

ARUN DISTRICT COUNCIL

REPORT TO AND DECISION OF PLANNING POLICY COMMITTEE ON 7 JUNE 2021

SUBJECT: Arun Local Plan Update – Tourism Hospitality & Visitor Economy Study

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PORTFOLIO AREA: Planning

EXECUTIVE SUMMARY:

A review of Arun’s visitor economy has been undertaken with the objective being to provide a review of the provision of tourism infrastructure across the Arun District planning area alongside an assessment of future demand. This includes to how the sector might grow together with the spatial implications of this growth, to support emerging planning policy in the new Local Plan.

Whilst this study has been commissioned for planning purposes, its outputs are far-reaching and need to be shared with a wider audience in order to maximise the up-take of the opportunities identified.

This report provides a summary of the study and seeks endorsement for both it and the proposed recommendations/actions that the council may wish to take forward.

RECOMMENDATIONS:

That the Committee agrees the following: -

1. The Tourism Hospitality & Visitor Economy Study forms part of the evidence base for the Local Plan Update and is published on the Council’s evidence web pages;
2. That the Council takes ‘pro active’ approach (as set out in section 1.7 bullet 4) to bring forward tourist accommodation development through working with stakeholders to identify suitable sites opportunities, including examining the Council’s own estate;
3. The Council supports the future provision of a new large scale holiday site either through an allocation in the Local Plan Update, or through the use of an appropriately worded policy;
4. The Council will support policies within the Local Plan update that encourage the forms and range of hotel and visitor accommodation identified under section 1.10 of this report; and

5. The Study be referred to the Economy Committee to consider and agree appropriate economic recommendations.

1. BACKGROUND:

1.1 A review of Arun's visitor economy has been undertaken with the objective being to provide a review of the provision of tourism infrastructure across the Arun District planning area, alongside an assessment of future demand, and from this to identify how the sector might grow together with the spatial implications of this growth, to support emerging planning policy in the new Local Plan.

1.2 The approach to the study has involved an initial analysis of current demand and supply as a baseline, followed by an assessment of future demand through identifying drivers to growth locally, trends in the market nationally, and the ambitions for expansion and new development from existing operators, as well as those looking to be represented in the study area. Information was identified from a number of sources including engagement and consultation across public and private sectors.

1.3 Tourism is identified within the study as being an important sector of Arun's economy, making a significant contribution to employment and spending in the area. It is identified that Arun has 4m visitors, which amounts to £221m of direct spend and supporting 4,360 FTE jobs. Staying visitors contribute much more of this spend (£116m from 0.61m staying visitors) compared to £105m from 3.43m day visitors. Two thirds of staying visitors are on holiday, and a further third are visiting friends and relatives. Business tourism represents only 5% of staying visitors. The study also identifies that there is a very seasonal market.

1.4 Key Points of the Study

1.5 A number of key points have been identified by the study, including the following:

- Overcoming seasonality through broadening markets and products, and focusing on longer stays (particularly staying visitors), provides an opportunity to further boost the contribution this sector makes and the benefits it brings.
- Arun has no clear brand proposition, with a diverse offer focused around heritage, traditional seaside holidays, nature and outdoor activities giving it potential for broad appeal that can be enhanced by working with linked offers Sussex-wide.
- Whilst there is a significant supply of visitor economy infrastructure (239 accommodation establishments offering over 16,000 bedspaces, and 344 other visitor economy linked businesses), there are signs of a need for quality improvement in some of the supply.
- There are indications of gaps in supply with shortages of accommodation being widely felt amongst stakeholders, particularly in the peak season. This includes both basic branded stock such as budget hotels, but also more innovative offers such as glamping, eco lodges and accommodation with a 'wow' factor.
- Similarly, gaps were also identified in terms of a more diverse food and drink offer, walking and cycling infrastructure, as well as other outdoor activities such as water sports (areas of growth in the market that Arun could benefit from).

- There are clear opportunities for the sector to attract new markets, and there are ambitions within the sector to grow, and to expand the offer physically, from the addition of serviced and non-serviced accommodation to existing accommodation sites and attractions, to new cafes, bars and artisan food offers, and more facilities for outdoor activity markets.
- Wider destination development remains an important backcloth to what the private sector may deliver, so the regeneration work of the Council, the focus on public realm, the seafront, transport improvements and other infrastructure remain critically important to set the scene for investment.
- There is a distinct sustainability thread to emerging Council policy that chimes well with where the market is moving, and the visitor economy can reflect eco-friendly principles in the design of visitor accommodation which if sufficiently innovative can be a draw to the market itself.
- Arun's visitor economy sector seems to be bouncing back from Covid, with market and product development trends (many of which have been accelerated by Covid), presenting opportunities to attract new markets and diversify the area's product offer whilst reducing seasonality through broadening market appeal.
- It is positive to note that the report identified that there are strong levels of potential interest from national hotel and visitor accommodation developers, operators and brand owners in being represented in Arun, some of which could deliver developments of scale with significant economic benefits.
- The main obstacles to bringing development forward are identified as funding, planning and site availability. Therefore, a positive planning framework and the availability and deliverability of suitable sites are key to securing their investment.
- The Council has adopted a new Vision which includes a focus on developing Arun as a key tourist destination, encouraging the development of more visitor accommodation to secure more staying visits and associated economic benefit. There are some major regeneration projects happening that present opportunities to improve the infrastructure and environment of Arun as a destination as well as presenting opportunities to deliver new hotels and visitor accommodation.
- There is a need for an updated and refreshed visitor economy strategy or Destination Management Plan for Arun. This strategy should help and direct the sector to move forward in an integrated way, with clear target markets and a product development strategy and action plan to meet the needs of these target markets. An accommodation development-led strategy would ensure Arun gains maximum benefit from the opportunity for growth in visitor activity and captures associated spend. A sustainability focus to this strategy would also help deliver some of the Council's wider objectives around climate change.

Recommended Actions of the Study

- 1.6 The report proposes several actions for the Council to consider, the most important one is for the Council (as a whole, with various department working collectively) to firm up its position on the role it might play in responding to the opportunities identified – from 'laissez-faire' to a more pro-active and planned approach, to help secure delivery.
- 1.7 The following actions are recommended for both the Planning and Economic Regeneration Departments:

- Improving the text supporting the Local Plan tourism policy, related to the sense of the market opportunities identified in this study and the sorts of development that the Council would like to see based on this evidence (see study paragraph 6.1.4), including emphasising and developing the sustainable tourism product (e.g. green design). Such improvements can be made when the Council resumes the review of the Local Plan.
- Consider allocating one or more sites for larger scale visitor accommodation development, such as a holiday lodge park. The allocation of one or more sites may be considered as part of the review of the Local Plan, with further evidence prepared to support such an approach if required. This element will also require an ongoing dialogue with potential operators.
- Produce or commission a refreshed 'Visitor Economy Strategy' or 'Destination Management Plan'. This work may be progressed in the coming year by Regeneration and Economic Development Officers.
- Take a more 'hands on' (pro-active) approach to steering, directing and bringing forward development, working closely with interested developers and helping to identify suitable sites with planning potential, including those owned by the Council and key stakeholders such as the County Council. The soft market testing undertaken as part of this study has essentially 'warmed up' interest from national hotel and visitor accommodation developers and operators, in being represented in Arun. It is recommended that the Council should take advantage of this and take a pro-active role in furthering this interest. Whilst this would require input from a number of departments across the Council including regeneration, planning policy, Development Management (DM), Estates etc. it could help to deliver major regeneration schemes. Such an approach would help the Council to deliver its vision, especially the theme of 'Fulfilling Arun's economic potential'. The main aim related to this theme being to 'Encourage the development of the district as a key tourist destination, supporting and enabling improvements and activities to increase visitor spend'. It is therefore, recommended that this approach and proposed actions be followed by all those departments identified.
- The Council could decide to be an active partner in delivering visitor accommodation. There could be scope for the Council to partner with one or more developer/operators that has expressed interest – through contributing land to a joint venture, or potentially to be the investor in a scheme. The study has found examples of local authorities also beginning to invest in other forms of accommodation – Bournemouth Christchurch & Poole have developed beach huts with sleeping accommodation and are apparently about to develop some beachfront apartments and a restaurant. In doing so they are generating an income from the asset but also helping develop the destination's infrastructure in key locations.
- Continue to invest in public realm, the seafront, and in key infrastructure that can help create the right climate for investment by private sector accommodation developers, but also support them, for example the proposed cycle route between Littlehampton and Arundel. This action is already being extensively undertaken by Economic Regeneration Officers, as currently evidence through the extensive works underway in Littlehampton.

Recommended Planning Approach

- 1.8 Whilst it is positive to note that the study makes a number of recommendations that the council could take with regard to tourist and visitor accommodation, it should also be noted that the main obstacles to bringing development forward are identified as funding, planning and site availability. Therefore, a positive planning framework and the availability of suitable sites are identified as being key to securing their investment.
- 1.9 Whilst the main recommendations for further action are largely related to Economic Regeneration (with input from other departments) – see bullet points 3 - 6 of paragraph 1.7 above, it is clear that the issue of additional tourist accommodation requires further consideration from a planning perspective.
- 1.10 The study identifies that there is a strong interest from accommodation providers in providing new and/or improved accommodation provision within the district. Any such development would help attract a broader range of visitors thereby enhancing the district's overall appeal and competitiveness. It is recommended that the Council take advantage of the interest generated through the production of this study to work closely with relevant hotel and tourist accommodation providers to assist in the development of further accommodation. In particular, having reviewed the national and local picture of demand, and advised by providers operating within Arun, it is likely that:-

Hotels

- There is interest for a hotel accommodation in Bognor Regis 60 – 150 rooms;
- There is interest for a hotel accommodation in Littlehampton 60 – 100 rooms;
- There is interest for a hotel accommodation in Arundel 80 – 150 rooms;

Budget hotels

- There is interest for a budget hotel in Bognor Regis which has 80 rooms; and
- There is interest for a budget hotel in Littlehampton that has 60-80 rooms;

Boutique Hotels

- There is interest for a small boutique or country house hotel in Arun that has 30-40 rooms;
- There is interest for an aparthotel (i.e. serviced apartment complex) in Arun that has 60-70 rooms;

Leisure Hotels

- There is interest for Walking/cycling Hotel that has 70+ rooms;
- There is interest for Pub accommodation that has 30+ rooms;

Caravan and Camping

- There is interest for 120 pitch caravan/motorhome pitches/20 pod/lodges site in Bognor Regis and Littlehampton;

Eco-sustainable Wellness niche

- There is interest for Sustainable eco-lodge and nature-based resorts – eco-cabin 6-8 units including smaller 10- 40 units and larger 100-200 units;
- There is interest for treehouse resort 7-10 units and wellness resort 20-30 units;

Lodge style development

- There is interest for at least a lodge style development of 120-200 units in Bognor Regis with leisure facilities or 40-50 lodges without leisure facilities;
- There is also interest for at least a lodge style development of 120-200 units in Littlehampton with leisure facilities or 40-50 lodges without leisure facilities.

A more detailed table is provided in section 6.2 of the study.

1.11 It is also clear that based on the development interest identified in the study that the Council should consider allocating one or more sites for larger scale visitor accommodation development, such as a holiday lodge park through its Local Plan update. However, it should be noted that the study does not specifically identify sites worthy of allocation or further consideration as the intention was to focus on identifying potential future opportunities for visitor accommodation development in the district based on the range of information including feedback from stakeholders and tourism sector consultees and evidence from previous studies and strategies on current shortages of visitor accommodation. The findings combine to give conclusions on the likely future market opportunities for and operator and developer interest in hotel and visitor accommodation development in Arun, as opposed to potential sites.

1.12 Therefore the issue of potentially allocating a site for tourist accommodation would have to be subject to further dialogue with the relevant companies (who would need to prove confirmation of their continued interest in providing such a site in the LPAA), along with further work to understand the suitability and availability of suitable land to accommodate such a use. If these issues can be adequately dealt with, it is suggested that the Council make provision for such a site in the Local Plan update.

1.13 If the Committee is supportive, the Local Plan update should consider how best to identify an appropriate site for larger scale visitor accommodation development. There are two options for doing this:

- Option 1: Allocate sites for new tourist accommodation
- Option 2: Produce an updated policy which would be supportive of a new site for tourist accommodation

Option 1: Allocate a site for new tourist accommodation

1.14 The first option is for a specific site to be allocated within the Local Plan Update. Allocating a site would mean specifically identifying a parcel of land where new tourist accommodation would be permitted. This would require a specific area to be identified on the policies map and a new policy prepared. This policy would be similar to those currently prepared for both the housing and employment allocations in the Arun Local Plan 2018.

1.15 Whilst such an approach is a positive one in that it provides certainty for both a accommodation provider, there would have to be certainty that the allocation would be delivered, that it would be viable, and that all of the associated infrastructure had been considered, assessed and dealt with i.e. water, sewerage, transport etc. As a result, this option would require further work by officers working with the relevant accommodation providers as well as key stakeholders. Further evidence will also have to be prepared to support such an approach, which would have cost implications for the Council. Furthermore, this approach would mean that new tourist accommodation could only be built in the identified locations, and would not be permissible in other locations (as it would be contrary to the development plan).

Option 2: Produce an updated policy which would be supportive of a new site for tourist accommodation

1.16 The alternative option is to produce an updated tourist policy as part of the Local Plan Update. This could be in the form of a criteria-based policy which would identify a set of criteria whereby new larger scale tourist accommodation could be acceptable.

1.17 Whilst this could provide a more flexible approach that would allow new tourist accommodation to come forward in any location within the LPAA, given the right circumstances, it should be noted that the existing policy is already considered to be positively written in terms of allowing development in the countryside by the consultant who prepared this study.

Conclusions

1.18 Whilst this study has been commissioned for planning purposes, its outputs are much more far-reaching and involve a wider audience in order to maximise up-take of the opportunities identified.

1.19 Overall, this review has a very positive story to tell of opportunity for visitor economy sector growth, the attraction of a broader market and the development of a diversified offer, all of which with the right frameworks in place can play an important part in helping deliver the Council's vision for Arun going forward.

1.20 The Committee should conclude whether, based on the recommendation of the study on the overall approach, the Council would support the provision of a new large scale holiday site in the district.

2. PROPOSAL(S):

That the Tourism Hospitality & Visitor Economy Study forms part of the evidence base for the Local Plan update and is published on the Council's evidence web pages.

3. OPTIONS:

The following options are available to Members:

1. To accept the recommendations;
2. Not to accept the recommendations.

4. CONSULTATION:		
Has consultation been undertaken with:	YES	NO
Relevant Town/Parish Council		x
Relevant District Ward Councillors		x
Other groups/persons (please specify)		x
5. ARE THERE ANY IMPLICATIONS IN RELATION TO THE FOLLOWING COUNCIL POLICIES: (Explain in more detail at 6 below)		
Financial	x	
Legal	x	
Human Rights/Equality Impact Assessment		x
Community Safety including Section 17 of Crime & Disorder Act		x
Sustainability	x	
Asset Management/Property/Land		x
Technology		x
Other (please explain)		x
6. IMPLICATIONS:		
<p>The commissioning of evidence to support the Local Plan update will help to deliver a 'sound' Local Plan which will aid local decision making and ensure that development is sustainable and meets the Council's aspirations, including securing the steps necessary to address the Climate Change Emergency and promote the economy of the district. The commissioning of evidence has a financial impact on the authority however, this has been budgeted for.</p>		

7. REASON FOR THE DECISION:

The report is to keep the Committee informed on the progress on commissioning work to support the update of the Arun Local Plan 2018 and to understand the approach to identifying provision for hotel and visitor accommodation needs as well as a suitable site for a larger tourist accommodation development.

8. BACKGROUND PAPERS:

Background paper 1: Tourism Hospitality & Visitor Economy Study
[Leisure, recreation and culture - planning policy | Arun District Council](#)

