Bicester Gateway:
Hotel Proposal Sequential Test & Economic Case

Prepared for: Bloombridge LLP
By RAMIDUS CONSULTING LIMITED
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Executive Summary

This report sets out an economic and sequential assessment of the proposal by Bloombridge and Hill Street Holdings to develop a hotel on the frontage of the 18ha Bicester Gateway Site. The hotel is intended to be an integral part of a high performing, second generation business park. Despite the affirmative comments made by the Inspector in his report on the Examination in Public into the Cherwell Local Plan, and despite assurances given in a Statement of Common Ground in December 2014, the hotel proposal is not fully compliant with Policy Bicester 10 of the Local Plan (because this policy does not carry forward the wording agreed with the Inspector).

The report therefore presents material planning considerations through an economic and sequential assessment in order to persuade planning officers to support the principal of a hotel and recommend the proposals for approval.

The Department for Communities & Local Government recognises demand from business travellers and the preference for hotels on major traffic routes beyond town centres for reasons of accessibility and efficiency. It is now firmly accepted in business park development that a hotel and conference/meeting facilities are an integral part of place making, the 'business offer' and in driving take-up of space.

The proposed hotel will help facilitate the wider employment objectives of the Council; particularly given its consistency with Policy SLE3 in terms of assisting with the delivery of the type of employment that is needed in Bicester. The proposed hotel is likely to create c50 new FTE jobs.

Cherwell is one of the fastest growing districts in Oxfordshire, and there is evidence that its hotel capacity has been inadequate for a considerable period of time, with a lack of large, higher quality accommodation. Moreover, the *Strategic Economic Plan* and the District's floorspace demand forecasts suggest further significant growth, as provided for in the Cherwell Local Plan, particularly among those businesses likely to occupy out-of-town business park accommodation. The data suggest a 45%-56% growth in business space stock. This growth will place considerable pressure on the District's business accommodation (and associated amenities).

Apart from the underlying economic growth, demand for hotel and amenities on business parks is being driven by a structural shift in workstyles. Growing numbers of workers are, at least to a certain degree, 'agile workers', and this change is driving demand for 'third places' in which to work, not least from the entrepreneurial and SME sectors. Thus, business park hotels and amenities now cater for the needs of those located on the park and for the needs of a wider workforce who might be visiting or simply using it as a convenient location in which to undertake business.

If Bicester Gateway (and Bicester in general) is to compete with the established, market leading business parks at Harwell, Milton Park, Oxford Business Park and Oxford Science Park then it must match these parks with a comparable 'offer'.

The sequential assessment has evaluated whether there is a site suitable for the development proposed by the applicant. Our review of sites and hotels in the

Bicester district suggests that there are no genuine alternative sites in Bicester town centre that will provide the same facilities, aimed at the same target market, available now.

We believe that the assessment presented here provides sufficient evidence and material planning considerations to cause officers to consider that they *outweigh any conflict with Bicester Policy 10*, including demonstrating that the sequential test has been passed and that a hotel is essential to unlocking wider development and success of Bicester Gateway and the town.

Since this report was initially prepared in May 2016, it has been subject to review by officers at Cherwell District Council. This review raised a number of questions which have been addressed in two ways. First, this report contains an Addendum regarding the Council's main points. Prepared by Ramidus, this Addendum responds to each of the Council's questions in turn. Secondly, property advisor Savills was asked by Bloombridge and Hill Street Holdings to prepare a more detailed response to the policy and planning law matters raised by the questions. This is bound and submitted separately.

About the author

This report has been prepared by Dr Rob Harris PhD MPhil BA(Hons), Principal of Ramidus Consulting Limited.

Ramidus was founded by Rob Harris in 2003 as a specialist, independent built environment research and advisory business. Ramidus works with property investors, developers, advisors and policy makers, providing insights into property market dynamics, socio-economic trends, investment opportunities and the changing needs of occupiers. The firm has a wealth of research experience involving projects throughout the property process, including design, development, management, investment and occupation. The table below shows a selection of recent clients.

A selection of recent clients	
Alycidon	Lambert Smith Hampton
Berkeley Commercial	Lipton Rogers
Bloombridge/Goodman	London Borough of Camden
British Council for Offices	London Borough of Islington
Buckinghamshire County Council	London Borough of Lewisham
Business Centre Association	London Borough of Richmond
CAG Consultants	London Legacy Development Corporation
Carter Jonas	National Audit Office
City of Westminster	Needspace
City of London Corporation	Obsidian
Government Property Unit	Park Royal Partnership
Greater London Authority	Peter Brett/Roger Tym & Partners
IPD	Scottish Widows
Hammerson	SEGRO
Johnson Controls International	St Bride's
Jones Lang LaSalle	Stanhope Properties
Kingston University	URS
Knight Frank	Wycombe District Council

Immediately prior to setting up Ramidus, Rob worked for ISG plc where he was Operations Director Consulting, managing a team of over 40. Before ISG, Rob worked for: Gerald Eve (Head of Research); Stanhope Properties Plc (Research Director); Hillier Parker (Research and Consulting Associate); Debenham Tewson & Chinnocks (Research Analyst) and DEGW (Research Consultant).

Rob is currently a reviewer for Journal of Corporate Real Estate. Previously he has been: Founder Member and Chair, Workplace Consulting Organisation; Board Member, Federation of Corporate Real Estate; Founder Committee Member, Society of Property Researchers, and Board Director, CoreNet UK. He has published many articles on a wide range of property market issues, including a book, *Property and the Office Economy*. He presents widely on real estate matters, specialising in occupier issues, demand research and market trends.

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1.0 Introduction

Ramidus Consulting Limited was invited by Bloombridge LLP and Hill Street Holdings (the Developer) to prepare a sequential test and an economic assessment for a proposed hotel at Bicester Gateway. We include a calculation of the potential jobs generation at the proposed hotel, and an assessment of how the hotel might help deliver a high quality business park by raising its attractiveness to occupiers, and by driving the take-up of space, especially in relation to the critical first phase.

The output from the work is intended to support discussions with planning officers at Cherwell District Council (CDC). Although paragraph 156 of the Inspector's Report into the Local Plan referred positively to the development of a hotel at Bicester Gateway (based on the *Statement of Common Ground* (SoCG) agreed between the Developer and CDC in December 2014), the final version of the Cherwell Local Plan 2011-2031 (the Local Plan) omitted any express reference to the proposed hotel. Thus, pre-application discussions with the Developer have requested this report so that CDC can make a 'normal' development management assessment alongside the current policy position as set out, in particular, in Policy Bicester 10, the employment development objectives of Policy SLE1, and the related aspirations for tourism in Policy SLE3; all in the context of Bicester being a major centre for growth and investment at the district, county and national level.

Paragraph 24 of the National Planning Policy Framework (NPPF) requires a sequential test to be undertaken for main town centre uses that are not in an existing town centre and contrary to policies contained within an up-to-date Local Plan. While the NPPF cancelled the Planning for Town Centres Practice Guide (PPS4), the principle of sequential testing remains largely in place. This requires that town centres should be assessed for suitability in the first instance; followed by edge-of-centre locations, followed by out-of-centre locations.

The SoCG has set out why a hotel would be consistent with a high quality business park and its positive impact on occupier take-up. In short, it is reasonable to expect an out-of-town business park to have at least some of the facilities of a town centre; and there is now at least 20 years of planning evidence confirming that this is a sustainable approach that accords with best practice in planning and economic development. A more detailed exposition of this baseline forms part of the evidence presented in this report, along with evidence from high quality business parks elsewhere which are, by their very nature, sited away from town centres (yet also categorised as a 'main town centre use' in Annex 2 of the NPPF).

Business occupiers who need larger buildings and larger, contiguous floorplates, such as those involved in information and communications technology, business services and R&D, can only really be accommodated 'out-of-town' which, in turn, raises parallel questions on the need for, and availability of, the sort of amenities usually available in town centres. It is unfortunate that the NPPF is not sufficiently nuanced to draw out the business space needs of different occupier sectors. For example, it is clearly inefficient to locate production space in town centres because such space tends to comprise just two floors (e.g. ground floor production with first floor offices), making land price affordability an issue, notwithstanding the design (e.g. scale and massing), amenity, security, transportation (e.g. HGV deliveries), storage and utility demands (e.g. power and water).

Modern business parks tend to be located on or near good arterial roads, enabling access, for example, to airports and several conurbations. They also attract occupiers who often (a) employ highly mobile workforces; (b) attract large numbers of visitors throughout the working day (and week), including customers, supply chain and collaborative partners; (c) create a clustering effect among businesses, including 'grow on' space, co-location and adjoining space for third parties in the supply chain, and rapid construction opportunities (all rarely available in town centres), and (d) through active asset management by the developer, provide for churn at lease breaks and other mechanisms to help businesses occupy their space very efficiently (e.g. by offering outsourced conferencing, meeting and amenity space). For these reasons hotels and amenities are today an integral part of a high quality business park offer, often conferring a significant advantage in the 'territorial competition' between sub-regions for occupiers and investment.

Our report addresses the issues in the following sequence.

- **Section 2.0** The relevant planning policy background, regarding the proposed hotel, in terms of the national planning policy context; the sub-regional planning context; local planning policy and pre-application discussions.
- **Section 3.0** Modern business parks must work hard to attract and retain occupiers, and a hotel is becoming standard practice as part of the mix of ancillary uses. Here we examine the evidence, employment generation and the objectives of the proposed development.
- **Section 4.0** Hotels on business parks are partly a symptom of the profound changes that are taking place in workstyles across the country. Business structures and work processes have evolved, leading to the widespread adoption of 'agile working'. We outline the implications for Bicester Gateway.
- **Section 5.0** There is substantial evidence that Oxfordshire and Cherwell District are both under-provided with business hotel accommodation. This section examines the supply of hotel accommodation in the sub-region and drivers of future demand.
- **Section 6.0** Paragraph 24 of NPPG Guidance requires a sequential assessment, and this section reviews hotel and conference/meeting facilities in the Bicester area in order to test whether they provide the type of facilities proposed at Bicester Gateway. The review focuses on the target market, proximity to facilities aimed at business travellers and quality.
- **Section 7.0** The report concludes by making a strong and rounded case for the provision of a hotel at Bicester Gateway.

The report concludes with an Addendum which addresses a number of questions raised by the Council. The questions were raised following a review of the report first drafted in May 2016. This should be read in conjunction with a parallel report prepared by property advisor Savills, *Sequential Test Statement* (7th September 2016). Savills was asked by Bloombridge and Hill Street Holdings to prepare a response to detailed policy and planning law matters raised by the Council's questions. The Savills report is bound and submitted separately.

2.0 Planning context

Detailed planning matters regarding the development at Bicester Gateway are being dealt with by the Developer. However, in the context of a sequential test, it is important to establish the Local Plan policies relevant to the provision of a hotel at the site. Here we address the national planning policy context (NPPF); the sub-regional planning context (the LEP's *Strategic Economic Plan*); local planning policy (Policy Bicester 10) and pre-application discussions.

2.1 National planning policy considerations

Paragraph 24 of the NPPF identifies hotels as a 'main town centre use', When considering locations for new hotel development, proposals should be considered in the following order: town centre, edge-of-centre, and out-of-centre locations. Perhaps more helpfully, the Good Practice Guide on Planning for Tourism[1] distinguishes between different types of hotel and where these can be best located.

The Guide specifically seeks to encourage larger hotels with multiple facilities in town centres but recognises that budget hotels might be located elsewhere to meet their specific target markets, albeit these other locations should be as sustainable as possible. Making an out-of-town business park more sustainable (e.g. by reducing off-site trips) is an extension of this principle.

This approach to recognising distinctions in the hotel market is helpful, although it should be noted here that business hotels tend to be polarised between budget (effectively just 'set down' space), and others that offer a broader range of services and comfort. The tourism market exhibits similar characteristics. By combining both 'markets' the hotel operator at Bicester Gateway is likely to be able to provide a broader and better offer to guests, thereby underscoring the high quality credentials of the business park.

Paragraph 13 of the Good Practice Guide states that "*Where budget hotels are designed to cater for longer stays at a destination (for example, those catering for visitors to historic towns and cities), their location should be considered in light of policies in the development plan and national policies in PPS6 on town centres. Location of such hotels in town centres maximises the opportunities for visitors to easily access other town centre facilities and attractions.*" The Guide then helpfully distinguishes hotels aimed at business travellers.

> *Other types of budget hotels and similar types of development such as motels and travel lodges cater more for car-born travellers, often for a single overnight stay – e.g. business travellers en-route to a destination. In such cases, the preference of developers will be for sites on major traffic routes outside of the centre of large towns or tourist centres. However the aim should be to make any development as sustainable as possible, and it will not normally be appropriate for such developments to be located in open countryside away from major settlements. Edge of town centre locations, for example on a ring road or on a major route out of the town centre, will usually be the most appropriate locations if a town centre location is not suitable, available or viable*. (Paragraph 14)

[1] Dept. for Communities & Local Government (2006) *Good Practice Guide on Planning for Tourism*

It is worth noting here that the hotel market for business travellers has progressed substantially since the publication of PPS6. This is dealt with more fully in Section 3.2; but the essence is that businesses and workers are now 'more agile', with growing numbers of people being 'on the move'. In turn, this has led to greater competition among hotel operators and, therefore, a greater segmentation of the offer from 'budget' space to meeting, touch down space and 'conferencing'; the latter including what might previously be described as four star facilities.

2.2 Sub-regional planning context: the *Strategic Economic Plan*

Sub-regional planning context to the Bicester Gateway proposal is provided by the LEP's Strategic Economic Plan.[2] This document highlights Bicester's strengths in terms of it being the second largest town in Cherwell district; being home to around 31,000 people; being one of the fastest growing areas in Oxfordshire, and having excellent road and rail links. The town is described as having "*major ambitions for growth through the development of the internationally recognised Bicester Village Shopping Centre, the recently completed £70m town centre redevelopment and the proposed North West Bicester Eco-town*".

Bicester is described as being planned "*to play a key role in the economic growth of the county given its advantageous location on the transport network which connects the town with Oxford, Science Vale Oxford and the wider south-east region*". These growth plans appear to be integral to the town's role as an anchor of the knowledge spine and in it "*becoming an increasingly significant location in the Oxford-Cambridge Arc*", with new opportunities "*arising from an increase in science and technology based businesses and exploiting innovations and spin-outs from academic research*".

There is little doubt that such inward investors will require not only first class accommodation in which to undertake business, but also a broad and deep range of support services, not least of which are hotels and conference/meeting facilities. They will not wish to access these in a busy town centre, but rather on their doorstep – i.e. on the Bicester Gateway business park.

The LEP identifies Bicester Village, which is not within the town centre, as a significant UK tourist attraction, drawing in over 5.8 million visitors a year, including many from overseas (Oxford attracts seven million visitors per year, but has many more hotels). It benefits from good rail connections with London; has helped to place the town on the international map, and has "*given the town a stronger retail offering than would be expected in a centre of this size*". The lesson of Bicester Village here lies in the complimentary roles of the different functions. It is notable that the new park & ride is located opposite Bicester Gateway, and The Avenue (Wyevale) is immediately to the north, reinforcing the interrelationships with Bicester Village and the expanding 'town centre' and making any simple, single-centred analysis for Bicester inappropriate and somewhat anachronistic.

2.3 Local planning policy context: Policy Bicester 10

The Local Plan identifies Policy Bicester 10: Bicester Gateway as an 18ha site with the "*potential to contribute towards building and reinforcing a modern knowledge*

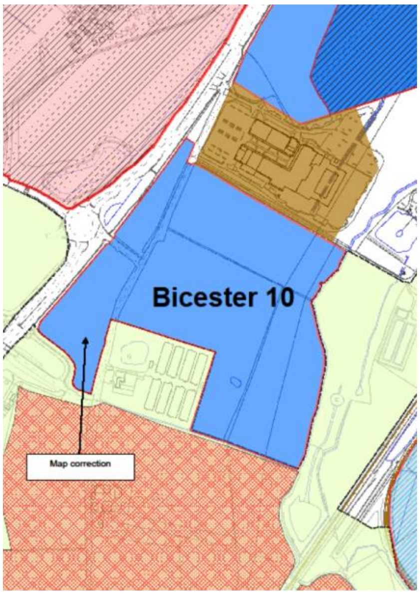
[2] Oxfordshire Local Economic Partnership (2014) *Strategic Economic Plan*

economy for Cherwell and surroundings, securing a location for science and research and technology transfer and commercial application" (Para C96). This allocation underscores the local authority's acceptance of development on the site, subject to detailed discussions and agreement over detailed considerations. As noted previously, this development is for a 'main town centre use'.

It goes on to highlight the site's potential as "*a major high quality employment area at this critical gateway to the town*" (C97), and the opportunity to encourage the District's knowledge economy "*by enabling businesses which have or want links to the Oxford cluster, as well as direct spin out companies from successful research and development, to locate in Bicester*" (C98). The Oxford cluster is described as "*constrained by its historic environment and by the Green Belt*", while Bicester is just ten miles from the city, but importantly very close to Junction 9 of the M40.

Policy Bicester 10 also suggests that development here will "*provide employment in Bicester helping to reduce the number of people out commuting to Oxford and London*", as well as complementing the "*proposed employment development at Silverstone*" by being able to form part of the technology corridor from Oxford to Northamptonshire and Oxford to Cambridge (C99). The Silverstone Master Plan (and planning permission) provides for three hotels.

The Developer notes that Policy Bicester 10, as described in the Local Plan, omits hotel use as an acceptable use associated with the proposed business park; but in our view this omission serves no planning purpose. The Developer believes that the amenities provided by a hotel are an integral part of modern, business park place making and will act to support, rather than detract from, the overall purpose of Bicester 10.



The Bicester 10 allocation is underpinned by two documents. The first of these is the *Statement of Common Ground* (SoCG), agreed between Bloombridge and CDC in December 2014, in the lead up to the Examination. The second is the *Inspector's Report* on the Local Plan Examination in Public, published in May 2015. Both documents provide evidence on what was agreed.

However, in preparing the final, published version of the Local Plan, two significant omissions were made. First, the policy does not refer to a hotel, despite this being agreed in Pre-EIP discussions (see above). Secondly, the Proposals Map excludes the bottom left corner of the site, despite the inclusion of this land being agreed as a modification (SHMM 76), as shown in the diagram above. With respect to the hotel, Paragraph 156 of the Inspector's Report states that "*the Council proposes to amend the Policies Map to facilitate the development of a hotel on the site frontage as part of the overall scheme*".

We conclude that whilst Bicester 10 does not include a hotel explicitly, it would be very difficult to move away from the general principle that a hotel is an important and beneficial element of Bicester Gateway. This was the clear intention of Bloombridge, CDC and the Inspector up to and at the Examination in Public.

2.4 Local planning context and pre-application discussions

The proposed hotel is a 'main town centre use' as defined in Annex 2 of the NPPF and paragraph B56 of the Cherwell Local Plan 2011-2031. The NPPF requires a town centre first approach in which town centre uses are provided in town centres, thereby encouraging the growth of centres. Policy SLE2 of the Local Plan reflects this approach, seeking to support Bicester town centre's vitality and viability. The policy reflects the NPPF and requires a sequential test and impact assessment for applications for main town centre uses outside the town centre. We note that Bicester 10 is already allocated 18ha of 'main town centre use' in an out-of- town setting, a fact that is symptomatic of the limited development capacity of Bicester town centre.

In its Pre-application Report[3], CDC notes that Policy Bicester 10 does not specify that a hotel is provided on the site. However, it concedes that, at the Examination in Public (EiP) into the Local Plan, "*the Council was of the view that a hotel would be acceptable in this location if needed to assist in achieving a viable employment development and this should be taken into account*". Moreover, the Pre-application Report states that while the designation of the site for B1 employment uses (rather than mixed use employment development), is consistent with the Local Plan, "*it is recognised that delivering viable development can be challenging and if a hotel can assist in wider site delivery this should be a consideration. Hotels can have specific links to business and are sometimes located on business parks and this is recognised*". We argue that the provision of a hotel at Bicester Gateway is not an aspect of "*delivering viable development*" as such (although this is a helpful additional consideration) but rather a critical element in delivering a successful, high quality business park, as all such medium- to large-scale parks have a hotel or plans for one. The hotel will assist viability, especially for the most difficult and riskiest first phase, but we feel that the economic arguments for a hotel are strong enough without needing to plead a viability case in addition.

Despite CDC's caveats to Local Plan policy, the Pre-application Report underlines that a hotel at Bicester Gateway "*would appear to be contrary to the development plan as a whole given that it would amount to loss of part of an allocated employment site and propose a main town centre use in an out-of-town location*". It notes that any application would have to advance material planning considerations "*that outweigh the conflict with planning policy*", including demonstrating that the sequential test has been passed and that a hotel is essential to unlocking wider employment development on the site. There are at least three relevant points to be noted here.

First, a hotel is of itself a significant employer, and this is demonstrated in Section 3.2. While perhaps not the type of employment envisaged in policy, it is a sector of employment that is growing and, in the context of a local economy well-supplied with

[3] Cherwell District Council (2015) *Pre-application Report* Reference No. 16/00013/PREAPP

B-use space, provides an opportunity to meet a diversity of local employment needs. Indeed, a hotel proposal is consistent with Policy SLE3 in terms of assisting with the delivery of the type of employment development that is needed in Bicester.

Secondly, discussions of hotels in planning policy almost exclusively take place in the context of discussions about tourism.[4] This is a natural, but outdated, perspective, as large numbers of hotels now cater for the particular and varied needs of business. Today's workforce is highly mobile and the demand for accommodation aimed at business people has grown enormously in recent years, not least in relation to the remote and flexible working opportunities created by the digital economy (see Section 3.2). The fundamental issue here is that town centres – where (most) tourism takes place – are not where business people typically wish to stay. Their preference is for business locations and arterial routes to reduce journey times and create easy and efficient travel arrangements, not least in relation to car parking and transferring work, files and other luggage (often a problem in town centres with strict and/or limited parking regimes, where security/safety is a further concern.

Thirdly, there are examples within the Local Plan which are more accepting of the kind of facility proposed at Bicester Gateway, in out of town locations. For example, it states with respect to RAF Bicester that:

> *It will support heritage tourism uses, leisure, recreation, employment and community uses. The development of hotel and conference facilities will also be supported as part of a wider package of employment uses.* (Policy Bicester 8: Former RAF Bicester)

Then, the policy for Graven Hill states that the site, to the south of Bicester,

> *is proposed for a mixed use development of 2,100 dwellings, significant employment land providing for high quality job opportunities, associated services, facilities and other infrastructure ….* (Policy Bicester 2: Graven Hill)

And, finally, the approach to Bicester Business Park states that:

> *There is a sustainable opportunity for the provision of strategic employment space to the south of Bicester Town Centre and adjoining the A41. The Bicester Business Park site has planning permission for a 60,000m2 business park incorporating offices (B1) and hotel (C1) use.* (Paragraph C65)

The SoCG sets out two particular items upon which the parties are agreed and which are relevant here. First, that "*there is an opportunity to elevate the allocation of Bicester Gateway to a 'second generation' business park, thereby including ancillary uses such as a hotel [to] serve the needs of visitors to Bicester as well as offering a significant amenity to business occupiers…*"

The second area of common ground was that if the amenity offer were to be delivered upfront, it would help "*improve the attractiveness of the development to*

[4] It is recognised that Para B.65 of the Local Plan states that "*business tourism is important to Cherwell's economy*".

prospective employers and, in turn, driving the take-up of employment space (and job creation) locally".

The ability to deliver a viable hotel upfront at Bicester Gateway is a particularly important and material consideration with respect to opening up and driving the success of the business park. The EiP Inspector clearly agreed, and CDC confirmed their acceptance of this position when asked to do so by the Inspector. In the unlikely event that this matter has to be decided at Appeal, this will be an important material consideration and an endorsement of the approach proposed by the Developer.

3.0 Hotels on business parks

Modern business parks must work harder than in the past to attract and retain occupiers. Most successful business parks now provide amenities on site including retail, services and hotels. A hotel is the most efficient way of providing accommodation, food, beverages, conferencing and meeting space. The Oxford Hotel (Jurys Inn) on the A40 at Wolvercote provides a decent example of a hotel with a dedicated business centre. Not surprisingly, therefore, it now standard practice in business park development that hotels are considered as part of the usual mix of ancillary uses to ensure the success of a park.

In a world that is increasingly conscious of sustainability, it is also recognised (including in corporate social responsibility targets, which are often used by occupiers as part of the relocation decision matrix) that on-site amenities reduce the need to travel off site for refreshments, business services and accommodation.

A hotel (and/or other amenities) also count against employee concerns about relocating to a 'mono-culture' business park, in contrast to employers who might be tempted to like the highly efficient (but ultimately unsustainable) notion of 'all work and no play' on an old fashioned business park. Generally, with the ongoing 'war for talent' among high performing businesses, it is the aspirations of employees (current and future) that are most influential in deciding a company's location strategy. Arlington Securities set the standard here by targeting health and wellbeing opportunities on business parks, such as Next Generation at Hatfield Business Park and David Lloyd Leisure at Oxford and Gloucester Business Parks. Others followed; with a pertinent example and benchmark for Bicester Gateway being Adanac Park in Southampton. Whilst the market for out-of-town health clubs is now largely saturated, there remain opportunities to deliver these sorts of amenities (viably) as part of the hotel offer (depending on size, profile and catchment). The Cambridge Belfry adjoining the business park at Cambourne, Cambridgeshire (QHotels), is a good example.

We are entirely comfortable with the case that modern business parks require a range of amenities and services, including hotels, as a particularly important part of creating the brand of each business park. Hotels also contribute very significantly to creating an attractive and enjoyable place to work.

3.1 Evidence of hotels on business parks

As already noted, hotels are an established feature of many modern, successful business parks. We list below a sample of high quality business parks, where hotels and other amenities are an integral part of their offer to business occupiers.

- **Aztec West, Bristol** is an early example, developed in the late 1980s, which includes the four-star Shire Hotel, with a separate retail offer, including hairdressers, newsagent and sandwich shops (i.e. the Aztec Centre).
- **Cardiff International Business Park** includes a 78-bedroom Ibis hotel, restaurant, supermarket, coffee shop and crèche.
- **Gloucester Business Park** has a Premier Inn and the Whittle Inn (with restaurant), together with a mix of services including hairdresser, pharmacy and sandwich/coffee outlets.

- **Green Park, Reading** has the four-star Millennium Madejski hotel, including conferencing facilities, restaurant and gym/pool. The park also has restaurants, supermarkets and stationers.
- **Hatfield Business Park** has Beales Hotel, the Hanger Hotel, Premier Inn, Ramada Jarvis Hotel and Travel Lodge. It has various retail and service offerings, including a supermarket and fitness centre (Next Generation, in a listed hangar). It is also home to the University of Hertfordshire.
- **Lakeside Business Park, Portsmouth** is currently developing a six storey, 153-bedroom Village hotel complete, with leisure club and swimming pool.
- **Oxford Business Park** has recently seen an extension to its Premier Inn, which is part of a wider retail, and fitness offer, including David Lloyd Leisure.
- **Oxford Science Park**, with the Hampton by Hilton, which now complements the Magdalen Centre.
- **Peterborough Business Park** has a Marriott Hotel, including conference/meeting facilities, pool and fitness centre.
- **Sheffield Business Park** has a Mercure Hotel with 78 bedrooms, together with conference/meeting facilities.
- **Silverstone** The Silverstone masterplan and planning permission (led by Bloombridge) includes three hotels.
- **Strathclyde Business Park** has a Hilton Hotel plus restaurant and retail including food and beverage outlets.

Part of the reason for the growth of hotels on business parks has been a rapid evolution in workstyles, which has led to growing numbers of ‘agile’ workers. A hotel also provides a way in which to bundle a range of amenities which would otherwise not find a viable segment of the market; i.e. with available aggregate demand and/or reasonably uncontested supply.

3.2 Employment generation of business park hotels

Paragraph B48 of the Local Plan states that the provision of jobs will be a material consideration for determining planning applications for any use classes. It is important to consider the hotel proposal at Bicester Gateway in the light of this provision, which implies the positive contribution of all new job creation. Here we demonstrate the employment generating potential of the proposed hotel which, given Paragraph B48, is an important material planning consideration.

According to the HCA’s Employment Density Guide[5], different levels of hotel quality generate different employment profiles (Figure 1). It can be seen in the chart the range of job generation varies by a factor of five.

The Bicester Gateway proposal equates to a ‘mid-scale’ hotel which can be expected to generate one FTE job for every three beds. This means that the proposed 150 bed hotel should be capable of generating 50 FTE jobs. This calculation has been verified by a potential operator. An R&D building on a similar plot (depending on the office content) would produce between 75 and 100 FTE jobs. A warehouse would produce around 30 FTE jobs

[5] Homes & Community Agency (2015) *Employment Density Guide*

Figure 1 Employment generation of hotels

Use Class	Sub-category	Sub-sector	Density	Notes
C1	Hotels	Limited service/budget	1 per 5 beds	FTE per bed
		Mid-scale	1 per 3 beds	
		Up-scale	1 per 2 beds	
		Luxury	1 per 1 bed	

Source: HCA (2015)

It should also be noted that the part-time and flexible nature of some of these jobs makes a useful contribution to the mix of employment opportunities, thereby helping different sectors of the population to work (including parents, students and older people). The service sector, customer focused training opportunities are also important, often acting as a springboard for improved career prospects.

A recent application by Premier Inn at Oxford Business Park concurred with our employment ratios for a hotel.[6] The application involved the extension of a hotel from 143 rooms to 202 rooms. The Reserved Matters Application planning statement argued that the current hotel "*would employ a minimum of 40 staff*", while the extension would lead to the creation of a further 20 roles, including reception, housekeeping, food and beverage, security, maintenance and management (most of which would be full-time appointments). This concurs with the one FTE per three-bedroom ratio.

In addition, the proposals are consistent with other policies such as Policy SLE3 and a hotel would assist in the delivery of the type of employment development that is needed for Bicester. It is exceptionally advantageous that a hotel at Bicester Gateway can serve both the business and leisure markets, respectively, during the week and at week-ends, assisting viability.

3.3 Objectives of a hotel at Bicester Gateway

Before the detail of the sequential test, it is helpful to underscore the objectives of the proposed hotel on the site, as it is against this strategy that the sequential test must be undertaken and alternative sites evaluated (as per Tesco vs Dundee).

The Developer has made the point in the SoCG that almost every high quality business park has some form of amenity on site, usually a hotel, because this is the most efficient way of providing food, beverages, conferencing, meeting space, accommodation, etc., and a hotel acts to drive space take-up. This sort of facility is especially useful for SMEs, whether they are located on site or just visiting or located nearby. With the right approach to design and layout, the hotel often becomes the 'hub' of the business park and, in that sense, it is best to locate the hotel at the front of the business park (or in a prominent position).

The Developers' proposal is to provide a hotel that achieves the following objectives.

[6] Walsingham Planning (2015) *Reserved Matters Application by Premier Inn Hotels Limited* Planning Statement, January 2015

- Provide accommodation for business people visiting firms located on Bicester Gateway or in nearby commercial property – i.e. the hotel needs to be 'co-located' with the business park.
- Exploit the frontage and accessibility to attract passing trade, including at weekends (which will underscore the viability of the hotel and enable it to achieve a higher quality and broader offer). For example, the frontage land offers the opportunity to accommodate Bicester Village visitors (at its busiest times), consistent with Policy SLE3 on tourism.
- Provide good quality support services in the form of conference, meeting, restaurant and café-style facilities.
- Create a sense of place and offer scale at this gateway location.
- A hotel will open up the site, showing that Bicester Gateway is 'open for business' and available to deliver business space within the 24 month 'window' demanded by most active enquiries.

The Developer makes the case that modern business parks require a range of amenities and services, including hotels. Its objective at Bicester Gateway is to deliver a large part of the amenity offer 'upfront' because, experience on other parks has taught the lessons of seeking to 'retro fit' amenities. Arlington's Birmingham Business Park (J6 of the M42) is a classic example of a park with struggling amenities and slow take-up, with most business space enquiries preferring Blythe Valley Business Park (J4 of the M42), which includes a Virgin Leisure in Phase 1 and permission for a hotel. The other key point of difference between these two business parks is the car parking ratio, where 1:20 on Birmingham Business Park is often cited as a differentiator.

One of the key lessons is to provide potential occupiers with a sense of commitment and certainty over their prospective 'business community'. This is a particularly important part of the brand of each business park, not least in relation to appealing to the employees of businesses that are looking to relocate. The websites of market leading developers MEPC and Goodman make this point abundantly clear.

Furthermore, the Developer believes that providing the hotel upfront will help drive take-up on the park by making Bicester Gateway an attractive and enjoyable place to work. Whilst not very profitable, the hotel will also provide the park's investors with confidence and it will help to fund the initial infrastructure and create a sense of place. Hence, a standalone consent for a hotel on the 'frontage land' is a vital part of the planning (and investment) strategy, which was the point made by Bloombridge in the lead up to, and at, the EiP. Once committed, the confidence created will ensure that further investment follows. Businesses often resist being the first to locate on a new business park as no business wishes to set a new market rent or be left surrounded by empty fields for a prolonged period. The hotel solves this problem and sends out the clear signal that Bicester Gateway is 'open for business'.

It is against these objectives that the suitability of alternative sites has been assessed.

4.0 Hotels and changing workstyles

The nature of organisations has changed greatly in recent years in response to evolving business structures and work processes, largely driven by technological innovation. As a result, the nature of work itself has evolved, and it is this that forms the essence of demand at Bicester Gateway for both business space and the associated amenities to serve the needs of business. It is fundamental business drivers that are at the heart of the rationale for the proposed hotel at Bicester Gateway. Put another way, the need for a hotel is part of a much broader set of business needs that, together, will drive the demand for space at Bicester Gateway.

Much of this section is abridged from a published, refereed article by the author.[7]

4.1 Corporate change

Organisations have evolved in recent years to look less like 'corporate islands'. They are now more commonly involved in complex supply chain relationships, involving collaborative production and multi-disciplinary skills. Connectivity and access to knowledge are defining features of contemporary business and society. The key features of modern, knowledge-based businesses have been described,[8] as follows:

- more cognitively complex;
- more team-based and collaborative;
- more dependent on social skills;
- more dependent on technological competence;
- more time pressured, and
- more mobile and less dependent on geography.

The overriding themes emerging from research in this area revolve around agility and connectivity, leading to the evolution of workstyles that are increasingly mobile, collaborative and technology-enabled.

Flatter and more agile organisations are increasingly staffed by workers who have greater control over their work; who are far more independent of 'place' than the traditional workforce. Such workers spend less time working on the same set of tasks, in one place, simultaneously with the same set of colleagues. And the traditional employer-employee relationship is evolving as the activity of work increasingly blurs with home, leisure, health and educational needs.

4.2 Agile working

While there are many terms that describe the workstyles that result from these trends, 'agile working' is used here largely because of its emphasis on mobility. Agility includes working away from the office (at home or in 'third places'), but also mobility *within* the office as workers share space and resources. The spread of agile working has prompted a wider debate about the merits of co-location, or bringing people together to perform work functions in centralised workplace: if technology

[7] Harris R (2016) New Organisations and New Workplaces: Implications for Workplace Design and Management *Journal of Corporate Real Estate* Vol18 No1 pp4-16
[8] Heerwagen JH; Kelly K & Kampschroer K (2010) *Changing Nature of Organisations, Work and Workplace* http://www.wbdg.org/resources/chngorgwork.php

enables agile working, then why bring staff to a single place of work each day? The debate has been fuelled by the rising cost and time associated with commuting.

If this is the case, then a key function of the contemporary workplace, given high levels of worker mobility and agile working, is to provide a 'corporate hub', within which is held the essence of the corporate culture and values – not to mention its governance, systems and infrastructure. The hub brings colleagues together for networking, knowledge sharing, mentoring and collaborating, as well as having a role in attracting and retaining staff.

This hub is often a branded, business-specific space for the largest occupiers (i.e. over 5,000 sq m), but smaller and medium-sized occupiers cannot afford the luxury of their own hub and rely on third party space, such as hotels or innovation centres (or both) to serve these needs. A further benefit to all businesses is that, with pressure on office space (the most expensive rents out of all B-Class uses), the off-site 'business centre' can be used as 'flex space' when there is pressure on available workstations.

In short, the workforce has changed dramatically: it is increasingly mobile, collaborative and technology-enabled. Workers have greater control over their work; they are more independent of 'place'; and they are more demanding of working conditions/style. Much of this change has been driven by the ubiquitous nature of technology. And the relevance to the hotel proposal on Bicester Gateway is that this is the sort of amenity that will appeal to employers and employees.

The hotel and amenities enable suppliers to, and customers of, business park occupiers to be accommodated close to the 'main business' and, for SMEs, the hotel offers the sort of facilities (conferencing, restaurant and wellbeing) that only major regional and national headquarter buildings provide; thereby offering SMEs scalability and profile. In a nutshell, the hotel offers Bicester Gateway what economists would describe as a 'locational advantage' or, perhaps more correctly for a proposed high quality business park in Oxfordshire, a 'locational necessity'.

4.3 Implications

Many occupiers are located on business parks because they provide appropriately specified and affordable buildings in a context that is not constrained by town centre congestion (or need for grow-on space), and which are easily accessible, both for staff and visitors, from all directions and with maximum flexibility.

In the context of changing workstyles described here, business parks are also catering for a highly mobile workforce. Thus, on any given business park, hotels and amenities will, in part, be catering for the needs of those located on the park and, in part, for the needs of a wider workforce who might be visiting others on the park, or simply using it as a convenient location in which to undertake business.

Moreover, 'third places' have become critical workplace option for agile workers. And it is in this context that hotels on business parks have become such a feature of modern workstyles. They provide not only overnight accommodation, but also conference facilities, meeting spaces and restaurant/café facilities and often wellbeing facilities (e.g. gym) with easy access and parking.

As businesses have become more flexible, and as agile working has spread, so this has led to greater competition among hotel operators and, therefore, to a greater segmentation of the offer from ‘budget’ to meeting, touch down space and ‘conferencing’; the latter including what might previously be described as four star facilities.

5.0 Establishing the need

There is substantial evidence that Oxfordshire and Cherwell District are both under-provided with business hotel accommodation. This conclusion is based on both survey work within the sector and forecasts for economic growth in the region. We argue that these supply-demand dynamics are a material consideration for the proposed hotel at Bicester Gateway.

5.1 Supply of hotel accommodation

A major study of hotel (and other) accommodation provision was prepared in 2008: the *Cherwell Tourism Development Study*.[9] While this study is now a little dated, it is the most recent available, and its findings are instructive here. The study identified 19 hotels in Cherwell district, providing 668 rooms. Over three-quarters of the hotels were graded.

The study noted that "*Business tourism is important to Cherwell*", but its assessment of provision painted a picture of under-supply. The following findings are pertinent.

- Hotels are mainly small, with only four having >50 rooms. The average size is 35 rooms and the largest is the Travelodge with 133 rooms (at the time of the study, a new Holiday Inn was anticipated in Banbury, with 130 rooms).
- There is a variety of different types of hotel ranging from traditional town centre hotels, to country house hotels and smaller family-run places. Almost all were independent as opposed to branded hotels.
- The only new build hotel in the district was the Travelodge; most were older traditional buildings.

The potential level of mismatch between supply and demand is emphasised by data on facilities for meetings and conferences (Figure 2). The data show that only six hotels "*have more than 100 delegate (theatre style) capacity*" and that "*Only one hotel, the Holt Hotel, has specific conference facilities*".

At the same time, the survey found that 75% of respondents were predicting growth in business levels. The main barriers to achieving this growth were "*lack of physical capacity (especially for serviced accommodation sector) and the low profile of North Oxfordshire as a visitor destination*".

The study concluded that there was a specific lack of "*higher quality, larger and branded accommodation*". This is important for business because many companies have UK-wide deals with the brands, making it harder for employees to stay elsewhere. It is argued that although 172 new hotel rooms "*are already in the pipeline and permission has also been granted for c250 other rooms*", in the longer term it was likely that there would only be adequate capacity to accommodate likely levels of demand up to 2016.

This prognosis was based on the authors' forecast that "*business tourism will be one of the fastest growing tourism sectors in Cherwell over the next 10 years*", and that a

[9] The Tourism Company (2008) *Cherwell Tourism Development Study*

key policy priority for business tourism should be "*Supporting hotels and other venues in providing quality facilities*". This is especially important in the context of the substantial increase in business space and town centre expansion proposed by the Bicester Town Master Plan (now reflected in the Local Plan Part 1 (and the emerging Part 2).

Figure 2 Overview of meeting and conference facilities in Cherwell

Venue	No. Rooms	Capacity (theatre style)
Best Western Banbury House Hotel	4	Up to 70
Best Western Jersey Arms	3	8-20
Bicester Golf and Country Club	7	Up to 180
Cromwell Lodge	+2	18-110
Deddington Arms	1	Up to 40
Great Barn	2	50-200
Holt Hotel	9	10-135
Pavillion	2	Up to 110
Pera House	15	Up to 50
Ryehill Golf Club	1	240
Travelodge Bicester	2	Up to 8
Weston Manor Hotel	7	Up to 40
Whately Hall	5	10-100
Wroxton House Hotel	2	35-45

Source: The Tourism Company (2008)

The study's findings with respect to pressure on capacity and forecast growth in business tourism should be placed in the context of the anticipated substantial growth in business floorspace in Bicester and Cherwell. Figure 3 shows relevant data from the District's 2014 Employment Land Forecasts.[10] The data show a 45% increase in office stock in the low growth scenario, and a 56% growth in stock, or 135,000 sq m, in the high growth scenario. This growth will place considerable pressure on the District's business accommodation (and associated amenities).

Figure 3 Cherwell District forecast additional floorspace demand, 2011-31

Area	Net additional floorspace (sq m), 2011-2031			
	Stock	Low	Medium	High
Kidlington offices	49,035	38,218	41,359	44,762
Rest of Cherwell offices	191,210	71,001	80,703	90,667
Total	240,245	109,219	122,062	135,429

Source: Adapted from URS (2014)

[10] URS (2014) *Updated Cherwell Employment Land Forecasts* May 2014

A more recent study has reinforced the main findings of the *Cherwell Tourism Development Study*. In a report prepared in support of expansion of facilities at the Bicester Hotel Golf & Spa[11], research during 2015 identified 977 hotel bedrooms in 21 hotels in Cherwell District (significantly more than the 668 bedrooms identified in the Cherwell Tourism Development Study).

The study identified Cherwell District as a suitable location for additional high end hotel rooms for three key reasons. First, "*high current occupancy rates*" for larger hotels in the District, implying a certain level of capacity constraint. Secondly, "*a proven lack of high end accommodation*". Thirdly, a lack of accommodation specifically "*aimed at golfing and leisure breaks as well as business and events*"; the latter illustrating that business and pleasure is often mixed.

5.2 Drivers of future demand

Of course the drivers of demand for hotel accommodation in Cherwell District will be influenced by factors outside of the District's influence, and it is important to recognise these in terms of the potential for accommodation demand within the District. The focus of the county, as articulated in the LEP's Strategic Economic Plan, is on innovation-led growth.[12]

The Plan's vision is that by 2030 Oxfordshire will be *"recognised as a vibrant, sustainable, inclusive, world leading economy, driven by innovation, enterprise and research excellence*". The strategic drivers will include its concentration of high-tech and research activities and growth potential in areas such as space science and satellite technologies, bioscience, the health sector and advanced manufacturing.

The ambition is that key strengths in these science-based knowledge industries will help accelerate economic growth across the county, enabling it to become "*a global leader in Big Science*". Some of the key *Strategic Economic Plan* targets to 2031 include:

- the creation of 85,600 new jobs by 2031;
- securing a minimum of £2.5bn of private sector investment;
- building between 93,560 to 106,560 new homes;
- attracting £500m of rail investment and £815m of highways investment, and
- achieving a GVA uplift of £6.6bn.

The priority locations identified in the LEP strategy focus on the Oxfordshire 'Knowledge Spine', (Figure 4). This corridor extends from Science Vale in the south, through Oxford to Bicester in the north.

The key inference to be drawn from the LEP's strategy is that, if to any degree successful, then the need for business accommodation in particular, will continue to grow.[13] Moreover, the success of the 'Knowledge Spine' is determined to a significant degree not just by the businesses and sectors that define the component

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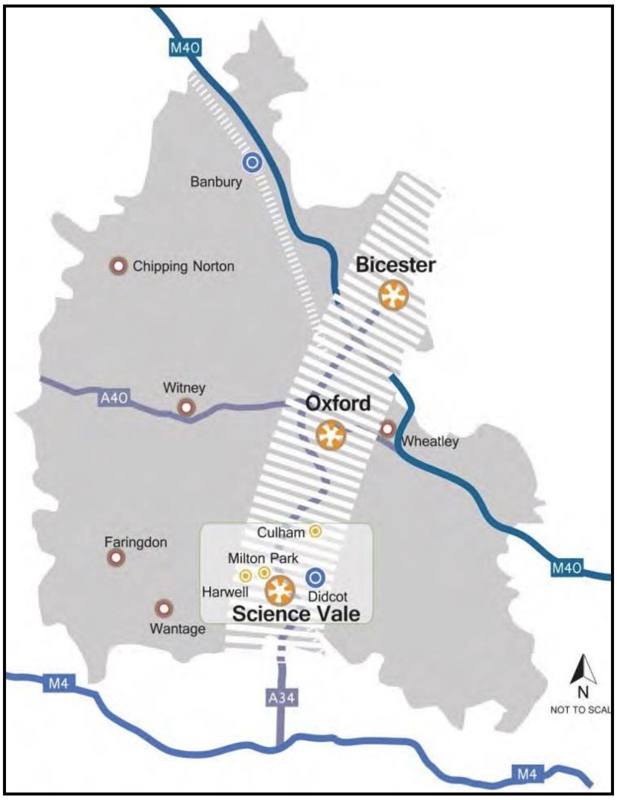
[11] Davis Planning (2015) *Bicester Hotel Golf & Spa Sequential Assessment*
[12] Oxfordshire Local Economic Partnership (2014) *Strategic Economic Plan*
[13] Most economists agree that high potential regions such as Oxfordshire need to outperform the national average in order for growth targets for the nation as a whole to be achieved (i.e. making up for lagging regions).

clusters, but also by the support services and amenities that bind the system together. Hotels are an essential part of this mix.

Figure 4 The Oxfordshire 'Knowledge Spine'



Source: Oxfordshire LEP (2014)

As well as these strategic drivers of demand for additional space, there are also more pragmatic reasons to believe that demand in Cherwell District will grow. A recent report drew attention to the fact that while "*the strongest interest in the county from conference organisers is in and around Oxford … availability in the city is … frequently limited and hotel prices … are high*".[14]

The point being made is that there is likely to be scope for hotels in other parts of Oxfordshire to attract business "*by offering a better value option to Oxford hotels, whilst still capitalising on the proximity to the city and their central location and ease of access*". The research suggests that such opportunities "*are likely to be strongest for large full service hotels in the M40 and A34 corridors and for existing and new full service 3/4 star hotels in the Science Vale area*". Put another way, if Bicester wants to compete with or attract Oxford-centric businesses, and if it is going to be a success in its own right, then it needs to have a comparable or proportionate offer to what is available in the city. It is clear that a location close to J9 of the M40 fits research expectations.

[14] Hotel Solutions (2014) *South Oxfordshire & Vale of White Horse Hotel Needs Assessment*

6.0 The sequential assessment

As already noted, the NPPF and NPPG provide guidance on the most appropriate locations for hotel development. Paragraph 24 of the NPPG states that new development should be considered sequentially, first in terms of town centres; secondly in terms of edge-of-centre locations and, finally, in terms of out-of-centre locations. This section examines hotel and conference/meeting facilities in the Bicester area in order to test whether they cater for the same target market, and provide the type of facilities, proposed at Bicester Gateway. The review has focused on three specific criteria.

- Is the facility targeting the business market, with conference/meeting facilities?
- Is the facility within or adjacent to facilities aimed at business travellers?
- Is the site of an appropriate quality and scale?

6.1 National guidance

The NPPG sets out how the sequential test should be used in decision-making and states that this should be proportionate and appropriate to the given proposal. In considering whether a proposal complies with the test, the following matters are required to be considered.

- Has the suitability of more central sites to accommodate the proposal been considered? Away from the town centre, preference should be given to accessible sites that are well-connected to the town centre. Any associated reasoning should be set out clearly.
- Is there scope for flexibility in the format and/or scale of the proposal? Specifically, what contribution are more central sites able to make individually to accommodate the proposal?
- If there are no suitable sequentially preferable locations, the sequential test is passed.

This general guidance has been clarified in one important respect. This clarification arose in relation to a Supreme Court hearing, in the case of Tesco Stores Ltd versus Dundee City Council (2012).[15] The Court determined that a sequential test should apply to the specific proposal for which the planning consent is being sought. In other words, the test is not whether there is a site "*suitable for meeting identified deficiencies in retail provision in the area*", but whether there is a site "*suitable for the development proposed by the applicant*". The Court directed that, in assessing whether or not a suitable, more sequentially preferable site exists, the planning authority should ask whether such a site is suitable for what the developer plans to build, not what might be required to meet a deficiency in the area.

It is thus clear that local planning authorities should consider an applicant's particular market and locational requirements. In this sense is it reasonable to focus the sequential assessment on the features of the proposed development that will be expected to influence customer behaviour. These features include a focus on business use accommodation, availability of conferencing and meeting facilities and adjacency to a significant business community. It is further assumed that any

[15] This case study is taken from: Davis Planning (2015) *Bicester Hotel Golf & Spa Ltd Sequential Assessment*

potential sites that are not reasonably available, suitable or viable may be discounted. In addition, we have cast the search net probably wider than we need to in order to underscore the point made elsewhere that the area is generally under-provided with quality, business-focussed accommodation.

6.2 Review of alternative sites

This section examines hotel and conference/meeting facilities in the Bicester area in order to test whether they provide the type of facilities proposed at Bicester Gateway. The review has focused on three specific criteria.

- Is the facility targeting the business market?
- Is the facility within or adjacent to facilities aimed at business travellers?
- Is the site of an appropriate quality and quality?

The Bicester Hotel Golf & Spa (BHG) sequential assessment referred to in Section 5.1 surveyed alternative sites. This work was undertaken in 2015, and used the following sources to identify alternative sites.

- Cherwell District Local Plan (Adopted and Non-Statutory)
- Banbury and North Cherwell Site Allocations (2006)
- Bicester and Central Oxfordshire Site Allocations (2007)
- Cherwell Local Plan Submission (2014)
- Sites with planning consent but not completed
- Internet search for vacant/available property

The search area used here has been cast widely in order to demonstrate the underlying point that not only is Bicester centre under-provided with hotel space on a par with that proposed at Bicester Gateway, but that the wider area is similarly underprovided. In this way, the analysis demonstrates that not only is there demonstrable need for the proposed hotel, but also that there are no sequentially preferable sites.

The BHG research, which was found to be acceptable to Cherwell recently, has been used to cross check the evidence base here. The first group of sites includes those identified in the Local Plan and Site Allocations documents; while the second group assesses existing hotels.

Banbury Golf Centre does not currently have a hotel on site. An application and appeal were dismissed in 2006 on grounds of the impact on character and sustainability. The out-of-centre site is available, but the BHG study notes that "*the site allocation has not reached a stage whereby there is sufficient certainty to suggest that the site will be allocated*". Further, any development on the site will be for leisure use ancillary to the golf course and is not aimed at business customers directly.

Grimsbury Reservoir Waterworks is a 1.8ha site located within Banbury, but is not defined as either town centre or edge-of-centre. The BHG study noted the site allocation has not been confirmed, and there remains "*considerable uncertainty about whether the allocation will remain*". It therefore cannot currently be considered compatible with the Bicester Gateway proposal.

North of Piggy Lane is a 0.34ha site, identified in Bicester and Central Oxfordshire Site Allocations (2007). It is located in an edge-of-centre site on land north of Piggy Lane, which would form an extension to an existing 36 bed hotel. This appears to be the Littlebury Hotel, which is a boutique hotel that does not, as far as we can determine, cater for business with conference and meeting facilities and it does not offer the scale proposed at Bicester Gateway.

Bicester 1 includes C1 use as part of a "*Mixed use local centre hub*". The site is out-of-centre and sequentially no more preferable to Bicester Gateway.

Bicester 8 is the former RAF site and is identified to "*support heritage tourism uses, leisure, recreation, employment and community uses. The development of hotel and conference facilities will also be supported as part of a wider package of employment uses*". This seems a different but compatible proposal to Bicester Gateway, with the focus more on niche tourism/business on a constrained site (i.e. 'heritage') rather than the more open market, industrial scale technology and R&D at Bicester Gateway. The hotel offers are therefore also likely to differ; and we note that the current offer at RAF Bicester is less than ten rooms in the former mess quarters. Bicester 8 is out-of-town and not therefore sequentially preferable to Bicester Gateway.

Ploughley Road, Upper Arncott and Ambrosden Road is another former MoD site, which is neither town-centre nor edge-of-centre. It has outline consent for a mixed use scheme, including 1,900 homes; various community, retail and support services, and "*a pub/restaurant/hotel (class A4/A3/C1) up to 1000sqm and parking*". The proposed employment floorspace includes 2,160 sq m of B1(a) space as well as industrial and distribution uses. The application was approved on 8th August 2014. The site is lies to the south east of Bicester Gateway. It is not sequentially preferable. It does not offer a hotel operator the profile or scale available at Bicester Gateway, and it is linked mainly to housing, not employment space.

Land adjacent to Oxford Council, Spicebill Park, Banbury is a town-centre site with outline consent for a retail food store (A1), hotel (C3), cinema (D2), restaurants and cafes (A3 and A4). The site is not associated with employment uses (i.e. a business park) and, being in Banbury, serves another market area (Banbury is not in the 'knowledge spine').

The second group of sites includes existing hotels. While we refer, in Section 5.1, to a growing capacity shortage in hotel provision in the District, there are a range of hotels available. We have undertaken an internet search of hotels in the area, and here we review their suitability to meet the business market, for accommodation and conference/meeting facilities, that the Bicester Gateway hotel would be targeting.

The following are all considered too rural and/or boutique in their offerings.

- Best Western Magnolia Park Golf & Country, Boarstall
- Bicester Hotel, Golf & Spa
- Cartwright Hotel Aynho
- Dashwood Hotel, Kirtlington

- Deddington Arms Hotel, Deddington
- Holt Hotel, Steeple Aston
- Merton Grounds, Wendlebury
- Oxfordshire Inn, Bletchingdon
- Red Lion, Adderbury
- Tally Ho Hotel, Lower Arncott
- Weston Manor Hotel, Weston on the Green
- White Horse Inn, Deddington
- Wroxton House Hotel, Wroxton

The following are all aimed at the town centre tourist market and are not within or adjacent to facilities aimed at business travellers or business park occupiers.

- Almond Tree Hotel, Bicester
- Best Western Banbury House Hotel, Banbury
- Littlebury Hotel, Bicester
- Mercure Whately Hall Hotel, Banbury
- Travelodge, Franklins Yard, Bicester

The following lack conference/meeting facilities for business users.

- Best Western Jersey Arms Hotel, Middleton Stoney
- Cromwell Lodge Hotel, Banbury
- The Kings Arms, Bicester
- Lismore Hotel, Banbury
- Holiday Inn, Banbury (out-of-town, on the A422, off J11 of the M40)
- Premier Inn, Bicester
- Travelodge, Bicester (out-of-town, on the Moto Service Area off J10 of the M40)

The following are budget hotels and aimed at a different market to the Bicester Gateway proposal.

- Bignell Park, Chesterton

6.3 Overview

None of the sites identified in the Local Plan and Site Allocations documents is suitable for the type of facility proposed by the Developer. And our research of existing hotels confirms the findings of the research presented in Section 5.1, that there is an under-supply of business hotel accommodation in the area.

None of the hotels reviewed will have a significant effect in attracting occupiers to Bicester Gateway, especially in the difficult first phase. A hotel is an essential part of any high quality business park, and an essential part of Bicester’s ‘offer’ to investors and employers.

Our search has confirmed the findings of other research that there is an undersupply of accommodation comparable to that proposed at Bicester Gateway, and that there are no sites that are more suited in a sequential assessment context.

7.0 Conclusions

The Bicester Gateway site is on the A41 just outside of Bicester, a very short drive time to J9 of the M40. The frontage of this 18ha allocation is held under a long-term option by Bloombridge and Hill Street Holdings (the Developer), who are planning to develop a high performing, second generation business park. The Developer supports the economic objectives of the Local Plan and considers the frontage of Bicester 10 to be a deliverable and viable site to deliver employment opportunities, with the remaining part of the allocation following as the frontage becomes established.

Having regard for the comments made by the Inspector in Para 156 of his report into the Local Plan, and despite the assurances given in the SoCG agreed in December 2014, the proposal for a hotel at Bicester Gateway is not fully compliant with the Local Plan – the policies on business are supportive in part (e.g. the strongest possible support for economic and employment growth in Bicester, on the 'Knowledge Spine', by means of allocated out-of-town employment land) and the policies on tourism are fully supportive (Policy SLE3), thereby requiring some reconciliation. This report has explained the interrelationship between business and tourism and how, even with a proposal for a business orientated hotel, the tourism trade (e.g. at week-ends) is exceptionally helpful in terms of the quality and quantity of services that are viable to provide (thus becoming an even greater attractor of businesses).

Furthermore, whilst there is perhaps a 'loss of employment land' argument that needs to be addressed, it is noteworthy that the same Committee that omitted to carry forwards the amendments to the Local Plan Proposals Map (set out in paragraph 156 of the Inspector's Report) also omitted to allocate part of the employment land (see map on page 5 above), so this 'loss' can also be reconciled through a planning application.

When analysed in the depth provided by this report, we conclude that, on balance, the proposal for a hotel at Bicester Gateway is in reasonable conformity with the policies in the Local Plan. A hotel is not specifically mentioned in Bicester 10 (as was the intention), but there are plenty of other policies and material considerations that support the proposition, including the business and economic factors reviewed in this report that drive the take up of business space. In short, all modern, high quality business parks have a hotel or plans for a hotel (or other ways of delivering amenities).

This report has sought to bring the relevant strands together by marshalling material planning considerations in order to persuade planning officers to recommend the proposals for approval. This paper has presented those material considerations and the evidence behind them. We trust that the Inspector's Report is given some weight in considering the merits of these broader, material considerations, in combination with the narrative of the SoCG. They are part of the Local Plan evidence base and provide useful interpretation.

The evidence and material considerations presented in this paper are summarised in the following bullet points.

- The DCLG recognises demand from business travellers and the preference for hotels on major traffic routes outside of the centres of large towns or tourist centres. And it is now widely accepted in business park best practice that a hotel and conference/meeting facilities are an integral part of place making, the 'business offer' and in driving take-up of space.

- With the right approach to design and layout, the hotel often becomes the hub of the business park and, in that sense, it is best to locate the hotel at the front of the site. This is also the best location to ensure viability for the hotel, especially in the early stages, by encouraging passing trade.

- The proposed hotel will help facilitate wider employment development taking place on the site, and we understand that this is something to which officers are likely to give weight. This is particularly so given its consistency with Policy SLE3 in terms of assisting with the delivery of the type of employment that is needed in Bicester. The proposed hotel is likely to create c50 new FTE jobs.

- Cherwell District is one of the fastest growing areas in Oxfordshire, and there is evidence that its hotel capacity is inadequate with a lack of large, higher quality accommodation. Moreover, the *Strategic Economic Plan* and the District's floorspace demand forecasts suggest further significant growth – particularly among those businesses likely to occupy out-of-town business park accommodation. The data suggest a 45%-56% growth in stock, which will place considerable pressure on the District's business accommodation (and associated amenities).

- Apart from the underlying economic growth, demand for hotel and amenities on business parks is being driven by a structural shift in workstyles. Growing numbers of workers are, at least to a certain degree, 'agile workers', and this change is driving demand for 'third places' in which to work. Thus, business park hotels and amenities now cater for the needs of those located on the park and for the needs of a wider workforce who might be visiting or simply using it as a convenient location in which to undertake business.

- If Bicester Gateway (and Bicester in general) is going to compete with the established, market leading business parks at Harwell, Milton Park, Oxford Business Park and Oxford Science Park then it must match these parks with a comparable 'offer'.

- NPPG sequential test guidance sets out how a test should be undertaken. Case law has also clarified that a test should evaluate whether there is a site "*suitable for the development proposed by the applicant*".

- Our review of sites in the Bicester district suggests that there are no genuine alternative sites in the Bicester town centre that will provide the same facilities, aimed at the same target market.

We believe that these summary points present sufficient evidence and material planning considerations to cause officer to consider that they *outweigh any conflict* *with planning policy*, including demonstrating that the sequential test has been passed and that a hotel is essential to unlocking wider development and success of Bicester Gateway and the town. It follows that, specifically as set out in paragraph 14 of the NPPF, the presumption in favour of sustainable development should prevail such that decision-making for Bicester Gateway should do one of the following.

- Approve development that accords with the development plan without delay (and the evidence in this report on economic development and best practice in business park development confirms that, on balance, it would be hard not to conclude that a hotel at Bicester Gateway is in general accordance with the very strong economic growth policies for Bicester, a pivotal part of the Oxfordshire 'Knowledge Spine', as well as supporting SLE3 on tourism).

- Where the development plan is absent, silent or relevant policies are out of date, grant permission unless:

  - any adverse impacts of doing so would *significantly* and *demonstrably* outweigh the benefits, or

  - specific policies in the Framework indicate development should be restricted (e.g. in relation to the Green Belt, SSSIs, AONBs etc.).

We are comfortable that the proposal for a hotel at Bicester Gateway is in accordance with the development plan as a whole, even if, on adoption, Bicester 10 omitted to specify a hotel. In the alternative, as part of our remit, we have been unable to identify any significant or demonstrable adverse economic impacts on the proposed business park and, unlike Oxford for example, Bicester Gateway is not constrained by specific policies (such as the Green Belt). Therefore, on the evidence reviewed in this report, it is hard to come to any conclusion other than strong policy-based support for the hotel proposal at Bicester Gateway.

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Addendum:

Answers to queries from Cherwell District Council

This addendum was prepared following submission of the main report in May 2016. It seeks to answer, so far as practical at this stage in the planning process, the two groups of questions posed by Cherwell District Council (CDC) on 27th June 2016. The questions are set out below with answers given in each case.

(1) Evidence to Justify the Departure from Policy

Q1: Limited evidence has been submitted in support of the enquiry to demonstrate how the proposed hotel development will facilitate or unlock the wider allocation.

A1: The main point that the original report confirms is that no high quality business park in Oxfordshire (or elsewhere) exists without a hotel. The Silverstone Master Plan proposed three. This was agreed as common ground and is very compelling evidence. Put another way, Bicester Gateway is not a high quality business park without a hotel. A hotel is an essential ingredient and part of the 'soft' infrastructure. Without it (i.e. without some form of amenity offer) the business park is going to be less attractive than other parks outside of the sub-region: and less successful in the 'territorial competition' for economic growth.

The Main Report (Section 3) explains why a hotel is part of the essential ingredients for a successful business park (giving examples). It includes four pages of evidence. Section 4 then looks to the future and explains that hotels are likely to be even more important given the forecast changes in workstyles, especially in relation to SMEs.

In terms of facilitating or unlocking the wider allocation, it is a trite point but without a Phase 1 there will never be a Phase 2. Moreover, a successful Phase 1 will make for a successful Phase 2 in terms of market profile, high quality architecture, landscaping, and a 'great place to work'. The market is very fickle – look at how Bicester Business Park took years to get going, and only then with the help of Tesco! The Main Report also explained the viability issues for amenities on many business parks (eg no passing trade) and there is no loss of employment given the jobs generated (50 FTEs) and the fact that the same process that gave rise to the SOCG not being carried forward also allocated only part of the frontage for employment (i.e. the agreed change to the Proposals Map was not implemented).

Finally, on this question, it is worth making the point that the 'gateway' is a design challenge that is difficult to meet without the mass offered by a hotel – a two storey high tech production building on the frontage may not be the image that Bicester wants to offer to all of its visitors.

Q2: The hotel on this site would principally act as a stand-alone development and would be likely to operate successfully without relying on any business associated with development at Bicester 10.

A2: This is a negative expression of what ought to be a positive; i.e. the fact that the hotel is viable and can be delivered up front and free of subsidy. A hotel would not work at the back of the site (Phase 2), nor would this be right in master planning terms (eg massing on the gateway). Given the sequential test demonstrates that Bicester Gateway is a sequentially preferable site for a business hotel, and given there is no loss of employment land, plus the benefit of compliance with Policy SLE3, it is difficult to see the "significant and demonstrable" harm, per the decision basis set out in paragraph 14 of the NPPF.

Q3: Limited evidence has been submitted to demonstrate how the proposed development will act as a catalyst to other development and it does not appear to provide any of the necessary infrastructure to 'unlock' the wider allocation.

A3: There are two points here. Firstly, on the catalyst point, the Main Report sets out a series of expert opinions and examples on what makes a successful business park. Put simply, the hardest part is Phase 1. This is the riskiest part and without a Phase 1 occupiers tend not to have confidence that a particular business park will evolve into a successful business location and a 'great place to work'. The second point is simply that Bloombridge will deliver more than a hotel. There will be landscaping, a marketing suite and marketing boards. Bicester Gateway will look 'open for business', including and *necessary* infrastructure, which may include roads, but there is also drainage and, in particular, power (often a long lead item).

Q4: The recent Tesco development at Bicester 4 is an example of where a different use has been allowed to act as a catalyst to facilitate the delivery of the wider allocation. In this instance, the development included the main access and part of the site's internal road network, drainage, sewerage and power infrastructure as well as some soft/ hard landscaping. This is a far more significant attempt to 'unlock' the site than that which you are currently proposing.

A4: The new Tesco is massive and would have generated a land value very far in excess of business space. A hotel generates less value, with the added problem with business space value being that it is wholly dependent on the rental stream provided by an occupier prepared to commit to a lease. No occupier, no value. There is perhaps an admission here that something is needed as a catalyst for business space in Bicester; perhaps an especially pertinent point given the uncertainty of Brexit. A hotel is a good catalyst (far more consistent with policy than out of town retail) and a strong sign that it is 'business as usual' in Bicester post Brexit.

(2) Sequential Test

The supporting document produced by Ramidus Consulting Limited assesses a number of existing hotel sites both in Bicester town centre, the surrounding area, as well other options available on allocated sites. It dismisses all of these sites. CDC has posed the following questions.

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Q1: The newly constructed Premier Inn in Bicester is in a more accessible out-of-centre location than the Bicester 10 site, but has been discounted because it does not have conferencing facilities. There is no assessment as to whether adopting flexibility to scale and format, suitable new meeting/ conference facilities could be provided associated with the Premier Inn development.

A1: This point is erroneous. Sequential tests are not about building scenarios and imagining things.

Premier Inn is not more accessible, certainly not for business users. Premier Inn is not a 'business hotel' – it barely has a reception area. It is also not related to a business park, and specifically it is not accessible from Bicester Gateway (for anything other than accommodation) given it is the other side of the A41. Bloombridge has already rejected an offer from Premier Inn, who wish to expand. This hotel cannot expand on site and the Premier Inn brand does not include business facilities. It is not that sort of hotel. This is seen in other consumer markets where the 'customer proposition' is segmented – e.g. cars (performance versus economy), clothes (high fashion versus high street), restaurants (Michelin star versus fast food) and business space (offices versus industrial). Innovations and cross overs do happen, but these are rare and well beyond the scope of what a sequential test should encompass.

There is an opportunity to do much more at Bicester Gateway, but the 'window of opportunity' in the funding and hotel operator markets is something that needs to be seized now, especially post-Brexit. The property market is cyclical and if timing is wrong, then there can be a prolonged wait for another opportunity (as evidenced by the Bicester Business Park experience).

Q2: Bicester 8 (RAF Bicester) has been dismissed on the basis that it is out-of-centre and not sequentially preferable. Bicester 8 is specifically allocated for hotel and conference facilities. Its very allocation was considered suitable as part of the overall sustainable growth objectives for Bicester. Furthermore, the provision of a hotel and conference development would help support heritage conservation. No evidence has been provided to demonstrate the impact the provision of a hotel and conferencing development at Bicester 10 will have upon the successful delivery of this allocated site.

A2: Cherwell need to bear in mind that Bloombridge spent three years establishing the case for a hotel at Bicester Gateway and, on the evidence, the Inspector agreed that the case was well-made. That would have included any competitive issues and, here, the Main Report demonstrates that there is a need – i.e. a hotel at Bicester Gateway will not take trade away from other hotels because there is sufficient demand/need.

Specifically with regard to the offer at RAF Bicester, this does indeed have a unique brand (heritage) which is very different from a high tech business park. The two are not compatible, so they appeal to different markets. The current offer at RAF Bicester is centred on the refurbished 'Mess' facilities, which is a good use of these historic buildings. This cannot be repeated at Bicester Gateway (the heritage is not present) and we question whether a major new modern hotel would satisfy the heritage restrictions (but, again, such speculation is beyond the sequential test). Furthermore, it is worth remembering that business competition is not a reason for refusal.

RAF Bicester was dismissed because it is out of centre and not sequentially preferable. That is the test. If a new-build hotel was permitted at Bicester Gateway, how would that relate to the heritage and how would it ensure the ongoing, viable uses of the existing heritage buildings? In any event, as we have explained, it does not compete with a hotel at Bicester Gateway, nor would a hotel at RAF Bicester deliver any benefits to Bicester Gateway, including in relation to Phase 1.

Q3: The sequential test focuses on existing hotel sites only and does not look more widely at sequential preferable suitable and available sites in Bicester. For example, SW Bicester Phase 1 development has an employment zone that includes land adjacent to the existing Premier Inn on which an out-of-centre retail complex is currently being promoted. The Council considered this site to be generally unsuitable for the type and scale of retail development being proposed and whilst this proposed development is currently the subject of an appeal, it may be available. There is also a brownfield commercial site off Bessemer Close in Bicester on which another residential scheme has been refused and is currently the subject of an appeal. A hotel and/or conference facility may well be considered preferable to housing in this location and should not be discounted. There maybe are other sites that are sequentially preferable to the Bicester 10 site for a hotel that in turn are more sustainably accessible and do not risk the vitality and viability of Bicester town centre.

A3: The sites mentioned here are not currently available for hotel development, nor would a hotel here do anything to assist the business offer at Bicester Gateway. Nor are these sites publicly discoverable. This sort of supposition is akin to saying there will be a new LPP1 and a new Bicester Master Plan which will release more land for development. The sequential test can only deal with currently available sites.

On accessibility, neither of the examples given is in the town centre, so they are not sequentially preferable. It is arguable whether they are more accessible to the town centre (given the public transport and the park and ride available opposite Bicester Gateway) or better placed to serve the business market. It is worth remembering that Bicester Gateway is an allocated site.

On the vitality and viability of the town centre, the Main Report was clear on the segmentation between tourism and business hotels. There is some overlap, but a hotel in the town centre (if there are sites available) offers nothing for the users of Bicester Gateway.

(3) Other Issues

I would also comment that the larger eastern section of the Bicester 10 site features a number of constraints, including potential for Roman archaeological deposits, high risk of fluvial flooding and sites/ areas of ecological interest, including District and Local Wildlife Sites. The western area of Bicester 10 between the A41 and

Wendlebury Road appears to be much less environmentally constrained though there are significant areas of mature vegetation to the south that could be both landscape and ecological value. I think it is important as part of this pre-application enquiry to identify the wider developable area and demonstrate that the hotel development is not being proposed on what could be considered the 'easier' part of the site in planning terms.

These 'other issues' have nothing to do with the sequential test. Bloombridge has been clear that Phase 1 is the key to Phase 2, which is certainly more complicated. The planning application will address the archaeological, ecological and drainage issues and these concerns can be addressed then. The ecological survey does not identify any constraints to development.

(4) Conclusion

Our Main Report was robust and lengthy, based on templates suggested by Cherwell District Council. We trust that this Addendum now fully responds to all relevant concerns at this stage of the process. The sequential test is passed, there is a demand for business-related hotel accommodation, this is a fundamental ingredient of a high quality business park, and Bloombridge have a funder and hotel occupier that have been waiting since November 2015 for confirmation that a planning application will be positively received. There is no better site. The proposal will ensure that Bicester Gateway wakes its anticipated contribution to the Bicester Growth Area.