

# TEES VALLEY RURAL ACCOMMODATION FUTURES

## Final Report

Prepared for:

Visit Tees Valley, Tees Valley Joint Strategy Unit, ONE North East  
Darlington Borough Council, Stockton Borough Council  
Middlesbrough Council, Hartlepool Borough Council  
Redcar & Cleveland Borough Council

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## EXECUTIVE SUMMARY

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### THE PURPOSE OF THE STUDY

The Tees Valley Rural Accommodation Futures Study was commissioned in June 2008 by the Tees Valley Joint Strategy Unit on behalf of Visit Tees Valley and the Tees Valley local authorities to assess the future potential for rural accommodation development across the City Region. The purpose of the study is to inform planning policy formulation for rural accommodation development through the Local Development Framework process and identify other requirements for public sector intervention to support the development of the rural accommodation sector in the City Region.

The study has considered the potential for new rural accommodation businesses and the potential for the expansion, development and upgrading of existing rural accommodation operations.

### THE POTENTIAL FOR RURAL ACCOMMODATION DEVELOPMENT

- The Rural Accommodation Futures Study identifies potential for the following accommodation developments in the rural parts of the Tees Valley:
  - Expansion and up-grading of existing hotels, country house hotels and golf hotels;
  - The addition of leisure and spa facilities and banqueting facilities at existing hotels;
  - New country house hotels, should suitable properties be available for conversion;
  - Golf hotels e.g. on existing golf courses;
  - The expansion of existing good quality pub accommodation establishments;
  - The upgrading and possible expansion of lower grade pub accommodation businesses;
  - The development of quality guest bedrooms within or adjacent to rural pubs and restaurants;
  - Further good quality guesthouses, B&Bs and farmhouse B&Bs;
  - B&B for Horses in Redcar & Cleveland if riding trails are developed here;

- o Further self-catering accommodation in terms of:
    - Cottages, houses and apartments let for self-catering accommodation;
    - Barn conversions to holiday cottages;
    - Log cabins;
    - Holiday cottage and log cabin complexes, possibly with central leisure facilities.
  - o Seasonal touring caravan pitches in the rural parts of Redcar & Cleveland, Darlington and Hartlepool;
  - o Touring caravan pitches in the rural parts of Redcar & Cleveland, Darlington and Hartlepool;
  - o Tent pitches and camp sites in rural Redcar & Cleveland and possibly in rural Darlington and Hartlepool;
  - o Camping pods in rural Redcar & Cleveland and along the Cleveland Way;
  - o Camping barns in rural Redcar & Cleveland and along the Cleveland Way;
  - o Hostel accommodation in rural Redcar & Cleveland.
- In planning policy terms all of these forms of rural accommodation should thus be encouraged and supported as far as possible, subject of course to other planning requirements in terms of scale, environmental impact, access, traffic and seasonal and holiday occupation.

## **MOVING FORWARD**

- The following next steps actions will be needed to act on the study findings in order to capitalise on the opportunities for rural accommodation development.
  - o Use the study findings to ensure that relevant LDF documents make adequate provision to support and encourage the development of the types of rural accommodation for which market potential has been identified, subject to meeting other planning requirements
  - o Provide and promote business support packages to assist new entrants to the rural accommodation sector.
  - o Implement plans for developing activity tourism in Redcar & Cleveland.

## 1. INTRODUCTION

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### 1.1 Background to the Study

- The Tees Valley local authorities (Redcar & Cleveland in particular) are keen to understand what potential there could be for the development of other forms of visitor accommodation in the rural parts of the Tees Valley.
- With funding support from ONE North East, the Tees Valley Joint Strategy Unit (on behalf of the Tees Valley local authorities partners) has thus commissioned Hotel Solutions to undertake a study of the future development potential of the rural visitor accommodation sector in the Tees Valley.

### 1.2 Uses of the Study

- The study findings will be used to:
  - Inform the preparation of statutory planning documents for each local authority area (i.e. the Local Development Frameworks) regarding planning policies for the development of rural accommodation.
  - Support development control functions in assessing rural visitor accommodation planning applications.
  - Inform other actions needed by the public sector agencies to support the development of the rural accommodation sector in the Tees Valley.

### 1.3 Objectives of the Study

- The objectives of the study were as follows:
  - To assess the current level and nature of demand for rural accommodation across the Tees Valley.
  - To assess the potential for growth in demand for rural visitor accommodation over the next 15-20 years.
  - To assess the potential for the development of new visitor accommodation businesses in the rural parts of the Tees Valley.
  - To provide advice on how the planning system can influence the development of the rural visitor accommodation sector in the City Region.

### 1.4 Scope of the Study

- The study has sought to assess the future development potential of the following types of visitor accommodation in the rural parts of the Tees Valley:
  - Country house hotels
  - Rural hotels
  - Guesthouses/B&Bs
  - Self-catering accommodation
  - Touring caravan and camping sites
  - Camping barns
  - Static Caravan/ Holiday parks
  - Youth hostels

## 1.5 Study Methodology

- The study methodology has involved the following modules of research:
  - An initial **commissioning meeting** with the client group to set the scene for the study, agree the objectives, and gather relevant documentation and contacts.
  - **Stakeholder consultations** with the relevant officers of the five Borough Councils (Tourism, Planning Policy, Estates, Development Control and Economic Development) and other stakeholders including Tees Valley Regeneration, Wynyard Park, Peel (re. Durham Tees Valley Airport) and the North York Moors National Park.
  - **A review of relevant policy and research documents** including:
    - The Local Plans for each local authority area;
    - Latest drafts of LDF core strategies;
    - The Regional Spatial Strategy;
    - Hartlepool Tourism Strategy and Action Plan;
    - Redcar & Cleveland Strategy for Tourism Development;
    - Redcar & Cleveland Activity Tourism Initiative – Action Plan
    - Audit & Mapping of Tourism Facilities in East Cleveland
    - Hartlepool Visitor Accommodation Study.
  - An **audit of the existing supply** of rural/ country house hotels, pub accommodation, guesthouses, B&Bs and other types of visitor accommodation. This has included both assessed and non-assessed establishments. The audit has been based on information provided by the five councils supplemented by our own Internet searches and site visits to the area. Where discrepancies have been identified establishments have been contacted by telephone to check information.
  - **Interviews with the managers and owners of existing rural/ country house hotels, pub accommodation businesses, guesthouses, B&Bs and other visitor accommodation businesses**, through a programme of face-to-face and telephone interviews, to gather information on current performance and future prospects and plans. The accommodation businesses interviewed are listed at Appendix 1.



- These modules of research have then been drawn together into a series of conclusions and recommendations regarding:
  - Current rural accommodation supply.
  - Current rural visitor accommodation performance.
  - The prospects for growth in demand for rural visitor accommodation;
  - The potential for the development of different types of visitor accommodation in the rural parts of the Tees Valley;
  - Conclusions and recommendations regarding implications and requirements for planning policy formulation and public sector intervention to support rural accommodation development in the City Region.

## **2. TEES VALLEY RURAL ACCOMMODATION SUPPLY**

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### **2.1. Current Supply**

#### **2.1.1. Country House/ Rural Hotels**

- There are currently 6 upmarket country house hotels in the Tees Valley that offer high standards of facilities and food (Wynyard Hall, Crathorne Hall, Judges, Gisborough Hall, Redworth Hall, Headlam Hall). Wynyard Hall started to operate as a luxury country house hotel in 2008. The 5 star Rockcliffe Hall country house hotel is currently under construction at Hurworth near Darlington.
- In addition to these country house hotels there are a number of 3 star in the rural areas surrounding Darlington and Saltburn, including two hotels that offer golf – Hall Garth near Darlington and Hunley Hall near Saltburn.
- Very few of the City Region's country house and rural hotels currently have spa and/or leisure facilities.

**TEES VALLEY - COUNTRY HOUSES HOTELS/ RURAL HOTELS – OCTOBER 2008**

<b>Hotel</b>	<b>Standard</b>	<b>No. Rooms</b>
<b>Stockton</b>		
Wynyard Hall	Luxury country house	9
Mount Pleasant Country House	2 star	3
<b>Yarm Area</b>		
Crathorne Hall <sup>1</sup>	4 star country house	37
Judges	3 star country house	26
<b>Guisborough Area</b>		
Gisborough Hall	4 star country house	71
Premier Inn Middlesbrough South	Budget	20
<b>Darlington Area</b>		
Redworth Hall	4 star country house	143
Hall Garth	3 star	51
Headlam Hall, Headlam <sup>2</sup>	3 star country house	40
Walworth Castle, Walworth	3 star	33
Devonport, Middleton One Row	3 star	15
Best Western Croft, Croft-on-Tees <sup>2</sup>	3 star	20
<b>Saltburn Area</b>		
Hunley Hall, Brotton	3 star	28
Rushpool Hall <sup>3</sup> , Saltburn	3 star	34
Grinkle Park <sup>4</sup> , Easington	3 star	20

## Notes:

1. Outside Stockton Borough
2. Outside Darlington Borough
3. Rushpool Hall is primarily a wedding venue. It does not actively seek business from other markets.
4. With the North York Moors National Park – outside the planning area covered by Redcar & Cleveland Borough Council

### 2.1.2. Pub Accommodation

- There is a cluster of pub accommodation establishments in and around Guisborough. Pubs provide the only form of visitor accommodation in the town.
- There are a number of small rural pub accommodation establishments in the rural parts of Redcar & Cleveland Borough. The majority are not inspected and appear to offer a low standard of accommodation.
- The George at Piercebridge near Darlington has recently been refurbished and re-opened as a quality pub accommodation operation in 2008.

#### TEES VALLEY – RURAL PUB ACCOMMODATION – OCTOBER 2008

Establishment	Grade	Rooms
<b>Darlington - Rural</b>		
The George, Piercebridge <sup>1</sup>	Awaiting <sup>2</sup>	28
<b>Rural Redcar &amp; Cleveland</b>		
<b>Guisborough Area</b>		
Fox & Hounds, Slapewath	3 star Inn	15
Fox Inn, Guisborough	3 star Inn	8
Three Fiddles	2 star Inn	5
The Highland Laddie	n/a	5
<b>Easington Area</b>		
The Grapes Inn <sup>3</sup>	3 star	5
<b>Marske-by-the-Sea</b>		
Ship Inn	3 star	4
Zetland Hotel	n/a	6
<b>Skelton-in-Cleveland</b>		
Wharton Arms	n/a	5
The Hollybush	n/a	4
<b>Loftus</b>		
White Horse Inn	n/a	3
<b>Newton under Roseberry</b>		
King's Head	4 star GA	8
<b>Great Ayton</b>		
Royal Oak Hotel <sup>4</sup>	3 star	5

Notes:

1. Outside Darlington Borough
2. Recently refurbished – expecting to achieve a 3 star grading
3. Within the North York Moors National Park – outside the planning area covered by Redcar & Cleveland Borough Council
4. Outside Redcar & Cleveland Borough

### 2.1.3. Guest Houses, B&Bs and Farmhouse B&Bs

- There are relatively few guesthouses, B&Bs and farmhouse B&Bs in the rural parts of the Tees Valley. Our research has identified just 15 establishments with a total of 72 letting bedrooms in and around the rural parts of Darlington, Stockton and Redcar & Cleveland. These establishments are listed in full at Appendix 2.
- The majority of these establishments are graded as 3 or 4 star. The Tees Valley has one 5 star guesthouse (Grinkle Lodge in Redcar & Cleveland), although Clow Beck House at Croft-on-Tees (just outside Darlington Borough) has a 5 star grading.

#### TEES VALLEY – RURAL GUESTHOUSES, B&Bs AND FARMHOUSE B&BS – OCTOBER 2008

Establishment	Grade	Rooms
<b>Darlington Rural</b>		
Clow Beck House <sup>1</sup>	5 star	13
The Bridge House B&B, Piercebridge	4 star	2
Holme House Farm, Piercebridge	3 star	5
Hill Top Farm, Hurworth	n/a	3
<b>Stockton Rural</b>		
<b>Yarm Area</b>		
Field View Guest House	Awaiting	15
The Old Mill	Awaiting	5
<b>Thorpe Thewles</b>		
Thorpe Thewles Lodge	n/a	3
<b>Sedgefield</b>		
Todds House Farm <sup>2</sup>	3 star	1
<b>Redcar &amp; Cleveland</b>		
<b>Easington Area</b>		
Grinkle Lodge <sup>3</sup>	5 star	3
Townend Farm B&B <sup>3</sup>	4 star	3
Boulby Grange <sup>3</sup>	4 star	2
<b>Brotton</b>		
The Arches	4 star	8
<b>Skelton-in-Cleveland</b>		
Westerlands Guest House	n/a	3
<b>Moorsholm</b>		
Green Ghyl	4 star	2
<b>Great Ayton</b>		
Susie D's <sup>4</sup>	n/a	4

Notes:

1. Outside Darlington Borough
2. Outside Stockton Borough
3. Within the North York Moors National Park – outside the planning area covered by Redcar & Cleveland Borough Council
4. Outside Redcar & Cleveland Borough

### 2.1.4. Self-Catering

- Our research has identified a total of 54 self-catering operations in the rural parts of the Tees Valley with a total of 74 letting units (listed at Appendix 2).

#### Tees Valley – Current Supply of Self-Catering Accommodation – October 2008

Location	Number of Self-Catering Businesses	Number of Self-Catering Units
Darlington	5	8
Stockton	4	12
Redcar & Cleveland	45	54
<b>Total Tees Valley</b>	<b>54</b>	<b>74</b>

- The most significant supply of self-catering accommodation in the City Region is in Redcar & Cleveland: the Borough has a good mix of cottages, houses, apartments, barn conversions and log cabins that are let as self-catering accommodation in Saltburn and across the rural parts of the Borough. The majority are single units. Standards appear to be good, with a significant number of properties graded as 3 or 4 star and a few 5 star properties. A number of leading holiday cottage agencies are well represented with properties here.
- There are a number of farm cottages and barn conversions that are let as self-catering accommodation in the rural parts of Darlington and the surrounding rural area. The Mill Granary at Ingleton stands out as a particularly high quality (5 star) complex of 2 barn conversions: it is the Gold winner of the 'Enjoy England Awards for Excellence' Self Catering Holiday for 2008. In Stockton there are two holiday cottage complexes at Yarm and Eaglescliffe. Yarm Cottages is a high quality (4 star graded) complex of 6 cottages.

### **2.1.5. Touring Caravan and Camping Sites**

- There are currently 5 touring caravan and camping sites in the Tees Valley (listed at Appendix 2) – one in Darlington Borough, one small site in Middlesbrough, the 5 star White Water Park Caravan Club site at Tees Barrage, a newly opened site in Hartlepool (Ashfield Caravan Park) and a site close to Guisborough (Margrove Park). There are also three Caravan and Camping Club certificated sites (for 5 vans) at Hartlepool, Redcar and Saltburn. Further afield there are three touring and camping sites surrounding Redcar & Cleveland Borough in North Yorkshire.
- There is only one site in the Tees Valley that takes tents – Ashfield Caravan Park at Dalton Percy, Hartlepool.
- Margrove Park just outside Guisborough primarily provides seasonal touring pitches (for caravan owners to leave their caravans on site all season). It has only 10 pitches available for touring caravanners and no tent pitches. This is the only caravan site in the rural parts of Redcar & Cleveland.

### **2.1.6. Camping Barns**

- There are no camping/ bunkhouse barns in the Tees Valley. The closest camping barns are at Kildale and Farndale in the North York Moors National Park.

### **2.1.7. Holiday Parks**

- Our research has identified 5 static caravan/ holiday parks in the Tees Valley (listed at Appendix 2) with a total of 637 owned static caravans/ holiday homes, 6 static caravans for hire and 45 touring caravan pitches. Four of these parks are in Redcar & Cleveland Borough (at Redcar, Saltburn and Guisborough) and one is in Darlington Borough (at Neasham). Tockets Mill Caravan Park just outside Guisborough also has 40 touring pitches that it is not currently using.
- Just outside the Tees Valley, Crimdon Dene Holiday Park is a major holiday park at Blackhall Colliery to the north of Hartlepool. There are also two static caravan parks immediately to the east of Redcar & Cleveland Borough (at Hinderwell and Ugthorpe) and two to the west of Darlington Borough (at Winston).

## 2.1.8. Youth/ Group Accommodation

- As far as we have been able to establish there is currently no youth/ group accommodation in the Tees Valley. We understand that there has previously been a youth hostel in Saltburn but that this is now closed.

## 2.2. Recent and Planned Changes in Supply

### 2.2.1. New Country House/ Rural Hotels

- The only recent new hotel opening in the rural parts of the Tees Valley has been Wynyard Hall, which has started trading as a luxury country house hotel in 2008, with 9 bedrooms currently open and a further 8 bedrooms and a restaurant due to open by the end of the year.

### 2.2.2. Country House/ Rural Hotels Under Construction

- There is one country house hotels currently under construction in the Tees Valley – Rockcliffe Hall at Hurworth Place near Darlington, with 61 Bedrooms, due to open in 2009. The hotel is aiming to achieve a 5 star rating and will include leisure and spa facilities and a championship golf course.

### 2.2.3. Country House/ Rural Hotel Extensions and Refurbishment

- Our research has identified the following country house/ rural hotel extension and refurbishment projects over the past 3 years:

#### Tees Valley – Country House/ Rural Hotel Extensions and Refurbishment 2005-2008

Hotel	Project	Year
<b>Darlington</b>		
Barcelo Redworth Hall	Complete refurbishment + 43 bedroom extension	2006
Headlam Hall	Spa + 7 new bedrooms	2007
<b>Stockton</b>		
Wynyard Hall	8 new bedrooms + a restaurant	2008
Crathorne Hall	£1 million refurbishment programme	2007
<b>Redcar &amp; Cleveland</b>		
Hunley Hall	20 bedroom extension	2006
Grinkle Park <sup>1</sup>	New banqueting suite	2007

Note:

1. Within the North York Moors National Park – outside the planning area covered by Redcar & Cleveland Borough Council



#### **2.2.4. Changes in the Supply of Guesthouses and B&Bs**

- The study has not included a detailed audit of changes in the supply of guesthouses and B&Bs in the rural parts of the Tees Valley. From our research however it is evident that a number of new rural guesthouses and B&Bs have opened across the City Region in recent years at the same time as other rural guesthouses and B&Bs have ceased trading. Other existing establishments are also starting to think about closing as their owners are nearing retirement. This is typical of the churn factor in this sector of the visitor accommodation market: people generally enter the sector pre-retirement and run a guesthouse or B&B for a period of around 10 years before retiring and either selling up or closing down.

#### **2.2.5. Self-Catering**

- The study has not involved a comprehensive audit of changes in the supply of self-catering accommodation in the rural parts of the Tees Valley. From our research however it would appear that the supply of self-catering accommodation has been increasing in recent years, particularly in Redcar & Cleveland, where a number of self-catering barn conversions and log cabin developments have opened and cottages, houses and apartments have started to be let as self-catering holiday accommodation. The supply of self-catering cottages in the rural parts of Darlington has reduced following the closure of a number of holiday cottages here.

#### **2.2.6. Touring Caravan and Camping Sites**

- In Hartlepool Borough, Ashfield Caravan Park opened at Dalton Percy in March 2008 as a 4 star touring caravan and camping site with 68 touring pitches and 40 tent pitches. It is the only site in Tees Valley that offers tent pitches. Planning permission was granted in June 2008 for a touring caravan and camping site at Brierton Moor House Farm in Hartlepool.
- In Redcar & Cleveland Borough, Margrove Park near Guisborough has almost entirely gone over to seasonal touring pitches and no longer takes tents. Tockets Mill Caravan Park, also near Guisborough has ceased taking touring caravans.

### 2.2.7. Holiday Parks

- There are a number of proposals currently for new or redeveloped static caravan/holiday parks in the Tees Valley:

#### Tees Valley - Proposed Holiday Parks – 2008

Site/ Project	Details
<b>Darlington</b>	
Skipbridge brickworks	Proposal for a leisure park with 80 static caravans, a swimming pool, gym, football pitch and tennis courts. Planning permission granted on appeal, July 2008.
<b>Hartlepool</b>	
Sea View Park (formerly Ash Vale Caravan Park)	Re-development planned by new owners to create a holiday park for private static caravans, possibly with a hire fleet. Due to reopen in 2009.
<b>Sedgefield</b>	
Hardwick Views Caravan Park	Proposal for a holiday park with 340 static caravans and 70 chalets. Under discussion

### 3. CURRENT DEMAND & PERFORMANCE

#### 3.1. Country House Hotels

##### 3.1.1 Occupancy and Achieved Room Rate

- Our estimates of average annual room occupancy and achieved room rates<sup>®</sup> for country house hotels in the Tees Valley (based on the data provided to us by hotel managers and owners) are as follows:

#### TEES VALLEY COUNTRY HOUSE HOTELS - PERFORMANCE<sup>1</sup> 2006-2008

Year	Average Annual Room Occupancy %	Av Annual Achieved Room Rate £
2006	70	72.84
2007	68	74.38
2008 <sup>2</sup>	69	75.73

Source: Hotel Solutions – Survey of Tees Valley Hotel Managers – August/September 2008

Notes:

1. Sample: Redworth Hall, Headlam Hall, Judges, Crathorne Hall, Gisborough Hall
2. Based on projected figures provided by hotel managers

- Country house hotels in the Tees Valley achieve reasonably good occupancies and high average room rates, particularly in the Yarm area. Occupancies for country house hotels are on a par with the regional average for 3/4 star hotels although well below the levels achieved by Stockton/ Middlesbrough urban 3/4 star hotels. Achieved room rates for country house hotels are significantly above the levels achieved by urban hotels.

<sup>®</sup> The net amount of rooms revenue that hotels achieve per room sold after deduction of VAT, breakfast and any other meals included in the price, discounts and commission charges.

- Occupancies have reduced for some country house hotels in the City Region in 2007 and 2008 either as a result of expansion or a change in strategy to drive rate rather than occupancy. One country house hotel has however seen strong growth in 2008 following refurbishment. Occupancy levels have remained steady for other country house hotels.
- Achieved room rates have generally grown for Tees Valley country house hotels in 2007 and 2008.

### **3.1.2. Midweek/ Weekend Occupancies**

- Midweek occupancies are relatively low for country house hotels in the Darlington area but very high for country house hotels in the Yarm and Guisborough area, with hotels in these locations competing strongly at the top end of the Stockton/Middlesbrough and Redcar & Cleveland corporate market. Midweek occupancies tend to dip in July and August.
- Weekend occupancies are very strong for country house hotels in the Darlington area but not as strong for country house hotels in the Yarm and Guisborough area. Weekend occupancies are stronger between May and October as a result of weddings trade.

### **3.1.3. Midweek Markets**

- Local corporate demand is the primary source of midweek business for the City Region's country house hotels. Companies tend to use these hotels for their overseas visitors and senior executives. Country house hotels in the Yarm and Guisborough area attract corporate business from the Stockton/Middlesbrough area, Wilton International and Hartlepool.
- Country house hotels in the Darlington area attract good demand from the residential conference market. Residential conferences are only a minor midweek market for country house hotels in the Yarm and Guisborough area however. Residential conferences are typically for 20-30 delegates and last for 1-2 nights.
- All Tees Valley country house hotels attract some midweek leisure break business. Two hotels also take some group tours midweek.

#### **3.1.4. Weekend Markets**

- Weddings are the main weekend market for most of the City Region's country house hotels. For one hotel the strength of its weddings business effectively block out its potential to develop weekend break business.
- Weekend breaks are the other main weekend market for Tees Valley country house hotels. Country house hotels appear to attract leisure break demand either because of the quality of food and service they offer and/ or their leisure and spa facilities. Leisure break business for country house hotels is generally at good rates other than during the winter when hotels will use tactical offers to boost leisure break demand.
- Two hotels also take some group tours at weekends and cater for away football teams playing at Middlesbrough, Darlington and Sunderland.

#### **3.1.5. Market Trends**

- Corporate demand has increased for country house hotels in the Yarm area following refurbishment and increased marketing. Corporate demand appears to have remained largely static or has reduced for country house hotels in the Darlington area.
- Residential conference business has reduced for Tees Valley country house hotels in the past few years.
- One country house hotel reported strong growth in weddings business in 2008.
- Two country house hotels reported growth in leisure break business while two reported a decline in this market.

#### **3.1.6. Denied Business<sup>1</sup>**

- Country house hotels in the Yarm area regularly deny midweek business, at times to a significant extent for one hotel. Midweek denials are rare for country house hotels in the Darlington area.

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<sup>1</sup> Business that hotels turn away because they are fully booked

- One country house hotel in the Darlington area regularly denies business at weekends due to the strength of its weddings trade. Other country house hotels in the Tees Valley only occasionally or rarely deny weekend business.
- Two country house hotels reported denying residential conference business either because of size or rate.

### **3.1.7. Prospects for 2009**

- Tees Valley country house hotels generally expect to maintain their current occupancy and achieved room rates levels in 2009. Most hotels are cautious about the economic climate and the opening of the Rockcliffe Hall hotel. One hotel sees potential for occupancy growth but possibly at the expense of rate. One hotel is aiming to grow its achieved room rates in 2009.

## **3.2. 3 Star Hotels in Rural Redcar & Cleveland**

- 3 star hotels in the rural parts of Redcar & Cleveland achieve reasonably good occupancies (on a par with the Tees Valley 3 star average) and above average achieved room rates, due primarily to strong weekend demand on double occupancy rates.
- Weekend occupancies are strong. The key weekend market is weddings. The strength of weddings demand blocks out the potential to develop weekend break business for two hotels. Hunley Hall also attracts weekend golf break business.
- Midweek occupancies are not as strong and are more variable and seasonal. Midweek breaks and shooting parties are the key midweek markets for one hotel. Golf breaks and parties are a key midweek market for Hunley Hall. Hotels in the area attract some corporate demand from Wilton International, Redcar and Middlesbrough. Corporate demand is very limited for two hotels. 3 star hotels in the rural parts of Redcar & Cleveland do not attract residential conferences.
- Weddings demand has grown for 3 star hotels in rural Redcar & Cleveland in the last two years.

- Hotels in the area deny significant business at weekends associated with the weddings they hold: such weddings generate good business for nearby guesthouses, B&Bs and pub accommodation establishments. Midweek denials are rare.
- Hotels in the rural parts of Redcar & Cleveland generally expect to maintain their current business levels over the next 2 years. Forward booking for weddings appear to be strong. One hotel is aiming to grow its midweek leisure break business.

### **3.3. Rural Pub Accommodation – Redcar & Cleveland**

- The pub accommodation establishments that we spoke to in the rural parts of Redcar & Cleveland are not generally achieving particularly high occupancies or rates. The majority appear to offer a relatively low standard of accommodation however, with few en-suite rooms. They cater primarily for contractors working at the Corus steelworks in Redcar or the petrochemical plants at Wilton International during the week. Midweek demand fluctuates depending on contractor business.
- Those pub accommodation businesses that have upgraded and offer en-suite rooms achieve higher occupancies and attract business visitors during the week.
- Weekend occupancies are higher between May and October as a result of business from people attending weddings at Grinkle Park, Rushpool Hall, Hunley Hall or Gisborough Hall, which can often fill pub accommodation businesses on Friday and Saturday nights. Other weekend markets are people visiting friends and relatives, walkers on the Cleveland Way, the Saltburn Folk Festival, Redcar Races and the Saltburn Golf Week.
- Three pub accommodation businesses in the Guisborough area regularly deny business during the week and to some extent also at weekends in the summer months. Most of the other pub accommodation establishments that we spoke to in the rural parts of Redcar & Cleveland rarely deny business.
- Pub accommodation establishments in rural Redcar & Cleveland reported increasing levels of business from contractors and weddings.

- Most pub accommodation establishments expect to maintain their current levels of business over the next 1-2 years. Better quality establishments that have refurbished expect to see an increase in demand.

### **3.4. Rural Guesthouses and B&Bs**

#### **3.4.1. Rural Redcar & Cleveland/ Saltburn**

- Demand for guesthouse and B&B accommodation in the rural parts of Redcar & Cleveland and Saltburn is highly seasonal and weather dependant. Demand is strong between May and September when many guesthouses and B&Bs are full and regularly turning business away both during the week and at weekends, especially if the weather is good. Some establishments do not trade to their full potential: owners that are in or close to retirement often do not take all of the business that they could if they feel they are as busy as they want to be.
- Winter periods are much quieter for guesthouses and B&Bs. Weekends tend to be busier. Weekdays are generally very quiet.
- Key markets are walkers on the Cleveland Way, people attending weddings at the hotels in the area and people visiting friends and relatives. Guesthouses and B&Bs in the area attract some leisure break business. This tends to be a stronger market for establishments in the North York Moors National Park and those that are closer to Whitby: Whitby Tourist Information Centre generates good business for guesthouses and B&Bs in the eastern part of Redcar & Cleveland.
- The Saltburn Folk Festival generates significant business for guesthouses and B&Bs in Saltburn and the surrounding area. People tend to book year on year for this event. The Saltburn Golf Week, Great North Run, Redcar Races and events in Whitby (e.g. Goth Weekends, Folk Week and Whitby Regatta) also generate business for guesthouses and B&Bs in the rural parts of Redcar & Cleveland and Saltburn. Other minor markets are cycle tourers, rally driving, motorcyclists and surfers, when there are major swells, usually around 3 times per year. Some guesthouses and B&Bs also attract demand from business visitors and people working in the area.
- Walkers on the Cleveland Way typically stay for just one night. Some guesthouses and B&Bs indicated that they would prefer not to take such one-night stays as they are less profitable than 2-3 night stays.



- Most guesthouses and B&Bs in Saltburn and the rural parts of Redcar & Cleveland regularly turn business away during the summer.
- There is a severe shortage of guesthouse and B&B accommodation for the Saltburn Folk Festival.
- Demand for guesthouse and B&B accommodation in the area appears to be increasing.
- Some guesthouse and B&B owners expressed uncertainty about their future prospects due to the 'Credit Crunch'.
- A number of guesthouses and B&Bs in the rural parts of Redcar & Cleveland are likely to cease trading in the next few years as their owners retire.

#### **3.4.2. Rural Darlington**

- There are very few guesthouses and B&Bs in the rural parts of Darlington Borough. Our research shows that good quality guesthouses and B&Bs can trade well in this area, attracting business visitors during the week and people attending weddings at the weekend. Demand is strongest during the summer and at weekends. Other weekend markets are people visiting friends and relatives, transient tourists, weekend breaks and motor racing meetings at Croft Circuit. Our research shows evidence of increasing demand for guesthouse and B&B accommodation in the rural parts of Darlington Borough and evidence of denied business both during the week and at weekends, especially in the summer. Guesthouse and B&B owners are however concerned about their prospects in the next year or so as a result of the 'Credit Crunch'.

#### **3.4.3. Other Rural Areas**

- There are very few guesthouses and B&Bs in other rural parts of the Tees Valley. Our research shows that guesthouses and B&Bs can trade well in other rural areas, attracting business visitors and/or contractors during the week and people attending weddings and family parties or visiting friends and relatives at the weekend. We found some evidence of guesthouses and B&Bs in other rural parts of the Tees Valley denying business during the summer, both during the week and at weekends.

## 3.5. Self-Catering

### 3.5.1. Rural Redcar & Cleveland

- The rural parts of Redcar & Cleveland have a significant supply of self-catering accommodation, mainly individual units. A number of national and regional holiday cottage letting agencies are represented with properties in the area.
- Our research shows strong demand for self-catering accommodation in rural Redcar & Cleveland. Annual lettings of self-catering properties in the area are generally above average: properties are typically letting for 30-40 weeks per year and in some cases up to 48 weeks per year (against a national average of 25 weeks for properties let through the Holiday Cottage Group<sup>1</sup>). One-bedroom properties achieve the highest lettings.
- Demand is strongest between April and October and in the rural parts of the Borough. Lettings in Saltburn are not quite as strong.
- Lettings are primarily for one and two-week holidays for families and walkers. There is growing demand for short break lets outside the peak summer months that many property owners are happy to take.
- Other markets are people visiting friends and relatives; people requiring temporary accommodation while work is being undertaken on their house; business visitors, people attending training courses and contractors; and people attending the Saltburn Folk Festival and Redcar Races.
- Many self-catering properties in the area deny business during the peak summer months, Bank Holiday weeks, half terms and the Christmas and New Year period.
- Self-catering property owners in the area are generally positive about their future prospects and expect to maintain and possibly increase their lettings.
- All of the holiday cottage letting agencies that we spoke to expressed interest in recruiting additional properties in the area.

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<sup>1</sup> The UK's largest holiday cottage letting agency with brands including English Country Cottages, Cottage Holidays, Welcome Holiday Cottages, Stilwells Holiday Cottages, Blakes Holiday Cottages and Cottages4You.

### **3.5.2. Rural Darlington**

- There are very few self-catering properties in the rural parts of Darlington Borough. Those that we spoke to in the Borough and surrounding rural areas reported high levels of lettings of 32-40 weeks per year. Demand is particularly strong for 4 and 5 star properties.
- Demand is strongest between March and October when properties generally let for one and sometime two-week holidays. There is also demand for short break lets outside the peak summer months. Other markets are people visiting friends and relatives, business visitors, contractors, people relocating to the area and performers at the Civic Theatre in Darlington e.g. for the pantomime.
- Our research found evidence of denied self-catering business during the summer months in this area.
- Holiday cottage letting agencies are not interested in recruiting properties in the rural parts of Darlington Borough as they do not see it as a holiday area.

### **3.5.3. Other Rural Areas**

- Sedgefield has a small supply of self-catering accommodation. Properties here appear to attract good demand throughout the year from contractors, business visitors, people visiting friends and relatives and performers at the theatres in Darlington, Middlesbrough and Billingham. They also attract some holiday lets during the summer months. We found evidence of some denied self-catering business in this area, primarily over the Christmas period.
- We have no information on the performance of self-catering cottages in the Yarm area.

## 3.6. Touring Caravan and Camping Sites

### 3.6.1. Redcar & Cleveland

- Our survey of touring caravan and camping sites showed strong demand for seasonal touring pitches<sup>1</sup> in rural Redcar & Cleveland and a clear shortage currently of provision for such accommodation. Those sites that currently take seasonal touring pitches are at capacity and regularly turn people away that are looking for seasonal pitches.
- Our research identified a clear shortage of touring caravan pitches in the rural parts of Redcar & Cleveland. There is now very little provision for touring caravans in this area as Tockets Mill has stopped taking tourers and Margrove Park has gone over almost entirely to seasonal touring pitches. Those sites in the Borough and surrounding parts of North Yorkshire that offer touring pitches are generally full and turning caravanners away between June and August and for Bank Holiday weekends. They also attract demand at weekends in the spring and autumn. Midweek demand at these times of year is more limited however. One site reported strong demand from motor homes in September.
- There is no provision currently in the rural parts of Redcar & Cleveland for camping. The campsites that we spoke to in surrounding parts of the North York Moors attract strong demand from campers at weekends between June and August. One site on the Cleveland Way attracts walkers and backpackers, both individuals and groups.

### 3.6.2. Rural Hartlepool and Darlington

- Our research shows evidence of strong demand for touring caravanning and camping in the rural parts of Hartlepool and Darlington during the summer if the weather is good. Sites in these locations attract good demand during school holiday periods, Bank Holiday weekends and weekends between March and October. Demand is for week-long and longer holidays in the summer (primarily in the Hartlepool area) and short breaks at weekends. Weekend demand is highly localised in the Hartlepool area with caravanners and campers travelling out from Hartlepool, Peterlee and Billingham for the weekend. Other markets are touring caravanners (from the UK and the Continent), cycle tourers, people visiting friends and relatives

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<sup>1</sup> Where people leave their touring caravans on a site for the season to use them at weekends and for holidays.

and contractors. Motor racing events at Croft Circuit also attract caravanners to the Darlington area.

- Our research also identified demand for seasonal touring pitches in the Darlington area that is currently unmet due to the lack of any such provision in the area. There could also be demand for seasonal touring pitches in the Hartlepool area and possibly other rural parts of the Tees Valley.

### **3.6.3. Stockton**

- Demand for touring caravanning and camping is not particularly strong in Stockton. Weekend demand is strong than midweek demand. Weekend demand is highly localised, coming primarily from within the Tees Valley and immediately surrounding areas. Demand is stronger in the peak summer months. Watersports events at the Tees Barrage generate good demand particularly for camping.

## **3.7. Camping Barns**

- There are no camping barns in Redcar and Cleveland or other parts of the Tees Valley. The closest are at Kildale and Farndale in the North York Moors National Park. They attract good demand at weekends in the summer if the weather is fine from walkers on the Cleveland Way, mountain bikers and student/ youth groups. They also attract demand from family groups during the summer school holidays and some demand from walking groups on winter weekends.
- Camping barns do not generate much income and are difficult to support on a commercial basis unless in a honeypot area. Demand in the rural parts of Redcar & Cleveland is unlikely to be strong enough to support the development of camping barns without some form of grant aid.

### 3.8. Static Caravan Parks/ Holiday Parks

- Our research has included discussions with four static caravan/ holiday parks in Redcar & Cleveland and one in Darlington Borough. These discussions showed a very mixed picture in terms of current performance. All parks have a core clientele of static caravan owners and a small turnover of owners each year. Caravan sales have reduced for three parks in Redcar & Cleveland in 2008 and look set to reduce further in 2009. Their operators attribute this to the 'Credit Crunch'. Their numbers of caravan owners have reduced slightly as a result. Caravan sales have been strong for the fourth park in Redcar & Cleveland however, which is looking at expanding in 2009. Two of the caravan parks in Redcar & Cleveland are currently trading well below their licensed capacity for static caravans.
- Two of the holiday parks in Redcar & Cleveland have a limited number of static caravans for hire. Demand for these appears to be strong from Easter to October, with one park regularly having to turn people away for static caravan hire during the summer.
- Demand has increased for static caravan plots at Newbus Grange Country Park in Darlington Borough following the recent investment at the site. The park is now operating at its licensed capacity for caravans. It has a slight turnover in owners but has a steady flow of new people that want to come onto the site.

## 4. FUTURES MARKET PROSPECTS

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### 4.1. Country House/ Rural Hotels

- Luxury country house hotels in the Tees Valley are likely to attract increased corporate demand as the economy of the City Region develops and new companies are attracted. They should continue to trade well at the top end of the corporate market competing strongly for overseas corporate visitors and senior executives.
- Luxury country house hotels, may be able to develop residential conference business, particularly those in the Darlington area with the excellent road, rail and air access that this area has.
- Weddings demand should increase for luxury country house hotels as the City Region's population expands.
- Luxury country house hotels may be able to develop leisure break business because of the quality of their offer, food and leisure facilities.
- Other hotels in the rural parts of Darlington and Redcar & Cleveland also have potential to develop weddings business (as the City Region's population grows) and leisure break business, given effective marketing to target this market. They may also be able to attract increased corporate demand as the Tees Valley economy grows, depending on the scale of hotel development that takes place in the urban parts of the City Region.

## 4.2. Rural Guesthouses/B&Bs/ Pub Accommodation

- Demand for guesthouse, B&B and pub accommodation in the rural parts of Redcar & Cleveland is likely to grow given the further development and promotion of tourism and outdoor activities in the area and possible growth in weddings business for the area's hotels generating increased demand for nearby guesthouses, B&Bs and pub accommodation establishments. Demand could also increase from the business and contractor markets as these markets grow in the Stockton/ Middlesbrough and Redcar areas. The possible development of horse riding trails in the rural parts of Redcar & Cleveland could generate demand for B&B for Horses<sup>1</sup> in the area.
- Demand could also grow in the rural parts of Darlington Borough as the business and contractor and weddings and visiting friends and relatives markets grow in the Darlington area. Demand from these markets could also grow in the other rural parts of the Tees Valley. Weddings at Rockcliffe Hall are likely to generate demand for guesthouse, B&B and pub accommodation in this part of the Borough.

## 4.3. Self-Catering

- Our research clearly shows a shortage of self-catering holiday accommodation in the rural parts of Redcar & Cleveland during the summer months, suggesting potential for growth in demand here given the development of further self-catering accommodation.
- Our research also found evidence of denied self-catering demand in the rural areas in and around Darlington Borough, suggesting some scope for increased demand if further self-catering accommodation is developed here. This area is unlikely to become a major destination for self-catering holidays however.
- Demand for self-catering accommodation in other rural parts of the Tees Valley could increase from the corporate and contractor markets, people relocating to the area and people visiting friends and relatives, as the economy and population of the urban parts of the City Region grows.

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<sup>1</sup> Bed and breakfast establishments that also provide stabling and grazing for horses



#### 4.4. Touring Caravanning and Camping

- Recent research<sup>1</sup> shows the UK caravanning and camping market as having grown significantly over the last 10 years and suggests continued strong growth in the UK market in the future. Membership of the Caravan Club and Camping and Caravanning Club has increased substantially since the late 1990s and sales of touring caravans, motor homes and tents have grown significantly.
- Our research shows clear evidence of a shortage of seasonal touring pitches, touring caravan pitches and tent pitches in the rural parts of Redcar & Cleveland and along the stretch of the Cleveland Way that runs through this part of the Borough. This suggests scope for supply-led growth in the caravanning and camping market in this part of the Tees Valley if existing sites expand and/or new sites are developed. Demand for caravanning and camping should also increase as tourism and outdoor activities develop in the area. Demand will remain highly seasonal and weather dependent. Growth in motor home use is helping to extend the season however.
- Our research also shows a shortage of seasonal touring pitches and touring caravan and camping pitches in the rural parts of Darlington Borough, suggesting potential for supply-led growth here also. Demand for touring caravanning and camping may also increase in the Hartlepool area. The Ashfield Caravan Park at Dalton Percy has had a very promising first season in 2008 and may start to turn business away as its business develops over the next few years.

#### 4.5. Camping Barns

- The potential growth in walking, cycling, mountain biking and other outdoor activities in the rural parts of Redcar & Cleveland could create demand for camping barns in this area. There is currently no such accommodation provision here and no such provision to service walkers on the Redcar & Cleveland stretch of the Cleveland Way.

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<sup>1</sup> The Value of Camping and Caravanning to Local Communities, VisitBritain Insights, January 2008

#### **4.6. Static Caravan Sites/ Holiday Home Parks**

- Our research shows a steady market for holiday home parks in Redcar & Cleveland and Darlington Borough with a small turnover in holiday home ownership each year, and a strong market for holiday home hire. Caravan sales have reduced significantly for three parks in Redcar & Cleveland in 2008 and look set to reduce further in 2009. One park reported growth in caravan sales however and may look to expand in 2009.
- There are very few static caravans for hire in the Tees Valley. Our research found evidence of some denied business for those that are available, suggesting some scope for supply-led growth in this sector.

#### **4.7. Hostel Accommodation**

- The potential growth in walking, cycling, mountain biking and other outdoor activities in the rural parts of Redcar & Cleveland may also create demand for hostel accommodation in this area.

## 5. RURAL ACCOMMODATION DEVELOPMENT OPPORTUNITIES

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### 5.1. Country House/ Rural Hotels

- Our research has shown potential for the following hotel developments in the rural parts of the Tees Valley:
  - The expansion of existing hotels in rural locations to meet anticipated and potential growth in weddings, leisure break and corporate business and current shortages at peak times. Grinkle Park at Easington and Hall Garth already have planning permission for bedroom extensions. A number of country house hotels indicated that they might consider expansion in the future.
  - The development of leisure and spa facilities and banqueting facilities at existing hotels to enable them to develop leisure break and weddings business.
  - Possible development of further new country house hotels, given suitable properties for conversion. Existing country house hotels in the City Region are trading well, achieving good occupancies and high average room rates. They compete well at the top end of the corporate market and attract good weddings business. They can also attract residential conferences and leisure break demand. The further expansion of the City Region's economy and growth in its population are likely to generate increased demand for country house hotels in the future. Wynyard Hall has recently started trading as a luxury country house hotel. Rockcliffe Hall near Darlington is due to open in 2009. While we did not identify any other properties that are suitable for conversion to country house hotels, others may come forward in the future.
  - Possible development of new golf hotels, either on existing golf courses or associated with new golf course developments. Such hotels trade well in the corporate, residential conference, golf break and weddings market and could attract new business to the rural parts of the Tees Valley. There are plans currently for a hotel at Wynyard Golf Club. The Rockcliffe Hall project also includes a new championship golf course.

## 5.2. Pub Accommodation

- Our research suggests potential for further good quality pub accommodation businesses in the rural parts of the Tees Valley in terms of:
  - The expansion of existing good quality pub accommodation establishments;
  - The upgrading and possible expansion of existing lower grade pub accommodation businesses, particularly in terms of the installation of en-suite facilities;
  - The development of good quality guest bedrooms within or adjacent to other rural pubs.
  
- Our research shows that good quality (4 star graded) pub accommodation operations in the rural parts of the Tees Valley generally trade at high levels of occupancy, attracting corporate demand from nearby urban areas during the week and business from weddings held at country house hotels at weekends and possibly weekend break business. The development of good quality accommodation can help to ensure the future viability of rural pub businesses.
  
- In Redcar & Cleveland the development of good quality rural pub accommodation could help to support the development of activity tourism. Walkers and cyclists often use pub accommodation.

## 5.3. Guesthouses/B&Bs/Farmhouse B&Bs

- Our research shows scope for the development of further good quality guesthouse, B&B and farmhouse B&B accommodation in the rural parts of the Tees Valley, especially in Redcar & Cleveland, given the potential to attract leisure break business here, the anticipated growth in weddings business for the area's hotels and the planned development of activity tourism in the area. There may also be scope (and a need) for the development of B&B for Horses in Redcar & Cleveland if plans to develop riding trails are progressed. There could also be scope for further guesthouse, B&B and farmhouse B&B accommodation in the other rural parts of the Tees Valley to serve the corporate and contractor market midweek and demand generated by weddings at weekends.

- Our research identified a number of rural guesthouses and B&Bs in the City Region that are likely to cease trading over the next year or so as their owners retire. There will be a need therefore to encourage new entrants into the sector if the stock of this type of accommodation is to be maintained and increased.

## 5.4. Self-Catering Accommodation

- Our research shows clear potential for further self-catering accommodation in the rural parts of Redcar & Cleveland in terms of:
  - Cottages, houses and apartments letting as self-catering accommodation;
  - Barn conversions;
  - Log cabins.
- Existing self-catering properties in this area are achieving high levels of lettings and many are regularly turning away business during the summer months. Holiday cottage letting agencies also have requirements for additional properties in the area.
- Our research suggests potential for properties of all sizes and standards in the area and potential also for complexes of cottages or log cabins, possibly including central leisure facilities.
- There may also be scope for further self-catering accommodation in the rural parts of Darlington Borough and possibly other rural parts of the Tees Valley.
- Conversion to self-catering may provide a viable future use for redundant farm buildings.

## 5.5. Touring Caravan and Camping Sites

- Our research shows evidence of clear shortages of seasonal touring pitches in Redcar & Cleveland and rural Darlington. There may also be scope for seasonal touring pitches in Hartlepool.
- The research also identifies a shortage of touring pitches in rural Redcar & Cleveland and the rural parts of Darlington, together with scope possibly for further touring pitches in Hartlepool.
- There is also a clear shortage of tent pitches in the rural parts of Redcar & Cleveland and to serve the Cleveland Way. There is currently no provision for camping in this area. The development of camping facilities is likely to be important in terms of supporting the development of activity tourism in Redcar & Cleveland and encouraging increased use of the Cleveland Way.
- There may be scope for the development of camping pods or huts in the rural parts of Redcar & Cleveland and along the Cleveland Way. This is a new form of accommodation that is rapidly developing in the UK. They are effectively wooden shelters that provide sleeping accommodation for up to four people, avoiding the need for them to bring/ carry a tent with them. The North York Moors National Park is in the process of commissioning a feasibility study to assess the potential for a network of camping pods along the Cleveland Way.
- There may also be potential for the development of camping facilities in rural Darlington and possibly further tent pitches in Hartlepool.
- Our research shows no requirement for additional touring caravan and camping provision in Stockton.

## 5.6. Camping Barns

- There may be potential for the development of camping barns in the rural parts of Redcar & Cleveland, particularly to serve groups that want to come to the area to walk and for other outdoor activities. Such accommodation may also attract family groups in the summer holidays.
- Camping barns could be appropriately developed along the Cleveland Way and may be an appropriate form of accommodation to support the proposed mountain biking trail head at Guisborough Forest.
- Camping barns could provide an alternative use for redundant farm buildings. Our research suggests however that the development of camping barns is unlikely to be viable in purely commercial terms and would need some form of public sector financial assistance if it is to be encouraged.
- There does not appear to be demand for this form of accommodation in other rural parts of the Tees Valley.

## 5.7. Hostel Accommodation

- Hostels are a further form of accommodation that could be encouraged to serve groups and families that want to come to the rural parts of Redcar & Cleveland to walk and for other outdoor activities. There is no such provision currently in the area. It could be an appropriate form of accommodation to encourage in Saltburn (particularly to serve walkers on the Cleveland Way and possibly also surfers) and Guisborough (particularly to serve mountain bikers).
- The Youth Hostels Association has no plans currently for a hostel in the area. It is currently focusing on upgrading its existing hostels and developing new hostels in major city centres.
- Our research did not identify any other current proposals for hostel accommodation in rural Redcar & Cleveland.
- There does not appear to be demand for this type of accommodation in other rural parts of the Tees Valley.

## 5.8. Static Caravan Sites/ Holiday Parks

- Our research did not identify any clear potential for the development of new static caravan sites or holiday parks in Redcar & Cleveland. Existing sites are not currently trading at their licensed capacity for static caravans and reported declining caravan sales and falling numbers of owners. One site did however report stronger caravan sales and plans to develop further static caravan plots in 2009.
- There may be scope for the development of a further holiday park in rural Darlington. The existing site here is currently at capacity. There are proposals for a new holiday park at the Skipbridge brickworks.
- There may also potential for a new holiday park in Hartlepool. The new owners of the Sea View Park (formerly Ashvale) have plans to develop the site as a holiday park for the 2009 season.



## 6. LDF IMPLICATIONS

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### 6.1. National Planning Guidance

- National guidance for tourism development was contained in PPG21 until its cancellation in September 2006. It has been replaced by a '**Good Practice Guide on Planning for Tourism**'. This document contains a specific appendix on tourist accommodation, dealing principally with the location of accommodation.
  
- The sections relating to hotels and other forms of visitor accommodation are provided at Appendix 6. In relation to hotels and serviced accommodation, the guidance covers general locational principles and guidance relating to particular types of serviced accommodation (major hotels, budget hotels/lodges, rural/pub accommodation). Some of the key principles include:
  - Identifying suitable locations for hotel accommodation should be an integral part of the plan making process, and should involve the tourist industry.
  - Major hotel developments should look to the town centre first, because of their transport and regeneration implications.
  - Outside the development plan process site selection should follow the sequential approach.
  - There is a need to recognise the market being served by different types of hotel when allocating sites and considering applications, as this will affect the optimum location.
  - In rural areas new build accommodation should preferably be in or adjacent to market towns and villages; the potential to convert rural buildings should also be favourably considered.
  - Scale and impact are key issues in National Parks and AONBs.
  - New hotel developments in historic towns and cities need to be sensitive to their surroundings; conversions may also be a realistic proposition subject to impact.
  - The potential to convert and re-use historic buildings in the town and countryside should be considered.
  - Extensions e.g. to pubs to add bedroom accommodation can help support the viability of these businesses, but need to be proportionate.
  - Budget hotels catering for longer staying markets should generally be destination focused i.e. in town centres.

- Lodges catering for stop-over traffic may require a location on a major routeway, ideally edge of town rather than in open countryside.
- The guidance relating to holiday, touring caravan and chalet parks covers holiday chalets, caravan holiday homes, pitches for touring caravans, motor homes, camping and all types of self-catering accommodation. Some of the key points include:
  - The need for facilities should be carefully weighed against landscape protection.
  - Where possible visually intrusive sites and sites in flood risk areas should be re-located.
  - Planners should work with operators to improve the attractiveness of sites.
  - New sites are better located close to existing settlements and services.
  - Economic benefits as well as environmental impacts of developments should be considered.
  - Whilst occupancy conditions are a useful tool to prevent permanent occupation (more detailed guidance is provided on this), planners should be sympathetic to extended opening periods with trends towards year round activity.
  - Staff accommodation may be required on site, ideally using existing buildings/conversions, but accepting there may be a need for new residential development tied to the business.
  - The re-use of farm buildings and cottages for self-catering holiday accommodation should be supported where in line with sustainable development objectives.
  - More detailed guidance can be found in PPS7.
- Alongside the cancellation of PPG21 and the publication of the Good Practice Guide, it was intended that the issues surrounding tourism development should be addressed as other relevant PPGs were revised. PPS1 (Delivering Sustainable Development), PPS 6 (Planning for Town Centres) and PPS7 (Sustainable Development in Rural Areas) were all published before the Tourism Good Practice Guidance was brought out, and their key messages in relation to tourism development – and particularly the development of hotels – are reflected in the Good Practice Guide. More recently, Draft Planning Policy Statement 4 – Planning for Sustainable Economic Development – has been issued for consultation. PPS4 builds on the objectives for the planning system set out in PPS1 providing the tools for local authorities to plan effectively for economic growth. It requires local authorities to adopt a positive and flexible approach to economic development (which includes tourism and leisure development). It also emphasises the importance of an evidence base to

understand industry/sector needs, using relevant market and economic information, particularly where proposals are not specifically supported by plan policies. In addition, draft PPS4 states that local authorities should limit the designation of sites for single or restricted use classes and promote mixed-use developments in appropriate locations.

## **6.2. Regional Planning Policy**

- The Regional Spatial Strategy to 2021– The North East Plan - is the strategic planning framework for the region. It focuses on urban and rural renaissance – delivering economic prosperity and growth, sustainable communities, capitalising on the region’s natural and built environment and heritage and improving connectivity and accessibility. It includes a policy on culture and tourism which supports investment in tourist facilities and services, including accommodation, that should be informed by market demand, be accessible by a range of transport modes, and concentrated with related development in sustainable locations to contribute to wider regeneration objectives.
- The locational strategy includes a section on the Tees Valley City Region and a series of policies relating to regeneration, economic prosperity, sustainable communities, connectivity, strategic gaps, and environment which set out a series of development priorities and key projects to be taken forward in LDFs. Wynyard Park and Faverdale are identified as key employment locations in the RSS, Wynyard for prestige electronics and high technology sectors and Faverdale for distribution and logistics.

## **6.3. Current Local Plan Policies for Visitor Accommodation**

- The current planning policy framework for hotel and visitor accommodation development in the Tees Valley is largely positive. All five local authorities appear to recognise the economic and social benefits that tourism can bring, from both business and leisure tourism. The sector has frequently been identified in separate sectoral/employment studies as a growth area. The local authorities are at different stages in terms of LDF development – Middlesbrough and Redcar & Cleveland have now replaced their Local Plan policies with Core Strategy and Development/Regeneration Policy DPDs whilst Darlington, Hartlepool and Stockton are moving through Issues & Options and Preferred Options stages.

- The general pattern is for quite detailed tourism policies from Local Plans to be replaced by more generic policies that will enable hotel and visitor accommodation development within the agreed area spatial strategies and subject to impact and access. Hotels are referred to however in some of the more detailed policies relating to key development sites. Hotels are generally seen as a town centre use to which the sequential test would be applied should development proposals fall outside this area. The potential for visitor accommodation development in the rural area and in market towns is also recognised in existing and emerging policies.
- In several instances, other studies have identified the potential for hotels and other forms of visitor accommodation and perceived gaps, although this has not always been based on hard evidence. Key stakeholders were concerned that this Hotel and Visitor Accommodation Futures study should provide that evidence and help inform emerging policies and potentially allocations as part of the LDF process.
- Below we summarise the policy framework by local authority area:

### **Darlington**

- Local Plan:
  - Darlington's Local Plan was adopted in November 1997 and remains the policy framework against which development proposals are considered currently.
  - The existing Local Plan has 3 policies covering visitor accommodation:
    - TO4: Hotels and Guest Houses - directs development to the town centre and built up area, subject to impact. The text identifies a shortage of budget hotels and provision for business visitors, and recognises the potential of employment areas as locations for hotels to serve the business market(e.g. Durham Tees Valley Airport, Faverdale, Yarm Road)
    - TO5: Accommodation in the Countryside - encourages the conversion of existing buildings provided they do not involve extensive rebuilding or additions. Conversion to hotel, holiday cottage and camping barns is identified as acceptable provided they remain for short stay use.
    - TO6: Camping and Caravans - is permissive subject to conditions relating to visual impact, amenity, screening and design. Freestanding chalets and caravans should be concealed in woodland or groups of buildings.

- LDF progress:
  - Darlington's Core Strategy should be at Preferred Options stage at October 2008, and is likely to be adopted in 2010. Existing policies are likely to be replaced by a general policy. There is a draft policy covering hotels, culture, tourism and leisure – under 'Prosperous Darlington'. Sites outside the Core Strategy will be dealt with in the allocations document, the timescale for which will likely be 2011. The Hotel and Visitor Accommodation Futures Study will inform this more specifically.

## Hartlepool

- Local Plan
  - Adopted April 2006, Hartlepool's Local Plan has a chapter on tourism and two specific policies relating to accommodation development:
    - TO9: Tourist Accommodation - encourages the improvement of existing accommodation and the development of new visitor accommodation in Hartlepool town centre and marina, Victoria Harbour, The Headland and Seaton Carew
    - TO10: Touring Caravan Sites - is permissive of development where well-screened and appropriate access and infrastructure can be provided. The Tees Forest is identified as an area of potential together with small-scale farm diversification sites.
- LDF:
  - Core Strategy Issues & Options Oct 2007 – tourism features under 'strengthening the local economy' – and recognises the need to broaden the accommodation base with appropriate new facilities and ensure existing businesses are not adversely affected.
  - Preferred Options will be January 2009.

## Redcar & Cleveland

- Local Plan:
  - Policies relating to tourism and tourist accommodation have now been deleted and replaced by the LDF Core Strategy and Development Policies DPD as of July 2007.
- LDF:
  - The Core Strategy identifies developing the tourism industry as having an important role to play in achieving the objective to strengthen and diversify the local economy. This applies not only to the traditional resorts of Redcar and Cleveland but also to Guisborough, East Cleveland and the countryside, and this is reflected in the area spatial strategies. In the Development Policies DPD, the provision of visitor accommodation is identified as an important part of this strategy. The only accommodation-specific policy (DP16) relates to caravan sites and chalet type development. It permits the development of such accommodation only on sites which protect and enhance the Borough's natural environment and that are considered suitable subject to access and screening. Tourist accommodation development is referred to in other policies e.g. DP17 farm diversification. Occupancy conditions would normally apply.
- Other documents:
  - The Tourism Strategy and Action Plan identifies potential for new accommodation for business markets, caravan & camping sites, serviced and self-catering accommodation.
  - The Activity Tourism Audit identifies a shortage of visitor accommodation as limiting development of activity tourism – with specific gaps being facilities for camping in Saltburn, limited overnight stops for caravans and motor homes, and no youth hostel or camping barns.
  - The Guisborough Market Town Distinctiveness Study identifies a lack of overnight accommodation in the town centre as limiting potential for the town to develop as a tourist destination, and refers to potential for pubs to develop rooms and for the development of a hotel. In the previous Local Plan policies there had been an allocation for hotel associated with roadside services on the Guisborough by-pass.

## Stockton

- Local Plan:
  - Stockton's Local Plan dates from 1997 with alterations in 2006. It features a series of tourism policies within the Economy section, which includes objectives to encourage provision of a range of tourist accommodation. Policies TOUR 3 and TOUR 4 are permissive of new hotel development, conversions and extensions within the built up area, and to conversions outside the limits to development. The potential for caravan and camping development is covered under recreation policies and for converting rural buildings to accommodation uses under environment policies. Alteration No.1 affirms hotels as a town centre use to which the sequential test should apply.
  
- LDF:
  - The Core Strategy is at Preferred Options stage and due to be submitted in 2008. There are no specific hotel or visitor accommodation policies. Hotels area referred to in the Regeneration DPD as a use within the mixed-use scheme proposed at North Shore.

## North Yorkshire National Park Authority

- Statutory purposes and duties:
  - These are the starting point for consideration of all types of development in the Park, and seek to:
    - Conserve and enhance the natural beauty, wildlife and cultural heritage of the Park;
    - Promote opportunities for the understanding and enjoyment of the special qualities of the Park by the public.
    - Foster the economic and social well being of local communities.
  
- Local Plan and LDF:
  - At the time of writing, the planning policies covering the National Park are about to change. Existing policy is contained in the North York Moors Local Plan 2003. This is being replaced by the Local Development Framework. The Core Strategy and Development Policies have now been approved by a Government Inspector and the new policies will be adopted on 13<sup>th</sup> November 2008, replacing all the policies in the existing Local Plan. Reference to the Core Strategy in this note is to the new policies.
  
  - Rural accommodation – the policy stance:
    - Country house hotels
      - New build hotels in new locations would be resisted, but up-grading and expansion would generally be supported, preferably using existing buildings but permitting new build when these do not exist.
    - Guesthouses, B&Bs and Farmhouse B&B:
      - The expansion of existing facilities is generally provided for in the policies in the Core Strategy. There may be sustainability issues where properties are in isolated locations only accessible by car.
    - Pub accommodation
      - There is a perceived need to up-grade the quality of the pub accommodation offer. Policies in the Core Strategy seek to resist the loss of pubs within and outside villages.



- o Self-catering
  - Barn conversions outside settlements are preferred for economic/tourism rather than residential use and policies in the Local Plan have supported this. The Core Strategy also allows for residential letting and may affect the number of tourism schemes coming forward. There is a perceived over-supply of self-catering cottage provision in the Park.
  - Policies relating to chalets/camping sites have been problematic allowing new sites to start up in isolated locations provided they are in woodland. Core Strategy policies are more restrictive to ensure proposals for chalet and camping sites are linked to an existing business and can be managed without the need for additional permanent residential accommodation.
- o Camping barns
  - Whilst there has been a Local Plan policy for these they have not come forward on any scale. There is no camping barn policy in the Core Strategy; applications will be dealt with under the general conversion and tourism policies. They would need to be located where they could accommodate walkers e.g. near long distance trails.
- o Touring caravan and camp sites
  - The trend has been for up-grading and refurbishment of existing sites plus some loss of pitches to static and log cabin/chalet use. Additional facilities such as toilet and laundry blocks will generally be permitted
- o Camping pods
  - These are viewed as permanent structures and so visual impact is an issue compared to the touring pitches they might replace. Where they are contained within existing sites they are likely to be considered favourably. They could also be permitted under farm diversification policies if small scale (4-5 pods).
- o Group accommodation
  - Generally this would be linked to outdoor recreation centres or provided in youth hostels.

## 6.4. Future Policy Direction for Rural Accommodation Development

- The Rural Accommodation Futures Study identifies potential for the following accommodation developments in the rural parts of the Tees Valley:
  - Expansion and up-grading of existing hotels, country house hotels and golf hotels;
  - The addition of leisure and spa facilities and banqueting facilities at existing hotels;
  - New country house hotels, should suitable properties be available for conversion;
  - Golf hotels e.g. on existing golf courses;
  - The expansion of existing good quality pub accommodation establishments;
  - The upgrading and possible expansion of lower grade pub accommodation businesses;
  - The development of quality guest bedrooms within or adjacent to rural pubs and restaurants;
  - Further good quality guesthouses, B&Bs and farmhouse B&Bs;
  - B&B for Horses in Redcar & Cleveland if riding trails are developed here;
  - Further self-catering accommodation in terms of:
    - Cottages, houses and apartments let for self-catering accommodation;
    - Barn conversions to holiday cottages;
    - Log cabins;
    - Holiday cottage and log cabin complexes, possibly with central leisure facilities.
  - Seasonal touring caravan pitches in the rural parts of Redcar & Cleveland, Darlington and Hartlepool;
  - Touring caravan pitches in the rural parts of Redcar & Cleveland, Darlington and Hartlepool;
  - Tent pitches and camp sites in rural Redcar & Cleveland and possibly in rural Darlington and Hartlepool;
  - Camping pods in rural Redcar & Cleveland and along the Cleveland Way;
  - Camping barns in rural Redcar & Cleveland and along the Cleveland Way;
  - Hostel accommodation in rural Redcar & Cleveland.

- In planning policy terms all of these forms of rural accommodation should thus be encouraged and supported as far as possible, subject of course to all other material planning considerations. The DCLG Good Practice Guide on Tourism Planning provides further guidance to planning authorities on policies for these forms of visitor accommodation (see extract at Appendix 6)

## 7. MOVING FORWARD

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- The Rural Accommodation Futures Study identifies opportunities for the development of a range of different types of visitor accommodation in the rural parts of the Tees Valley. Moving forward, the following actions are recommended in order to fully capitalise on such accommodation development opportunities:
  - a) **Using the study findings to inform LDFs**
    - Planning policy teams should be encouraged to take note of the opportunities for rural accommodation development that the Hotel & Visitor Accommodation Study identifies and ensure that relevant LDF documents make adequate provision to support and encourage the development of such types of accommodation in rural areas, subject to meeting other planning requirements.
  - b) **Business support packages for rural accommodation business start ups**
    - Rural accommodation businesses are frequently established by people that are new to the sector and who have little or no previous experience of running accommodation businesses. It would be helpful therefore for the public sector partners to provide and promote some form of business support package to assist new entrants in establishing and developing rural accommodation in their area. Such a package could include:
      - Information packs providing all of the information that new entrants will need when setting up and running a rural accommodation business;
      - Training seminars and workshops;
      - Grant aid or some other form of financial assistance.
    - Information packs and training materials could be prepared centrally for local distribution and delivery. There are probably many examples of materials that have been developed elsewhere that could be used or adapted for use in the Tees Valley.
    - Trainers that have first hand experience of running rural accommodation businesses should deliver training.

- o Grant aid will almost certainly be needed to support the development of camping barns, should such accommodation be seen as a priority in rural Redcar & Cleveland and along the Cleveland way. Camping barns are not usually commercially viable without some form of public sector financial support.

**c) Developing the activity tourism market**

- o The development of activity tourism in Redcar & Cleveland is likely to create new demand for visitor accommodation in the rural parts of the Borough, particularly in terms of touring caravan sites, camping pitches and sites, camping pods, camping barns and hostel accommodation. The development of such accommodation will also be needed to support the development of activity tourism.
- o An action plan has already been developed for activity tourism in Redcar & Cleveland. We understand that this has not yet been implemented however. Progress in moving forward with this action plan would we feel help to support the development of the Borough's rural accommodation offer.
- o The development of walking is likely to generate the greatest demand for rural accommodation. In developing the area's walking product, the Borough Council and its partners need to recognise that accommodation businesses are generally looking for more than one-night stays. This suggests that a strategy that seeks to develop clusters of circular walks around accommodation bases, possibly as promoted centres for walking breaks, would be more in line with the requirements of accommodation operators, rather than the development of further linear and long distance walking trails. Towns and villages such as Saltburn, Guisborough, Easington, Loftus and Skelton, where there are already clusters of accommodation businesses, could easily be developed and promoted as such walking centres, given the development of circular walking routes from them. The same principle could be applied to the development of cycle tourism in the area, with the development of circular day cycle rides from such accommodation bases to attract centre-based cycle breaks.

- o The development of horse riding trails will require the establishment of B&B for Horses operations if they are to attract horse riders to stay overnight.
  
- o There may be scope to consider accommodation development opportunities, e.g. a campsite, camping barn, camping pods or a hostel, in association with the proposed development of a mountain biking trail head at Guisborough Forest.
  
- o Accommodation providers will also need to be encouraged to provide appropriate facilities for guests coming to walk, cycle or take part in other outdoor activities. This would include drying rooms and washing facilities. Relevant accommodation businesses should be encouraged to take part in the VisitBritain Walkers & Cyclists Welcome Scheme.

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