

COMMITTEE	CABINET
DATE	14 September 2016
SUBJECT	Tourist Accommodation Retention Supplementary Planning Document
REPORT OF	Director of Regeneration & Planning

Ward(s)	Devonshire, Meads
Purpose	For Members to approve the proposed Tourist Accommodation Retention Supplementary Planning Document (SPD) for publication for a 6 week period to receive representations in preparation for formal adoption by Full Council.
Contact	Matt Hitchen, Senior Strategy & Commissioning Officer (Planning Policy) 1 Grove Road, Eastbourne Tel no: (01323) 415253 E-mail: matt.hitchen@eastbourne.gov.uk
Recommendations	<ol style="list-style-type: none">1. To approve the Tourist Accommodation Retention SPD for publication for a 6 week consultation period to receive representations and comments.2. To delegate authority to the Director of Regeneration and Planning in consultation with the Lead Cabinet Member to make minor amendments before the commencement of the representation period.

1.0 Introduction

- 1.1 Eastbourne Borough Council is preparing a Tourist Accommodation Retention Supplementary Planning Document (SPD) to update the planning policy position in relation to tourist accommodation as a result of changes in visitor behaviour and attitudes in recent years. The new planning policy position will help the tourist accommodation stock remain fit for purpose and meet the requirements of current and future visitors.
- 1.2 The formulation of new planning policy can only take place through a Local Plan. As the next Local Plan is not due to be adopted until 2020, it is not possible to create a new policy for Tourist Accommodation at this time. However, the production of a new Supplementary Planning Document allows a new interpretation of the existing policy, which will allow a new policy

position to be provided.

- 1.3 A Supplementary Planning Document (SPD) is a planning policy document that builds upon and provides more detailed advice or guidance on the policies in a Local Plan. SPDs are material planning considerations in the determination of planning applications.
- 1.4 The Tourist Accommodation Retention SPD has been developed in consultation with Local Plan Steering Group and the Eastbourne Hospitality Association, and now needs to be published for public consultation before it can be adopted and used to assist in the determination of planning applications.

2.0 Background

- 2.1 Eastbourne is one of the largest providers of tourist accommodation in the South East outside London, and has the 26th highest supply of hotel rooms in the country. Eastbourne has a significant stock of tourist accommodation, including 46 hotels, 60 guesthouses and 144 self-catering units, amounting to approximately 3,500 bedrooms. Over 90% of Eastbourne's hotels and guesthouses/B&Bs are located within the area along the seafront defined as the Tourist Accommodation Area.
- 2.2 The majority of the rooms (81%) are located within hotels. Although there is one 5-star and two 4-star hotels in Eastbourne, the majority of supply is concentrated towards the lower end of the market in the three-star, two-star and budget categories.
- 2.3 Since 2008, there has been a change in tourist behaviour and trends, with a focus on multiple breaks for shorter durations, and increasing expectations of quality of accommodation. This has led to a decrease in the proportion of trips to seaside destinations, as the tourist accommodation in these locations is often not up to the quality and standard that modern-day visitors expect.
- 2.4 The Tourist Accommodation Study (2015) considers that Eastbourne has an oversupply of lower quality accommodation, particularly that which previously catered for the coaching market. This oversupply means that average occupancy levels fall as the lower quality accommodation reduce their prices to attract custom, which in turn means other providers need to reconsider their pricing. This ultimately drives down the average room rate and occupancy levels, particularly during the low season, and means that owners are unable to continue to invest in the maintenance and upkeep of the property resulting in a downward spiral of poorer quality stock.
- 2.5 This has implications on how visitors perceive Eastbourne in terms of the quality of their visit and the likelihood of them returning or providing recommendations. It also impacts on how hotel investors perceive

Eastbourne, which restricts the ability of the town to diversify the tourist accommodation offer to attract a broader range of visitors to Eastbourne thereby enhancing the destination's overall competitiveness.

- 2.6 The conclusion of the Tourist Accommodation Study is that there is a need to rebalance and diversify the supply of tourist accommodation with future emphasis on quality rather than quantity. This will allow Eastbourne's tourist accommodation to develop more organically and in turn appeal to and attract new markets.

3.0 Planning Policy Context

- 3.1 The existing policies on tourist accommodation are contained within the Eastbourne Core Strategy 2006-2027 (adopted 2013), the Eastbourne Borough Plan 2001-2011 (adopted 2003) and a Supplementary Planning Guidance (SPG)¹, adopted in 2004, which sets out how the Borough Plan policies should be interpreted.
- 3.2 The current position is that the Borough Plan designates an area known as the Tourist Accommodation Area, which represents what is considered to be the area where visitors would most expect to find visitor accommodation. The Tourist Accommodation Area is the area where the needs of tourists should prevail when considering development. At present, the majority of Eastbourne's tourist accommodation stock is concentrated within the Tourist Accommodation Area.
- 3.3 Within the Tourist Accommodation Area, applications that would result in the loss of tourist accommodation would only be permitted if it can be demonstrated that the tourist accommodation is unviable. The SPG provides details on what evidence needs to be submitted to demonstrate that it is unviable.
- 3.4 The way that the existing SPG interprets the Borough Plan policy is very restrictive and makes it difficult for lower quality stock in areas that are located in streets away the seafront to change use in order to allow them to exit the market.
- 3.5 A rebalancing of the supply requires a more flexible approach to managing the tourist accommodation. In order to allow the gradual reduction of poor quality stock in more secondary locations and help stimulate investment in better quality accommodation, appealing to a broader range of visitors, a change of policy approach is required.
- 3.6 However, due to the current stage of formulation of the Local Plan, it will not be possible to introduce a new policy under at least 2020. Therefore, the

¹ Assessment of Financial Viability of Tourist Accommodation Supplementary Planning Guidance (2004)

production of a new SPD will allow the existing Borough Plan policy to be interpreted differently to allow this change of approach to take place.

4.0 Issues

4.1 There are a number of issues that the new policy approach through the SPD needs to address. These have been taken into account through the drafting of the new SPD.

4.2 Retaining an appropriate amount of accommodation

It is essential that Eastbourne retains sufficient bedspaces to form a critical mass of accommodation that maintains the town's reputation as a tourist destination.

4.3 Rebalancing the tourist accommodation stock to meet market demands

There is a need to rebalance the supply, with future emphasis on quality rather than quantity, which can be achieved through a reduction in accommodation stock of lower quality in more secondary areas. This will help stimulate investment in better quality accommodation and develop more organically and in turn appeal to and attract new markets.

4.4 Protecting the character of the seafront

The importance of hotels along the seafront is crucial to the character and appearance, and also these locations are where tourist accommodation will be most viable due to the sea views.

4.5 Clear and consistent policy

The SPD needs to be easily understood and applied consistently, but also allow for an element of sensitivity in order to reflect changing circumstances.

4.6 Encourage owners to run their businesses appropriately

If hoteliers think they can make money by selling their property for residential conversion, they may purposely run down the business. The SPD needs to discourage such actions.

5.0 Change in Policy Approach

5.1 The basis for the change in approach is that it should be easier for lower quality tourist accommodation in less prominent locations to demonstrate that the continuing use as tourist accommodation is not viable, allowing them to receive permission for change of use. The gradual reduction of this lower quality accommodation from the supply will allow diversification in the product, increasing quality and making Eastbourne more resilient to changing market conditions.

- 5.2 As the Borough Plan policy cannot be changed, the Tourist Accommodation Area remains. However, to facilitate the rebalancing of the tourist accommodation stock, the SPD proposes to split the Tourist Accommodation Area into a Primary Sector and a Secondary Sector.
- 5.3 The Primary Sector comprises the prime locations on the seafront with unobstructed sea views. Within these areas, significant amounts of evidence will be required to demonstrate that the continuing use of land as tourist accommodation is not viable, as these prime locations are where tourist accommodation should be most viable.
- 5.4 The Secondary Sector comprises the locations behind the seafront that do not have views of the sea or face onto gardens/squares. It is in these Secondary locations where there is a large concentration of lower quality accommodation that is struggling to compete, and this is where there should be a gradual reduction of poor quality stock, which in turn should help stimulate investment in better quality accommodation appealing to a broader range of visitors. Within these areas, the SPD will allow additional flexibility, with less onerous evidence requirements to justify a change of use, and more options in terms of partial conversion.
- 5.5 It is estimated that the Primary Sector contains 60 hotels and guesthouses, equating to approximately 2,600 rooms. The Secondary sector contains 25 hotels and guesthouses, equating to approximately 500 rooms.

6.0 Assessment of Viability of Tourist Accommodation

- 6.1 The SPD sets out the criteria against which an application for the loss of tourist accommodation will be assessed, in order to demonstrate whether or not the continuing use of the land as tourist accommodation is viable and economically sustainable. The SPD sets different criteria in the Primary and Secondary Sectors, in order to allow additional flexibility for tourist accommodation in the Secondary areas.
- 6.2 It is envisaged that a technical advisory group could be formed to assist the assessment of an application against the criteria in the SPD, with the group looking at whether sufficient evidence has been provided at the pre-application stage.
- 6.3 Primary Sector
- 6.3.1 Within the Primary Sector, applications for the loss of tourist accommodation will have to submit evidence to demonstrate compliance with a two-stage test.
- 6.3.2 The first stage involves an application needing to demonstrate that the existing use of the tourist accommodation is not viable. In order to do this,

an applicant will have to submit evidence to demonstrate the following:

- There is no interest in the tourist accommodation business being bought as a going concern;
- The tourism accommodation business has been run in a reasonable and professional manner, and a serious and sustained effort has been made to save the business;
- The physical condition and cost of repair of the building would be prohibitive to running a viable business; and
- The running costs of the business cannot be covered.

6.3.3 Details of the evidence required to be submitted in order to allow this to be assessed is set out in the SPD.

6.3.4 Once the first stage has been satisfied, the second stage applies. The second stage of the test is the consideration of other tourist accommodation uses. Firstly, the applicant could consider partial conversion to unserviced accommodation (e.g. holiday flats), and then full conversion to unserviced accommodation, and then partial conversion to residential, before a complete loss of tourist accommodation can be justified.

6.4 Secondary Sector

6.4.1 Within the Secondary Sector, proposals for partial or full conversion to unserviced accommodation, or partial conversion to residential, will be supported. This is because it will reduce the number of rooms whilst enabling investment in the remaining serviced accommodation, enhancing the quality of the accommodation. This will be secured by a Section 106 legal agreement.

6.4.2 Proposals for the complete loss of tourist accommodation will need to submit evidence to demonstrate the following:

- There is no interest in the tourist accommodation business being bought as a going concern;
- The tourism accommodation business has been run in a reasonable and professional manner; and
- The running costs of the business cannot be covered.

6.4.3 The evidence required to be submitted in order to allow this to be assessed is set out in the SPD.

7.0 **Consultation**

7.1 The Draft Tourist Accommodation Retention SPD has been informed by a Tourist Accommodation Study, produced in 2015 by consultants Acorn Tourism Consulting Ltd. It has also been influenced by consultation responses

received on the Seafront Local Plan Issues and Options Report, as well as through thorough discussions with the Eastbourne Hospitality Association.

- 7.2 On 10 August 2016, the Local Plan Steering Group endorsed and gave authority to take the Tourist Accommodation Retention SPD to Cabinet for authority to publish for consultation.
- 7.3 The Tourist Accommodation Retention SPD, if approved by Cabinet, will be subject to a 6 week consultation period between 23 September and 4 November 2016 to allow stakeholders and the local community to comment and make representations.
- 7.4 The consultation will be made available online allowing representations to be made electronically via the Council's online consultation portal. The consultation procedure will be in compliance with the Statement of Community Involvement. Comments may also be submitted by email or post.

8.0 Next Steps

- 8.1 Following the consultation period, a summary of representations will be prepared and a revised Tourist Accommodation Retention SPD will be presented to Local Plan Steering Group for endorsement, followed by submission to Cabinet and then Full Council for approval and adoption in February 2017.

9.0 Implications

9.1 Legal Implications

- 9.1.1 The Tourist Accommodation Retention SPD has been prepared in order to comply with Regulation 13 of the Town & Country Planning (Local Planning) (England) Regulations 2012, and with regard to the requirements of the National Planning Policy Framework.
- 9.1.2 Regulation 12 requires that before the SPD is adopted, a statement setting out details of those consulted when preparing the SPD, together with a summary of the main issues raised, must be prepared. Any relevant issues raised during the consultation will need to be addressed in the SPD.

9.2 Financial Implications

- 9.2.1 There are no financial implications to the Council as a direct result of this report. The cost of the consultation and publication of the Tourist Accommodation Retention SPD will be met from within the service budget.

9.3 Human Resource Implications

9.3.1 Officers in the Regeneration & Planning Policy team will manage the consultation arrangements for the Tourist Accommodation Retention SPD and the collection and processing of representations received.

9.4 Equalities and Fairness Implications

9.4.1 An Equalities and Fairness Impact Assessment has been undertaken and the assessment demonstrates that the Tourist Accommodation Retention SPD was unlikely to have any significant impact on equalities and fairness.

10.0 Conclusion

10.1 In order to progress the Tourist Accommodation Retention SPD towards adoption, Cabinet are requested to approve the Tourist Accommodation Retention SPD for consultation between 23 September and 4 November 2016.

10.2 Following consultation, it is anticipated that a further report will be submitted to Cabinet in the New Year when the Tourist Accommodation Retention SPD is put forward to Full Council for adoption.

Background Papers:

- Draft Tourist Accommodation Retention Supplementary Planning Document (EBC, August 2016)
- Tourist Accommodation Retention SPD Sustainability Appraisal Screening Report (EBC, August 2016)
- Tourist Accommodation Retention SPD Statement of Consultation (EBC, August 2016)
- Eastbourne Core Strategy Local Plan 2006-2027 (EBC, 2013)
- Eastbourne Borough Plan 2001-2011 (EBC, 2003)
- Tourist Accommodation Study (Acorn Tourism Consulting Ltd, 2015)
- Here to Stay: Tourist Accommodation Retention & Loss - Guidance for Local Authorities on the Development of Planning Policy (Tourism South East, 2006)
- National Planning Policy Framework (DCLG, 2012)

To inspect or obtain copies of the background paper, please refer to the contact officer listed above.

Appendix 1 – Draft Tourist Accommodation Retention SPD