

# D2N2 VISITOR ACCOMMODATION STRATEGY

## Executive Summary

Prepared for  
D2N2 Visitor Economy Advisory Group

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## **Introduction**

The visitor accommodation sector is a major contributor to the D2N2 economy and is of vital importance for future tourism growth and employment creation. There are over 2,000 visitor accommodation businesses successfully operating across Derbyshire and Nottinghamshire, with over 70,000 letting bedspaces, capable of providing accommodation for almost 26 million overnight stays per year. This includes hotels, inns and pub accommodation businesses, guest houses and B&Bs, holiday cottages, holiday lodge parks, holiday parks, touring caravan and camping sites, glamping sites, youth hostels, outdoor education centres, and the Center Parcs Sherwood Forest holiday village.

The Visitor Economy Review and Investment Study completed for D2N2 LEP in May 2014 identified a need for investment to increase and improve visitor accommodation provision across Derbyshire and Nottinghamshire as a key requirement for realising the growth potential of the D2N2 visitor economy. The D2N2 Visitor Economy Advisory Group (VEAG) thus commissioned Hotel Solutions in 2016 to produce a Visitor Accommodation Strategy to provide a robust assessment of the future opportunities for visitor accommodation development across Derbyshire and Nottinghamshire, and the requirements for public sector intervention to support and accelerate visitor accommodation development. The study has involved an analysis of current visitor accommodation supply, performance and market demand across the D2N2 area; an assessment of the likelihood of future growth in demand for accommodation and what will drive this; a review of national accommodation development trends; an audit of current accommodation development proposals and assessment of potential accommodation development sites; the testing of hotel and visitor accommodation developer and operator interest in Derbyshire and Nottinghamshire; and widespread stakeholder consultations. The detailed findings are presented in the main study report and supporting technical appendices.

Utilising the study findings, the D2N2 Visitor Accommodation Development Acceleration Plan has been designed as a framework for acting on the study conclusions and recommendations. It sets out the required public sector actions over the next 3 years (2017-2019) to accelerate the sector's development.

## How Derbyshire and Nottinghamshire Compare

Compared to other parts of England, Derbyshire and Nottinghamshire are lagging behind other destinations in terms of the development of branded boutique, budget boutique and lifestyle hotels in Nottingham and Derby; luxury and boutique country house hotels; market town boutique hotels; boutique inns, B&Bs and holiday cottages; and glamping provision - but are ahead of the competition in terms of 'super' cottages in the Derbyshire Peak District that can cater for large groups, high quality caravan and camping sites, holiday lodge parks, and youth hostels and outdoor education centres in the Derbyshire Peak District. Nottinghamshire also has major visitor accommodation assets in the Center Parcs Sherwood Forest holiday village and Warner Leisure Hotels' Thoresby Hall Hotel.

## The Opportunities for Hotel & Visitor Accommodation Development

The detailed analysis of hotel and visitor accommodation development opportunities across Derbyshire and Nottinghamshire is set out in the D2N2 Visitor Accommodation Strategy report. In summary, the research findings show:

- **Opportunities for existing hotels and visitor accommodation businesses to modernise, upgrade, reposition and in some cases expand**

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

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

- **Significant potential the development of all forms of non-serviced accommodation**

The D2N2 Visitor Accommodation Study shows significant interest in, and market potential for, the development of all forms of non-serviced accommodation (holiday cottages, holiday lodges and lodge parks, golf lodges, fishing lodges, eco lodges, holiday resorts, holiday parks, caravan and camping sites, camping pods, glamping, treehouses, hostels, bunkhouses and outdoor education centres) across the D2N2 area, particularly in the Derbyshire Peak District, Sherwood Forest and The National Forest. The evidence shows:

- A non-serviced accommodation sector that is performing very strongly, with many non-serviced accommodation businesses consistently filling and turning business away at weekends and during the summer, resulting in frequent shortages of all types of non-serviced accommodation to fully satisfy demand at these times;
- Strong demand for high quality accommodation, which generally trades at the highest levels of occupancy and price;
- Sizeable catchment populations in surrounding towns and cities that are interested in taking relaxing and active short breaks in the D2N2 countryside, and clear potential for future growth in these markets;
- Good potential for the D2N2 area to capitalise on the current trends in non-serviced accommodation development;
- Strong potential to attract family and friend get togethers and celebration weekends, because of the D2N2 area's central location in the country
- Strong interest from land and property owners in non-serviced visitor accommodation development, and interest from local, regional and national branded non-serviced accommodation operators in opening new operations in the D2N2 area.

Major non-serviced accommodation development proposals and opportunities in the D2N2 area include the proposed £400m Peak Resort holiday resort to the north west of Chesterfield, a number of holiday lodge park proposals that have been granted planning permission in the Sherwood Forest area, and potential opportunities for the development of holiday lodges, caravan and camping sites, camping pods, glamping and treehouses at a number of country parks and country estates in both Derbyshire and Nottinghamshire.

- **Scope for new budget hotels in many locations**

The D2N2 Visitor Accommodation Study provides evidence of a budget hotel sector that is performing very strongly in most parts of Derbyshire and Nottinghamshire, with budget hotels consistently filling and turning away significant business, both during the week and at weekends. It identifies potential for new budget hotels in Chesterfield, Buxton, Ashbourne, Matlock, Bakewell, Chapel-en-le-Frith, Belper, Ilkeston, Swadlincote, Long Eaton, West Bridgford, Beeston, Mansfield/ Sutton-in-Ashfield, Newark, Retford, Worksop, and possibly Markham Vale.

- **Opportunities for more leisure-focused hotel products**

More leisure-focused hotels in Derbyshire and Nottinghamshire, including golf hotels, country house hotels, boutique hotels, hotels with spas, and the Warner Leisure Hotels adults only Thorseby Hall Hotel in Nottinghamshire are trading well, particularly at weekends and during the summer. There is potential for further such hotels in both counties, given suitable properties for conversion. The Buxton Crescent Hotel & Thermal Spa will be a major addition to Derbyshire's hotel stock in this respect, when it opens in 2019. Other major potential leisure-focused hotel schemes include the possible conversion of the George Hotel & George Mansions in Buxton to a boutique hotel; the development of a new hotel with conference and leisure facilities on the Marquis of Granby site in Bamford; the proposed £100m conversion of The Guildhall in Nottingham City Centre to a boutique hotel; and the plans that are being developed to convert Kelham Hall near Newark into a luxury hotel and spa.

- **Longer-term potential for hotel development in Nottingham and Derby**

The D2N2 Visitor Accommodation Strategy shows no immediate potential for additional 3 or 4 star hotels in Derby or Nottingham city centres, due primarily to the comparatively low achieved room rates that 3 and 4 star hotels are reporting in the two cities, as a result of highly competitive local corporate markets and predominantly price-driven weekend demand. The potential for hotel development in each city is thus more longer-term as corporate demand grows, the cultural, retail, attractions and events offer of each city develops, and achieved room rates increase. Having said that, the proposed conversion of The Guildhall in Nottingham City Centre is a unique opportunity to secure a high quality hotel for the city, so merits strong support. There could also be scope for new 3 or 4 star hotels to be supported on the Infinity Park business park in Derby and in the Nottingham University and Enterprise Corridor, depending on the number and type of companies that are attracted to these locations, their requirements for hotel accommodation, and how quickly they come forward.

- **Possible scope for a 3 star hotel on one of the new business parks around Mansfield and Ashfield**

Mansfield and Ashfield are currently very poorly served in terms of hotel accommodation, and there are clear shortages of hotel provision here to meet both weekday and weekend demand. The planned business park development and population growth in this area should drive further growth in hotel demand. There may therefore be scope for a 3 star hotel to be developed on one of the business parks that are being progressed around Mansfield and Ashfield.

- **Opportunities for other forms of serviced accommodation**

The D2N2 Visitor Accommodation Study shows potential for the development of good quality B&Bs and guest houses, boutique inns, and restaurants with rooms, based on the current performance of these types of accommodation across the D2N2 area; the extent to which such businesses are filling and turning business away; their potential to cater for weekend demand from wedding parties, people visiting friends and relatives and event visitors, and midweek demand from business visitors and contractors; and their appeal for short breaks in some locations, in particular the Derbyshire Peak District and Newark & Sherwood.

While the D2N2 Visitor Accommodation Study identifies significant potential for visitor accommodation development across Derbyshire and Nottinghamshire, the future development of the D2N2 visitor accommodation sector needs to be a gradual process. Too rapid an increase in supply could dilute off-peak business and potentially undermine the sector's viability. The opportunities are nevertheless there for significant further development of the D2N2 visitor accommodation sector as the market grows.

### **Priorities Going Forward**

The priorities going forward to accelerate hotel and visitor accommodation development and jobs growth in the D2N2 area in line with the identified development opportunities are as follows:

- **Raising Awareness of the Opportunities for Visitor Accommodation Development**

The D2N2 Visitor Accommodation Strategy identifies significant potential for the development of a wide range of visitor accommodation offers across the D2N2 area. Work is now needed to raise awareness of these opportunities with all those that might have an interest in taking forward visitor accommodation projects, or be involved in supporting visitor accommodation development. This will include all relevant local authority officers (in planning, development management, estates, finance, economic development, regeneration, inward investment, town centre management and tourism); local authority members; LEADER groups; the relevant officers of D2N2 LEP; existing hotel and accommodation business owners; land and property owners; property developers; existing leisure businesses that might be interested in adding accommodation; commercial property agents; consultants; and national, regional and local hotel and visitor accommodation operators, developers and investors. This may include re-packaging the findings into different formats for specific audiences e.g. location specific extracts or fact sheets for particular types of accommodation. This work should include providing feedback to the hotel and visitor accommodation businesses and developers that contributed to the research.

- **Positive Planning Policies and Processes for Hotel and Visitor Accommodation**

A positive, flexible and enabling planning framework will be vital to support the future development of hotel and visitor accommodation in the D2N2 area. There is a need therefore to ensure that the research findings, conclusions and recommendations are shared widely with planning policy and development control officers to ensure that they are fully informed about the opportunities and the key role that they play in realising many of them and the employment growth that they can deliver.

- **Site Investigations and Matching to Interested Hotel and Visitor Accommodation Operators and Developers**

Hotel Solutions identified over 40 strong sites for hotel and non-serviced visitor accommodation across the D2N2 area, and spoke to 30 hotel and accommodation operators and developers that expressed an interest in looking at suitable sites and accommodation development opportunities in Derbyshire and Nottinghamshire. Going forward there is a need for further work to help bring these sites forward and match them to potentially interested accommodation operators and developers. This will include more detailed discussions with site owners and agents and further discussions with the interested hotel and accommodation developers to follow up the leads that the Visitor Accommodation Strategy work has generated.

- **Assessing the Accommodation Development Potential of Local Authority Land and Property Assets**

Local authorities at county and district level are often the owners of land and property, such as country parks, office buildings, outdoor education centres and historic buildings, which could be suitable for hotel or visitor accommodation development. With increasing pressures on council budgets, there is an opportunity for them to look at these assets to determine whether they have potential for accommodation development and the options for them to work with hotel and visitor accommodation companies to develop, operate, purchase or lease suitable land and buildings.



- **Direct Public Sector Investment in Hotel and Visitor Accommodation Development Schemes**

Councils and LEPs across the UK are increasingly investing directly in hotel and visitor accommodation development projects to bridge the commercial funding gap for strategically important projects and increasingly to generate a return and ongoing revenue stream. There are opportunities for local authorities and D2N2 LEP to look at these types of opportunities in Derbyshire and Nottinghamshire.

- **Clear Hotel Development Strategies for Derby and Nottingham**

While the D2N2 Visitor Accommodation Strategy research shows no immediate need for new hotels in Derby or Nottingham, there will be potential in the longer term as regeneration initiatives deliver growth in corporate demand for hotel accommodation and stronger city break offers in the two cities. The research findings point to a need for a higher quality and more diverse hotel offer in each city, with a focus on hotel products that will attract Generation Y business travellers and city break takers, including branded boutique, budget boutique, lifestyle and themed hotels and branded aparthotels. There is a value in the two cities developing clearly articulated hotel development strategies along these lines in order to influence and inform the market going forward. Specific opportunities, including the potential conversion of The Guildhall in Nottingham, and the hotel development that the proposed performance venue in Derby and potential convention centre in Nottingham might support, also need to be reflected in such strategies.

- **Glamping Development**

Glamping is rapidly growing in popularity in the UK but has been slow to develop in the D2N2 area. The research findings show clear scope for significant expansion of this type of accommodation.

- **The Development of the Pub Accommodation Sector**

The research findings show good potential for the further development of high quality pub accommodation and boutique inns in many parts of Derbyshire and Nottinghamshire. Adding guest bedrooms can also help to ensure the commercial sustainability and future of pubs. There is merit therefore in proactively encouraging this type of accommodation.

- **Cyclist-Friendly Accommodation Development in the Derbyshire Peak District**

The development of the Derbyshire Peak District as a cycling destination is a key focus for Marketing Peak District & Derbyshire through its 'Growing and Developing the Visitor Economy Sector within Derbyshire' ERDF programme. This will provide funding for cycle route development and encouraging cyclist-friendly businesses, including accommodation. A priority will be to ensure that cycle routes are supported by suitable visitor accommodation. This may require work to fill gaps in current provision and to encourage accommodation businesses to be more cyclist-friendly in terms of the facilities, service and information that they provide to cycling visitors.

- **Local Company Surveys to Demonstrate Corporate Demand for Hotel Accommodation**

The Visitor Accommodation Strategy research identified four locations (Mansfield, Ilkeston, Belper and Swadlincote) with little or no hotel accommodation, that have potential for hotel development, but that are either not currently on the radar of hotel companies, or where hotel operator development teams are having difficulty in making the case for hotel development. Surveys of local companies to demonstrate local corporate demand for hotel accommodation in these locations would assist in securing hotel company interest and commitment to bringing forward new hotels in these parts of the D2N2 area.

- **Tailored Business and Quality Improvement Support for the Accommodation Sector**

Effective, appropriately tailored business support and quality improvement initiatives will support the expansion of existing visitor accommodation businesses and the establishment of new ones. There is also a need to look at how best to use available funding (LEADER, EAFRD, Midlands Engine Investment Fund and other ESIF funding) to support hotel and visitor accommodation development.

- **Keeping a Finger on the Pulse**

The Visitor Accommodation Strategy research provides a snapshot of the D2N2 hotel and visitor accommodation sector and market at one point in time. Moving forward it will be important to monitor how the sector is developing and performing over time to establish ongoing priorities for the further development of hotel and visitor accommodation, and to evaluate the impact of any interventions to proactively support the development of the sector.

### **The Visitor Accommodation Development Acceleration Plan 2017-2019**

These priorities are to be taken forward via the D2N2 Visitor Accommodation Development Acceleration Plan 2017-2019 (separate document). The Plan specifies the required public sector action to address the identified priorities for realising the opportunities for hotel and visitor accommodation development and employment growth under 12 programmes of work. Indicative budgets and lead agencies have been identified for each programme. It is intended that the Acceleration Plan should act as a working document that can be adjusted as it becomes clear what resources might be available to take actions forward, and to respond to changes and opportunities in the macro-environment over time. A structure and framework for linking into appropriate networks will be needed to ensure an integrated approach to implementation and the opportunity to influence and participate in associated work streams and funding pots.