t hemselves of their property assets whilst retaining the contract to operate – Hilton and t ccor t are good examples. t

t

Whilst tfunding t3 tand t4 tstar thotels thas tbeen ta tchallenge tduring t he teconomic tdownturn, t budget thotel tdevelopment thas tcontinued tapace: tTravelodge tand tPremier t nn thave t remained active, offering the advantage of their ability to take lease deals in developer-led t schemes. One advantage of the downturn in the property market has been that residential t and tsome tcommercial tsites thave tcome tforward tfor thotel tdevelopment t hat twould tnot t previously thave tbeen tavailable tor taffordable. t t tweaker tmarket thas talso tseen tsome t distressed hotels coming onto the market being bought up by chain hotel companies and re-t branded. London is also an increasing focus of hotel development interest, driven by strong t performance and the 2012 bounce. t

PwC identifies a solid return to revpar growth as critical to de-risking hotel investment; with revpar having turned the corner in 2014, access to finance should improve and the pace of new hotel development should accelerate. Growth will vary between regions and segments, with London likely to continue to see the highest growth in supply, and key regional cities having the largest active hotel development pipelines. The structural shifts that have taken place continue to squeeze the middle, with budget hotels making up 50% of total pipeline schemes identified in PwC's hotel forecast, and the four and five star segment accounting for almost 40%.

In overview, the Credit Crunch and recession have inevitably had an impact on reining in the development plans of hotel companies, and seen new routes to delivery emerging. The upturn in the hotel market and economic growth looks likely to improve the climate for hotel investment, though in counterbalance the up-turn in demand from residential and office markets will mean greater competition for land, making it harder and more expensive to acquire sites.

Hotel Business Models & Funding Routes

Hotels can be developed and operated under a number of different business models (summarised in the table overleaf) with hotel brand owners, franchisees and property developers playing different roles in each case, with development and operating risks shifting under the different models.

The levels of capital outlay as well as development risk required by a hotel company therefore vary considerably between these options. Many more hotel operators, particularly at the 4 star level, which is much more capital intensive, are likely to be interested in options put to them that involve management contracts than in building and funding hotels themselves, as access to capital will naturally restrict the latter and require hotel companies to prioritise their investment locations.

Many of the chain hotel companies will have a mix of the above structures in place, though some do prefer a single route. Often franchisees are looking to build the asset value of the company with a view to exit within a 5-10 year period, and in such situations are less likely to be interested in lease options.

HOTEL DEVELOPMENT & OPERATING MODELS		
	Property Company Risk	**Hotel Company Risk**
Hotel company (hotel brand owner) develops the hotel & subsequently operates and markets under one of its brands *e.g. InterContinental Hotel Group(IHG) builds and operates a hotel under its Holiday Inn brand*	x	√
Hotel company (hotel brand franchisee) develops he hotel then operates and markets under a hotel brand through a franchise deal with the owners *e.g. Sanguine Hospitality builds a hotel and operates it under a Holiday Inn franchise agreement with IHG*	x	√
Property company develops the hotel & seeks a hotel company to lease the hotel *e.g. Equity Estates builds the hotel and leases to Travelodge*	√	√ (depending on the type of lease)
Property company develops the hotel & seeks a hotel company to purchase the freehold of the hotel	√	x
Property company develops the hotel & employs a hotel company to manage the hotel under a management contract	√	√ (some depending on he terms of the management agreement)

Lease tmodels trequire ta tlit le tmore texplanation, tas t here tare tsome tkey tissues tsurrounding lease structures that are impacting upon the ability to deliver hotel developments currently. Developers require hotel operators to take a fixed lease, a standard institutional lease that will give a guaranteed fixed payment per room over a period of 20-30 years. Once secured, his guaranteed income stream makes the development fundable, and the developer can secure tfinance ton t he tback tof t his. t tOn tcompletion t he tdeveloper tmay tretain tor tsell t he investment. t urrently, only Travelodge and Premier tnn are able to take such leases, as only hey have the strength of covenant required. One or two of the multiple brand chains have aken leases, but generally these will only be for large hotels in premium locations such as London tor tEdinburgh, twhere toccupancy tand thigh trates tare tguaranteed. t tThere tare accounting implications of fixed leases also, as they represent a financial commitment going forward, and this has also put hotel companies off this model.

More favoured by hotel companies are variable leases, made up of a combination of base rental and a share of turnover. t ome guarantees can be built into these arrangements, but should the market fall back, the risk and impact is shared by the developer/funder and the operator. Their responsiveness and flexibility accounts for their appeal to hotel companies. ertainly in previous recessionary climates, fixed leases have contributed to the downfall of hotel companies, as they became unable to meet their rental commitments when trading performance tfell tback. t tHowever, t here tis tevidence t hat t hese t urnover tleases tmake tit difficult to fund development because they don't give the same fixed income stream.

The differing objectives and requirements of developers/investors and operators has led to something tof tan timpasse tand tresulted tin tit tbeing tdifficult t o tget thotel tschemes toff t he ground. t tDuring tour tconsultations twith thotel tcompanies twe thave tcome tacross tnumerous schemes and sites that have stalled for this reason, with few hotel operators able or willing to do the sort of deal the funding institutions require.

The funding climate and the changes in the way that hotels are being delivered has had an impact ton t he tdevelopment tstrategies tof thotel tcompanies, twith tschemes tincreasingly developer and/or investor-led. Many hotel developers and operators have stopped having arget tlists tof tlocations twhere t hey twould tlike t o tbe, trather tconsidering tschemes ton tan individual basis, if they are live. Many are willing to respond to specific sites and schemes, and to work with a developer on sites and locations to determine the strength of the market and the most appropriate brand to consider. From a destination or landowner point of view, he response should be about making the case and evidencing the potential.

The difficulty in securing funding for hotel schemes has also led to other interventions being t used to secure hotel schemes. Local authorities have begun to provide funding to support t he tdevelopment tof thotels tas tpart tof tstrategically timportant tmixed-use tschemes tand t he t conversion of architecturally important buildings to hotels. tn Hampshire, Eastleigh Borough t ouncil thas tfunded t he tdevelopment tof ta tnew tHilton tas tpart tof t he tdevelopment tof t he t geas Bowl cricket ground on the edge of t outhampton. tn Newcastle the t ity t ouncil has t played a pivotal role in enabling t ilverlink to secure the funding package for phase 1 of the t ephenson Quarter through acquiring the site for staged buy-back. Travelodge has been t working with a number of local authorities nationally, where the t ouncil has invested in the t hotel; an example is the t edhill Travelodge and town centre mixed use scheme in t urrey. t HG have also worked on several projects involving t ouncil funding of hotels, most recently t for Holiday tnn and Holiday tnn Express hotels in t ockport and Blackpool. tn each case the t ouncil has funded, developed and owns the hotel – or bought it back off the developer – t and taken a franchise with tHG, with an option to put in place a management company. t

APPENDIX 10

HORSHAM DISTRICT - POTENTIAL TOURIST ACCOMMODATION PROJECTS - AS AT JULY 2016

Name Of Site	Location	Proposal	Source
Hotels - Horsham District			
outh Lodge Hotel	Lower Beeding	The hotel has planning permission for a spa facility and 6 eco lodge accommodation pods in the grounds. Work is due to start on the spa in utumn 2016, with a view to a 2018 opening. The eco lodges will be a longer-term project	Planning/ Hotel Manager urvey
mberley astle	mberley	The hotel is planning to refurbish the rest of its bedrooms	Hotel Manager urvey
Ghyll Manor	usper	The hotel will embark on a 3-year refurbishment programme from 2016	Hotel Manager urvey
linfold Park Golf lub	linfold	Extensions to the existing clubhouse to provide a 70-bedroom golf lodge, additional treatment rooms, function space, and golf academy - permission granted January 2016	Planning
Inns			
The Owl at Kingsfold	Kingsfold	onstruction of linked building to provide 8 let ing bedrooms and manager's accommodation – approved 2013	Planning
Kings Head	Billingshurst	enovation and alteration of existing public house and guest bedrooms and new extension o provide a restaurant/function room with 4 guest bedrooms above – providing 9 guest bedrooms in total – planning pending	Planning
Self-Catering			
Nightingale Hall Barn	Henfield	onvert builders store to holiday let – permission granted 2010	Planning

Name Of Site	Location	Proposal	Source
Merrion Lodge t	Partridge Green, t Horsham t	Erect holiday cot age – permission granted 2010 t	Planning t
Pond Farmhouse t	outhwater, t Horsham t	hange of use from garage to holiday let – t permission granted 2010 t	Planning t
iver t halet t	mberley, t rundel t	hange of use of granny annex to holiday let – t permission granted 2010 t	Planning t
Bryants Plat Farm t	hipley, Horsham t	onversion of outbuilding to holiday t accommodation – permission granted 2010 t t	Planning t
eam Barn t	mberley, t rundel t	onversion of outbuilding to holiday let – t permission granted 2011 t	Planning t
Winters Farm t	Hardham, t Pulborough t	onversion of farm outbuilding to holiday t accommodation – permission granted 2011 t	Planning t
Lancasters t	Henfield t	hange of use of ancillary accommodation to t holiday accommodation – permission granted t 2011 t	Planning t
Baldwins t	owfold, Horsham t	hange of use of ancillary building to holiday let t – permission granted 2012 t	Planning t
hampions Farm t	Thakeham, t Pulborough t	onversion of garage to holiday let – permission t granted 2012 t	Planning t
Oldfields t	Woodmancote, t Henfield t	onversion of barn to holiday let – permission t granted 2012 t	Planning t
outhborne t ourt t	opsale, Horsham t	hange of use of annexe to holiday let – t permission granted 2012 t	Planning t
Maple Farm t	Warnham, t Horsham t	onversion of coach house to holiday let – t permission granted 2012 t	Planning t
Lock Farm t ot ages t	Partridge Green, t Horsham t	hange of use of studio and garages to t garages and holiday accommodation – t permission granted 2012 t	Planning t
Eastfield Wood t	linfold t	Use of timber cabin as holiday accommodation t – permission granted 2012 t	Planning t
Danefold House t	Partridge Green, t Horsham t	onversion of stable to holiday let – permission t granted 2013 t	Planning t

Name Of Site	Location	Proposal	Source
Pot Hill House t	Dial Post, Horsham t	onversion of ancilliary building to holiday let – t permission granted 2013 t	Planning t
Lordings Farm t	Billingshurst t	onversion of cat le byres to holiday let – t permission granted 2013 t	Planning t
1 t ootham Brow t	orrington, t Pulborough t	hange of use from garage and workshop to t holiday let – permission granted 2013 t	Planning t
Broadmere Farm t	Henfield t	onversion of outbuilding to holiday let – t permission granted 2014 t t	Planning t
Freeland Farmhouse t	Bog t ommon, t Pulborough t	onversion of stable unit to holiday let – t permission granted 2014 t	Planning t
Grays Farm t	Henfield t	onversion of barn to holiday let – permission t granted 2014 t	Planning t
West Wantley t	orrington, t Pulborough t	Development of holiday let on site of stables t and dairy – permission granted 2014 t	Planning t
Grays Farm t	Henfield t	hange of use of annexe to holiday let – t permission granted 2014 t	Planning t
Fantasy House t	eyning t	lterations to form holiday let and office – t permission granted 2014 t	Planning t
Timbers t	mall Dole, t Henfield t	hange of use of ancillary accommodation to t holiday let and occasional B&B – permission t granted 2015 t	Planning t
The Barn, Two Woods Estate t	Pulborough t	hange of use of first floor of clubhouse to t holiday let – permission granted 2015 t	Planning t
West End House t	Henfield t	Extension and alterations to provide holiday let – t permission granted 2015 t	Planning t
udio 2, Park t d t	Henfield t	hange of use of office to holiday let – t permission granted 2015 t	Planning t
Birchwood t ot ages t	outhwater t	hange of use of barn to holiday t accommodation – permission granted 2015 t	Planning t
ammerham t ot ages t	usper t	Erection of log cabin for holiday let – permission t granted 2015 t t	Planning t

Name Of Site	Location	Proposal	Source
Holiday Lodge Complexes	t	t	t
The Orchard (Tabby t at) t	West Grinstead t	onstruction of 8 eco holiday lodges and a t campsite for 50 occupants, plus associated t washing facilities and ranger centre – permission t granted 2012 t	Planning t
Blacklands Farm t	Henfield t	Erection of 6 log cabins – permission granted t 2013 t	Planning t
Touring Caravan and Camping Sites			
Washington t aravan & t amping t Park t	Washington t	The site operator is considering plans to extend t he site into a second field for up to 40 tents, with t he development of a toilet and shower block. t He would also like to add further hard standing t pitches. t	Operator t urvey t
Fairoaks t amp t ite t	Wiston t	The site owner would like to develop a toilet and t shower block if he could secure planning t permission t	Operator t urvey t
Blacklands Farm t ampsite t	Henfield t	The site owner would like to expand the site and t introduce more hard standing pitches t	Operator t urvey t
Larkins Park t	Brook Green t	urrently applying for change of use to a t residential park home park t	Planning t
Holiday Parks			
Honeybridge Park t	Dial Post t	The park's owners would like to convert tent t pitches to increase the number of owned t caravan holiday homes. They would also like to t increase the number of hard standing pitches for t ouring caravans and motor homes in order to t help extend the season. t	Operator t urvey t

Name Of Site	Location	Proposal	Source
Glamping			
Two Woods Estate	Pulborough	Use of land for glamping – 5 safari tents, 5 shepherd's huts, shower block and parking – permission granted 2015	Planning
umners Ponds	Barns Green	ntroduction of 4 luxury shepherd's huts – 2016. The site owners would also like to further develop he site's glamping operations in order to help extend the season.	Operator urvey
Bat and Ball	Billingshurst	ntroduction of 2 shepherd's huts to provide additional accommodation capacity at the pub - 2016	nternet esearch
Group & Youth Accommodation			
Lodge Hill entre	Watersfield	The centre has a Vision Plan that includes relocation of offices and a kitchen to provide additional accommodation capacity, together with improvements to disabled access and facilities.	Operator urvey

APPENDIX 11

HORSHAM HOTEL DEVELOPER TESTING – SAMPLING & RESPONSE

HOTEL COMPANY	RESPONSE	INTEREST	BRAND	STANDARD
ccor t	Y t	Y t	bis t	Budget t
Bespoke t	Y t	Y t	Bespoke t	Boutique t
Beyonder/t O t	t	t	t	t
Bridge t reet t	t	t	t	t
athedral Hotels t	t	t	t	t
Fullers t	Y t	t	t	t
Greene King t	Y t	Y t	Greene King tnns t	Budget t
Hall & Woodhouse t	t	t	t	t
Hilton t	Y t	Y t	Hampton by Hilton t Hilton Garden tnn t	Upper tier budget t 3 star t
HG t	Y t	Y t	Express by Holiday tnn t	Upper tier budget t
Limewood Group t	Y t	N t	The Pig t	Boutique tnn t
Moxy t	Y t	N t	Moxy t	Budget boutique t
Nicholas James t Group t	t	t	t	t
Premier tnn t	Y t	Y t	Premier tnn t	Budget t
Taylor Walker t	t	t	t	t
Travelodge t	Y t	N t	Travelodge t	Budget t
Village t	t	t	t	t

t

APPENDIX 12

PUBLIC SECTOR FUNDING OF HOTEL DEVELOPMENT SCHEMES IN THE UK

1. Introduction

Public tsector tfunding tin tone tform tor tother tis tincreasingly tbeing tused t o tsupport thotel t development schemes across the UK in terms of: t

- Tax allowances for the conversion of redundant office buildings to hotels; t
- Local authority borrowing at preferential rates; t
- Growth fund grants; t
- Heritage grants for the conversion of historic buildings to hotels; t
- Local authority freehold purchase of a building for hotel conversion; t
- The contribution of local authority owned land or properties for hotel development; t
- Local authority partnerships with universities. t

uch public sector investment in hotel schemes is being justified in terms of: t

- Finding a new use for a redundant building; t
- Enabling a strategically important hotel that cannot secure bank finance to proceed; t
- Kick tstarting tand tenabling tkey tregeneration tschemes t hat tinclude ta thotel tas ta t component; t
- Generating an income stream for a local authority at no cost to the tax payer; t
- Helping to boost tourism growth; t
- Job creation. t

Examples of these types of public sector funding of hotel projects are given in the following t paragraphs. t

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2. Business Premises Renovation Allowance (BPRA)

The tBusiness tPremises t enovation t llowance t(BPt) tscheme twas tintroduced tunder t he t Finance t ct 2005 t o bring redundant offices and business premises in disadvantaged areas t hat have been unused for at least a year back into use. The scheme gives an investor a tax t allowance tof t100% ton texpenditure tincurred tin t he tconversion tand trenovation tof tunused t business premises. The scheme runs until 31 March 2017 for t orporate Tax and 5 t pril 2017 for t ncome Tax. t

t

Hotel BPt structures typically involve investors obtaining BPt by investing either via a form t of trust or via a special purpose vehicle – which can take the form of a limited partnership or t limited tliability tpartnership tdepending ton t he tdetails tof t he tspecific t ransaction tand/or t jurisdiction. The partnership may own both the hotel and the hotel operating company. The t operating company is able to enlist the services of a specialist hotel operator or alternatively t he hotel may be leased to a hotel company. t

t

n overview of how a hotel BPt scheme is structured and operated is give below. Models t seen to date involve buying an office block in a city centre and converting it to a hotel. The t numbers can look something like this: t

ost of office building: t	£2m t
ost of renovation: t t	£10m t
Total expenditure:	**£12m**

t tis t he trenovation tcost tof t£10m t hat tat racts t he tBPt . t t ypical tscheme twill tinvolve ta t combination of investors' monies and bank finance along the following lines: t

nvestor capital: t t	£6m t
Bank finance: t t	£6m t
Total capital:	**£12m**

nd therefore as far as the qualifying tax relief is concerned the numbers in this example work t out as follows: t

Qualifying expenditure: t	£10m t
Tax rebate for 45% taxpayers:	**£4.5m**

Producing a final net position of: t

nvestors' contribution: t	£6m t
nvestors' tax rebate: t	(£4.5m) t
Net cash invested:	**£1.5m**