B&NES Council

VISITOR ACCOMMODATION STUDY

Final Report
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EXECUTIVE SUMMARY

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This report reviews the current provision of visitor accommodation in Bath and North East Somerset (B&NES) and assesses future requirements in terms of the scale, nature and location of accommodation. The study covers all aspects of accommodation across the District but looks in more detail at hotels in Bath.

Background and analysis

Bath is an established and successful tourist destination with an international profile and has a relatively buoyant local economy driven by the service sector. It is identified as one of 21 strategically important towns and cities in the South West which will drive regional prosperity in future and it is expected to accommodate significant growth in terms of jobs and people over the next twenty years. This will generate a demand for additional visitor accommodation in the area.

There are, however, significant development constraints resulting from the World Heritage Site, green belt and AONB designations.

B&NES has a range of visitor accommodation. The majority of bedspaces are in serviced accommodation provided in 197 hotels, guesthouses and B&BS. In addition there are 216 self catering units, 4 caravan and campsites and some accommodation at Bath University. Three quarter of all bedspaces are located in the built-up area of Bath and most of the rest within the BA1 and BA2 postcodes.

In general, accommodation enterprises are doing well and performing at levels above the national average. Operators are generally confident about future prospects.

There are 24 hotels within Bath itself, providing some 1352 bedrooms. These tend to be fairly traditional in nature and there are relatively few large, branded hotels present. Leisure bookings account for two thirds of room nights on average and weekend occupancies are higher than weekday. Hotels are commonly turning business away on Saturday nights although all have spare capacity during the week when demand is less strong. Bath accommodation is performing well by national standards and average occupancy levels and achieved room rates are well above the national average. Occupancy levels appear to be generally holding up well in 2009 although room rates have fallen.

A benchmarking exercise conducted for this study suggests that Bath has less hotel accommodation than other historic cities of comparable size and status and appears to have added less capacity over the past decade. This may reflect the difficulty and cost of hotel development in Bath, a view which is held by hotel developers.

There is positive feedback from existing business and leisure users about hotel and other accommodation in Bath. There is no indication that this is putting people off visiting Bath although price/value for money comes in for more criticism than other aspects.

We have projected the future demand for hotel accommodation in Bath based on various assumptions about growth in the underlying drivers of economic activity, tourism and population. This suggests there is scope for adding 256-376 rooms by 2016 and 444-761 rooms by 2026. The higher figures represent a 25% and 52% increase over and above the existing hotel stock. This is an unconstrained projection and takes no account of land availability or the relative costs of developing in Bath.

There is currently strong interest from developers and hotel operators in getting into Bath, at all levels from budget hotels through to 4/5 star. Bath is seen as a desirable destination to be in and a number of planning applications are being considered or likely to come forward in the near future. Developers are primarily interested in the City centre and are looking for hotels of 100+ rooms although boutique hotels can be smaller than this.

This is a period of major change in Bath with significant opportunities for new development in and around the City centre. There are a number of sites likely to come on-stream in the centre which could accommodate hotel development although hotels will have to compete against other uses both in terms of land value and potential benefit.

Whilst there is no obligation to satisfy demand for hotel development there are implications and opportunity costs which need to be considered. This may constrain the growth of leisure tourism and the development of the city’s cultural offer, make it hard to meet the targets set out in the Destination Management Plan (DMP) and make for a weaker tourism offer and image.

Towards a strategy

The right accommodation strategy depends on the Council’s aims and priorities; a different accommodation mix will support different outcomes. In the case of Bath, existing policy statements suggest the aspirations include diversifying and growing the economy, accommodating growth, maintaining and enhancing the special character of Bath, developing a sustainable visitor economy, and growing tourism with an emphasis on increasing value.

In Bath we recommend that the Council plans for the expansion of the hotel stock in the City centre within the range indicated by our projections. These are consistent with the targets set in the DMP.

There are some options and choices with regard to the development mix with pros and cons attached to each. These need to be considered in the light of the above aspirations. Nevertheless, we think there is case for prioritising :

- A new 3 or 4 star branded hotel with a preference for a 4 star international brand if it can help secure or support significantly enhanced conference facilities.
- Attracting two or more boutique hotels.
- Some modest expansion of budget chain provision which diversifies the existing budget offer

In addition we propose that the Council should :

- Seek to maintain a viable guest accommodation sector. The impact of new hotel development on this sector should be monitored and policies reviewed accordingly.
- Encourage some modest expansion of self catering and hostel accommodation.
- Prioritise the search for ways to create a conference facility to boost business tourism midweek,
- Review car parking policy and provisions for hotels
- Consider the potential for the inclusion of visitor accommodation land uses into employment land use policies.

Outside Bath in the rest of the District, visitor accommodation is more varied, limited in scale and performs less well. There is little indication of any great development pressure and in much of the rural area there is a presumption against development. Aspirations are to accommodate some growth in population and employment, to revitalise the market towns and diversify the local economy, spread the benefits of tourism more widely capitalising on the presence of Bath, and protect the quality of the environment.

In the light of the above we think the appropriate accommodation strategy for the rural areas and market towns should be one of small scale, incremental growth capitalising on the area as a base from which to visit Bath and to enjoy activities and scenery in the surrounding countryside.

We suggest the main opportunities lie with:

- Modest extensions to existing hotels.
- A new hotel in Keynsham in the medium term, probably a mid market budget hotel.
- Small scale accommodation extensions to pubs and restaurants with rooms.
- Conversions of rural buildings to self catering accommodation in existing settlements and associated with attractions, activity centres and recreational routes.
- The development of new forms of camping, probably on farms or close to settlements.
- Extensions to existing caravan and camp sites.

Planning policies alone cannot be relied on as the sole means of determining the scale, shape and mix of accommodation development. If the Council wants to directly influence the shape and size of the accommodation offer it will need to take a more pro-active role in terms of targeting selected hotel operators and developers, allocating sites for hotel development in the City centre, bringing together developers and hotel operators, and using its own land holdings to secure specific outcomes.