Hotel Provision and Oxford Technology Park

Prepared for: Hill Street Holdings
By RAMIDUS CONSULTING LIMITED
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A report by Ramidus Consulting Limited

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Ramidus Consulting Limited

Founded in 2003, Ramidus is a specialist, independent built environment research and advisory business. Our focus is on land and property markets: how they are changing; their relationship to the wider economy and their role in economic development. We undertake our work for both private sector clients and public sector policy makers, helping them to understand the impact of economic change on locations and markets. Ramidus is a modern business, comprising a network of skilled and experienced individuals, from which we assemble teams for specific tasks, ensuring that clients receive first class support.

Contact

For all enquiries relating to this report:

Rob Harris
Principal
Ramidus Consulting Limited
Tel: 07836 563 416
Email: robharris@ramidus.co.uk

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1.0 Introduction

This report has been prepared by Ramidus Consulting Limited following a request from Hill Street Holdings for evidence to contextualise proposals for a hotel at the planned Oxford Technology Park (OTP). The need for such evidence is part of a wider effort to 'build a case' for a hotel at the Park that satisfies planning restrictions. In parallel with this report, property consultancy Savills is preparing the evidence for a sequential test for the proposed hotel.

The business space occupier market has undergone tremendous change over the past decade or so, and its requirements for ancillary facilities needed to make locations attractive to new investment have also evolved. While the benefits of creating out-of-town business clusters on business parks are widely recognised, the policy context for supporting those clusters with ancillary facilities has not.

This paper sets out the emerging relationship between hotels and business parks and the key driver of that demand, i.e., changing business and working practices. We then examine potential employment generation, and finish by looking at the nature of demand, both in the area and on OTP.

The proposed hotel will be operated by national multiple hotel operator, Premier Inn, and the restaurant will be operated by the Beefeater restaurant brand. The hotel and restaurant will be functionally linked and operated contiguously, as Premier Inn and Beefeater are owned by Whitbread. The restaurant's principal function is to serve residents of the hotel, but it will also be a feature of the wider OTP offer, providing services and amenities for its occupants.

2.0 Oxford Technology Park and the hotel proposal

OTP is a planned science and technology park that will provide flexible, high tech space in the heart of Oxfordshire's 'Knowledge Economy' cluster. The park sits in a strategic location, just to the north of Oxford and adjacent to London Oxford Airport. It has very good rail connectivity with Oxford city centre (and London) via the new Oxford Parkway Station.

OTP comprises a site of 8.2 ha, and planning consent has been granted for c40,000 sq m of flexible, hi-technology units suitable for office, research and development, laboratory and production purposes. The masterplan shows a campus-style scheme (Figure 1), with two signature buildings at the front, leading to a tree-lined avenue and 10 buildings which can be built to suit occupiers' needs.

OTP will be the first dedicated science and technology park to the area north of Oxford, bringing much needed R&D space to the market, for businesses with particular requirements. The park will also benefit from its proximity to Oxford city, and its global brand. The availability of turnkey solutions to suit specific needs is a major potential attractor for the development.

The proposed hotel would occupy Plot 2 of the site, on the west side of the entrance; and the general arrangements of the ground and first floors are shown in Figure 2.

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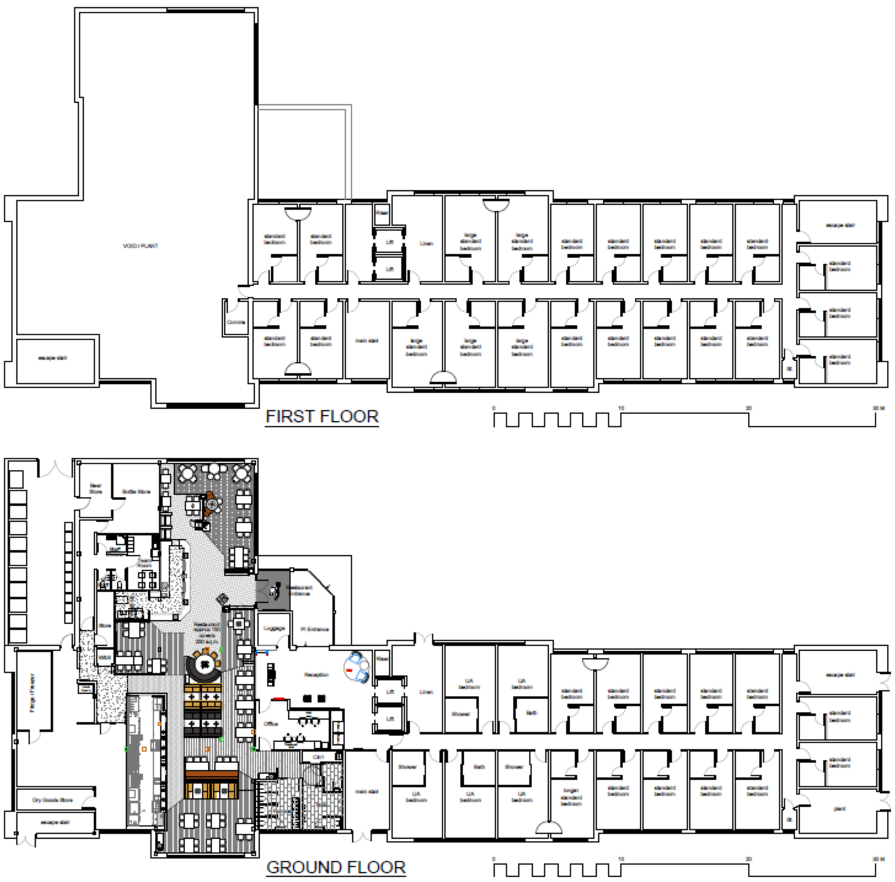
The hotel would provide 101 guest rooms, spread across ground, first and second floors. The hotel would provide a full-service restaurant, with 150 covers. It would also provide 139 car park spaces.

Figure 1 Oxford Technology Park

Figure 2 Hotel floor plans



3.0 Hotels on business parks

Modern business parks must work harder than in the past to attract and retain occupiers. To this end, 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 good example of a hotel with a dedicated business centre. Not surprisingly, therefore, it is 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.

The presence of a hotel (and/or other amenities) will also help to counter employee concerns about relocating to a 'mono-culture' business park, in contrast to employers who might prefer the highly efficient (but ultimately unsustainable) notion of 'all work and no play' on a traditional business park. Today, with the ongoing 'war for talent' among 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 in this respect, by providing for health and wellbeing 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 precedent and benchmark for OTP 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.

Thus, modern business parks require a range of amenities and services, including hotels, as a particularly important part of creating their individual brands. Hotels also contribute very significantly to creating an attractive and enjoyable place to work.

3.1 The case for hotels on business parks

It is helpful at this point to underscore Hill Street's objectives for the proposed hotel at OTP, in order to contextualise its role in the overall development.

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 park (or in a prominent position).

Hill Street's proposal is to provide a hotel that achieves the following objectives.

- Provide accommodation for business people visiting firms located on OTP 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).
- Provide good quality support services in the form of restaurant and café-style facilities.
- Create a sense of place and help develop a sense of 'park community'.

Hill Street makes the case that modern business parks require a range of amenities and services, including hotels. Its objective at OTP 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, Hill Street believes that providing the hotel upfront will help drive take-up on the park by making OTP an attractive and enjoyable place to work. 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.

3.2 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.

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 OTP 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. 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 OTP.

Much of this section is abridged from a published, refereed article by the author.[1]

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,[2] as follows:

- more cognitively complex;
- more team-based and collaborative;
- more dependent on social skills;

[1] Harris R (2016) New Organisations and New Workplaces: Implications for Workplace Design and Management *Journal of Corporate Real Estate* Vol18 No1 pp4-16

[2] Heerwagen JH; Kelly K & Kampschroer K (2010) *Changing Nature of Organisations, Work and Workplace* http://www.wbdg.org/resources/chngorgwork.php

- 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 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 OTP 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 (restaurant and wellbeing) that only major regional and national headquarter buildings provide; thereby offering SMEs scalability and profile. In a nutshell, the hotel offers OTP 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 become more flexible, and as agile working spreads, so this has led to greater competition among hotel operators and, to a greater segmentation of offers, from 'budget' to meeting, touch down space and 'conferencing'; the latter including what might previously be described as four star facilities.

5.0 Employment generation

Paragraph B48 of the Local Plan[3] 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 OTP 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.

5.1 Employment generation of business park hotels

According to the HCA's Employment Density Guide[4], different levels of hotel quality generate different employment profiles (Figure 3). It can be seen in the chart the range of job generation varies by a factor of five.

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.

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[3] Cherwell District Council (2015) *The Cherwell Local Plan 2011-2031* Part 1 Adopted 20 July 2015
[4] Homes & Community Agency (2015) *Employment Density Guide*

Figure 3 Employment generation of hotels

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

Source: HCA (2015)

An application by Premier Inn at Oxford Business Park concurred with our employment ratios.[5] 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 the area. It is advantageous for the area generally that a hotel at OTP can serve both the business and leisure markets, respectively, during the week and at week-ends, including the leisure market derived from visitors to Oxford, Woodstock and Blenheim. The area north of Oxford, despite being the route to the Cotswolds, is currently poorly served in this regard.

5.2 Potential employment generation at OTP

The proposed hotel at OTP equates to a 'mid-scale' hotel which can be expected to generate one FTE job for every three beds (see HCA benchmarks above). Combined with the restaurant, this means that the proposed facility should be capable of generating around 75 jobs (or 60 FTEs).

In addition to the direct employment, Premier has said that with 101 bedrooms, estimated 85% occupancy and average 1.2 occupancy rate, the Premier Inn would be expected to accommodate c37,600 guests per annum. Figures derived from Visit England data suggest an average spend of £43.50 per night per guest in addition to overnight accommodation, this would equate to c£1.6m in captured visitor spending in the area. Across the Premier Inn estate, c33% of overnight guests dine out in the area, rather than at any partner restaurant such as a Beefeater, on this basis there is a potential 12,000 additional customers for nearby pubs and restaurants.

6.0 Demand for the new hotel

Evidence suggests that Oxfordshire generally and Cherwell District are both under-provided with hotel accommodation, particularly for business travellers. In this section, we examine the potential demand for a new hotel at OTP in the context of

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

current local provision. We then summarise those factors that might drive growth in demand in the area; and finish with the operator's perspective on demand.

6.1 Current provision of hotels in the area

There are three studies that have painted a consistent message about the under-provision of hotel capacity in the area. While a little dated, the first was a comprehensive, 2008 study of hotel and other accommodation provision[6] which identified just 19 hotels in Cherwell district, providing 668 rooms. 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.

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 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 forecast substantial increase in business space (see below).

The second, 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[7], 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*

[6] The Tourism Company (2008) *Cherwell Tourism Development Study*
[7] Davis Planning (2015) *Bicester Hotel Golf & Spa Sequential Assessment*

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.

The third report[8] assessed the importance of different types of hotel provision in Cherwell, applying scores to their current importance and their future growth potential. Cherwell's business visitors scored 4 on the former and 5 on the latter (out of a maximum of 5). The report noted that business travel is typically generated by companies and organisations in North Oxfordshire and that this

> *is the key midweek market for Cherwell's hotels and guest houses. However, this market segment is typically non-discretionary. It should grow significantly in the next 5-10 years given the planned economic and employment growth and business park development, particularly in Bicester.*

The findings of all three studies, with respect to pressure on capacity and forecast growth in business tourism, can be placed in the context of the anticipated substantial growth in business floorspace in the district. Figure 5 shows relevant data from the District's 2014 Employment Land Forecasts.[9]

Figure 5 Cherwell forecast additional office space 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)

The data show a 45% increase in office stock in the low growth scenario, and 56% or 135,000 sq m growth in the high growth scenario. This will place considerable pressure on the District's business accommodation and associated amenities.

6.2 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.[10]

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.

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[8] Team (2014) *North Oxfordshire Tourism Study & Tourism Development Action Plan 2015-2020*
[9] URS (2014) *Updated Cherwell Employment Land Forecasts* May 2014
[10] Oxfordshire Local Economic Partnership (2014) *Strategic Economic Plan*

The commercial development proposals of OTP are a direct response to such anticipated growth in demand.

The ambition is that key strengths in science-based, knowledge industries will help accelerate economic growth, enabling the county 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'. 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.[11] Moreover, the success of the 'Knowledge Spine' is determined to a significant degree not just by the businesses and sectors that define the component clusters, but also by the support services and amenities that bind the system together. Hotels are an essential part of this mix.

As well as these strategic drivers of demand for additional space, there are also more pragmatic reasons to believe that demand from business travellers 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*".[12]

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*". OTP is well-placed to respond the demand generated by this competitive opportunity.

6.3 Demand for a new hotel on OTP

Premier has been seeking a hotel site in the area to serve the airport and surrounding business areas as an addition to their other nearby sites in Bicester, Chipping Norton, Oxford and Witney. Premier already has a number of successful facilities on various business parks where companies enjoy the benefits of easily accessible accommodation, entertainment and informal meeting space. These include those at: Edmonton, Enfield, Kingswinford, Nottingham, Telford, Uxbridge and York.

[11] 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).

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

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Premier has identified the following attractors for providing a hotel at OTP.

- Its immediate catchment of businesses occupying the 40,000 sq m OTP.
- The nearby Motor Park which draws visitors to the Langford Lane business area, and could generate significant passing trade.
- The adjacent Oxford Spires Business Park which will yield customers for the hotel and restaurant.
- The nearby Begbroke Science Park which, again, will yield customers for the hotel and restaurant in the absence of such facilities nearby.
- The headquarters of various large, public sector organisations in the area, including: Oxfordshire Fire and Rescue Service, Thames Valley Police and Oxfordshire St John Ambulance.
- The head office of the European publishing company Elsevier, which is just 0.3 miles away.
- London Oxford Airport, 0.3 miles away, which has a pilot training school that has trained thousands of pilots for many airlines from over 40 countries.
- Oxford Parkway railway station is just 3.5 miles away, is now a main station serving Oxford with direct services into London Marylebone.

Both the hotel and the restaurant would also benefit from the Technology Park location serving local residents as well as the business community. Just over 65% of the restaurant's predicted sales will come from Kidlington's local catchment area.

It is therefore expected that development of Plot 2 as a hotel will not only assist development of the site by showing commitment by a FTSE 100 company to the scheme, but it will also provide a facility currently missing from the area and therefore assist in attracting business occupiers for the other units. Premier has provided feedback from managers at other sites where its hotel/restaurant facilities operate on business parks.

- At Telford the Premier has a hotel and restaurant on a large business park at Euston Way. The manager estimates that 70-80% of all lunch time trade is from the nearby businesses. The free Wi-Fi and coffee vending also mean that the restaurant is well used for informal business meetings.

- It is a similar story at the Millennium Way Business Park at Nottingham. Here, Premier has a hotel and restaurant which are extremely busy, despite plentiful hotels in and around the city, with significant use of the restaurant for informal meetings.

- At the York Business Park and Pensnett Trading Estate in Kingswinsford, premier's hotel has very high levels of occupancy and local businesses and passing trade provide most of the mid-week restaurant custom, together with frequent use for informal meetings.

Clearly, hotels/restaurants and business parks can be mutually supportive, and these examples demonstrate the role of such facilities in supporting the changing working styles outlined in Section 4.0 above.

7.0 Conclusions

The proposed OTP will provide flexible, high tech space in Oxfordshire's 'Knowledge Economy' cluster. The hotel that is proposed for Plot 2 will provide 101 guest rooms, a full-service restaurant with 150 covers, and 139 car park spaces.

In order to attract high quality occupiers, whose key priority is to attract and retain expensive and footloose staff, modern business parks must offer more than simply a place to work. Consequently, most successful business parks today provide on-site amenities, including retail, services and hotels. With the right approach to design and layout, the hotel can become the 'hub' of the business park community.

A hotel is the most efficient way of providing accommodation, food, beverages and meeting space. Such facilities are particularly attractive to SMEs, whether they are located on site or just visiting or located nearby, because they can access services they cannot afford to provide themselves. We have shown in this report a sample of high quality business parks, where hotels and other amenities are an integral part of their offer to business occupiers.

Hotels on business parks are also a response to seismic changes that have taken place in recent years in business structures and work processes, largely driven by technological innovation. The nature of work itself has evolved, and business parks today must cater a highly agile workforce, both those located on the park and a wider workforce who might be visiting others on the park, or simply using it as a convenient location in which to undertake business.

And it is in this context that hotels on business parks have become a feature of modern workstyles. They provide not only overnight accommodation, but also restaurant/café facilities and often wellbeing facilities (e.g. gym) with easy access and parking.

Hotels themselves generate employment, and the OTP proposal is no exception. It is expected that the proposal will create around 75 new jobs; and it is important to note that the hotel jobs are more likely to be locally recruited from Kidlington as long commutes to work are uncommon in leisure/hospitality sector whereas the B1 class uses are likely to have a wider catchment. Furthermore, the hotel is expected to generate c£1.6m in captured visitor spending in the area.

We have highlighted highly credible research, from three separate sources which shows that the Cherwell area is underprovided with hotel capacity. Moreover, projections suggest that the area will experience a substantial increase, of at least 45%, in its stock of office space through to 2031, which will place considerable pressure on the District's business accommodation (and associated amenities).

By enabling the synergistic expansion of both business space and its necessary support services and amenities (including hotels), the District will contribute to the fulfilment of the LEP's *Strategic Economic Plan*, which envisions Oxfordshire being recognised *as a vibrant, sustainable, inclusive, world leading economy, driven by innovation, enterprise and research excellence*".