

# TOURIST ACCOMMODATION RETENTION

## Supplementary Planning Document



**Draft for Consultation**



**September 2016**

**EASTBOURNE**  
Borough Council



[www.eastbourne.gov.uk](http://www.eastbourne.gov.uk)

# **TOURIST ACCOMMODATION RETENTION Supplementary Planning Document (SPD)**

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The Tourist Accommodation Retention SPD is published for a 6 week consultation period between 23 September and 4 November 2016.

The document can be view and downloaded, and representations can be made via the on-line consultation portal at: [www.eastbourne.gov.uk/spd](http://www.eastbourne.gov.uk/spd)

# Tourist Accommodation Retention Supplementary Planning Document

## Table of Contents

<b>1.0 Introduction</b> .....	<b>1</b>
Status of Supplementary Planning Document .....	2
Consultation .....	2
<b>2.0 Background and Context</b> .....	<b>4</b>
Background.....	4
Context .....	5
Definition of Tourist Accommodation .....	5
Issues .....	6
<b>3.0 Planning Policy Context</b> .....	<b>9</b>
<b>4.0 Tourist Accommodation Area</b> .....	<b>11</b>
<b>5.0 Assessment of Viability</b> .....	<b>14</b>
Proposals within the Primary Sector of the Tourist Accommodation Area .....	16
Proposals within the Secondary Sector of the Tourist Accommodation Area .....	21
<b>Appendices</b> .....	<b>24</b>
Appendix 1: Glossary.....	24
Appendix 2: Adopted planning policies relating to tourist accommodation.....	26
Appendix 3: Tourist Accommodation Area .....	28



## 1.0 Introduction

- 1.1 Tourism is crucial to Eastbourne's economy. In 2014, over 5 million people visited Eastbourne, contributing nearly £380 million to the local economy with 20% of all jobs in Eastbourne being supported by tourism-related spending. A significant proportion of this income is generated through overnight visitors staying in the town's hotels, guesthouses and holiday flats. In order for Eastbourne to continue to thrive as a tourist destination there needs to be an appropriate supply of accommodation to cater for visitors.
- 1.2 Since the current planning policies relating to tourist accommodation were adopted, there have been significant changes in the tourism market, and particularly shifts in the behaviours and attitudes of tourists to the types of holiday, the destinations they visit and the type of accommodation that they want stay in.
- 1.3 It is crucial that the accommodation stock remains fit for purpose and meets the requirements of current and future visitors to the area in terms of quality, type and quantity. To assist in this endeavour, Eastbourne Borough Council is preparing a Tourist Accommodation Retention Supplementary Planning Document to update the interpretation of existing planning policies relating to tourist accommodation in light of changes in the tourism market and the expectations of overnight visitors.
- 1.4 This SPD is aimed at prospective applicants for planning permission to redevelop or change the use of hotels, guest houses and unserviced tourist accommodation that are located within the defined Tourist Accommodation Area. It sets out additional information on how planning policies relating to Tourist Accommodation will be implemented, and what is required in order to satisfy the policy and the reasons why such information is sought.
- 1.5 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. The purpose of a SPD is to help applicants make successful applications<sup>1</sup>.

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<sup>1</sup> National Planning Policy Framework, para 153

## Status of Supplementary Planning Document

- 1.6 This draft Tourist Accommodation Retention SPD has been prepared for consultation with the local community and other stakeholders.
- 1.7 Once adopted, the Tourist Accommodation Retention SPD will be a material consideration in the determination of planning applications. It will then supersede the *Assessment of Financial Viability of Tourist Accommodation Supplementary Planning Guidance*, which was adopted 2004.
- 1.8 This SPD will provide policy advice on applications relating to the retention of tourist accommodation until new policies are adopted as part of the new Eastbourne Local Plan. This is likely to be adopted in 2020.

## Consultation

- 1.9 This 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 thorough discussions with the Eastbourne Hospitality Association.
- 1.10 The Draft Tourist Accommodation Retention SPD will be subject to consultation with key stakeholders including tourist accommodation providers, the local community and other interested parties between Friday 23<sup>rd</sup> September and Friday 4<sup>th</sup> November 2016.
- 1.11 The SPD can be viewed and commented on via the Council's on-line consultation portal, which can be accessed via the Eastbourne Borough Council website ([www.eastbourne.gov.uk/spd](http://www.eastbourne.gov.uk/spd)). Representations can also be submitted by email or via post.

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- 1.12 Following the 6 week consultation period, the Council will consider and summarise the representations received, and these will be an important source of information that will be used to refine the SPD in preparing the final



version. This will be formally adopted by the Council and used to assist in the evaluation of planning applications.

## 2.0 Background and Context

### Background

- 2.1 Eastbourne is one of the largest providers of tourist accommodation in the South East outside London, and has the 26<sup>th</sup> highest supply of hotel rooms in the country. However it is important that a seaside resort like Eastbourne has the right quality and quantity of tourist accommodation because if this is not right, visitors are unlikely to return.
- 2.2 In 2014, around 707,000 visitors stayed overnight in Eastbourne, staying for an average of just under three nights each. The majority of overnight stays were from domestic visitors (92%). Overnight visitors spent £167.8 million in Eastbourne, equating to approximately £237 each. This compares to approximately £29 each for day trippers. This demonstrates how important overnight stays and tourist accommodation is for the local economy.
- 2.3 Eastbourne has approximately 250 accommodation establishments (including hotels, guest houses, Bed & Breakfast and self-catering lets) with a total of around 3,500 rooms. 63% of Eastbourne's hotels are independent establishments, which is second only to Blackpool across the country.
- 2.4 In Eastbourne, a number of hotels are located immediately adjacent to the seafront, with the areas immediately behind the seafront being a mixture of residential and tourist accommodation. Many of the properties in this area were initially built as residential properties, which means that there is pressure to convert the buildings used as tourist accommodation back into residential. It is important to recognise that in such areas, residential and tourism uses can co-exist and that one use does not necessarily have to dominate.
- 2.5 Visitor Research conducted in 2012 indicated that accommodation usage in Eastbourne varies significantly by trip type and age of visitor. Hotels are more popular for those on a repeat visit, for couples, and older visitors, whilst B&B establishments have greater appeal amongst first time visitors, especially the under 35s.
- 2.6 The Tourist Accommodation Study identifies that there has been a notable change in holiday behaviour amongst British residents since 2008, with the 'staycation' phenomenon emerging in response to the economic recession. However, trends are showing that consumers are increasingly enjoying taking multiple trips throughout the year rather than waiting for a single 'big'



holiday. This has resulted in the average stay becoming shorter, with the average domestic holiday-taker being older and more affluent.

- 2.7 Overall, the volume of holiday trips to seaside destinations has declined over recent years, and for the first time has been overtaken by trips to city destinations, which have been increasing along with rural breaks. The decline in seaside trips can be explained by the fact that, although seaside resorts have under-utilised capacity and readily available tourism infrastructure, it is often not up to the quality and standard that modern-day visitors expect.

### Context

- 2.8 The current policy position relating to the retention of Tourist Accommodation is defined in the Eastbourne Borough Plan 2001-2011, which was adopted in 2003. This 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. 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.
- 2.9 A Local Plan review is currently taking place, and this will allow new planning policies relating to tourist accommodation to be put in place. However it is unlikely that this will be adopted until around 2020.
- 2.10 Therefore, this SPD will provide direction on how the existing policy should be interpreted and implemented in light of changes in the tourism market and current trends. The success of this SPD will influence the creation of new policies for tourist accommodation for the new Eastbourne Local Plan.

### Definition of Tourist Accommodation

- 2.11 For planning purposes, tourist accommodation is not precisely defined. However, in Eastbourne for the purposes of this policy, Tourist Accommodation is defined as:

*An establishment that has a room, or rooms, to rent for a fixed period generally no greater than three months. This accommodation is not the renter's primary residence and the renter generally contributes to the revenue of the town, is not registered to vote in the town and is not a burden on local social services.*

## Issues

### *Retaining an appropriate amount of accommodation*

- 2.12 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. More important though is that the tourist accommodation stock remains fit for purpose and meets the requirements of current and future visitors to the town.
- 2.13 In addition, within the Tourist Accommodation Area, the availability of sites for hotel development is very limited, and there is pressure from competing higher value uses, particularly residential. As such, hotel sites relinquished to other uses are unlikely to be replaced by new hotel development. It is therefore important that viable hotels are retained to provide opportunities for new entrants to the tourist accommodation market that offer differentiated and distinct products that would enhance the destination's overall competitiveness.

### *Rebalancing the tourist accommodation stock to meet market demands*

- 2.14 Eastbourne has a large concentration of smaller independent two and three-star hotels, a significant proportion of which previously catered for the coaching market. Consequently, some of the smaller independent hotels towards the lower end of the quality spectrum are increasingly struggling to compete as they cannot offer the quality of accommodation that visitors expect.
- 2.15 In order to compete in a difficult and challenging market, these establishments often lower their prices to attract custom. This drives other accommodation providers 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 accommodation.
- 2.16 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, and also on how investors perceive Eastbourne. This restricts the ability of the town to diversify the tourist accommodation offer attract a broader range of visitors to Eastbourne thereby enhancing the destination's overall competitiveness.


- 2.17 It is therefore considered that a reduction in this accommodation stock is required to ensure that it should help stimulate investment in better quality accommodation appealing to a broader range of visitors.
- 2.18 Therefore, there needs to be a rebalancing of the tourist accommodation supply with future emphasis on quality rather than quantity. This can be achieved by allowing obsolete accommodation in secondary locations to exit the market, thereby allowing average room rates to increase and a tourist accommodation provider to invest in increasing the quality of their offer. This in turn will allow Eastbourne's tourist accommodation to develop more organically and in turn appeal to and attract new markets.

#### *Protecting the character of the seafront*

- 2.19 The hotels fronting the seafront, from the Western Lawns down to Treasure Island, gives the seafront a locally significant character that makes a particular contribution to the town as a destination.
- 2.20 The importance of well-maintained hotel façades is crucial to the character and appearance of the seafront, and also these locations are where tourist accommodation will be most viable due to the sea views.
- 2.21 The provision of Houses in Multiple Occupancy (HMOs) is a significant threat to the attractiveness of the seafront. The presence of HMOs in the prime tourist areas does not portray a positive image of the destination, and could adversely impact the visitor experience. Therefore Borough Plan Policy HO14, which restricts Houses in Multiple Occupation being created from tourist accommodation within the Tourist Accommodation Area, should still be applied. Eastbourne Borough Council will be developing a policy to manage HMOs throughout the rest of the town through the new Local Plan.

#### *A clear and consistent policy*

- 2.22 In order for the SPD to be effective, it needs to be easily understood and applied consistently.
- 2.23 Policies also need to allow for an element of sensitivity as to how they are implemented in order to reflect changing circumstances. It is important that planning policy does not seek to attempt to perpetuate outdated forms of tourist accommodation for which there is no longer a market.

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- 2.24 It is also important that there is regular monitoring of changes in occupancy levels and room rates in order to understand how successful the policy is. This would also create a robust evidence base against which to compare the performance of an individual accommodation establishment.

*Encourage owners to run their businesses appropriately*

- 2.25 The SPD should make a distinction between those establishments that are no longer viable, and those that have not been run and managed effectively.
- 2.26 The increasing demands for housing puts pressure on lower value uses to convert, meaning that a hotel could be worth significantly more than its business value if it becomes available for residential development. This could tempt some hotel owners to seek to sell for residential conversion instead of selling the hotel as a going concern. This does not necessarily mean that such hotels are no longer commercially viable or would not find buyers if they were put onto the market as tourist accommodation.
- 2.27 Providing a strong policy that provides clarity in terms of what should or should not be submitted to accompany an application will remove unrealistic expectations and provide encouragement to operators to make a success of their businesses. It will also assist in requiring that the premises are marketed at more realistic prices that would allow the purchase of a going concern.

### 3.0 Planning Policy Context


- 3.1 The National Planning Policy Framework (NPPF) defines tourism development (including theatres, museums, galleries and concert halls, hotels and conference facilities) as a main town centre use.
- 3.2 One of the core planning principles of the NPPF is a requirement to proactively drive and support sustainable economic development. The NPPF requires local planning authorities to plan proactively to meet the development needs of business and support an economy fit for the 21st century.
- 3.3 This SPD will provide additional detail on the interpretation of the following adopted local planning policies:
- Eastbourne Borough Plan Policy TO1: Tourist Accommodation Area
  - Eastbourne Borough Plan Policy TO2: Retention of Tourist Accommodation
  - Core Strategy Policy D3: Tourism and Culture
- 3.4 The full wording of the policies is contained within Appendix 2.
- 3.5 The policies relevant to this SPD are summarised below:

#### *Eastbourne Borough Plan Policy TO1: Tourist Accommodation Area*

- 3.5.1 Policy TO1: Tourist Accommodation Area designates an area along the Seafront as the Tourist Accommodation Area. The policy states that within this area, applications for proposals that are incompatible with tourist accommodation use should be refused.

#### *Eastbourne Borough Plan Policy TO2: Retention of Tourist Accommodation*

- 3.5.2 Policy TO2: Retention of Tourist Accommodation identifies that within the Tourist Accommodation Area, applications for the redevelopment or change of use of tourist accommodation to any other use will be refused.
- 3.5.3 The policy does provide exceptional circumstances for when permission will be granted for other uses, but this is dependent on the applicant demonstrating that the continuing use of land as tourist accommodation is not viable. The policy sets out the factors that will be taken into account in the determination of viability.



*Core Strategy Policy D3: Tourism and Culture*


3.5.4 Policy D3: Tourism & Culture recognises the importance of the entertainment, cultural and sports facilities to the economic prosperity of Eastbourne, and supports the preservation and enhancement of these through a number of measures including resisting the loss of visitor accommodation through the retention of a tourist accommodation area and protection policy.

3.6 Other extant policies will continue to be used to determine relevant applications including:

- Borough Plan Policy TO3: Tourist Accommodation Outside the Designated Area;
- Borough Plan Policy TO4: Improvements to Existing Accommodation;
- Borough Plan Policy TO5: New Tourist Accommodation;
- Borough Plan Policy TO9: Commercial Uses on the Seafront; and
- Borough Plan Policy HO14: Houses in Multiple Occupation.

## 4.0 Tourist Accommodation Area

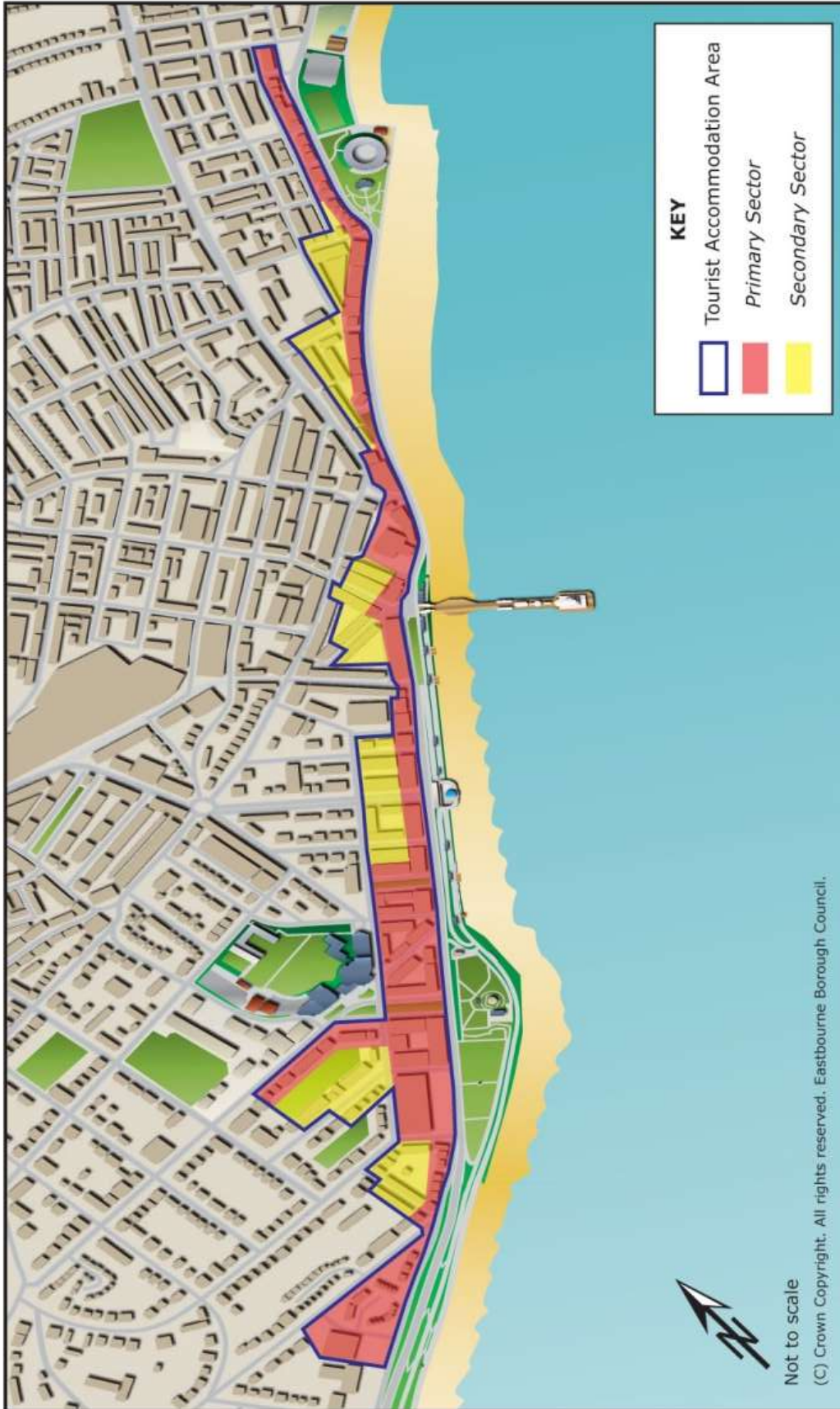
- 4.1 The Tourist Accommodation Area is defined by Eastbourne Borough Plan Policy TO1: Tourist Accommodation Area. It encompasses an area where it is considered that visitors would most expect to find tourist accommodation, and where it is appropriate that the needs of tourists should prevail in considering other developments.
- 4.2 At present, the majority of tourist accommodation stock is concentrated within the Tourist Accommodation Area. Whilst a seafront location with unobstructed sea views is a prime location, it is felt that some of the areas behind the seafront that do not have views of the sea or front onto gardens/squares do not have the same locational quality. It is in these 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 that will not be fit-for-purpose in the medium to long term, which in turn should help stimulate investment in better quality accommodation appealing to a broader range of visitors.
- 4.3 In order to ensure that that tourist accommodation that is within the prime and most popular areas is retained, and poor quality stock in less prominent locations can be reduced over time, it is considered that the Tourist Accommodation Area should be divided into Primary and Secondary Sectors.
- 4.4 The Primary and Secondary Sectors of the Tourist Accommodation Area have been identified in consultation with the Eastbourne Hospitality Association. The Sectors are identified in Figure 1, and a more detailed plan is provided in Appendix 3.
- 4.5 The Primary Sector encompasses the parade immediately adjacent to the Seafront from the Hydro Hotel in the west to the junction with Carlton Road in the east, as well as the area between Howard Square and Wilmington Square and adjacent to the Congress Theatre.
- 4.6 The Secondary Sector includes the areas behind the seafront, including Jevington Gardens, Compton Street, Elms Avenue, Marine Road and Cambridge Road.
- 4.7 The identification of Primary and Secondary Sectors of the Tourist Accommodation Area recognises that the location of the premises has



changed since its adoption, which is one of the criteria needed to demonstrate compliance with the policy.

- 4.8 Despite the identification of Primary and Secondary Sectors within the Tourist Accommodation Area, the Tourist Accommodation Area will still remain, and where the Tourist Accommodation Area is referred to in other policies, it is the full area that will be relevant.
- 4.9 This means that under Borough Plan Policy HO14, a change of use to a House in Multiple Occupation will not be permitted, even if a tourist accommodation establishment can demonstrate that it is no longer viable under the criteria set out in this SPD.





**Figure 1 – Diagram showing Tourist Accommodation Area and Primary and Secondary Sectors**

## 5.0 Assessment of Viability

- 5.1 When assessing a proposal for the change of use or redevelopment of tourist accommodation, the key consideration is whether or not the continuing use of the land as tourist accommodation is viable and economically sustainable.
- 5.2 An application for change of use concerns the premises rather than the owner. In order to demonstrate viability and establish whether a tourist accommodation premises has any prospect of continuing as tourist accommodation, evidence will be required to demonstrate that the premises are not economically viable in their current use, and are incapable of being made viable in its current use.
- 5.3 If tourist accommodation is assessed as being viable, or capable of being viable, then this will indicate the potential to meet current and future demand for visitors, resulting in a direct economic benefit from income and employment generation, and indirect benefit from visitors spending money on goods and services within the town. In contrast, where tourist accommodation is shown to be unviable, and with no potential of becoming viable, it clearly will not provide a useful contribution and therefore its loss will cause no harm.
- 5.4 This SPD sets out the criteria that should be taken into account in assessing the viability or potential viability of tourist accommodation. Any application should provide evidence to show how the relevant criteria have been met, or include a reasoned justification as to why the information cannot be supplied. Applications that provide inadequate or insufficient information, or do not provide a reasoned justification as to why information cannot be supplied, will be refused.
- 5.5 It is envisaged that a consultative group could be formed to assess the calibre of the application and whether or not the criteria have been met. It will be strongly recommended that any applicant should engage with this group before submission of an application. Any recommendation made by the consultative group will be a material consideration in the determination of the application.
- 5.6 The criteria and evidence required will differ between the Primary and Secondary Sectors, so to reflect that fact that that nature of the Tourist Accommodation Area has changed since it was designated. The SPD sets the principle that a lower level of evidence is needed in the Secondary Sector to

demonstrate that tourist accommodation is unviable. However this does not necessarily mean that proposals for the loss of tourist accommodation in the Secondary Sector will automatically be granted planning permission. Similarly, proposals for loss of tourist accommodation within the Primary Sector will not automatically be refused planning permission. Applications will be assessed against the criteria set out in this SPD using the evidence submitted as part of the application in accordance with the requirements of the SPD.

- 5.7 It should be noted that within both Sectors, the key indicator of an establishment's viability will be its market value, which should take into account its trading potential. The market for tourist accommodation has been fairly active over recent years from a property transaction perspective, and therefore viable tourist accommodation is likely to be in demand. This should be tested by the establishment being put on the market at a price that reflects its use as tourist accommodation, for a period appropriate to the area within which it is located. The lack of interest in premises that have been marketed for a value that reflects a potential residential use will not be considered to have satisfied the marketing test.
- 5.8 It is important to ensure that any previous tourism related planning approval has been given a reasonable time to become commercially established, and any claims that these changes are no longer financially viable must show the relationship between the original business planning and the current situation.
- 5.9 It is recognised that within the Tourist Accommodation Area, and particularly the Secondary Sector, a number of tourist accommodation establishments will be run as 'lifestyle businesses'. A 'lifestyle business' is a mixture of home and business, set up with the aim of achieving a sustainable level of income. Commercial viability arguments are more difficult for 'lifestyle businesses' due to businesses being a blend of home plus income.
- 5.10 It is considered that an appropriate threshold for 'lifestyle businesses' is 15 bedrooms. Establishments that are over 15 rooms are less likely to be run as 'lifestyle businesses' and would be expected to operate in a more commercial manner. Therefore such businesses would be expected to have business plans and marketing tools that would not necessarily be available to 'lifestyle businesses'. Therefore the council will apply additional flexibility when examining evidence provided by a "lifestyle business.

Proposals within the Primary Sector of the Tourist Accommodation Area

5.11 There is a **two-stage process** for assessing proposals for the partial or complete loss of tourist accommodation within the Primary Sector of the Tourist Accommodation Area. Any application for the loss of tourist accommodation within the Primary Sector will be required to:

**STAGE 1** – Meet criteria demonstrating that the existing tourist accommodation is not viable through the submission of specified evidence.

**STAGE 2** – Consider the implementation of other tourist accommodation uses through a sequential approach to alternative uses.

***Stage 1 - Demonstrating that continuing the existing tourist accommodation within the Primary Sector of the Tourist Accommodation Area is not viable***

5.12 In order to demonstrate that continuing the existing tourist accommodation use within the Primary Sector of the Tourist Accommodation Area is not viable, proposals for the complete or partial loss of tourist accommodation should satisfy the following criteria:

**Criteria A** - There is no interest in the tourist accommodation business being bought as a going concern;

**Criteria B** – 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;

**Criteria C** – The physical condition and cost of repair of the building would be prohibitive to running a viable business; and

**Criteria D** – The running costs of the business cannot be covered.

5.13 Any application promoting the loss of tourist accommodation would need to be accompanied by evidence in order for that application to be fully assessed against the criteria set out above. Evidence should be submitted against the following:

*Criteria A - There is no interest in the tourist accommodation business being bought as a going concern*

(A1) Evidence that the Tourist Accommodation establishment has been on the market at a price that reflects its tourist accommodation use and condition for reasonable period (which the Council would expect to be a period of a

minimum of **2 years**). The type of material that should be submitted to satisfy this includes:

- Details of the agent used to market the business for sale, including whether they have any local or specialist expertise, and evidence of active marketing;
- Where and when the site was advertised, including copies of advertising material, sale particulars, website entries, brochures, etc.;
- Details of responses received, what interest has been shown and why any offers have been rejected (if known);
- Details of the agreed sale price, including any reductions made in asking price during the course of marketing.

*Criteria B - 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*

(B1) Evidence of occupancy and room rates for comparison with competitors, including:

- Number of trading weeks per year over the last 3 years
- Total number of available room nights per year over the last 3 years
- Details of occupancy per trading week over the last 3 years
- Average room rate for each trading week over the last 3 years
- RevPAR for each trading week over the last 3 years

(B2) Owner's Personal Statement, outlining the following areas:

- Length of ownership
- Their personal background before running the business
- Their explanation as to why they believe the business is not sustainable
- An outline of what they believe they have done to make the business viable (which will be further expanded on by reference to the evidence referred to in the following sections)
- Reference to be made to online reviews – positive and negative. If negative an indication of how issues have been addressed and if they cannot be – why not?
- An indication of the change in business trends they have witnessed and how they have tried to adapt the business to follow those trends or explain why they could not.
- Any anecdotal information they have from neighbouring businesses that affirms the personal statement.

- (B3) Evidence of marketing and business promotion, including but not limited to:
- Engagement with Eastbourne Borough Council's Tourism Department (or a statement indicating why assistance was not sought)
  - Evidence of marketing activity over last 12 months
  - Evidence of regularly updated website for the establishment
  - Evidence of the establishment being placed with Online Travel Agents (OTAs)
  - Evidence of how social media has been used to promote business (or why social media was not appropriate to the business model)
  - Copies of brochures, adverts and entries in accommodation guides
  - A plan for marketing activity over the next 12 months
- (B4) Evidence of annual business plan, including financial budget and sales/marketing strategy (for 'lifestyle businesses' where establishments are under 15 rooms it is accepted that business plans may not be available).

*Criteria C - The physical condition and cost of repair of the building would be prohibitive to running a viable business*

- (C1) Evidence from a surveyors report prepared by a suitably qualified person that details the physical condition of the building, including cost of repairs, and the age and condition of the building and length of time in tourism use
- (C2) Evidence of investment on refurbishment and maintenance to the property for each year over the last 5 years

*Criteria D - The running costs of the business cannot be covered*

- (D1) Evidence of costs of running the business, including:
- Profit and Loss Accounts covering the previous three years
  - Net income from rooms
  - Net income from food and beverages
  - Any other net income generated from the business
  - Trading profit before interest, tax, depreciation and amortisation
  - Breakdown of annual running costs for the business over the last 3 years including: commissions, wages, utilities, rates, food, beverage, additional guest services, administration costs, laundry, insurance, business to customer marketing, bank interest/charges, staff training and any other operating costs

- Number of people employed including applicant and applicants family split full time and part time

***Stage 2 – Consider the implementation of other tourist accommodation uses through a sequential approach to alternative uses***

- 5.14 Where it can be demonstrated that the existing tourist accommodation use is unviable through Stage 1, consideration should be given to retaining an element of tourist accommodation use. The retention of an element of tourist accommodation use should be considered on a sequential basis, as identified below and should be evidenced within the application:
- (a) partial conversion to unserviced accommodation with a clear link in terms of the ownership of the serviced and non-serviced accommodation;
  - (b) full conversion to unserviced accommodation;
  - (c) partial conversion to non-tourism uses that would be compatible with the Tourist Accommodation Area (including residential) where there is an agreement to invest in the remaining tourist accommodation.
- 5.15 The sequential approach means that criterion (a) should be met before criterion (b) is considered, and so on. Only where it can be demonstrated that all criteria are satisfied and there is no potential for conversion to other tourist uses will a complete loss of tourist accommodation be a possibility.
- 5.16 Applications for the partial loss of tourist accommodation should satisfy all criteria in Stage 1, and the criteria in Stage 2 that is ahead of the proposal in the sequential process. Applications that include unserviced accommodation should take into account considerations for unserviced accommodation outlined in paras 5.21 and 5.22.
- 5.17 To ensure that any unserviced tourist accommodation created is used for tourist accommodation purposes only, or to ensure investment in remaining tourist accommodation as a result of partial conversion to non-tourism related uses, the Council will look to secure this by use of a condition on the planning permission or through a Section 106 legal agreement<sup>2</sup>.

<sup>2</sup> Section 106 (S106) Agreements are legal agreements between Local Authorities and developers linked to a planning permission, made under section 106 of the Town and Country Planning Act 1990 (as amended).

5.18 In order to demonstrate that alternative tourist accommodation uses have been considered, the following should be submitted but not limited to:

*Criteria E*

- (E1) Evidence from independent experts that tourism alternative uses have been fully considered, including justification to clearly explain why other tourism accommodation uses are not viable, based on a sequential approach to alternative uses:
- a. partial conversion to unserviced accommodation
  - b. full conversion to unserviced accommodation
  - c. partial conversion to non-tourism uses (including residential) where there is an agreement to invest in the remaining tourist accommodation.

5.19 The evidence from independent experts that is needed to meet these requirements could be in the form of a specialist viability report, or it could be evidence from a number of different specialists in a report compiled by the applicant.

*Establishments with no trading history*

5.20 Where no trading history for the tourist accommodation establishment exists, applicants should submit evidence under (A1), (C1), (C2) and (E1), alongside a forward business plan with cash flow projections, including information required to secure a bank loan/financial investment, with a clear demonstration that an attempt has been made to implement it.

*Conversion to unserviced accommodation*

5.21 Where partial or complete conversion to unserviced accommodation is proposed within the Primary Sector of the Tourist Accommodation Area, the unserviced accommodation must aspire to be high end holiday flats, and should be designed and sited so as to maximise the on-going attractiveness of the holiday flats to visitors to ensure that it is viable. Therefore, proposals should include details of how holiday flats will be accessed, designing out shared accesses and corridors with residential units, and evidence of a business plan to show that the business can be operated as sustainable tourist accommodation.

5.22 In light of this, evidence should be provided to demonstrate that the following have been considered:



- Providing a separate entrance from any tourist accommodation or residential uses.
- Designing internal layouts to cluster holiday flats together for ease of management and minimise potential noise impacts and conflicts with other uses
- Ensuring that main bedspaces are located within bedrooms and not within lounges or other non-bedroom spaces, although sofa beds would be permitted to maximise occupancy potential;
- Ensuring that holiday flats have all of the facilities that would be required by a visitor, ensuring that holiday flats meet the requirements for Visit Britain/AA self-catering accommodation standards.

### Proposals within the Secondary Sector of the Tourist Accommodation Area

#### *Proposals for partial loss of tourist accommodation*

5.23 Within the Secondary Sector, proposals for partial or full conversion of serviced accommodation to unserviced accommodation will be supported where the principles identified in paras 5.21 and 5.22 are taken into consideration.

5.24 In addition, proposals for part conversion to other uses that are compatible with the Tourist Accommodation Area will be supported if investment is made in improving the remaining tourist accommodation. This will be secured by a Section 106 legal agreement.

#### *Proposals for complete loss of tourist accommodation*

5.25 In order to demonstrate that continuing the tourist accommodation use within the Secondary Sector of the Tourist Accommodation Area is not viable, all proposals for the complete loss of tourist accommodation will be required to satisfy the following criteria:

**Criteria F** – There is no interest in the tourist accommodation business being bought as a going concern;

**Criteria G** – The tourism accommodation business has been run in a reasonable and professional manner; and

**Criteria H** – The running costs of the business cannot be covered.

5.26 In order to allow a proposal for the loss of tourist accommodation to be assessed against the criteria set out above, evidence should be submitted against the following:

*Criteria F – There is no interest in the tourist accommodation business being bought as a going concern*

- (F1) Evidence that the Tourist Accommodation establishment has been on the market at a price that reflects its tourist accommodation use and condition for reasonable period (which the Council would expect to be a period of a minimum of **1 year**). The type of material that should be submitted to satisfy this includes:
- Details of the agent used to market the business for sale, including whether they have any local or specialist expertise, and evidence of active marketing;
  - Where and when the site was advertised, including copies of advertising material, sale particulars, website entries, brochures, etc.;
  - Details of responses received, what interest has been shown and why any offers have been rejected (if known);
  - Details of the agreed sale price, including any reductions made in asking price during the course of marketing.

*Criteria G – The tourism accommodation business has been run in a reasonable and professional manner*

- (G1) Evidence of occupancy and rooms rates for comparison with competitors, including:
- Number of trading weeks per year over the last 3 years
  - Total number of available room nights per year over the last 3 years
  - Details of occupancy per trading week over the last 3 years
  - Average room rate for each trading week over the last 3 years
  - RevPAR for each trading week over the last 3 years
- (G2) Evidence of efforts to sustain the business, including
- Engagement with Eastbourne Borough Council's Tourism Department (or a statement indicating why assistance was not sought)
  - Evidence of marketing activity over last 12 months

Tourist accommodation establishments within the Secondary Sector with 15 bedrooms or more should also provide the following evidence:

- (G3) Evidence of annual business plan, including financial budget and sale and marketing strategy

*Criteria H – The running costs of the business cannot be covered*

- (H1) Evidence of costs of running the business, including:
  - o Profit and Loss Accounts covering the previous three years

## Appendices

### Appendix 1: Glossary

**Core Strategy** – Adopted in 2013, this Local Plan sets out the long term strategic planning vision for Eastbourne to 2027.

**Day-trippers** – a visitor who visits for the day and spends the night elsewhere.

**Development Plan** - A set of documents, comprising the Eastbourne Borough Plan 2001-2011 saved policies, the Eastbourne Core Strategy Local Plan 2006-2027, the Eastbourne Town Centre Local Plan 2006-2027, and the East Sussex Waste and Minerals Plans.

**Eastbourne Borough Plan 2001-2011** – Adopted in 2003, contains policies mainly related to development management. The policies were saved indefinitely in 2007, although some have since been deleted as a result of the adoption of other Local Plans.

**Eastbourne Local Plan** – Currently under production, the Eastbourne Local Plan will replace all existing adopted planning policies. It is anticipated that the Eastbourne Local Plan will be adopted in 2020.

**Local Plan** - The plan for the future development of the local area, drawn up by the local planning authority in consultation with the community. In law this is described as the development plan documents adopted under the Planning and Compulsory Purchase Act 2004.

**Online Travel Agency (OTA)** – An Online Travel Agency is a website that allows booking of hotel rooms, holiday packages, etc. Tourist Accommodation providers can advertise their product with OTA and customers can book rooms via the OTA website, with the OTA taking a commission.

**RevPAR** – Revenue per available room is a performance measure used by the tourist accommodation industry and is calculated by dividing total room revenue by the number of rooms available (or multiplying the average daily room rate by the occupancy rate).

**Section 106 Agreement** - Section 106 (S106) Agreements are legal agreements between Local Authorities and developers linked to a planning permission, made under section 106 of the Town and Country Planning Act 1990 (as amended).

**Tourism** - The World Tourism Organisation's definition of tourism is: 'a social, cultural and economic phenomenon which entails the movement of people to countries or places outside their usual environment for personal or business/professional purposes'.

**Tourist Accommodation** - an establishment that has a room, or rooms, to rent for a fixed period generally no greater than three months. This accommodation is not the renter's primary residence and the renter generally contributes to the revenue of the town, is not registered to vote in the town and is not a burden on local social services.

**Tourist Accommodation Study** - A study undertaken by Acorn Tourism Consulting Ltd in 2015 on behalf of Eastbourne Borough Council to better understand the up to date position in relation to the amount of tourist accommodation in the town, the need to retain existing accommodation and the need for new or improved accommodation in the town.

## Appendix 2: Adopted planning policies relating to tourist accommodation

### *Borough Plan TO1: Tourist Accommodation Area*

#### Policy TO1: Tourist Accommodation Area

Within the tourist accommodation area, shown on the Proposals Map, planning permission will be refused for proposals which are incompatible with the tourist accommodation use.

In considering proposals for development within this area regard will be made to the different lifestyles and special requirements of tourists. This consideration will include the following:

- a) the effect on residential and visual amenity (see Policies HO20 and UHT4);
- b) the likely hours of operation;
- c) safety and security implications.

### *Borough Plan TO2: Retention of Tourist Accommodation*

#### Policy TO2: Retention of Tourist Accommodation

Within the tourist accommodation area identified on the Proposals Map planning permission will not be granted for the redevelopment or change of use of tourist accommodation to any other use. In this Policy "tourist accommodation" means serviced tourist accommodation (Class C1 use) and unserviced tourist accommodation.

Only in exceptional circumstances will planning permission be granted for any other use. This means that the applicant must demonstrate that the continuing use of land as tourist accommodation is not viable.

In determining viability the following factors will be taken into account:

- a) the location of the premises;
- b) the physical condition and cost of repair of the premises;
- c) the potential for refurbishment, including the cost of works;
- d) the potential for conversion to other tourist uses, including the cost of works;
- e) the market valuation of the property reflecting the above factors;
- f) whether the direct costs of running the business can be covered; and
- g) whether a commercial rate of return on investment can be achieved.

However, factor g) above will be excluded from the viability analysis in all instances where the operator has private accommodation on the premises comprising at least 10% of the building (defined in terms of the proportion of the total habitable floor area, excluding hallways and landings).

*Borough Plan HO14: Houses in Multiple Occupation.***Policy HO14: Houses in Multiple Occupation**

Planning permission will be granted for the establishment and retention of Houses in Multiple Occupation (HMOs) provided they comply with residential, visual and environmental amenity considerations set-out in Policies HO20, UHT4 and NE28.

HMOs will not be permitted in the tourist accommodation area defined in Policy TO1.

*Core Strategy Policy D3: Tourism and Culture***Policy D3: Tourism and Culture**

The importance of the entertainment, cultural and sports facilities to the economic prosperity of Eastbourne is recognised. The Council will support the preservation and enhancement of these through the following measures:

- Resist the loss of visitor accommodation through the retention of a tourist accommodation area and protection policy;
- Support the appropriate upgrading of existing hotels and holiday accommodation to provide improved facilities for visitors as well as supporting proposals for additional accommodation in the sustainable centres;
- Support new entertainment, cultural and sporting facilities in Eastbourne, where appropriate
- Recognise the value of the South Downs National Park as a visitor and recreation asset and work with the Park Authority, to protect the area from development which would damage or adversely affect its character and/or appearance;
- Support the retention and enhancement of the entertainment, cultural and sports facilities in Eastbourne through development management measures resisting changes which would lead to a downgrading in the town's cultural integrity and/or appearance;
- Prepare a strategy for the future of the seafront area through the production of a Seafront Area Action Plan; and
- Promote the development of the Wish Tower restaurant to provide an enhanced asset for the benefit of residents and visitors.

### Appendix 3: Tourist Accommodation Area

