NORTH WEST cambridge

Hotel Needs Statement

September 2011

Hotel Needs Assessment

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Appendices

1. Introduction

This Hotel Needs Assessment has been prepared on behalf of the University of Cambridge to accompany the planning application for the Proposed Development of land at North West Cambridge ("the Application Site") for a mix of uses including a hotel ("the Proposed Development"). This statement specifically examines whether there is a need for and the implications of any hotel element at the Proposed Development given Policy NW30, the Phasing & Need section of the North West Cambridge Area Action Plan (October 2009) and the relevant tests of PPS4 and other policies.

It is based on information provided by Hotel Consultancy specialists Richard Gerald Associates Ltd (RGA) on market demand and impact assessment, as well as Communications Management survey results on the University's identified needs.

Scope & Approach

The Assessment is divided into the following sections:-

- **Section 2** looks at the Cambridge hotel market in terms of the strategic context, the current and future hotel provision, the performance of current provision as an indicator of current demand and how demand is expected to increase in the future.
- **Section 3** provides a gap analysis and the ability of the current offering and hotel developments that are in the pipeline to meet demand, as well as looking at the need generated by the Proposed Development
- **Section 4** addresses the sequential test in accordance with PPS4.

A glossary of terms is included at Appendix 1. Meanwhile Appendix 2 evaluates the planning policy context for a hotel within the broader tourism and hotel-related policy of the UK, Cambridge and North West Cambridge. It includes a review of national policies including PPS1, PPS4, the PPS4 Good Practice Guide and the Practice Guide on Planning for Tourism, the draft National Planning Policy Framework and the development plan policies of Cambridge City Council and South Cambridgeshire District Council.

Methodology

The following tasks have been undertaken in the preparation of the assessment:

- Identified the current supply of hotels within the 'local market area' through desk based and primary research;

- Considered previous research and occupancy performance data for the Cambridge hotels;

- Assessed the current occupancy performance of Cambridge hotels , based on RGA's experience and knowledge of the Cambridge marketplace and a programme of desk and primary research;

- Considered future demand based on RGA's experience and knowledge of the Cambridge marketplace and a programme of desk and primary research;

- Identified any major increases in hotel or other comparable supply that are likely to meet current and future demand;

- Undertaken a Gap Analysis of the local market – this profiles the current and future supply and identifies product needed to meet current and future demand moving forward; and

- Undertaken an assessment of other sites to establish whether there are any other sites that are available to meet the need.

2. The Cambridge Hotel Market

2.1 The Strategic Context - an Overview

The UK Competitiveness Index identifies Cambridge as 'One of the most competitive cities in the UK' as well as being one of the most recession proof and most likely to lead the UK economy back to growth.

Cambridge is a diverse City and is well known for its high-tech industries and presence of research & development (R&D) firms, however, the City is also a tourist destination with over 4.1 million tourists visiting the City and colleges a year.

The unique factor of the Cambridge economy is the University of Cambridge which has a significant impact on the development of Cambridge through its history. There is the direct employment as a result of the University of Cambridge and apart from the specialised jobs within the university, the number of university students alone represent around 18% of the non-student population. Other businesses connected with the University include Cambridge University Press which is the oldest printing and publishing house in the world.

The greatest spin-off from the University has been Silicon Fen. Trinity College developed some of its land on the north eastern border of Cambridge into the Science Park in 1970. St John's College followed with their Innovation Centre in 1987. These provide business support and accommodation for early stage knowledge based companies. The concept has proved very successful and is known as the Cambridge Phenomena. Another major employer in Cambridge is Marshall's a privately owned aerospace company.

Cambridge has a renowned technology based business structure and attracts over 900 high tech businesses employing over 37,000 people. The presence of high-tech businesses has led to the wider development of the research community which encompasses the University and other research institutes. The vast investment in recent years by the University of Cambridge has seen the expansion and development of high class research facilities including the development of the West Cambridge development site situated to the south of the Application Site. The expanding relationship between high-tech businesses and the R&D facilities and institutes has led to the success and enhanced profile of the Cambridge area.

Cambridge has also developed as a regional centre for the public sector, with a number of departments and agencies locating in the region including the East of England Development Agency and the Strategic Health Authority. Overall the City has seen a significant level of investment in to the City Centre including the Grand Arcade and leisure facilities.

The key to successful development of the City and expansion of the service and business sector is to exploit the investment that has been made in recent years and to make other parts of the City more appealing to businesses. There is currently a considerable amount of pressure on the City Centre which suffers from a lack of supply and growth restrictions.

The City Centre is currently in high demand for office space as companies like Microsoft wish to relocate their headquarters to the City, driven by the demand to be well located to the train station and for social interaction and networking, enabling employees to benefit from the City Centre amenities.

It is for this reason that SQW's report to the East of England Development Agency (EEDA), "The Cambridge Economy Retrospect and Prospect"[1] notes that it is crucial that any peripheral developments incorporate social spaces, not just locations for business and research. A major factor for companies wishing to relocate to the City Centre is due to the opportunity for agglomeration of effect, networking and the ever-growing coffee shop culture as well as being closer to the train station to facilitate travel to London. It is also noted that many developments incorporate these "social" facilities in their plans, but that they are not implemented in the short term as developers do not wish to incur increased costs prior to receiving income from the main development. However, it is important that such facilities are included at the beginning of the development to encourage companies to re-locate outside of the City Centre. The report acknowledges that space which incorporates retail, leisure and hotel accommodation provides a central hub for developments to be focused around and provides communities rather than business parks.

2.1.1 The University of Cambridge

The University of Cambridge is the second-oldest university in England and is renowned as one of the world's top universities. The Academic Ranking of World Universities lists the University of Cambridge as the fifth best university in the world and the best in Europe. The University is also world-renowned as a world-class research institute and has 88 Noble Prize winners as affiliates. This has helped lead to the presence of Cambridge as a hub of high tech industry and a world-class research institute and science base as explained below. The University has approximately 9,000 staff and 18,000 students. The University campuses are spread throughout Cambridge. The majority of faculties are based in the City Centre, but there are also University of Cambridge sites within the North West Quadrant of Cambridge including West Cambridge, Girton, Fitzwilliam, Churchill College and the University Libraries as shown on Map 2.1.1 below. Map 2.1.1 shows the University academic clusters edged blue, the University of Cambridge Colleges edged red and the Application Site edged yellow.

[1] March 2011

Map 2.1.1: University of Cambridge Academic Clusters and Colleges

As part of this Assessment a survey of University academic departments and Colleges was undertaken with key individuals responsible for placing college visitors in appropriate accommodation as explained in Appendix 4. In total, 81 responses were received. The survey represents a small snapshot of University generated demand as it only focused on demand from academic departments and colleges and not the wider University generated demand. The findings were, however that:

- there is an accommodation need in the market from the University. Some of this is fulfilled by current hotels within the market but there is a need not only for additional hotel space but more affordable mid tier accommodation.
- Over a third (39%) indicated that a new hotel in Cambridge is either 'essential' or 'very desirable'.
- Just under two thirds (64%) indicated that they find it difficult to obtain available accommodation.

- For those who indicated they book accommodation directly (90% of respondents), 72% answered that they experienced difficulty finding accommodation during peak periods.

- When asked about the level of importance placed on the accommodation being located close to the event they are attending 74% indicated that this was either 'essential' or 'very important.

- The lack of reasonably priced hotels or guest houses close by to the departments based on the West Cambridge site was noted.

In terms of responses from the faculties of the University based at West Cambridge.

Centre for Nanoscience - The Centre for Nanoscience indicated they felt there is a need for more accommodation in the Cambridge area. They noted that it can be difficult to find available accommodation at various points throughout the year, particularly during graduation and during the Duxford Air Show. Regarding a new hotel at Northwest Cambridge, the Centre would welcome another hotel into the market.

Department of Physics - The Department of Physics indicated that they often need accommodation for visitors and felt that a new hotel at Northwest Cambridge would be useful, mainly for visitors staying for one night and wishing to be close to the faculty. Moreover, offering "*reasonable rates*" would encourage visitors to stay at the hotel. Therefore, a good quality hotel at Northwest Cambridge, which is also affordable to those with a small budget, would appeal to the Department.

Institute of Manufacturing - The Institute of Manufacturing indicated that they host many events throughout the year, and make recommendations on hotels to visitors. The Institute felt it would be very advantageous to have additional hotel accommodation which is closer to their site.

Department of Engineering – The Department for Engineering indicated that they often have visitors from overseas at their West Cambridge faculties. They added that due to the lack of nearby accommodation, they stay in the City Centre and have to rely on taxis to travel to West Cambridge. As a result, they felt that there is a need for accommodation nearby.

2.1.2 Business

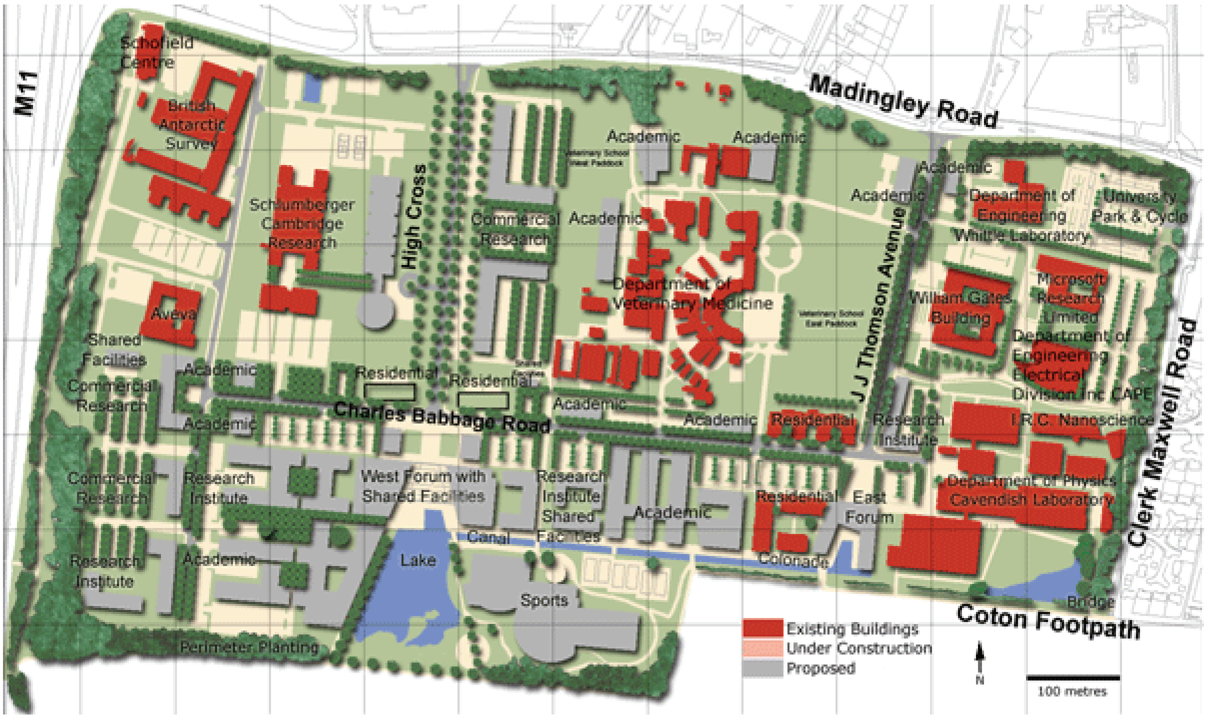
The University as a world-class research institute complimented by key developments such as the Cambridge Science Park in the early 1970s and more recently the development of West Cambridge, has established Cambridge with a globally-renowned, knowledge-based economy. Key sectors within this industry include IT, research and development, telecommunications, bio-science and bio-pharmaceuticals. As a result, Cambridge has attracted a number of international and national firms to the area that include Microsoft, Schlumberger, Philips, Monsanto, Hitachi and Toshiba, who all have research sites in the area.

There are also a number of key multinational companies located in the City including Autonomy, KPMG, GE Energy, PWC, Deloitte and Marshall Aerospace.

Many of these large multinational companies are based in one of the several business parks in Cambridge. These include the Cambridge Science Park, which is home to over 100 companies, who employ in the region of 5,000 people situated to the north of the City Centre close to the A14 which runs from east to west; Cambridge Business Park situated to the north east of the City Centre close to Junction 33 of the A14 just off the A1309 and at the University of Cambridge's West Cambridge site, situated to the north-west of the City Centre and to the south of the Application Site.

As noted above the buildings on the West Cambridge Site include residential and academic buildings, the Cavendish Laboratory and the Veterinary School as well as the High Cross Research Park, which includes Schlumberger, the CADCentre (now Aveva) and the British Antarctic Survey, the University Computer Laboratory and the Microsoft Research laboratory and the Interdisciplinary Centre for Nanoscience. The layout of the current uses at West Cambridge is shown on map 2.12.

Map 2.1.2.Uses at West Cambridge



Greater Cambridge Partnership note that science-based jobs employee in the region of 50,000 people in the area. They add that the 'scale and diversity of technical and scientific skills located in the universities and research institutes enriches the local labour market with experienced high quality human capital'.

Cambridge's strong links to national and global business markets means that it attracts visitors from considerable distances from the sub-region and visitor accommodation is an essential component to ensure that this level of activity continues. Moreover the continued expansion of the Universities activities through the continued development of West Cambridge and through the Proposed Development, combined with linkages to the private R&D sector, suggest a positive future for the corporate sector.

In a business survey carried out as part of this Assessment, described further in Appendix 4, 80% of local companies in Cambridge indicated they use local hotels for accommodation purposes on a regular basis. When choosing a hotel, local companies resort to the typical selection parameters of proximity to their offices and price. Over half of respondents (56%) experience difficulties in finding accommodation in the Cambridge area. This is mainly considered to be due to the demand for accommodation created by the University, particularly during graduation. Several local companies interviewed indicated a new hotel would be in demand and that more choice is required. Several respondents also indicated the quality of the hotel to be an important factor in hotel choice. Furthermore, it was perceived by many respondents that there are "*already enough budget hotels*" in the area, such as Premier Inn and Travelodge. The majority of respondents indicated a preference for a three or four-star hotel. When asked whether they would consider using a new hotel adjacent to the north west of Cambridge, half of respondents indicated that they were interested.

As well as having an enviable corporate and business concentration, Cambridge also has a robust economy that has weathered the economic downturn well and is showing signs of positive expansion. Statistics gained from the Office for National Statistics highlight that, to September 2010, unemployment in Cambridge remained lower than the national average (5.2% compared to 7.7%). Furthermore, statistics for 2010 showed that the gross weekly pay was also above the national average (£556.50 compared to £501.80).

2.1.3 Transport and Communications

Another key factor in making Cambridge an area for business is its location. It is approximately 50 miles north of London, with good access to the M11 and A1(M).

Madingley Road and Huntingdon Road are the two main radial routes leading between the M11 situated to the northwest of the City Centre and the centre of Cambridge. Madingley Road intersects with the M11 at Junction 13, Huntingdon Road intersects with the M11 at Junction 14.

Huntingdon Road, which is the A14 runs into the City situated on an east west axis. To the east, the A14 connects to Newmarket, Bury St Edmunds, and Ipswich, terminating at the sea port of Felixstowe. To the west the A14 passes through Huntingdon, crossing the A1 before continuing around Kettering and terminating at Junction 19 of the M1, the start of the M6.

The M11 routes in a north / south axis. It links between the North Circular Road in London, passes Bishop's Stortford, Harlow, and Stansted Airport before to the immediate west of the site at the merger with the A14 at Junction 14.

Cambridge is also relatively close to a range of airports being situated within 40 miles of both London Stansted and London Luton airports. Cambridge Airport is located four miles from the Application Site. Although the airport does not offer regular passenger services, it is available for corporate and private use.

The direct rail services to London's Kings Cross take around 45 minutes; with the added benefit of the Eurostar now departing from St Pancras; Brussels and Paris are now within 2 ½ hours of central London

2.1.4 Tourism and Leisure

Tourism is a key industry for Cambridge and the surrounding area. It is estimated that in Cambridge alone, tourism generates £351 million to the local economy and employs over 6,500 people. In 2008, over 4.1 million people visited Cambridge, with one million of those staying overnight. The Office for National Statistics indicate that Cambridge was in the top ten most visited cities by international visitors in 2009.

The historic heritage of Cambridge is largely provided by the individual colleges. The international status of the University of Cambridge linked to the fame of some of its past alumni, its contribution to discovery and understanding, its current day pre-eminence in many fields of research, and the traditions of university life, is central to the unique Cambridge image.

As noted the Cambridge image associated with knowledge, learning and discovery also has potency in attracting business and conference tourism. This can be coupled with the more direct influence of the University and the presence of college accommodation in stimulating academic and more general visits, events and conferences, and with the cluster of high tech and knowledge-based industries in and around Cambridge as stimulators and beneficiaries of business tourism. Anglia Ruskin University and the collection of other educational establishments, including language schools, also add to this strength.

Much of the leisure and business tourism is propelled by the heritage, activities and reputation of the University. Kettle's Yard, King's College Chapel and the Fitzwilliam Museum receive in total approximately 1.75 million visitors each year.

Key events in Cambridge include Cambridge Science Festival, Wisbech Rose Fair and the Cambridge Folk Festival, which attract approximately 35,000, 20,000 and 10,000 visitors respectively.

Newmarket Racecourse is the headquarters of British horseracing and is 13 miles from the Application Site. The Racecourse hosts several high profile events and associated equine attractions. Key events here 'sell out' and the hotel market experiences peak day event spikes.

The 2012 London Olympic and Paralympic Games are posed to present a particular opportunity for the Cambridge area with the main tourism benefits expected to be felt after 2012, as part of the Games' legacy. The recent Royal Wedding and the new royal couple becoming the Duke and Duchess of Cambridge is also seen as a factor that is likely to increase visitor numbers to Cambridge.

2.1.5 Tourism Strategy

The Greater Cambridge and Peterborough Tourism Strategy and Action Plan 2007 details the tourism policy for the area to 2012 albeit the benefits will be felt beyond 2012. The Action Plan highlights that 'inward business investment attracted by business/technology clusters centred around the Cambridge area whose profile could be raised as a result of the Games. In addition a key component of the area's strategy is a focus on increasing the value and return from tourism over and above increases in volume tourism such as day visitors. The method of achieving this is through targeting higher value markets, including business and conference tourism, increasing length of stay and reducing seasonality of demand. The strategy also recognises the potential for the whole area to benefit from association with the strong international and domestic image of Cambridge and from action to spread tourism more widely.

A survey of hotel booking agents carried out as part of this Assessment and described in Appendix 4 confirms that demand for Cambridge has shown growth and appears to remain strong. All the booking agents expect demand to increase in the future alongside the overall growth the market.

The general view is, however, that Cambridge is 'top heavy' with four-star hotel properties, charging high room rates and finding availability midweek is often an issue. The overall findings indicate that Cambridge achieves positive demand for bookings via national and regional booking agents and interest in a new hotel was high.

2.2 Hotel Market

The combination of Business, University and Tourism visitors means that Cambridge has a significant and varied demand for a complete range of hotel accommodation. This combination of demand provides a significant base occupancy load for hotel accommodation whilst also at times generating significant peaks in demand around the time of University events (graduations, interviews and open days), festivals, race meetings, events such as the Duxford Air Show and the main holiday period. At times anecdotal evidence suggests that supply during these peaks is insufficient to meet demand.

The dispersed nature of existing development around the City and the medieval street pattern generates major traffic pressures, which have been detracting from the cities environment as well as the cause of impeding economic development. Although there has been a long standing tradition of encouraging cycling, it was only in the 1990s that the County Council embarked on a strategy of physically limiting access by car to the City Centre balanced with the provision of real alternative modes, in particular high quality park and ride, with a major scheme close to the Application Site.

The dispersed nature of existing development and the difficulties associated with travelling through the City Centre during peak hours means that where visitors wish to stay is closely correlated with the destination associated with purpose of stay. As demonstrated by the demand research, proximity is the highest motivating factor for business tourism. A visitor to West Cambridge, for example, would not chose to stay on the East Side of Cambridge. When assessing need for a new hotel, therefore, one needs to also assess the area that would be served by the hotel.

2.3 Hotel Supply

2.3.1 Existing Supply

In terms of assessing hotel supply, the current and future hotel stock within Cambridge with more than 20 bedrooms and within ten miles of the City Centre has been profiled. This has identified 27 hotel properties with 2,059 rooms within ten miles of the City Centre. An overview of the provision is presented in Table 2.3.1 and the full list in Table 2.3.2.

Table 2.3.1: Structure of the Hotel Supply in the Ten Mile Market Area

Rating	# Hotels	Total Rooms	Average Quoted Rate	% of supply
Four-star	9	907	£158.67	44%
Three-star	8	541	£108.25	26%
Two-star	1	23	£59.00	1%
Limited Service	8	558	£67.67	27%
Un-graded	1	30	£72.00	2%
Total	**27**	**2,059**	**£109.86**	**100%**

Source: RGA Research

It cam be seen that four-star hotels make up the largest share of the hotel rooms market with 44%. Limited service hotels make up 27% of room stock followed by three-star hotels with 26%. There is one un-graded property and one two-star hotel providing the balance with 2% and 1% of room stock respectively. The average quoted room price across all the hotels was £109.86. 59% of the hotels are nationally branded. The remainder are independently branded.

Table 2.3.2: Hotel Supply Set: within 10 Miles of the City Centre

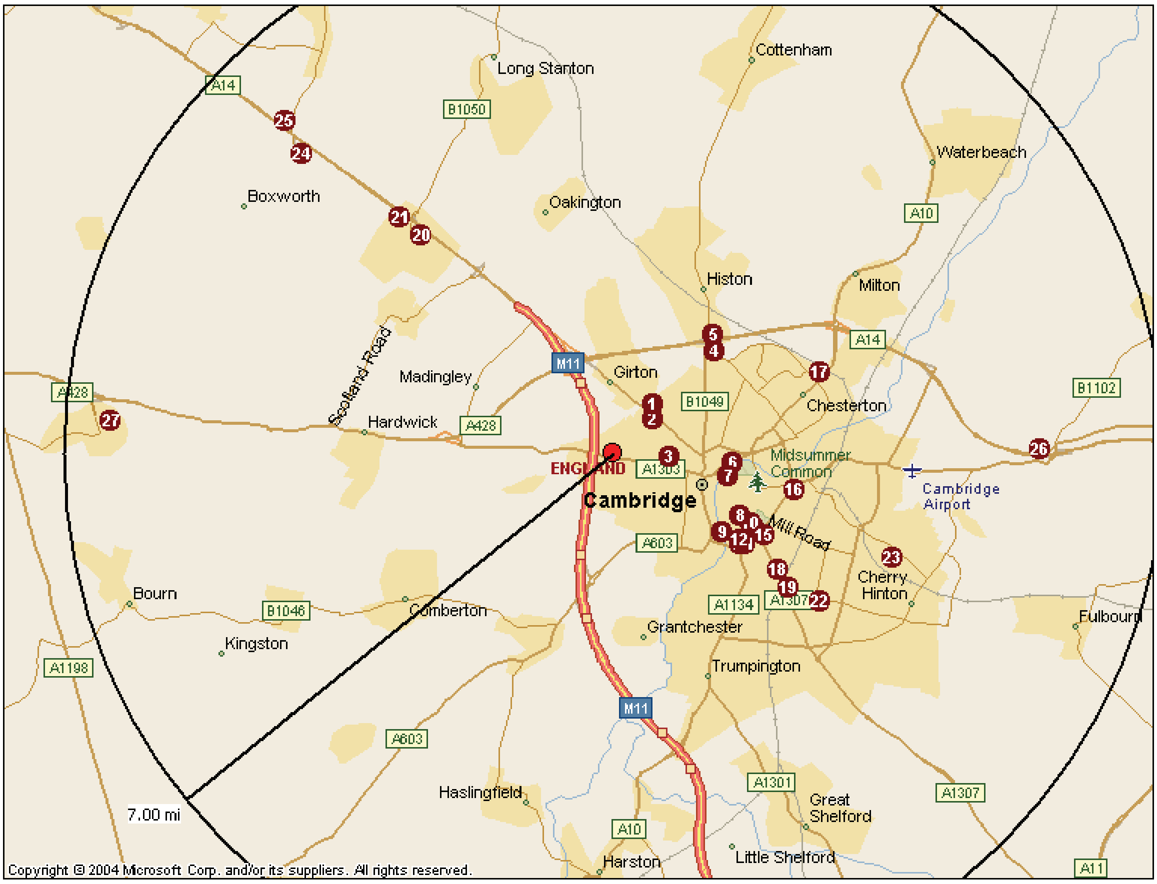
Map Ref	Hotel Name	Rating	# Rooms	Quoted Rate
1	Hotel Felix	4	52	£160.00
2	Premier Inn Cambridge North (Girton)	LS	20	£85.00
3	The Moller Centre	4	71	£115.00
4	Premier Inn Cambridge A14 J32	LS	156	£89.00
5	Holiday Inn Cambridge	3	161	£120.00
6	Arundel House Hotel	3	103	£99.00
7	The Varsity Hotel & Spa	4	48	£160.00
8	Crowne Plaza Hotel Cambridge	4	198	£190.00
9	Doubletree by Hilton Cambridge	4	122	£159.00
10	De Vere University Arms Hotel	4	119	£189.00
11	Regent Hotel	3	22	£110.00
12	Hotel du Vin and Bistro Cambridge	4	41	£195.00
13	Royal Cambridge Hotel	3	57	£115.00
14	Lensfield Hotel	3	30	£95.00
15	Best Western Gonville Hotel	3	80	£119.00
16	Cityroomz	LS	24	£49.50
17	Lovell Lodge Hotel	2	23	£59.00
18	Centennial Hotel	3	39	£93.00
19	Travelodge Cambridge Central	LS	120	£62.95
20	Menzies Cambridge Hotel and Golf Club	4	136	£135.00
21	Travelodge Cambridge Lolworth	LS	20	£45.90
22	Sorrento Hotel	UG	30	£72.00
23	Holiday Inn Express Cambridge	LS	100	£105.00
24	Days Inn Cambridge	LS	82	£75.00

Map Ref	Hotel Name	Rating	# Rooms	Quoted Rate
25	Travelodge Cambridge Swavesey	LS	36	£29.00
26	Best Western Cambridge Quay Mill Hotel	3	49	£115.00
27	The Cambridge Belfry	4	120	£125.00

RGA Research

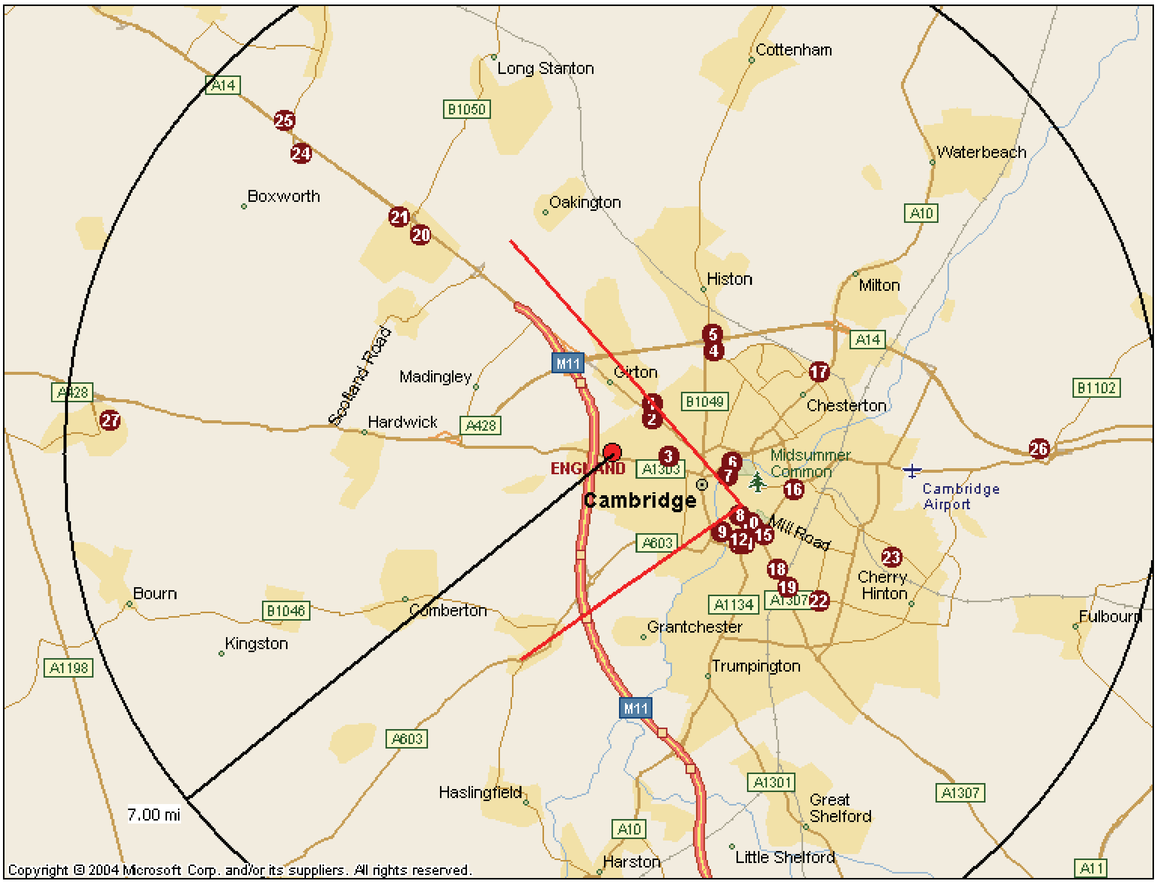
The location of the hotels is shown on Map 2.3.1 below. The Application Site is identified by a red dot. Given our earlier comment that proximity is the highest motivating factor for business tourism and the need to assess need by reference to the area that the hotel will serve, Map 2.3.2 shows how this hotel provision relates to Northwest arc of the City Centre.

Map 2.3.1: Hotel Supply Location Map



Source: RGA/Microsoft Autoroute

Map 2.3.2: Hotel Supply Location Map - with North West Quadrant Arc



Source: RGA/Microsoft Autoroute

Map 2.3.3 below captures those hotels situated within the City Centre bound to the west by the M11 and the north by the A14.

Map 2.3.3: Hotel Supply Location Map – Cambridge Detailed- Without Northwest Arc

Source: RGA/Microsoft Autoroute

Map 2.3.4 below shows the same area as Map 2.3.3 but also shows how the provision relates to the Northwest Arc.

Map 2.3.4: Hotel Supply Location Map – Cambridge Detailed - with Northwest Arc

Source: RGA/Microsoft Autoroute

It can be seen from Map 2.3.1 to 2.3.4 inclusive that the majority of hotels are based within and around the City Centre, with 7 hotels in the defined City Centre (607 rooms); 9 hotels are located in the inner City (491 rooms) and 4 hotels are on the City fringes (387 rooms). The remaining 7 hotels, just over 30% lie outside the City. Whilst these hotels are within of a ten-mile radius of the City Centre (481 rooms) all will require the clients staying there to undertake an additional trip to access either the City Centre or the major University or employment locations.

Map 2.3.1 to 2.3.4 also shows that the main hotel provision is made up of clusters in the City Centre and to the south and there is a lack of hotel provision to service demand towards the west and northwest areas of the City. This is surprising given the number of large corporates located here with their associated business hotel demand and also that this is a key gateway corridor for vehicle traffic into the City.

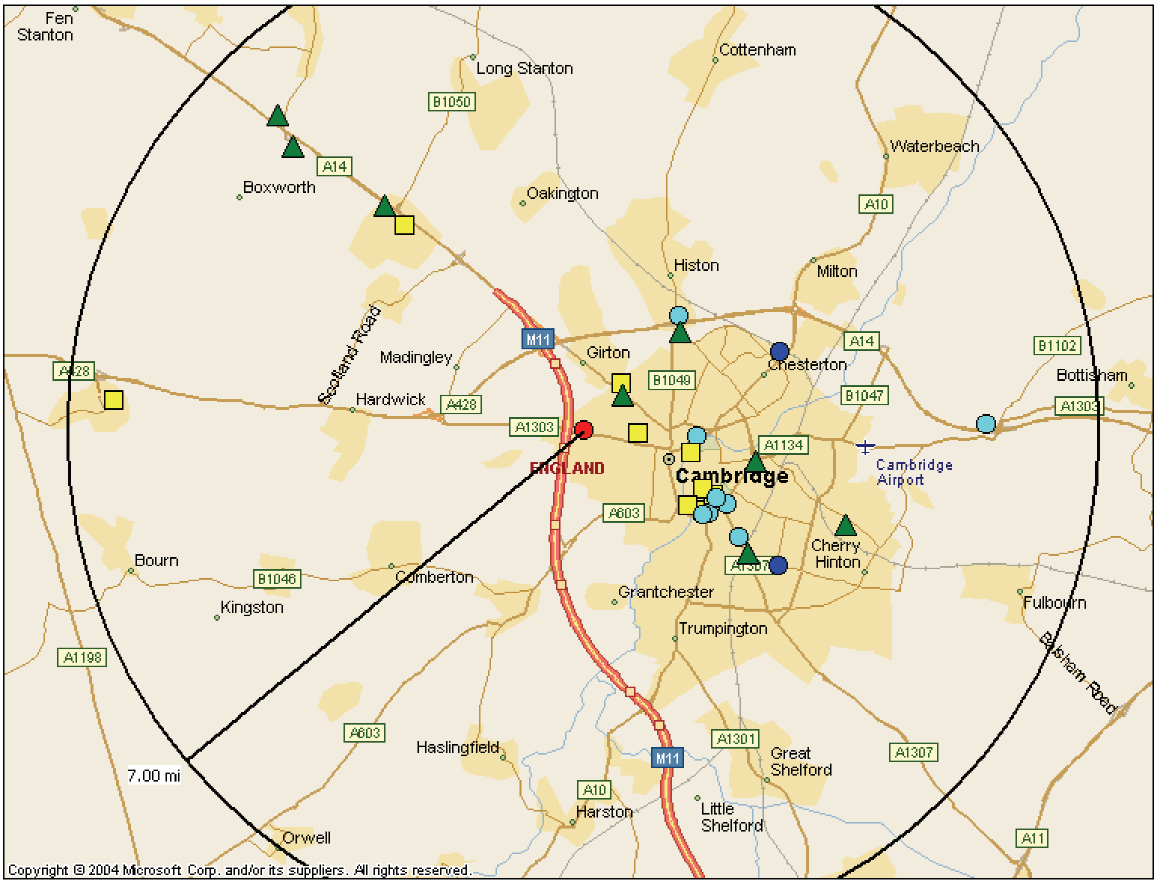
In terms of the quality of the provision we have illustrated the hotel grading across the market area on Map 2.3.5.

Table 2.3.3: Colour Coding for Hotels by Rating

Hotel Rating	Colour Coding
Four-star	Yellow Square
Three-star	Turquoise Circle
Two-star/Un-graded	Blue Circle
Limited Service	Green Triangle

Source: RGA

Map 2.3.5: Colour Coded Location of Hotels by Rating - Without Northwest Arc



Source: RGA / Microsoft Autoroute

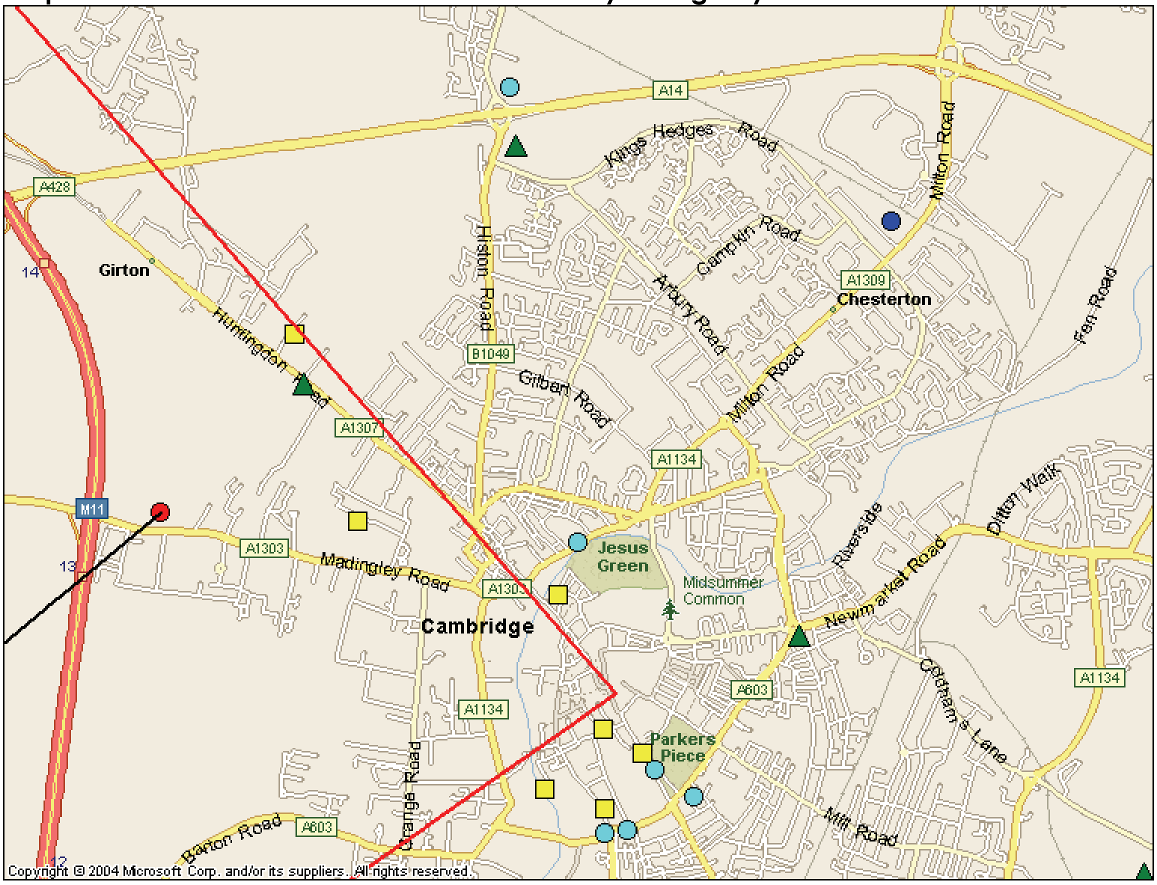
Map 2.3.6 shows how the quality of provision relates to the Northwest arc.

Map 2.3.6: Colour Coded Location of Hotels by Rating - With Northwest Arc

Source: RGA / Microsoft Autoroute

Map 2.3.7 below captures the quality of the hotels situated within the City Centre bound to the west by the M11 and the north by the A14 and how this relates to the Northwest Arc.

Map 2.3.7: Colour Coded Location of Hotels by Rating City Centre - With Northwest Arc



Source: RGA / Microsoft Autoroute

Map 2.3.5 to 2.3.7 reveal that the majority of four star hotels are located within the City Centre, whereas the majority of the limited service hotels are either outwith the immediate City Centre or based along the A14.

This also reveals that there is a gap in the market for mid tier accommodation i.e. three star accommodation to service demand in the west and north west areas of the City. Currently within this area there is the Felix hotel an upmarket 4 star boutique providing 52 rooms, the Moller Centre a further 4 star hotel and the Premier Inn at Girton (limited service) providing 20 rooms. Although there are 3 further hotels along the A14 corridor, 2 limited service and 1 four star anyone staying here and visiting West Cambridge (and in the future the Proposed Development) would have make a further journey by car to access these major employment and academic locations.

Three star accommodation is increasing becoming important to the corporate business user looking for quality combined with value for money. Anybody requiring this standard of accommodation would either have to travel to the south side of the City or to the Holiday Inn in the North of the City.

In addition in respect of the three-star Cambridge supply there are only two three-star hotels in Cambridge which have more than 100 rooms – the Arundel House Hotel and the Holiday Inn Cambridge situated in the east of the Inner City and immediately north of the City Centre on the A14 respectively (shown as map reference 6 and 5 respectively on Map 2.3.1). Besides the Holiday Inn Cambridge, Cambridge lacks a quality, standard nationally and internationally recognised mid tier branded property.

2.3.2 Future Hotel Supply

By means of enquiries with the local planning officers for Cambridge City Council and South Cambridgeshire District Council, hotel developments that are in the planning pipeline (i.e. where a planning application has been submitted in the past five years) have been identified.

In total, there are nine "potential" new hotel developments and planned extensions, details of which are summarised in table 2.3. below and set out in more detail in Appendix 5.

Table 2.3.4 Summary of Potential Future Hotel Supply

Map Ref	Location	Number of Rooms
4 (D)	Intercell House	127
7 (G)	Cambridge Meridian Golf Club	39
3 (C)	Radisson Blu, Cambridge Science Park	296
4 (D)	180-190 Newmarket Road (Travelodge)	219
5 (E)	27-29 Station Road	157
1 (A)	Orchard Park - Chieftan Way (Travelodge)	138
2 (B)	Ashley Hotel Extension	19
8 (H)	Cambridge Research Park	112
6 (F)	Addenbrookes	150

If all the potential hotels were developed this would provide a further 1,247 rooms in the market. In our experience numerous schemes with full planning permission often do not, however, get developed for a wide range of factors. One of the current constraints on schemes coming forward is the ability to obtain bank funding to support development rather than a lack of interest in Cambridge on the part of operators.

Map 2.3.8 shows the location of the potential new hotels and how these relate to the Northwest arc.

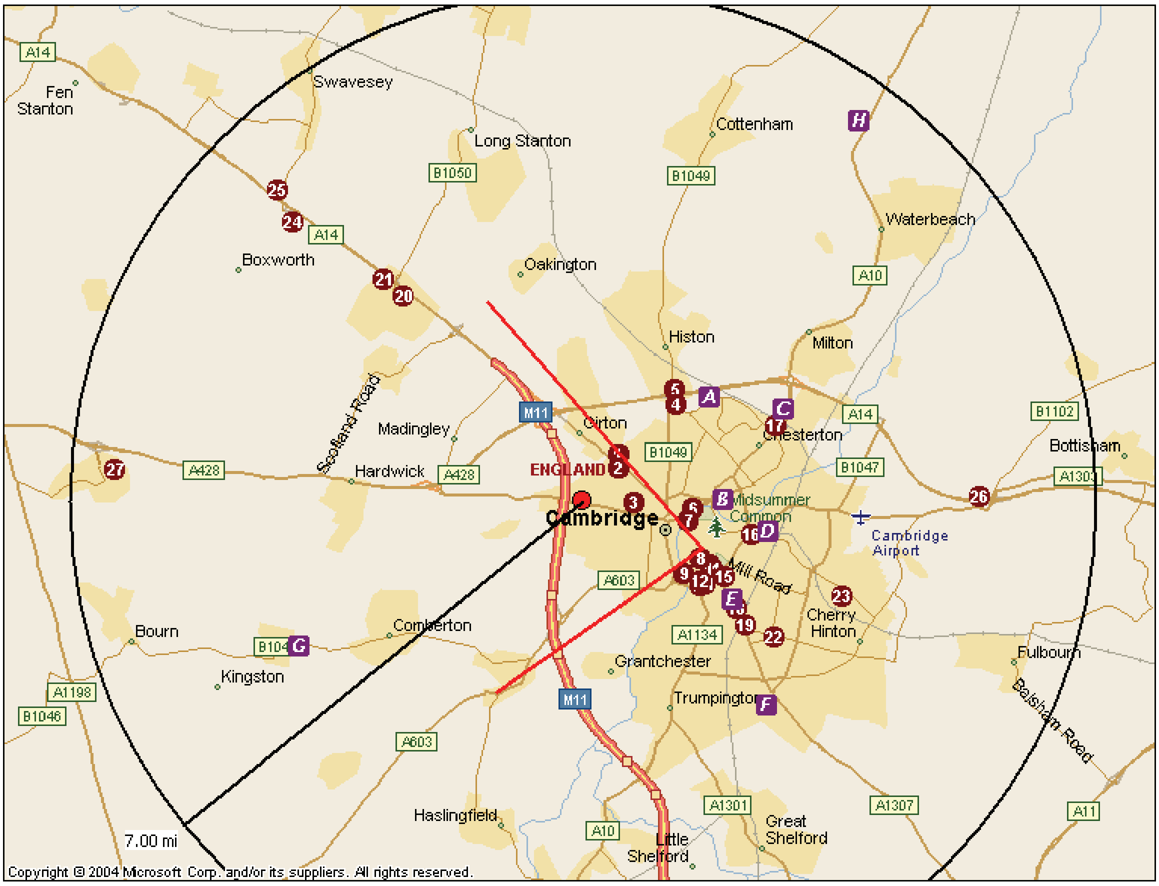
Map 2.3.8: Cambridge Future Hotel Supply - With Northwest Arc

Source: RGA / Microsoft Autoroute

It can be seen from Map 2.3.8 that, with the exception of the hotel extension to the Cambridge Meridian Golf Club (identified as number 7), which if consented would provide 29 rooms, all of the extra hotel provision remains focused on the north east and south east of the City with none serving the Northwest quadrant. The Cambridge Meridian Golf Club is situated 6.5 miles from the City Centre and 6 miles from West Cambridge with a 20 -25 minutes drive time during peak periods.

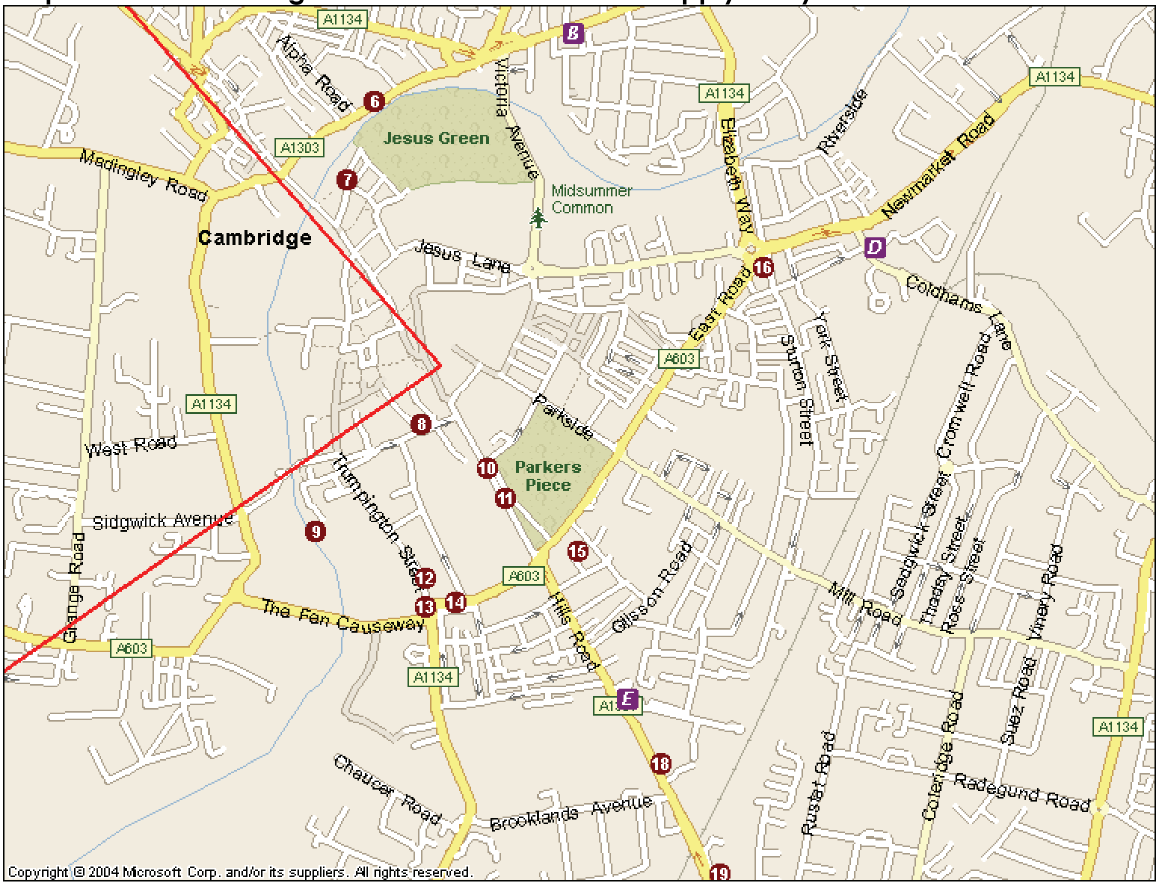
Map 2.3.9 shows the potential future hotels mapped with the current supply. The potential future hotels are shown by letters in purple.

Map 2.3.9: Cambridge Current and Future Hotel Supply - With Northwest Arc

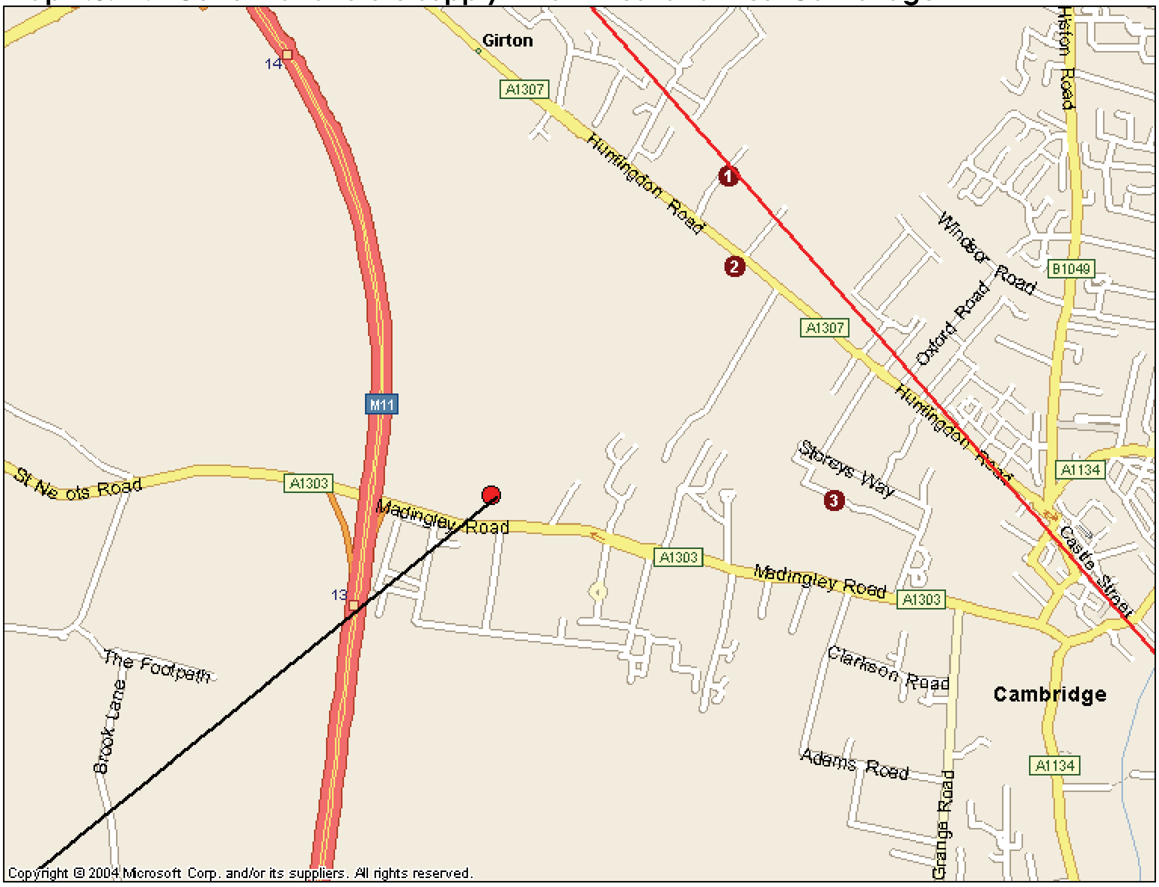


Maps 2.3.10 shows how the current and potential future hotel supply relates to City Centre provision and Map 2.3.11 shows how these relates to the North-west Arc.

Map 2.3.10: Cambridge Current and Future Hotel Supply - City Centre



Map 2.3.11: Current and future supply - Northwest and West Cambridge



In terms of the grade of provision the potential future hotel developments break down as follows:

Table 2.3.5 Grade of Potential Future Hotel Supply

Map Ref	Location	Number of Rooms	Grade
4 (D)	Intercell House	127	LS
7 (G)	Cambridge Meridian Golf Club	39	Niche
3 (C)	Radisson Blu, Cambridge Science Park	296	4 –star
4 (D)	180-190 Newmarket Road (Travelodge)	219	LS
5 (E)	27-29 Station Road	157	3 /4-star
1 (A)	Orchard Park - Chieftan Way (Travelodge)	138	LS
2 (B)	Ashley Hotel Extension	19	UG
8 (H)	Cambridge Research Park	112	Not known
6 (F)	Addenbrookes	150	Not known

In summary five of the developments have stated the type of hotel. There are two Travelodges proposed; one at Orchard Park (138 bedrooms; due to open in 2011) and one in the City Centre at Newmarket Road (219 bedrooms). Adjacent to the Travelodge at Newmarket Road, there is a 127 bedroom Premier Inn, which was submitted to planning in late April 2010 and is pending a decision. There are also plans for a Radisson Blu (296 bedrooms) and a 157 bedroom hotel at Station Road, which is expected to be to a three or four-star standard. The only significant hotel providing 3 star accommodation is located at the station which is 3 miles from the site a 20-30 minute journey at peak times.

Map 2.3.9 below shows the location of the potential hotels by grade

Map 2.3.9: Cambridge Future Hotel Supply by grade - With Northwest Arc

[Map to be inserted in final report]

When taken with current supply, were all of the potential hotels to come forward, which as noted is unlikely in the current climate, this would generate a hotel supply with the following characteristics in terms of grade of supply.

Table 2.3.6: Overview of Relevant and Potential New Hotel Supply in Cambridge

Rating	Current Number of Hotels	Current Number of Rooms	Potential New Hotel Supply	Potential New Bedroom Supply	Total rooms	As %
5-star	0	0	0	0	0	-
4-star	9	907	1	296	1203	36%
3-star	8	541	1	137	733	22%
Limited Service	8	558	3	484	1,042	31%
Other/Un-graded	2	53	2	58	111	-
Not known			2	272	272	-
Total	**25**	**2,059**	**9**	1,247	**3,306**	

Source: RGA / Microsoft Autoroute

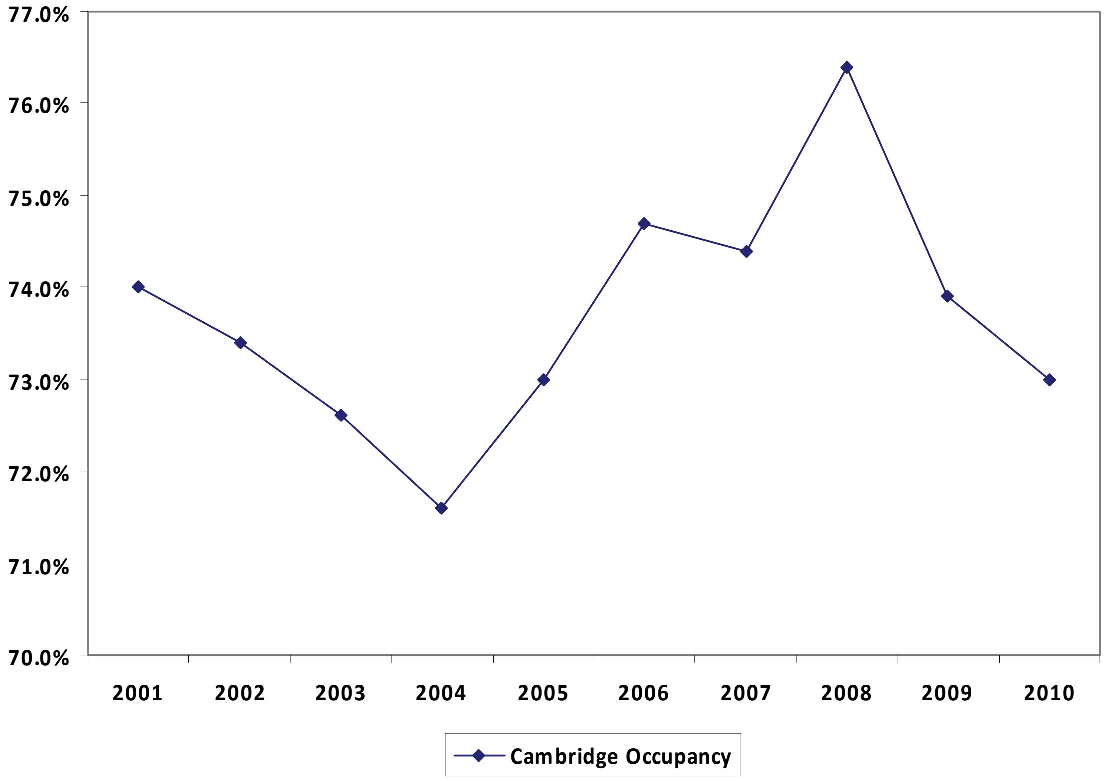
The effect of this is that the majority of four star hotels would continue to be located within the City Centre, albeit with the Radisson Blu complementing this provision on the north-eastern fringe of the City. The majority of the limited service hotels would remain outwith the immediate City Centre or based along the A14, although potentially supplemented with the Travelodge in the City Centre at Newmarket Road

Importantly tap in the market for mid tier accommodation i.e. three star accommodation to service demand in the west and north west areas of the City remains.

2.4 Current Hotel Operating Performance

RGA have looked at the performance of the Cambridge hotel market since 2004. New supply has entered the market over this period and there have been a number of significant global economic events which have impacted the whole of the UK hotel market.

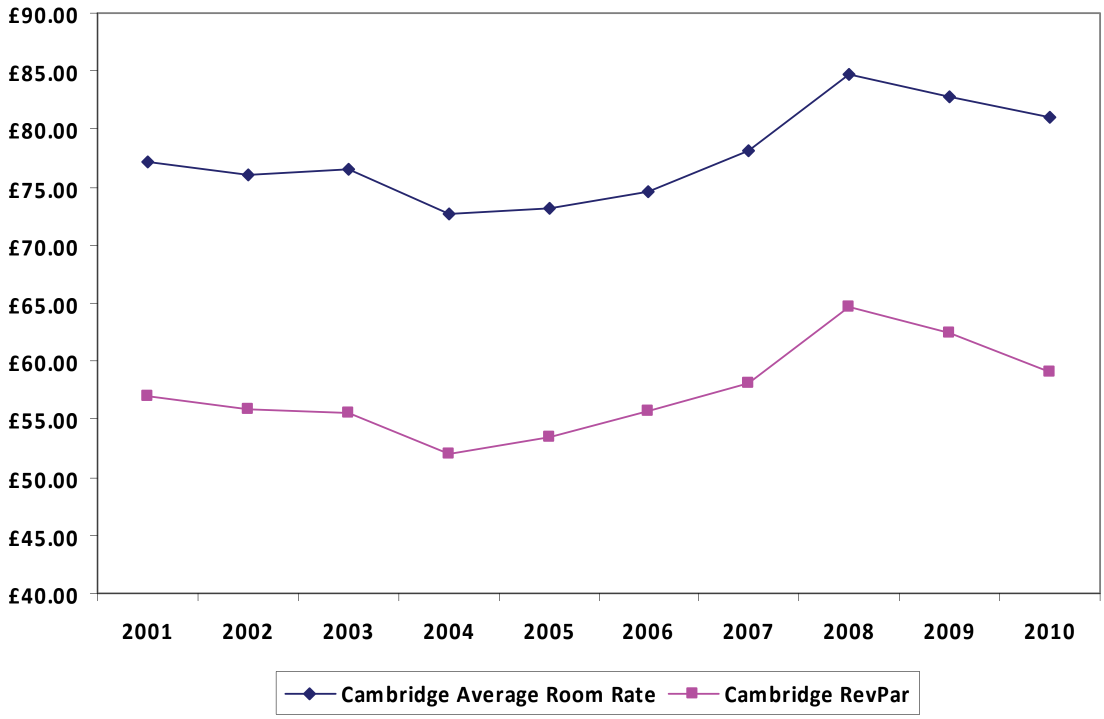
Graph 2.4.1: Cambridge Occupancy % 2001-2010



Source: STR

Graph 2.4.1 shows that, though occupancy dropped slightly from 2001-2004 (due in part to the recession affecting business occupancy during this period) since 2004 until 2008 the market has showed positive occupancy growth and absorbed new supply entering the market. Along with all markets in the UK, Cambridge has experienced a decline from 2008 to 2010 as a result of the global economic recession. Cambridge has, however, remained a robust market in comparison to other non-London hotel markets in England where many have seen occupancy dropping close to 60% and in certain cases into the 50% zone. Cambridge occupancy, despite the global recession, remains generally high at 73% in 2010. This is a strong performance indicator for the overall set and one that suggests positive development potential for new hotels to enter the market where there are perceived gaps – positioning and geographically. Performance over the first few months of 2011 has shown a positive improvement in occupancy.

Graph 2.4.2: Cambridge Average Room Rates and RevPar 2001-2010



Source: STR

Average room rates are a good reflection on demand for hotel bedrooms in a location. The average room rate and RevPAR for Cambridge show similar patterns to the occupancy rate since 2004. Hotels in Cambridge have only slightly dropped their room rates during the recession. There has been a slight decline but this has been in no way as sharp as other markets. Again this is a positive indicator for the robustness of the Cambridge hotel market, its maturity and the strength of the demand base across the hotel market segments. Only Central London achieves a higher ARR in England than the Cambridge market with the set achieving an ARR of over £81 which is a great KPI.

In comparison, table 2.4.1 below shows performance indicators in a selection of UK markets.

Table 2.4.1: UK markets hotel performance 2010

	Year	Occupancy	ADR	RevPAR
Cambridge	2010 Total	73	81.01	59.14
Birmingham	2010 Total	66	58.91	38.88
Bristol	2010 Total	71	63.77	45.31
Cardiff	2010 Total	67.2	62.13	41.76
Liverpool	2010 Total	67.8	64.62	43.79
Manchester	2010 Total	71.1	67.22	47.79
Newcastle	2010 Total	72.1	61.72	44.5
UK - England (excl. London)	2010 Total	66.8	60.25	40.22

Source: RGA / STR Global

The table shows Cambridge is performing well with occupancy and revenues higher than all other non-London regions.

RGA know the hotel market well and generally in most towns there is no doubt that there is a preference for centrally located hotels, which are able to command a stronger rate. In Cambridge however, there is little variation in occupancy between the two markets and some of the strongest performing properties – with over 82% occupancy figures, include the Premier Inns, which are 'non centre'. The following table shows the estimated performance of both in 2011 values.

Table 2.4.2: City Centre and Non-City Centre hotel performance

	Occupancy	ADR
City Centre	72.9%	£87.30
Non-City Centre	72.7%	£73.81

Source: RGA

Occupancy figures can vary between hotel sector type as well as the on basis of location, estimated performance per classification are set out in Table 2.4.3.

Table 2.4.3: Hotel performance by Classification

Classification	Occupancy	ADR
4-star	72.7%	£99.57
3-star	70.1%	£77.89
Limited service	76.8%	£59.79

Table 2.4.3 shows that the Limited Service hotel sector has a slightly higher occupancy level than the 3 and 4 star. The figures represent estimated average performance. Data submitted on behalf of Premier Inn for their proposed hotel at Intercell House and reproduced below as Table 2.4.4, in fact suggests strong overtrading with average midweek occupancy rates of 96% at Girton and 86.6% at Orchard Park.

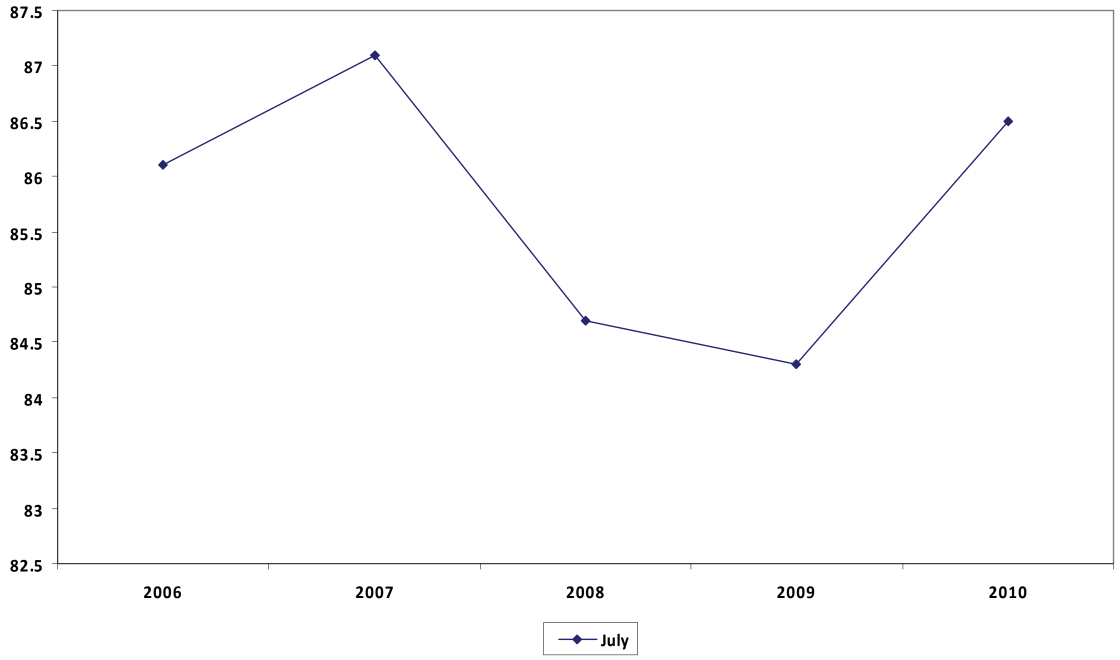
Table 2.4.4 Performance for the two Premier Inn Hotels

Measure	Girton		Orchard		National Premier Inn Average
	No.	%	No.	%	%
Average mid week occupancy		96%		86.6	
Average full week occupancy		85.9%		61/6%	60%
Days when hotel is 90% or more occupied over full week	292	80%	191	44%	
Days when hotel is 100% occupied over full week	225	62%	35	10%	
Days when hotel is 90% or more occupied over Monday to Thursday	191	92%	129	62%	
Days when hotel is 100% occupied over Monday to Thursday	155	75%	28	13%	
Website "enquirers" turned away over 12 month period	136,000		187,000		

The average occupancy figures also vary greatly month on month with, as previously noted, significant peaks in demand around the time of University events (graduations, interviews and open days), festivals, race meetings, events such as the Duxford Air Show and the main holiday period. Anecdotal evidence suggests that supply during these peaks is insufficient to meet demand.

The following graph shows the performance for Cambridge hotels during July – the month which experiences the strongest performance.

Graph 2.4.3: July Hotel Performance, Cambridge



Source: RGA / STR Global

Table 2.4.5: July Hotel Performance, Cambridge

	2006	2007	2008	2009	2010
July	86.1%	87.1%	84.7%	84.3%	86.5%

Source: RGA / STR Global

2.5 Future Demand

Future demand for hotel accommodation within the area is expected to continue to increase with different market segments experiencing different future growth. Based on RGA's analysis of the local corporate set and examining tourism growth statistics for Cambridge good growth is expected in the majority of hotel business segments within the Cambridge Hotel Market in comparison to most markets. In addition, different segments create different volumes of business – e.g. Cambridge has a good corporate business demand base given the nature of the businesses in the area.

Over the 2011-2018 period RGA have computed that market growth will be around 23%. In terms of how that growth will be distributed among the hotel market segments Table 2.5.1. shows the percentage of that growth for each market segment. How this translates into demand for particular categories of hotel is set out in the final column of table 2.5.1.

Table 2.5.1 Future Growth by Market Segment (as a percentage of total growth)

Sector	2010 Percentage of total growth	2011+ Percentage of total growth	RGA Segment Comments	Segment Preferences
Corporate Account	1.7%	2.6%	Positive demand amongst local companies. Potential to displace frustrated demand. Projected steady increase of demand from segment over the next 2 years	Local corporate prefer mid or upper tier hotels due to facilities, pricing structure, service and standards. Identified niche gap in this area
Transient commercial	1.8%	2.5%	Another key user group – it is important to leverage brand power to access corporate bookers Proximity to London, central Cambridge and easy access to the M11 and A14 will appeal to this group Projected steady increase of demand	Transient commercial business users tend to favour branded 3-star hotels or limited service properties due to service, standards, locations, brand recognition and loyalty schemes. There is a good supply of current and future limited service properties but a lack of mid tier product.
Conference	1.5%	3.0%	Large scale conferences who have a preference for out of town facilities will use the Radisson Blu when it comes online. There would be continued	Conference delegates prefer to use 3-star or 4-star properties due to facilities, brand recognition and standards

			demand for small flexible meeting space meeting the needs of modern businesses (small flexible meetings lasting <4 hours with a small number of delegates (often <6)) Recovery over the mid term	
Independent Leisure	1.4%	2.3%	Good location base for visiting Cambridge but north-west corridor accessible due to the park and ride scheme proposed. '10 minutes in a taxi'. Recovery in line with economic forecasts	A 3-star branded hotel would meet the needs of the independent leisure traveller. Brand awareness is important and many international visitors will have brand loyalty affiliations
Short Break	1.8%	2.5%	Proximity to a number of demand generators – Cambridge is a popular tourist destination and there are a moderate level of events in the City which 'sell out' the market Recovery in line with economic forecasts	Visitors on a short break prefer a branded Limited Service product or a 3-star standard for comfort, special deals and brand recognition. Those who opt for a more luxury destination break will utilise the 4-star hotels based in the City . A 3-star standard hotel would appeal to a more price conscious traveller
Coach and Tour	1.0%	1.7%	Local area popular for heritage and culture breaks Price sensitive market tends to exclude this market group Moderate recovery of the sector	Tour operators favour 3-star hotels outside of Cambridge due to facilities, size of bedrooms, brand and availability of parking.
Other	1.4%	2.3%	Key user group due to size and reputation of the University	People visiting friends and relatives favour Limited Service or three-star branded hotels.
Frustrated Demand Growth		6.9&		

Source: RGA Research

The above highlights that there is sustained growth across all market segments for which a 3 star hotel could cater for this increased demand.

3. Gap Analysis

3.1 Context

Section 2 of this Assessment has shown how the combination of Business, University and Tourism visitors means that Cambridge has a significant and varied demand for a complete range of hotel accommodation. This combination of demand provides a significant base occupancy load for hotel accommodation and at times generates significant peaks with anecdotal evidence suggesting that supply during these peaks is insufficient to meet demand.

Moreover good growth is expected in the majority of hotel business segments within the Cambridge Hotel Market in comparison to most markets. Over the 2011-2018 period RGA have computed that market growth will be around 23%.

Although there are a range of new Cambridge hotel projects that have the potential to be developed, not all of these hotel developments will necessarily follow through to completion, not least given the difficulty with developments attracting bank finance. Even if all of the proposals were to come forward there would still be gaps in terms of geographical and market sector need as explained below.

3.2 Geographical Need

The analysis in Section 2.3.2 demonstrates that great importance is placed on the location of accommodation. Map 2.3.1 to 2.3.4 shows that the main hotel provision is made up of clusters in the City Centre and to the south and there is a lack of hotel provision to service demand towards the west and northwest areas of the City. This is surprising given the number of large corporates located here with their associated business hotel demand and also that this is a key gateway corridor for vehicle traffic into the City.

In terms of potential future supply, with the exception of the hotel extension to the Cambridge Meridian Golf Club, which if consent is granted would provide 29 rooms, all of the extra hotel provision remains focused on the north east and south east of the City with none serving the Northwest quadrant.

There are no applications, therefore, for new hotels along the two key transport corridors to the west and north west areas of the City – Huntingdon Road and Madingley Road. This is the area within which a need has been identified. New hotels will be primarily developed on the southern fringe and central sites. The exception to this is the Radisson Blu scheme which has been submitted for a site in Cambridge Science Park. This project fulfils, however, a defined need for more hotel accommodation to the north and north eastern arcs of the City towards the A14.

3.3 Economic Sector Need

The analysis in section 2.3 has also demonstrated that new hotels are being developed predominantly at the two ends of the hotel market spectrum ranging from the branded limited service product to a full service four star conference hotel in the form of the Radisson Blu at the Science Park. The market, therefore, remains "imbalanced" with four-star hotels and limited service.

It is important, for consumers, however, that their choice of hotel room stock is not polarised between the Upper / Luxury end of the market and Budget / Limited Service operations.

There remains, therefore a gap in the market for mid tier accommodation i.e. three star accommodation to service demand in the west and north west areas of the City and a clear gap in the market for new product to fulfil current and future demand for mid tier accommodation which offers visitors (leisure and business) more variety. A new mid tier product would present consumers with an option to stay in a modern, well specified, yet affordable hotel.

The development of a three-star hotel at North West Cambridge would not challenge the four-star hotels in the city centre, such as the Crowne Plaza and the Doubletree by Hilton, which are firmly positioned in the four-star market and meet the needs of those who need to be in the centre of Cambridge.

Nor would a three-star hotel at this location impact on the development of the Radisson Blu at Cambridge Science Park. The business economics for the Radisson Blu are based on securing quality four star price point demand from the significant concentration of businesses (over 100) on the Science Park. Additionally this scheme fulfils the market requirement for large out of centre conference business. The market dynamics of out of the centre hotels indicate that there is a need for only one such venue of this scale. Furthermore this hotel is not easily accessible to the North West quadrant requiring any hotel guest to travel across the City to access the Western area, a journey which dose not lend itself to using public transport.

3.4 University Need

3.4.1 In General

Need for hotel provision generated by the University involves not only the University's own booking requirements but also those requirements that stem from activities associated with the University such as graduations, interviews and open-days as well as the University related businesses and the high-tech and research facilities and institutes that have developed as a consequence of investment by the University of Cambridge. Both surveys of the University academic departments and Colleges and the wider business community highlight that:

- That there is an accommodation need in the market both from the University perspective and the wider business community. While some of the demand is fulfilled by current hotels within the market there is a need not only for additional hotel space but more affordable mid tier accommodation; and

- There is strong evidence of frustrated demand.

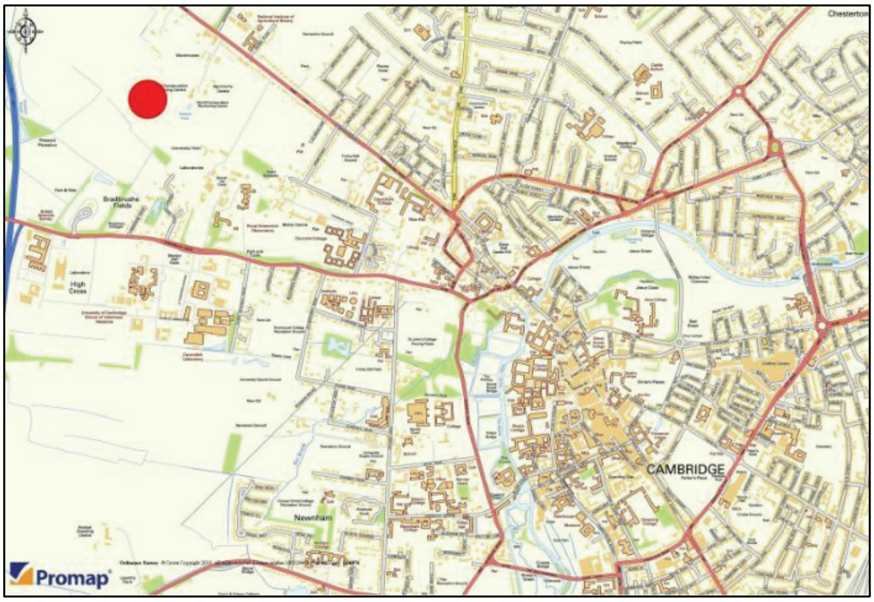
3.4.2 Need driven by North West Cambridge

Location

The site of the Proposed Development ("the Application Site") is located to the north-west of the existing urban conurbation of Cambridge, approximately 2km north-west of the centre of the City. The Application Site is situated between Huntingdon Road and Madingley Road, as previously noted one of the main routes into the City Centre, as shown on the plan below. The local highway network provides direct access between the Proposed Development and the A14 and M11 strategic highway network.

As explained in the Transport Assessment the Application Site is well located with respect to existing pedestrian, equestrian and cycle infrastructure to accommodate non-car movements and at the south entrance of the Application Site on Madingley Road is a Park & Ride. The existing bus services provide regular bus services into the City and to popular tourist destinations and, therefore the Application Site is highly sustainable.

Map 3.1: Location of the Application Site



Surrounding Uses

The built form of Cambridge closely abuts the Application Site. The south eastern margins extend to the suburban edge of the City served off Storeys Way a residential thoroughfare which comprises mainly two storey dwellings and the edge of the University's Churchill College campus. This suburban edge also extends along the north eastern boundary of the Application Site. On the south side of Huntingdon Road is a ribbon of detached dwellings fronting the highway. The northern side of Huntingdon Road abuts the south western edge of the settlement of Girton. On the southern margin of the site there are groups of University buildings accessed from Madingley Road via an existing roadway. Further to the west along Madingley Road is another area of residential development served by Lansdowne Road and Conduit Head Road; further west again lies the Madingley Road Park & Ride site on the southern margins of the site.

On the south side of Madingley Road is the West Cambridge Campus comprising University faculty and other buildings. The wealth and contribution of the high-profile uses has been explained in section 2.1.2.

To the north of the Application Site is the NIAB Site situated in an area located to the north-east of Huntingdon Road between Girton Road and Oxford Road, and is generally referred to by the name of the current occupant (the National Institute of Agricultural Botany). Cambridge City Council granted outline planning consent for the first phase of development including an access road and 187 homes on the NIAB "frontage land" adjoining Huntingdon Road in 2004, and construction commenced in 2010.

A further outline application was submitted for the area between Histon Road and Huntingdon Road for a further 1,593 homes, a new primary school, community facilities, local shops, roads, footpaths and cycleways. This application was considered by the Joint Development Control Committee and approved in July 2010, but is still awaiting resolution of outstanding Section 106 issues before completion.

The Proposed Development

As explained in the Planning Statement the Proposed Development provides the University with a unique opportunity to meet specific elements of its staff recruitment needs, specifically key worker housing needs, through the establishment of a new University-orientated urban quarter of Cambridge.

The Proposed Development incorporates a mix of uses, selected to respond to the needs of the University and to reduce the need to travel. The uses include 3,000 dwellings, collegiate accommodation, 100,000 sq. m of academic and commercial research space, a local centre providing retail, community and leisure facilities, senior care and a primary school.

The Proposed Development will help to secure the University's long-term success by providing the living and research accommodation needed to enable the University to grow its research capabilities, which in turn helps the University to maintain its world class position. This will encourage substantial investment in Cambridge and help to recruit and retain the best staff and students from around the world, which is good for the Cambridge area and the wider UK economy. In this way, the University has established a number of priorities in developing the Proposed Development. The priorities that are relevant to a hotel use on the Application Site are:

- The intention to create a mixed-use extension of the City with an urban rather than suburban grain;
- To produce a scheme with a unique, outstanding University character, which blends with other uses across the site;
- To deliver a sustainable development that gives priority to cycling, walking and public transport and facilitates easy access to the City.
- To provide for and encourage a strong sense of community, reinforced through local facilities and a sense of place.
- The use of best principles and features of the Collegiate University in the design and use of the University and student accommodation.

A local centre is proposed as a vital component of the Development Proposals at the Application Site. The principle of a local centre is established by the AAP vision (Policy NW1) which states that 'there will be a new local centre that will act as a focus for the development and which will also provide facilities and services for nearby communities'.

Policy NW21 of the AAP re-emphasises this and requires a single centre to be provided in the heart of the Proposed Development to ensure that it will assist in bringing together the two parts of the Proposed Development either side of the strategic gap.

The early delivery of a local centre and local facilities are fundamentally important to the sustainability of the Proposed Development, to reducing the need to travel, and to establishing a sense of community and identify within the Proposed Development. However market economics usually means it is difficult to commercially establish local centre facilities until a development is well established.

By providing the local centre early and incorporating a hotel the University of Cambridge is meeting head on the concerns expressed by SQW in their report to the East of England Development Agency (EEDA), "The Cambridge Economy Retrospect and Prospect"[2], namely that it is crucial that any peripheral developments incorporate social spaces, not just locations

[2] March 2011

for business and research. As noted in section 2.1 a major factor for companies wishing to relocate to the City Centre is due to the opportunity for agglomeration of effect, networking and the ever-growing coffee shop culture as well as being closer to the train station to facilitate travel to London. SQW's report also noted that many developments incorporate these "social" facilities in their plans, but that they are not implemented in the short term as developers do not wish to incur increased costs prior to receiving income from the main development. However, it is important that such facilities are included at the beginning of the development to encourage companies to re-locate outside of the City Centre. The report acknowledges that space which incorporates retail, leisure and **hotel accommodation** *[our emphasis]* provides a central hub for developments to be focused around and provides communities rather than business parks.

The local centre would, therefore, be the primary focus for the community, and a hotel would provide an early important element of the focus along the edge of the square, located prominently overlooking Storey's Field, one of two major open spaces within the Proposed Development. The early timing and provision of a hotel within the local centre would contribute to the creation of an early sense of place in relation to the development providing a commercial "anchor" and an active frontage for the local centre as well as early residents with a variety of facilities including a bar and restaurant. Hotel guests and visitors would also make a positive contribution towards the overall street life and activity of the Proposed Development. It would help establish a special character and identity for the local centre.

A Hotel on the Application Site would provide sustainable accommodation and facilities not only for the needs of those who live or work or are visiting the proposed University or employment uses within the Proposed Development but also neighbouring areas, particularly West Cambridge providing a sustainable and local offering to the world-class research institutes which West Cambridge is home to.

Enabling Development

A further site specific need for the hotel is as an enabling development. The Proposed Development is guided by the policy framework set out in the Area Action Plan adopted by Cambridge City and South Cambridgeshire District Councils. The scheme therefore includes 50% affordable housing, which will be rented to University and College staff at no more than 30% net household income, and sets ambitious targets in terms of sustainability, carbon reduction, energy and water.

In addition, a range of community / education and sports facilities will be provided, and significant investment will also be made in a range of transport measures to mitigate the impact of the Proposed Development.

The Applicant is therefore proposing a number of additional enabling uses to those set out in the AAP in order to secure additional capital / revenue funding for the Proposed

Development, in particular, with regard to Phase 1. These include a foodstore (2000sqm net), a hotel, and senior living accommodation.

Summary of Estimated Costs

The following table summarises the main capital costs that will be incurred by the Applicant on infrastructure, s106 obligations, and Key Worker housing, and the capital receipts that will be generated through land sales, both for the overall Proposed Development, and Phase 1.

Table 3.1: Summary of Estimated Costs

	Overall Proposed Development	Phase 1
	£M	£M
Capital Cost:		
Site Infrastructure / S106 Works / Contributions	154.9	56.9
Key Worker housing	190.8	67.8
Supermarket	5.7	5.7
Capital receipts		
Market housing	144.0	30.3
Other land sales	64.5	-
Hotel	1.9	1.9
Senior Care	1.4	1.4

Summary of Overall / Phase 1 Financial Appraisals

The financial appraisal for the overall Proposed Development indicates financial returns (IRR) in the range of 3.3 - 8.7%, depending on the assumptions made about key parameters, and more particularly inflation. This is clearly significantly below an IRR which would be acceptable to developers, and is also insufficient to provide sufficient margin for development risk on the Applicant's normal target for return on investment.

The Phase 1 financial appraisal indicates an even lower rate of return of c. 5%. This would not be acceptable to developers and would not normally be acceptable to the Applicant. Additionally, if the hotel and senior living accommodation were omitted from Phase 1, the Applicant would incur an additional borrowing cost of c. £8m over the lifetime of the Proposed Development.

Case for additional Enabling Uses

There is therefore a clear financial case for additional enabling uses to help offset the significant up front investment that the Applicant will need to make in site infrastructure, community, educational and sports facilities, and transport mitigation measures. The inclusion of the hotel and senior care facility in the Proposed Development will not only provide additional vibrancy to the local centre and additional balance to the community, but also much needed finance to improve the viability of the Proposed Development.

For Phase 1, the expenditure on site infrastructure alone is £44M; the hotel and senior care facility provide capital receipts estimated at £1.9M and £1.4M respectively, so whilst relatively modest in the context of the overall Proposed Development, they are significant in terms of the investment required and the development risk the Applicant needs to manage with the implementation of a first phase of the Proposed Development.

3.4 Summary Needs Position

This assessment of need for a hotel at Northwest Cambridge has identified that even if all of the future supply comes forward there remains a gap in the market for mid tier accommodation i.e. three star accommodation to service demand in the west and northwest areas of the City and a clear gap in the market for new product to fulfil current and future demand for mid tier accommodation which offers visitors (leisure and business) more variety.

There are only two three-star hotels in Cambridge which have more than 100 rooms – the Arundel House Hotel and the Holiday Inn Cambridge, with a further potential hotel on Station Road. Besides the Holiday Inn Cambridge currently lacks a quality, standard nationally and internationally recognised mid tier branded property.

In addition to market need the Proposed Development generates it own need for a hotel in terms of a hotel contributing to the creation of an early sense of place in relation to the development providing early residents with a variety of facilities including a bar and restaurant and hotel guests and visitors contributing towards the overall street life and activity of the Proposed Development.

A Hotel on the Application Site would also provide sustainable accommodation and facilities not only for the needs of those who live or work or are visiting University or employment uses within the Proposed Development but also neighbouring areas, particularly West Cambridge providing a sustainable and local offering to the world-class research institutes which West Cambridge is home to.

A further site specific need for the hotel is as an enabling development by providing an early capital receipt offsetting the very large early stage land formation and infrastructure costs; and offsetting the overall negative cash flow generated by the scheme at the outset of development and thereby the overall financial borrowing costs of the University.

Based on the identified need a hotel of up to 7,000 square metres with approximately 130 rooms (Class C1) aimed at the 3 star mid-range hotel market with a restaurant, bar, and a general room available for functions and business meetings, leisure facilities and underground car parking provide high quality visitor accommodation would be appropriate as part of the Proposed Development to meet the identified need.

4. Sequential Test

A further consideration in meeting need is whether there any more suitable sites within the City for meeting this need. This section assesses the hotel facilities proposed on the Application Site against the sequential approach to site selection which incorporates the consideration of all potential hotel development sites situated between the subject site and City Centre.

Sequential Test Analysis

Hotels are defined by paragraph 7 (4) of PPS4 as '*arts, culture and tourism development*' and therefore a main town centre use. Hotels are a specialised function and although classed as '*main town centre uses*' by PPS4, they operate in a different way to typical town centre uses such as shops and restaurants. This is acknowledged by the Practice Guidance, which, at paragraph 6.9, states:

> *'whilst the sequential approach applies to all main town centre uses, local planning authorities should consider the relative priorities and needs of different main town centre uses, particularly recognising their different operational and market requirements. For example, a hotel associated with a service area is likely to cater for a distinct market compared to a traditional city centre hotel.'*

The application of the sequential approach for the proposed hotel is therefore inextricably linked to need and market demand for a broad range of hotel facilities in the Cambridge area. In accordance with best practice, our assessment has drawn upon an up-to-date assessment of hotel need set out earlier in this report. The finding of relevance to this assessment is that there is a clear need for a reasonably sized, mid-market hotel in the northwest and western arc area of Cambridge where there is currently a gap in the market. In accordance with the sequential approach, we have considered a range of sites both in and on the edge of Cambridge City Centre in terms of their suitability, availability or viability to meet the identified need.

The approach to site selection has been informed by local planning policy and site allocations for town centre uses, as well as vacancies identified by the most up to date Goad plans.

We have also taken into consideration sequential site assessments undertaken in support of other recent hotel proposals in the Cambridge area, notably the proposed Travelodge at 180-190 Newmarket Road (ref: 10/0851/FUL) approved in March 2011; and the proposed hotel as part of a mixed use development at 85-93 East Road (ref: 10/0544/FUL) refused planning permission in November 2010.

In determining these applications Cambridge City Council came to the conclusion that both sites passed the sequential test. In the committee report for the planning application at 85-93

East Road, dated 17th June 2010, the Council's Principal Policy Manager concluded that *'there is not a sequentially preferable site than this, which is recognised as being the closest site available to the City Centre'*.

Given these findings we have based our search on what may have changed since this latest sequential assessment was undertaken in June 2010. Despite being refused, the Council considered that the principle of a hotel use on the site at 85-93 East Road was acceptable in planning terms. The site therefore remains a sequentially preferable site for a hotel use and has been considered in our assessment.

Each site has been assessed in turn to evaluate its suitability, availability and viability, as required by PPS4, for the development of a hotel facility of a similar scale to the one proposed (c.130 rooms). Based on our commercial understanding of operator requirements, a minimum floor plate of approximately 2,200 sq m would be required to accommodate a facility of this scale.

Each site has been assessed in relation to the following criteria:

- Approximate size
- Planning policy / Site allocations
- Planning application history
- Accessibility
- Potential physical site constraints
- Potential for hotel development
- Availability and ownership
- Potential viability for redevelopment

The site search identified six sites, which could potentially be suitable for a hotel development, although the sizes of some would pose limitations on the size of the hotel developed and the facilities proposed to be incorporated within it. Detailed consideration of each site is provided in Appendix 6 and a brief summary is set out below.

Site 1: Former Gala Bingo, 21 Hobson Street (City Centre)
The existing building is unsuitable because it is too small to be converted into a 130 bedroom hotel. Redevelopment of the site is constrained because the building is identified as a Building of Local Interest, which merits protection. The site is identified as vacant according to the latest Goad Plan (November 2010) but according to agents Bidwells it has been let. The availability of the site is therefore uncertain. Finally, a hotel in this location would not be suitable to meet the identified need in the northwest and western arc area of Cambridge.

Site 2: 85-93 East Street (edge-of-City Centre)
The Council have recently identified this site as suitable for hotel use, although a planning application for the mixed-use development of the site (including a hotel) was recently

refused. The intention to redevelop the site indicates that it is likely to be available in the short-term. Besides been recently refused for planning, a hotel in this location would not be suitable to meet the needs identified in the northwest and western arc area of Cambridge.

Site 3: Park Street Car Park site (edge-of-City Centre)
The site is currently occupied by a 24 hour multi-storey car park operated by Cambridge City Council. We have not been able to ascertain the Council's strategy for maintaining the car park however it is considered likely that the multi-storey would be viewed an important facility which the Council would seek to maintain. It would also command a significant land receipt. On this basis the site is unavailable to accommodate the proposed hotel. Furthermore, a hotel in this location would not be suitable to meet the identified needs in the northwest and western arc area of Cambridge.

Site 4: Old Press/Mill Lane site (edge-of-City Centre)
The SPD for the site suggests hotel use might be acceptable as part of a mix of predominantly educational uses. However, the policy specifies a maximum size of 75 bedrooms, which is not sufficient to support the a three star hotel or the scale of facility currently proposed. There are various constraints on the site, including the need for the relocation of University facilities, which means development is unlikely to come forward in the short-term. Furthermore a hotel in this location would not be suitable to meet the needs identified in the north west and western arc area of Cambridge. On this basis, the site is considered both unsuitable and unavailable.

Site 5: 1 Milton Road, Mitcham's Corner (edge-of-City Centre)
The site is allocated for a mix of uses including employment, retail and housing. There is no specific reference to hotel use. We are aware of recent pre-application discussions proposing the redevelopment of the site for an Aparthotel. The site is therefore likely to be available for redevelopment in the short-term although if it is developed for an Aparthotel it will not be suitable to accommodate the current proposals.

We are also aware of wider aspirations of the Council to redevelop the site alongside the adjacent Staples unit, which would enable the reorganisation of the gyratory system (Mitcham's Corner Development Brief, 2003). It is unlikely that the redevelopment of the site for the proposed hotel would be viable with such costs. Furthermore, the comprehensive redevelopment of the sites would require the availability of the Staples site. We understand the Staples unit is subject to a long term lease and is therefore not available.

Finally, a hotel in this location would not be suitable to meet the needs identified in the northwest and western arc area of Cambridge.

Site 6: Former Chillis Grill and Bar, 164-167 East Street (edge-of-City Centre)
The existing building is unsuitable because it is partly occupied and too small to be converted into a 130 bedroom hotel. The site is also unavailable for redevelopment as there are existing

occupants on the upper floors of the building. Furthermore, a hotel in this location would not be suitable to meet the identified need in the northwest and western arc area of Cambridge.

Other vacant sites/units with the City Centre are considered too small to accommodate the proposed facility and for that reason have been excluded from the assessment. It has been acknowledged through the determination of recent planning applications (ref: 10/0851/FUL and 10/0544/FUL) that there are no other allocated sites in the Local Plan which are considered suitable, viable or available for hotel development.

There is a clear gap in provision in this part of Cambridge which is capable of being met by the Proposed Development at the Application Site. The Application Site is highly accessible, being close to the intersection of the M11 and the A14. In PPS4 terms, the proposed hotel will be 'in-centre' upon development of the local centre and should therefore be viewed as sequentially preferable to other out-of-centre sites in the northwest and western arcs of Cambridge.

It has been noted earlier in this report that the hotel within the Proposed Development would serve a different need and market sector to that of the City Centre hotels. Operation of a hotel at the Application Site would not prevent development of a hotel on any of the sequentially tested sites and vice versa.

On the basis of the above assessment we conclude that there are no sequentially preferable suitable, available or viable alternative locations to accommodate a 130 bed hotel that will meet the identified need and address the gap in the market for accommodation in the north west and western arcs of Cambridge.

5. Conclusions

The University has identified an extant need for hotel facilities for visitors to Cambridge. The need assessment has identified that, even if all of the future supply comes forward there remains a gap in the market for mid tier accommodation i.e. three star accommodation to service demand in the west and north west areas of the City and a clear gap in the market for new product to fulfil current and future demand for mid tier accommodation which offers visitors (leisure and business) more variety.

There are only two three-star hotels in Cambridge which have more than 100 rooms – the Arundel House Hotel and the Holiday Inn Cambridge, with a further potential hotel on Station Road. Besides the Holiday Inn Cambridge currently lacks a quality, standard nationally and internationally recognised mid tier branded property.

In addition to market need the Proposed Development generates it own need for a hotel. The University intends to create a mixed and balanced community at the Proposed Development. Provision of a hotel is consistent with these aspirations and with National, local and Site-specific policy objectives.

The hotel proposed within the Proposed Development will help create a sense of place as part of the development. It would be developed as part of the first phase and hence create activity and interest as the Proposed Development first establishes itself, providing a commercial "anchor" and an active frontage for the local centre.

Delivery of proposed hotel as part of the first phase of the Proposed Development, as well as helping to underpin the local centre, would greatly assist the economic viability of the Proposed Development by providing an early capital receipt. This would help offset very large early stage land formation and infrastructure costs.

A Hotel on the Application Site would also provide sustainable accommodation and facilities not only for the needs of those who live or work or are visiting University or employment uses within the Proposed Development but also neighbouring areas, particularly West Cambridge providing a sustainable and local offering to the world-class research institutes which West Cambridge is home to.

In order to meet the need, a hotel of approximately 7000 sq.m. providing some 130 rooms and including leisure and limited meeting facilities would be required.

No other site, sequentially preferable or otherwise, would meet the need identified. Equally there is nothing to suggest that development of the proposed hotel on the Application Site would affect the likelihood of hotel development coming forward on any other site identified.

It is clear that the proposed hotel market in Cambridge is robust and demand is expected to continue to grow and that the development should not divert trade from the hotel provision within the City Centre or prejudice the achievement of development plan supported development within any existing centre. The proposed hotel would not affect the hierarchy of centres within Cambridge. Instead it will provide accommodation for business trips to West Cambridge and the new offices/ university facilities, along with tourists and visitors seeking accommodation close to the student/residential areas within the Application Site.

In summary, given the current performance of Cambridge's hotel market, it is a clear there is need for further hotel provision in Cambridge in the location of the Proposed Development and a clear site specific need for a facility on the Application Site to serve the new uses.

Appendix 1: Glossary of Terms

Term	Definition
Achieved Room Rate (ARR)	Hotel rooms revenue divided by the number of rooms sold. Also referred to as Average Room Rate (ARR) or Average Daily Rate (ADR).
Mid Market Hotel	Three-star AA assessed hotel offering food and beverage and some leisure and conference facilities e.g. Novotel, Holiday Inn, Hilton Garden Inn
Occupancy Rate	The percentage of all rooms occupied or sold in a given period to total available rooms in that period.
RevPar	Revenue per available room. Calculated by multiplying the occupancy rate by the average daily room rate. Also known as Yield.
Upper Market or Deluxe Hotel	Four-star AA assessed hotel offering full food and beverage, leisure, and conference facilities. E.g. Crowne Plaza, Doubletree by Hilton, Hotel du Vin etc

Appendix 2: Planning Policy

This section evaluates the planning policy context for a hotel within the broader tourism and hotel-related policy of the UK, Cambridge and North West Cambridge.

This Section sets out national and local planning policy relevant to the determination of a planning application which includes a hotel. The section provides a review of national policies including PPS1, PPS4, the PPS4 Good Practice Guide and the Practice Guide on Planning for Tourism, and the development plan policies of Cambridge City Council and South Cambridgeshire District Council.

National Planning Policy

PPS1: Delivering Sustainable Development (2005) states that urban regeneration and the re-use of previously developed sites are important supporting objectives for creating a sustainable pattern of development. It states that the Government is committed to:

- Concentrating development for uses which generate a large number of trips in places well served by public transport, especially town centres, rather than out-of-centre locations; and

- Preferring the development of land within urban areas particularly on previous development sites, provided that this creates or maintains a good living environment, before considering the development of greenfield sites.

When drawing up their development plans, local planning authorities are encouraged to adopt a sequential approach to site selection for new retail development and key town centre uses, commencing with existing centres and then if no suitable sites are available, edge-of-centre locations. Only then should out-of-centre proposals be considered.

PPS4: Planning for Sustainable Economic Growth (December 2009) was published on 29 December 2009 and combined the policy guidance previously provided in PPG4, PPG5, PPS6 and parts of PPS7 and PPG13 into a single policy statement. The guidance sets out the importance of using evidence to plan positively, including identifying the need at the local level to assess the need for new economic development and plan proactively to accommodate new development.

The policies within PPS4 cover the following main town centre uses, which include:

- Retail development (including warehouse clubs and factory outlet centres);

- Leisure, entertainment facilities, and the more intensive sport and recreation uses (including cinemas, restaurants, drive-through restaurants, bars and pubs, night-clubs, casinos, health and fitness centres, indoor bowling centres, and bingo halls);

- Offices; and

- Arts, culture and tourism development (including hotels and conference facilities, theatres, museums, galleries and concert halls).

Policy EC4, Planning for Consumer Choice and Promoting Competitive Town Centres, specifically advises local planning authorities to proactively plan to promote competitive town centre environments and provide consumer choice by, inter alia:

- Supporting a diverse range of uses which appeal to a wide range of age and social groups.

- Planning for a strong retail mix.

- Supporting shops and services and other important small scale economic uses.

- Identifying sites in the centre or failing that on the edge of centre capable of accommodating larger format developments.

- Retaining and enhancing existing markets and where appropriate reintroducing or creating new ones.

- Taking measures to conserve, and where appropriate enhance the established character and diversity of their centres.

Policy EC5 relates to site selection and land assembly for main town centre uses, including hotels. It provides that local planning authorities should identify an appropriate range of sites to accommodate identified needs, ensuring that sites are capable of accommodating a range of business models in terms of scale, format, car parking provision and scope for disaggregation. They should base this approach on the need for development, identify the appropriate scale of development in keeping with the role and function of the centre within the hierarchy and catchment to be served, apply a sequential approach to site selection, assess the impact of sites on the existing centres, and consider the degree to which other considerations, such as physical regeneration, employment and increased investment may be material to the choice of appropriate locations for development.

Development Management Policies of PPS4

The key development management policies, set out in PPS4, relating to town centre uses, comprise Policies EC10, EC14, EC15, EC16 and EC17.

Paragraph 4 of PPS4 defines "economic development" to include development for "main town centre uses" which are in turn defined to include "hotels and conference facilities". Policy EC10 sets out the general considerations which apply to all applications for economic development, considered previously. These include climate change, accessibility, design, economic and physical regeneration and local employment. Policy EC10.1 states that local planning authorities should adopt a positive and constructive approach towards planning applications for economic development, and planning applications that secure sustainable economic growth should be treated favourably.

Policy EC14 sets out the supporting evidence for planning applications for main town centre uses, including hotels. Policy EC14.3 states that a sequential assessment is required for planning applications for main town centre uses that are not in an existing centre and that are not in accordance with an up to date Development Plan.

The proposed hotel will be located in the proposed local centre and as such an impact assessment would therefore not be required. Nevertheless, in the light of AAP Policy NW30, this report includes a sequential assessment and examines the potential impacts of the hotel proposal in section 4.

Policy EC15 sets out the consideration of the sequential approach by LPAs, which states that they should: assess sites for their availability, suitability and viability; ensure all in-centre options have been thoroughly assessed before less central sites are considered; where no town centre sites are identified, preference should be given to edge-of-centre locations with good pedestrian access to the City Centre; and developers should consider flexibility in terms of the scale of their development, the format of the development, car parking provision.

Policy EC16 refers to impact and sets out the impact which applications for main town centre uses not in a centre or in accordance with the Development Plan should be assessed against. So far as pertinent to hotel proposals these comprise:

- The impact of the proposal on existing committed and planned public and private investment in a centre or centres in the catchment area of the proposal.

- The impact of the proposal on town centre vitality and viability including local consumer choice and the range and quality of the comparison and convenience retail offer.

- The impact of the proposal on allocated sites outside town centres being developed in accordance with the Development Plan.

- Located in or on the edge of the town centre, whether the proposal is of an appropriate scale (in terms of gross floorspace) in relation to the size of the centre and its role in hierarchy centres; and

- Any locally important impacts on centres under Policy EC3.1.E.

Policy EC17 deals with the consideration of planning applications for developments, if not in the centre or in accordance with an up to date Development Plan. Policy EC17.1 suggests that in these circumstances proposals should be refused planning permission where an applicant has not demonstrated compliance with the requirements of the sequential approach or there is clear evidence that the proposal is likely to lead to a significant adverse impact of any one of the impacts in Policies 10.2 and 16.1, taking into account the cumulative effect of recent permissions, developments under construction and completed developments.

Policy EC17.2 suggests that when no significant impact has been identified, planning applications should be determined by taking account of the positive and negative impacts of the proposal in terms of Policies EC10.2 and 16.1 and any other material considerations, and the likely cumulative effect of recent permissions. Policy EC17.3 suggests that judgements about the extent and significance of any impact should be informed by the Development Plan where this is up to date. Recent local assessment of the neighbouring centres which take into account the vitality and viability indicators in Annex D of Policy Statement and any other published local information, such as the town centre or retail strategies will also be relevant.

Draft National Planning Policy Framework

The Government has published the draft National Planning Policy Framework ("the Draft NPPF") for consultation. The NPPF will replace the current suite of national Planning Policy Statements, Planning Policy Guidance notes and some Circulars with a single, streamlined document.

The NPPF will set out the Government's economic, environmental and social planning policies for England. Taken together, these policies articulate the Government's vision of sustainable development, which should be interpreted and applied locally to meet local aspirations. The draft NPPF continues to recognise that planning system is plan-led and that therefore Local

Plans, incorporating neighbourhood plans where relevant, are the starting point for the determination of any planning application. In assessing and determining development proposals, local planning authorities should apply the presumption in favour of sustainable development and seek to find solutions to overcome any substantial planning objections where practical and consistent with the NPPF.

While the NPPF is to be read as a whole in the context of hotel development the Draft NPPF replicates, albeit more succinctly the requirements in PPS4. The only potential change is the removal of offices as a town centre use and the time horizon for assessing impacts of unplanned, retail and leisure schemes in the edge or out of centre locations increases from five to ten years from the time the planning application is made.

Good Practice Guide on Planning for Tourism (2006)

The Good Practice Guide on Planning for Tourism was issued in May 2006 with the clear intention of ensuring that planners understand the importance of tourism when preparing development plans and taking planning decisions.

The guidance states that tourism can bring benefits to urban areas and help to deliver development that is sustainable. Amongst the particular advantages that tourism can bring to towns and cities is to:

- Be the focus of regeneration, or help to underpin it;
- Help to increase urban vitality and support linked trips;
- Be a key ingredient of mixed-use schemes;
- Support important services and facilities; and
- Facilitate improved access by sustainable modes of transport.

The guidance states in Paragraph 5.5 that in determining applications for tourism development planners will need to weigh up the benefits generated by the development against the potential disadvantages including the extent to which the proposal:

- Helps to protect or improve a specific site or general location with many new proposals offering the scope to improve a derelict and unattractive site;
- Contributes to tourism in the locality;
- Provides a new facility for the local community as well as visitors; and where appropriate
- Impacts on the vitality and viability of town centres.

The guidance, in line with PPS4 and PPS6, states that local planning authorities should engage constructively to identify suitable locations in plans for tourist facilities, such as hotels, theatres to meet current and future needs. The locational principles of new tourist accommodation are dealt within Annex A of the guidance. Preference is given within the guidance for new hotel accommodation to be located in centres because: 'Such sites are the most sustainable in planning terms, since they allow greater access by public transport, contribute to urban vitality and regeneration, and allow visitors to easily access other town centre facilities and attractions." The hotel included in the Proposed Development will contribute to the vitality and viability of the scheme.

Furthermore, paragraph 4 sets out that in considering planning applications that come forward outside of the planning process, planning authorities need to recognise that the particular market being met by the accommodation may influence the nature of the location chosen.

Planning for Town Centres - Practice guidance on need, impact and the sequential approach

This document was published alongside PPS4 in December 2009. It does not constitute a statement of Government policy, but forms guidance to support the interpretation of town centre policies set out in PPS4.

The guide sets out that in allocating sites to accommodate town centre needs local authorities should actively examine existing and potential sites within centres or on the edge of town centres. It goes on to say that "they [local authorities] should consider the scope to expand existing centres and promote new ones".

Paragraph 6.18 of the guide highlights that planned new centres should be considered through the LDF process, giving consideration to the appropriateness of new centres, the scale and form and matters such as impact on the hierarchy and network of centres, in accordance with national policy. It is then clearly stated that 'where the need is identified to create a new centre, and the appropriate policy tests are met, it will not be necessary to apply a sequential approach to consider whether proposals planned within the new centre could be met in nearby existing centres'.

The guide also states that 'whilst the sequential approach applies to all main town centre uses, local planning authorities should consider the relative priorities and needs of different main town centre uses, particularly recognising their differing operational and market requirements' (paragraph 6.9). It cites the example of a hotel associated with a motorway service area being more likely to cater for a distinct market compared to a traditional city centre hotel.

Where the sequential approach applies, the guidance highlights that there are two important objectives of the sequential approach to site selection (Para 6.2):

- The first being the assumption that town centre sites are likely to be the most readily accessible by alternative means of transport thereby reducing the need to travel, and

- The second is to accommodate main town uses in locations where customers are able to undertake linked trips in order to provide for improved consumer choice and competition. In this way, the benefits of the new development will serve to reinforce the vitality and viability of the existing centre.

National policy recognises the contribution which other (non-retail) main town centre uses make to vital and viable centres, and LPAs are urged to adopt positive strategies to promote commercial leisure and other main town centre uses within centres. The guide also assesses in Appendix C how local authorities should plan for other main town centre uses, such as theatres, hotels and office development. It recognises that there is less detailed and reliable information available for undertaking need assessments for such uses. Paragraph C.48 comments that "There is a range of different types of hotel accommodation… When planning for new hotel accommodation it is important to understand the future need and market demand for a broad range of new facilities so that appropriate provision can be made for their future development and new applications for development can be assessed against any established need."

Local Planning Policy

This section sets out the key policies of the development plan relevant to determining the planning application. The main planning policy documents for the application include Local Plans from both Cambridge City Council and South Cambridgeshire District Council due to the cross-boundary nature of the development site. Below is a review of the relevant policies contained within the development plan.

Cambridge Local Plan (adopted July 2006), Saved Policies (July 2009)

The Cambridge Local Plan was adopted by the Council in July 2006. As a result of changes to the planning system which were introduced by the Planning and Compulsory Purchase Act 2004 local plans expired, but in July 2009 the Secretary of State issued a formal direction to 'save' the majority of policies contained within the Cambridge Local Plan. The Cambridge Local Plan is in the process of being replaced by the Local Development Framework (LDF) for the City . Prior to this being formally replaced, the saved policies from the Local Plan continue to be used as the basis on which all development control decisions are made. The main planning policies that relate to the hotel application are now discussed.

Policy 6/3 for Tourist Accommodation states that development which maintains, strengthens and diversifies the range of short stay accommodation will be permitted. The Local Plan states that an adequate supply and range of accommodation is needed to encourage staying visitors and that hotels may be acceptable as part of mixed use development sites and in the urban extensions.

Section 9 of the Local Plan identifies areas of major change in Cambridge, including urban extensions. The North West Cambridge development site is included in the list of sites although the direct policy relating to the site between Madingley Road and Huntingdon Road was superseded when the North West Cambridge Area Action Plan was adopted (see below).

Other areas of major change include East Cambridge, Southern Fringe, Northern Fringe, Huntingdon Road / Histon Road and the Station Area.

Cambridge Development Strategy (Issues and Options Paper 2007)

The Cambridge Development Strategy (Core Strategy) is still in the process of being prepared. The latest version of the policy document is the Issues and Options paper, and the 'Preferred Options' version of the document is due for public consultation in 2011. Various 'Options' are proposed in the Development Strategy.

Option 7 states that the University of Cambridge's further growth needs will be accommodated in North West Cambridge between Madingley Road and Huntingdon Road. Option 25 is to allow for and enable development / redevelopment to meet the proven needs of the University of Cambridge to strengthen Cambridge's role as a world leader in Higher Education.

With regard to a hierarchy of centres for shopping, service and leisure uses, Option 26 proposes that the City Centre should be the focus, then the new large district centre at East Cambridge, then district centres and finally local centres. A sequential approach would be applied to site selection using this hierarchy. It is envisaged in this option that the urban extension areas would only have local centres. Option 29 relates to hotel provision in Cambridge and states that existing visitor accommodation and facilities should be protected and proposals for new accommodation and visitor attractions supported in accessible locations.

South Cambridgeshire Core Strategy (adopted January 2007)

South Cambridgeshire District Council adopted their Core Strategy in 2007 and this is the current policy document for the District. The Core Strategy draws on national policy set out in PPS6: Planning for Town Centres, which has since been replaced by PPS4. As such, there are no specific policies relating to hotel or leisure provision in the District.

The strategic vision for South Cambridgeshire is that much of the high level development needed to improve the balance between homes and jobs in the sub-region will be focused into urban extensions to the built-up area of Cambridge. There are no specific policies on individual urban extensions because it is stated that urban extensions shall be dealt with through various Area Action Plan Development Plan Documents.

North West Cambridge Area Action Plan (adopted October 2009)

The North West Cambridge Area Action Plan was developed jointly by Cambridge City Council and South Cambridgeshire District Council.

The vision for North West Cambridge is stated in Policy NW1. Policy NW1 emphasises that the Proposed Development "will create a new university quarter, which will contribute to meeting the needs of the wider city community, and which will embody best practice in environmental sustainability". Development is required to be of the highest quality and to support the further development of the University and to address the University's long term development needs to 2021 and beyond. It states that there will be a new local centre which will act as a focus for the development and which will also provide facilities and services for nearby communities. Section 2.4 recognises the University's aspirations for the site including a hotel and conference facilities.

The provision of community services and facilities is supported in Policy NW20 which states that the development will provide an appropriate level and type of high quality services and facilities in suitable locations to serve all phases of the development. In order to identify the appropriate level, detailed assessments and strategies will be required to be prepared with key stakeholders prior to the granting of planning permission.

The principle of a local centre is established in local planning policy by Policy NW21 of the Area Action Plan. All services and facilities will be provided in the single centre at the heart of the development. The local centre includes a substantial residential component, as well as the following facilities: primary schools; local shopping and other services, including a supermarket; library and life-long learning centre; community meeting rooms and healthcare provision.

Appendix Three: Visitor Attractions and Places of Interest

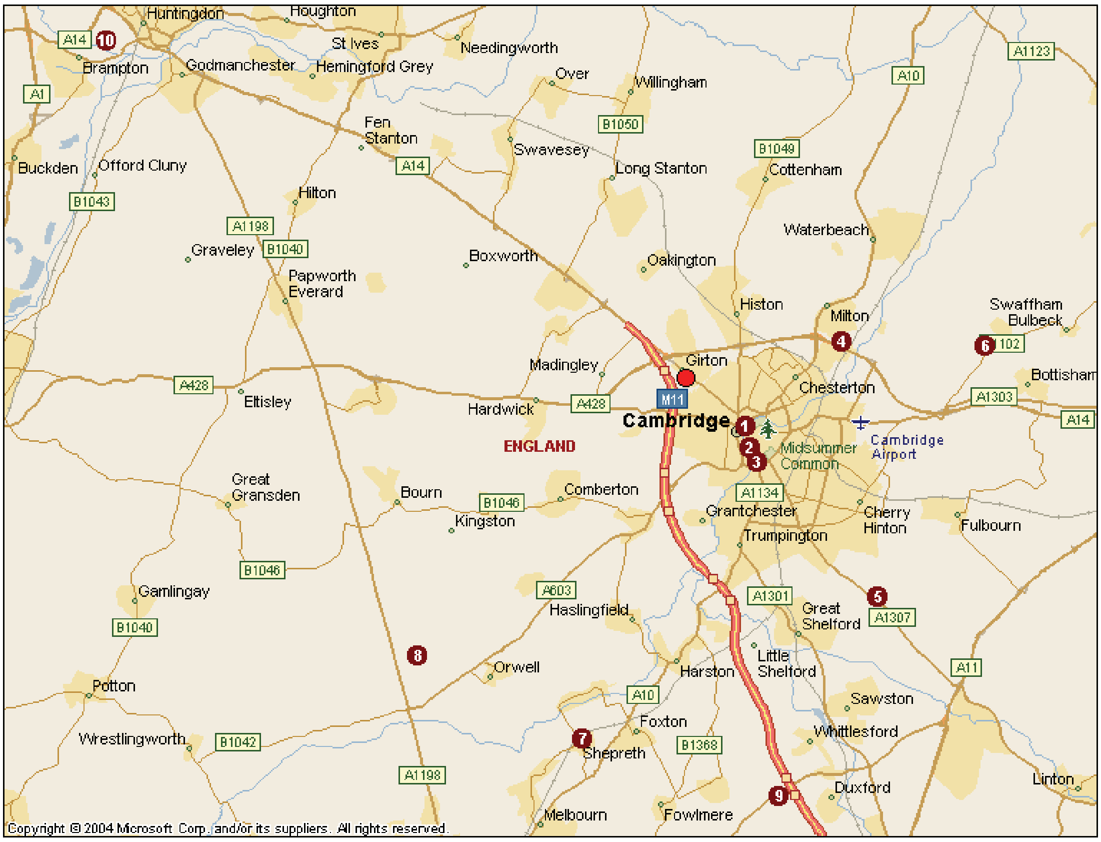
Prominent visitor attractions and places of interest within Cambridgeshire are detailed in Table A3.1. Map A3.1 identifies their locations.

Table A3.1: Key Visitor Attractions in Cambridgeshire

Map Ref	Attraction	Type of Attraction
9	Imperial War Museum Duxford	Museum
10	Hinchingbrooke Country Park	Country Park
2	King's College Chapel	Historic
4	Milton Country Park	Country Park
6	Anglesey Abbey	Historic
3	Fitzwilliam Museum	Museum
5	Wandlebury Country Park	Country Park
8	Wimpole Home Farm	Historic
7	Shepreth Wildlife Park	Wildlife Attraction
1	Kettle's Yard	Museum

Source: Visit Britain/RGA

Map A3.1 Top Visitor Attractions in Cambridge



Appendix 4: Demand Research

Introduction

As part of the Assessment a bespoke research exercise was undertaken by RGA to understand, profile and define demand for a hotel in the northwest region of the City. We surveyed potential user groups including University departments located at West Cambridge and the northwest city fringe, a sample of key local companies in this locality and in the wider market, hotel booking agents, leisure coach and tour organisers and a number of other specialist intermediaries were interviewed.

The Local Corporate Sector

We contacted 20 of the largest employers in the area by means of a telephone survey. The purpose of this research was to gauge demand for a new hotel, positioning, price points, and facility requirements. The sample concentrated mainly on Cambridge's high tech employers, several of which were based in Cambridge Science Park, Cambridge Business Park and West Cambridge. These companies represent a total of 3,820 employees with an average company size of 191 employees.

Accommodation Demand

Approximately 80% of respondents indicate they use local hotels for accommodation purposes which is an extremely high level of demand in our experience, compared with other locations we have studied.

Table A4.1 shows the approximate number of hotel bookings made by each company per month. The results show a high frequency of bookings, with more than half booking more than ten room nights per month.

Table A4.1: Frequency of bookings by Local Companies

Number of rooms booked per month	Number of Respondents
Less than 10 room nights	5
11 – 25 room nights	2
26 – 50 room nights	4
51 - 75 room nights	1

Source: RGA Research

When choosing a hotel, local companies resort to the typical selection parameters of proximity to their offices and price as shown in table A4.2 below. Few respondents place importance on meeting facilities due to most of their events being conducted at the company's own premises.

Table A 4.2: Factors Influencing Hotel Choice

Factor	Score*
Location	4.7
Price	4.5
On site parking	3.4
On site restaurant & bar	2.8
Conference facilities	2.4
Leisure facilities	2.2

Source: RGA Research

*Results were quantified from 1 (not important) to 5 (very important)

Proximity is a key motivating factor in this market – businesses desire hotel provision close to them.

Over half of respondents (56%) experience difficulties in finding accommodation in the Cambridge area. This is mainly considered to be due to the demand for accommodation created by the University, particularly during graduation. One respondent indicated that they often need to book "well in advance".

Several respondents indicated the quality of the hotel to be an important factor in hotel choice. Furthermore, it was perceived by many respondents that there are "*already enough budget hotels*" in the area, such as Premier Inn and Travelodge. The majority of respondents indicated a preference for a three or four-star hotel.

When asked whether they would consider using a new hotel adjacent to the north west of Cambridge, half of respondents indicated that they were interested.

Hotel Booking Agents

RGA interviewed six key hotel booking agents to establish the position of Cambridge in relation to their national demand levels. Hotel booking agents act as intermediaries, booking hotels on behalf of corporate and leisure travellers, and therefore have a good overview of how the market is performing.

Of the six agents interviewed, three reported booking hotels in Cambridge on a fairly regular basis; two reported booking there on a less frequent basis, while one reported never booking there. The City is popular with both business visitors and leisure visitors.

The corporate demand drivers in the Cambridge market are predominantly technology based and in the pharmaceutical and medical industries, especially in the research field. All agents booking Cambridge hotels on a regular basis stated that midweek was far more in demand than weekends. There is a fairly strong leisure and tourism market in Cambridge but hotel demand, and subsequent booking volume, is far more weighted towards business and corporate travel.

Two of the respondents reported that hotel choice was down to clients' requests and preferred rates but additional reasons were location and price. The Cambridge hotel market has a strong corporate drive to it – service standards, loyalty awards and the quality points, which come with a branded hotel, will be attractive to this market demand. Hotels mentioned as being in frequent demand in the area are the Holiday Inn, Crowne Plaza, Hilton Doubletree, the Cambridge Belfry, Holiday Inn Express and both Premier Inns.

Demand for Cambridge has shown growth and appears to remain strong from hotel booking agents. All the companies expect demand to increase in the future alongside the overall growth the market.

Three of the six booking agents felt that a new hotel in Cambridge would be of interest and that the market area is lacking mid tier properties to increase choice. It was noted there is a strong supply of four-star and budget hotels but little in-between.

Desired facilities mentioned included a car park, restaurant and competitive room rates and a nationally branded hotel would be a welcome addition to the current supply as it would increase the options available for their clients. The City Centre lacks a quality value for money hotel product. One agent regularly books overseas orchestra and music groups in the Cambridge area and can never find a suitable quality hotel that is affordable.

Two agents commented that although hotel provision in Cambridge was growing, with several new limited service hotels currently under construction, there were still not enough beds in the area, especially at peak times during events such as Duxford Air Show and the annual Agricultural Farmers Show. Peak months are June, July, September and November. The University creates huge hotel demand during graduation, interview and intake periods.

The general view is that Cambridge is 'top heavy' with four-star hotel properties, charging high room rates. Finding availability midweek is often an issue.

The overall findings indicate that Cambridge achieves positive demand for bookings via national and regional booking agents and interest in a new hotel was high.

UNIVERSITY OF CAMBRIDGE

The Coach Tour Sector

Five coach tour operators were contacted catering for a range of markets including special interest groups, general UK tourists, and the over 55s. Of all the operators contacted, all offer an itinerary that includes Cambridge but none currently use any hotels in the City as the Cambridge hotel market is deemed as too expensive for coach operators. Tours to the general area tend to focus on 'Constable Country' including Colchester, Clacton-on-Sea and Cambridge.

Shearings (based in the UK, specialising in short breaks for the over 50's) offers both day and overnight tours throughout the UK. Informal conversations with Shearings indicate that demand is relatively high for their four night "Cambridge & Burghley House" coach tours, which includes accommodation at the Holiday Inn Peterborough and includes a full day in Cambridge as part of the itinerary. They stated they would not actively seek to contract another hotel in that area. Given its own client profile Shearings felt that age friendly facilities such as lifts, wheelchair access, on site restaurants and ground floor rooms were the most important factors when it comes to choosing a hotel for their tours.

National Holidays organise several four night tours to the Cambridge area each year between May and October.). Hotels used for the various tours, which all include a full day in Cambridge, are the Menzies Strathmore at Luton, Hampton by Hilton at Corby and the Holiday Inn at Aylesbury.

Superbreak, the UK's largest short break operator, uses ten hotels in the Cambridge area offering a variety of four-star, three-star and limited service options. Prices for a stay midweek range from £25.00 to £118.00 per adult per night inclusive of bed and breakfast.

David Urquhart Travel offers a four night break to Oxford and Cambridge five to six times a year. The tour group utilises the Days Hotel at Luton and the itinerary includes a full day trip to Cambridge.

Door2Tour offer several tours each spring and summer to Cambridge and Clacton using hotel accommodation in Clacton, with a full day in Cambridge as part of the tour.

When asked about the required services and facilities in hotels, all five companies reported that price was crucial; rates have to be extremely competitive in order to accommodate the operator mark-up. Rates usually include breakfast and dinner, although the latter is not as important. En-suite accommodation and easy access to all bedrooms is a must and most hotels used are three-star or above. Generally, the groups stay for three to four nights and have an average group size of 42 people. Tour operators look for hotels with a good number of single bedrooms.

Visit Cambridge

Conversations with Visit Cambridge indicated that there is a good range of quality hotels within Cambridge. When we asked if there is a need for additional hotels in the market, they added that the proposed developments such as the Travelodge, Radisson Blu and hotel at Station Road highlighted that there is a need. In terms of what standard of hotels are lacking in the City , they felt that the three-star market is currently "*underrepresented*" and there is a need for hotels in that "*price range*". They added that there is an abundance of four-star hotels in the City Centre and that market is well catered for. Regarding a new hotel development at Northwest Cambridge, they noted that a hotel in this location would be within "*easy access*" of the City Centre.

The University of Cambridge Hotel Needs

In 2010 a survey of University academic departments and Colleges was undertaken with key individuals responsible for placing college visitors in appropriate accommodation. Bookings tend to be undertaken by individuals in Colleges and this research seeks to quantify total demand from the University. In total, 81 responses were received. From the replies it has been estimated that the University requires 11,000 rooms per year. This figure, however, significantly underestimates total demand, it being based on college requirements and not identifying the wider University generated demand.

The findings were:

- That there is an accommodation need in the market from the University. Some of this is fulfilled by current hotels within the market but there is a need not only for additional hotel space but more affordable mid tier accommodation.

- Over a third (39%) indicated that a new hotel in Cambridge is either 'essential' or 'very desirable'.

- Just under two thirds (64%) indicated that they find it difficult to obtain available accommodation.

- For those who indicated they book accommodation directly (90% of respondents), 72% answered that they experienced difficulty finding accommodation during peak periods.

- When asked about the level of importance placed on the accommodation being located close to the event they are attending 74% indicated that this was either 'essential' or 'very important.

- The lack of reasonably priced hotels or guest houses close by to the departments based on the West Cambridge site was noted.

In terms of responses from the faculties of the University based at West Cambridge.

Centre for Nanoscience - The Centre for Nanoscience indicated they felt there is a need for more accommodation in the Cambridge area. They noted that it can be difficult to find available accommodation at various points throughout the year, particularly during graduation and during the Duxford Air Show. Regarding a new hotel at Northwest Cambridge, the Centre would welcome another hotel into the market.

Department of Physics - The Department of Physics indicated that they often need accommodation for visitors and felt that a new hotel at Northwest Cambridge would be useful, mainly for visitors staying for one night and wishing to be close to the faculty. Moreover, offering "*reasonable rates*" would encourage visitors to stay at the hotel. Therefore, a good quality hotel at Northwest Cambridge, which is also affordable to those with a small budget, would appeal to the Department.

Institute of Manufacturing - The Institute of Manufacturing indicated that they host many events throughout the year, and make recommendations on hotels to visitors. The Institute felt it would be very advantageous to have additional hotel accommodation which is closer to their site.

Department of Engineering – The Department for Engineering indicated that they often have visitors from overseas at their West Cambridge faculties. They added that due to the lack of nearby accommodation, they stay in the City Centre and have to rely on taxis to travel to West Cambridge. As a result, they felt that there is a need for accommodation nearby.

Conclusions

The research confirmed:

- that there is strong levels of demand from the local corporate set for hotel accommodation with 80% of the largest local companies surveyed currently using hotels within the market area;
- location was the main influencing factors for choosing hotel accommodation by local companies followed by price;
- there is evidence of frustrated demand in the area particularly at peak times;
- There is evidence of a need to introduce more decent mid tier hotels into the market offering a good quality of facilities at a reasonable rate;
- There was strong interest in the development of a new hotel in the northwest of Cambridge across all groups surveyed.

Appendix 5: Future Supply of Hotels

Table 6.4.1: Future Supply of Competitor Hotels

Map Ref.	Application Date	Reference #	Type	Location	Applicant	Proposal	Status
4 / D	28.04.2011	11/0338/FUL	Full	Intercell House 1 Coldhams Lane Cambridge CB1 3EP	Mr Slater	Redevelopment of Intercell House as a 127 bed Premier Inn hotel with restaurant, bar and car park	Pending
7 / G	07.02.2011	S/0226/11	Full	Cambridge Meridian Golf Club Comberton Road Toft CB23 2RY	Miss V Saunders and Miss J Wisson	Development of a 29 bedroom hotel and extension to existing clubhouse	Pending

Map Ref.	Application Date	Reference #	Type	Location	Applicant	Proposal	Status
3 / C	04.11.2010	S/0303/10	Full	Cambridge Science Park Milton Road Cambridge CB4 0GG	Steeldome Ltd	Erection of a 296 bedroom Radisson Blu hotel following demolition of existing health club and offices. Change of use to hotel with associated restaurant, bar and meeting rooms (proposed capacity for 220 delegates replacing the existing 140 at Trinity Centre	Approved 14.02.2011
4 / D	31.08.2011	10/0851/FUL	Full	180-190 Newmarket Road Cambridge CB5 8HF	Eastern Gate Properties	Planning application submitted for the development of a 219 bedroom Travelodge hotel with restaurant and car parking (48 spaces)	Approved 29.03.2011
5 / E	19.08.2010	10/0841/FUL	Full	27-29 Station Road Cambridge CB1 2JB	Station Road Developments (Cambridge) Ltd	Planning application submitted for the development of a 157 bedroom hotel with restaurant, meeting room and gym facilities	Approved 03.03.2011 "Applicant has noted that it is likely to be a three or four star hotel"

Map Ref.	Application Date	Reference #	Type	Location	Applicant	Proposal	Status
1 / A	17.03.2010	S/0428/10	Full	Land to the north of Chieftain Way Cambridge CB4 2WR	Livia Ltd	Planning application submitted for the development of an 138 bedroom Travelodge hotel with restaurant and car parking	Approved 29.09.2010 "Due to open 2011"
2 / B	07.07.2008	08/0941/FUL	Full	Ashley Hotel 74-76 Chesterton Road Cambridge CB4 1ER	Mr Norfolk	Extension to the existing hotel to include an additional 19 bedrooms (16 rooms currently), with associated parking for 16 cars and 12 bicycles	Approved 15.12.2008
8/ H	14.08.2007	S/1518/07/RM	Reserved Matters	Cambridge Research Park Beach Road Cambridge CB25 9PD	New World Cambridge Ltd	Planning application submitted for the development of an 112 bedroom hotel with meeting and conference facilities	Approved 05.11.2007

Map Ref.	Application Date	Reference #	Type	Location	Applicant	Proposal	Status
6 / F	05.03.2007	06/1279/OUT	Outline	Clinical Oncology Centre (Addenbrookes) Cambridge CB2 0QN	Cambridge University Hospitals NHS Trust	Outline planning application which includes the development of a seminar/conference centre (room for 600 delegates) and a 150 bedroom hotel as part of a larger redevelopment of the site	Outline Approval Granted 04.07.2008

Appendix 6: Sequential Sites

SITE 1	**Former Gala Bingo, 21 Hobson Street**		
Site and Surroundings	The site is located in the heart of the City Centre of Cambridge. The surrounding uses are retail and educational, with the University of Cambridge's Christ's College is situated directly opposite the site.		
Approximate Size	1,208 sqm over four floors (basement, ground, mezzanine and first floors)	Location	In Centre
Planning Policy and Site Allocations	Cambridge Local Plan (2006)	Policy 4/11 indicates the site lies within the Central Conservation Area and therefore any development on the site will have to consider the preservation or enhancement of the character or appearance of the area and not adversely affect the Area's character. The site lies within a main Secondary Frontage Area which supports flexibility and diversity of use in these areas. Mixed uses are supported to improve the vitality of the centre in the evenings, however proposals for change of use will be assessed on the cumulative effects of the development. Policy 4/12 identifies the building as a Building of Local Interest which aims to protect buildings from development that would adversely affect them.	
Existing Uses	Vacant Bingo Hall (as identified by Goad Plan 11/08/2009)		
SUITABILITY:			
Planning History	There have been no recent planning applications for the vacant Bingo unit.		
Relationship with Town Centre	The site is located within the City Centre boundary and allocated as a secondary frontage area.		
Accessibility	Access to the site is via Hobson Road, which is a one way street and is not easily accessible by car. As far as we are aware there are no car parking spaces on the site. Due to the central location, access to the City Centre is easy by foot. There are regular bus services from the City Centre.		
Potential Constraints	The building is identified as a Building of Local Interest and, although not Listed, it merits protection and the redevelopment of the building will need to be sensitive and considered carefully due to its importance to the locality. Size of the hotel may have to be compromised to fit within the existing building. Lack of available parking for the site would also need to be addressed to make the site suitable.		
Potential for Hotel Development	The site has a history of providing leisure uses, and was originally used as the Central Cinema before closing in the 1970s. The building was then used as a bingo hall. Due to the location within Secondary Shopping Frontage area, we believe that the site would be likely to gain planning permission to change to a hotel use, although the size of the building will compromise the proposed 130 bedrooms.		
AVAILABILITY:			
Availability (Timescale)	The site was identified in the Goad Plan of 2009 as being vacant. However, according to the agents Bidwells, the site has been let.		
Land Ownership	Unknown.		
Land Assembly / CPO	Unknown.		

Requirements			
VIABILITY:			
Potential for Redevelopment	The proposed hotel facility would not be suitable for this site as it is for 130 beds requiring a floor plate of approximately 2,200 sqm, making this site too small. There is also a lack of car parking facilities available. The site is also located 2.4 miles from the NW Cambridge development in the City Centre. This is too far from its intended location and would not form an integrated part of the development. In addition, the demand for the accommodation would be from the City Centre, rather than the intended use of associated with the university and R&D etc.		

SITE 2	**85-93 East Road**		
Site and Surroundings	The site is located to the east of the City Centre and currently comprises a mix of retail, light-industrial and residential uses. Surrounding uses include residential properties to the north-east and Cambridge Crown Court to the south-west.		
Approximate Size	3,600 sqm (0.36 ha)	**Location**	Edge of Centre
Planning Policy and Site Allocations	Cambridge Local Plan (2006) Eastern Gate Visioning document (2011)	The site is allocated within the Cambridge Local plan as development site 7.01 and considered suitable for employment, Housing and Student hostel development. No specific reference to the suitability of hotel use on this site.	
Existing Uses	A mix of retail, light-industrial and residential uses.		
SUITABILITY:			
Planning History	In November 2010, planning permission (ref: 10/0544/FUL) was refused for the redevelopment of the site to provide student accommodation, residential apartments, a hotel and retail uses. The application was had been recommended for approval but was refused at committee over concerns relating to the overdevelopment of the site and the proposed height of the hotel building (6 storeys). The principle of a hotel use on the site was not considered unacceptable.		
Relationship with Town Centre	The site is situated edge of centre, approximately 135m from the primary shopping frontage.		
Accessibility	The site is on the strategic road network and well served by public transport. There are several bus services which travel along East Road. Bus stops located at the Grafton Centre are approximately 250m from the site.		
Potential for Hotel Development	The site is well positioned on a strategic road network and within close proximity to the City Centre. The Council has already accepted, in determining the recent planning application, that a hotel use on this site would be acceptable in principle.		
AVAILABILITY:			
Availability (Timescale)	The site comprises Mackays shop and metals warehouse/workshop, together with a terrace of 19th Century residential properties and two small retail premises which are currently unoccupied. We understand that the Mackays premises on the site are no longer suitable to meet the requirements of the business and the firm is searching for alternative premises. This would suggest that the site will become available for redevelopment in the near future.		
Land Ownership	The Mackays family		

Land Assembly / CPO Requirements	The site falls within a single ownership which would make potential acquisition reasonably straightforward.
VIABILITY:	
Potential for Redevelopment	Located on the east of the City Centre, this has recently been refused planning permission but the council consider hotel use to be suitable. The site benefits from a City Centre location, good access and transport links. However, we understand that a large proportion of site is currently occupied. The demand would be primarily based upon City Centre use and it is too far from the subject site for the proposed hotel to be located here as the demand from West Cambridge, the NW Development site and associated university buildings are unlikely to use this site as it is on the opposite side of the City to the NW Development site. Locating the subject hotel here, would not form an integrated part of the NW site and it would service the need to accommodation in the North and North West arc of Cambridge. We believe that there is enough hotel demand in the City for a hotel to be developed here as well as the NW development site, even if it were a mid-scale hotel as well. A hotel on this site is likely to attract custom from those wanting to be located near to the City Centre and possibly with trade from the Cambridge Science Park. In contrast the NW site is likely to get trade from the associated development, Cambridge West and passing trade due to its proximity to the M11 and A14.

SITE 3	**Park Street Car park, Park Street / Round Church Street**		
Site and Surroundings	The site is located in the north of the City Centre. The site is surrounded by retail, residential, office and teaching facilities.		
Approximate Size	2,480 sqm (ground floor), approx 400 parking spaces	**Location**	Edge of Centre
Planning Policy and Site Allocations	Cambridge Local Plan (2006) Historic Core Appraisal (2006)	Policy 4/11 indicates the site lies within the Central Conservation Area and therefore any development on the site will have to consider the preservation or enhancement of the character or appearance of the area and not adversely affect the Area's character. The Cambridge Historic Core Appraisal (2006) assessed the area Round Church Street and found that the car park had the potential for redevelopment, which could bring improvements to the townscape and attractiveness of the street.	
Existing Uses	A 24 hour multi storey car park.		
SUITABILITY:			
Planning History	No applications to redevelop the car park site have been submitted.		
Relationship with Town Centre	The site is located within the City Centre boundary but outside the primary shopping frontage.		
Accessibility	Access to the site via car is through Park Street or Round Church Street. The site is also easily accessible to the primary shopping frontage by foot. Regular bus services operate along Sydney Street.		
Potential Constraints	There are a high number of Grade II* and II Listed Buildings surrounding the site. The redevelopment of the site would have to make consideration of the surrounding buildings and this would incur higher development costs.		

Potential for Hotel Development	The site is not allocated as a development site and so there are no guidelines for the accepted development uses of the site. Despite being in a conservation area, the Historic Core Appraisal (2006) does indicate that the site could be suitable for redevelopment.
AVAILABILITY:	
Availability (Timescale)	The site is not currently available for redevelopment and the acceptability of the development of this site is likely to hinge upon finding a suitable alternative site to accommodate the existing car parking spaces. The car park is currently in use and it is not known if the site is available for development. Therefore there are unclear timescales for delivering this site.
Land Ownership	Unknown. The car park is managed by Cambridge City Council.
Land Assembly / CPO Requirements	The site is currently occupied and managed by Cambridge City Council and thus it is likely that negotiations with the Council would have to take place to assess the availability of the site.
VIABILITY:	
Potential for Redevelopment	Situated in the north of the City Centre, this site currently has no planning permission. The site is well located in terms of location to the City Centre, however, it is currently in use as a car park, thus to be re-developed there are likely to be issues relating to providing alternative parking in the City . The proposed hotel would not suit a stand alone facility at this site which is located 2.5km from the intended location and would not provide accommodation for the intended business mix or form an integrated part of the NW development site. At present this site does not have planning permission thus the timescales for development would be far longer than that at the proposed NW development site.
Other Viability Issues	The prospect of delivering development on this site is unknown and is likely to rely on the relocation of the existing car park facilities. Cost factors for redeveloping the site in a conservation area is a further constraint.

SITE 4	**Old Press / Mill Lane site, Cambridge**		
Site and Surroundings	The site is located in the south west of Cambridge City Centre. The site is bounded by Silver Street, Trumpington Street, St Mary's Lane, and Granta Place / the River Cam in the west.		
Approximate Size	18,300 sqm (total site)	**Location**	Edge of Centre
Planning Policy and Site Allocations	Cambridge Local Plan (2006) Old Press / Mill Lane Supplementary Planning Document (January 2010)	The site is allocated within the Cambridge Local plan as development site 7.10, included as part of the redevelopment of the University of Cambridge faculty and administrative sites. The site is earmarked in Policy 7/5 for mixed use development. The Old Press / Mill Lane SPD sets out aspirations for the site and states that mixed use redevelopment, including hotel use, is suitable on the site. Other appropriate uses include residential, small scale retail and commercial (office, research and development). A masterplan for the whole site should be submitted with any plans coming forward. The entire site is located within an Air Quality Management Area and to the west of the site is a green corridor. Policy 4/11 indicates the site also lies within the Central Conservation Area and therefore any development on the site will have to consider the preservation or enhancement of the character or appearance of the area and not adversely affect the Area's character. Listed Buildings surround the site.	

Existing Uses	The site currently provides administrative and academic facilities for the University of Cambridge. It is anticipated that the University is likely to relocate some of the functions of these buildings elsewhere in Cambridge.
SUITABILITY:	
Planning History	No planning applications or masterplans have yet submitted for the redevelopment of the site.
Relationship with Town Centre	The site is located approximately 160 metres from the primary shopping area and has good connections to the south of the City Centre.
Accessibility	The site is within the City Centre and the primary shopping area is within walking distance. There is limited car parking availability on site due to the historic nature of the City and the narrow street layout. Bus stops on Trumpington Street / Pembroke Street provide public transport between Cambridge and St Neots. The site is approximately 1.6 km from Cambridge train station.
Potential Constraints	Any application on this site needs to be submitted as part of an overall Masterplan for the entire site. A number of Grade II Listed Buildings and Buildings of Local Interest surrounding the site. Any new development should take these sites in to account. A small part of the site is also within an area of flood risk.
Potential for hotel development (Scale and Form)	The SPD indicates that a hotel of 75 bedrooms might be suitable on this site. We consider that a hotel will be suitable in this location to serve the University's facilities in the City Centre and the wider City Centre attractions which drew over 4 million visitors in 2009 (ONS). However, this site cannot support the scale of the hotel facility proposed for the NW Cambridge scheme.
AVAILABILITY:	
Availability (Timescale)	The SPD has no expected completion date for the site and is likely to take many years to develop appropriately due to the potential constraints on the site as acknowledged above. The availability of the site will depend on the University of Cambridge relocating to other locations in the City , including the NW Cambridge development.
Land Ownership	The site area is predominantly owned by the University of Cambridge.
Land Assembly / CPO Requirements	Development is to come through in phases, in accordance to the submission of a Masterplan for the whole site. Some areas of the site are currently residential or retail uses and CPO is likely to be required in these areas.
VIABILITY:	
Potential for Redevelopment	The hotel proposed is part of a wider application for the development of NW Cambridge development site, and cannot be viably operated as a stand alone facility. The proposed hotel is integral to the development of the new NW Cambridge local centre which will act as a focus for the comprehensive development of the site. The site is held by The University of Cambridge, and although there have been discussions between the university and the council; no planning applications have been submitted as yet. Furthermore, we do not consider that the site would be an appropriate location for the hotel proposed. Locating the proposed hotel on an alternative site such as this one, which serves a different market and has no connection with the application site, would be contrary to the fundamental reason for locating a hotel in the application site in the first place i.e. the clear site specific need to provide a hotel on the NW Cambridge site to serve the new uses. We believe that this site would be suitable for hotel development, but the site is best suited to providing hotel rooms to serve the City Centre market. The development of this site would not prejudice a hotel coming forward on the proposed site as we believe that they would appeal to different markets and that there is enough demand in the

	Cambridge market for both hotels.
Other Viability Issues	The site will be unavailable for redevelopment until the University of Cambridge relocate and the buildings become vacant. The proposed hotel is linked to the viability of the whole NW Cambridge development area and so to locate the hotel facility approximately 3.2 km away is likely to threaten the viability of the NW Cambridge development. The Listed Buildings also limit the potential for redevelopment on the site and will increase development costs.

SITE 5	**1 Milton Road, Mitcham's Corner**		
Site and Surroundings	The site is located just outside the defined District Centre of Mitcham's Corner, situated to the north of Cambridge City Centre.		
Approximate Size	7,100 sqm (0.71 ha)	**Location**	Edge of Centre
Planning Policy and Site Allocations	Local Plan (2006) Mitcham's Corner Area Strategic Planning & Development Brief (2003)	The site is allocated within the Cambridge Local plan as development site 7.04 and considered suitable for mixed uses including employment, retail and housing.	
Existing Uses	Mix of retail and commercial uses in large block development.		
SUITABILITY:			
Planning History	Outline planning permission for residential development was granted in 2006 although there is no record of any reserved matters application having been submitted following this. More recently (November 2010) there have been pre-application discussions about the potential redevelopment of the site for a serviced apartment scheme comprising 107 bedrooms/studio units. No formal planning application has yet been submitted.		
Relationship with Town Centre (& PSA)	The site is located adjacent to the district centre as defined on the Local Plan (2006) proposals map.		
Accessibility	The site is situated on the one-way gyratory system with two vehicular access points from Victoria Road and Milton Road. The site is easily accessible by foot from the other shops and services in the district centre. The site is also within reasonable walking distance from the City Centre. There are regular bus services to and from the City Centre.		
Potential Constraints	The area already suffers from a number of transportation related problems and the local highway network is frequently congested. The Strategic Planning & Development Brief for the area highlights an option to revise the road network through the comprehensive redevelopment of the site and the adjacent Staples site to the south of Victoria Road. It is not clear whether this is still a priority for the Council. If it is, it would require a joined up approach working in partnership with another landowner(s) and the County Council to deliver an appropriate redevelopment and transport scheme.		

Potential for Hotel Development	The site is located on the edge of a district centre which is also within walking distance of the City Centre. The site is currently occupied by big block buildings within retail and commercial use which are not in keeping with the rest of the centre. The site has been identified by the Local Plan (2006) as offering potential for redevelopment for a mix of uses although there is no specific reference to the appropriateness for a hotel use. Planning permission for housing on the site has not been implemented and we understand that the landowner is now proposing the redevelopment of the site for serviced apartments.
AVAILABILITY:	
Availability (Timescale)	The site is largely occupied at present although pre-application discussions with the Council suggest an intension to redevelop to site which would require existing uses to vacate their premises. In the absence of any planning application or knowledge of lease agreements, the timescales over which the site may become available is uncertain. If the site is to be redeveloped alongside the Staples site, this site would also have to be available.
Land Ownership	As far as we understand the site is within the sole ownership of Farnswood Limited.
Land Assembly / CPO Requirements	Unknown.
VIABILITY:	
Potential for Redevelopment	Located to the north of the City Centre, there have been pre-application discussions regarding serviced apartments on this site. This site is largely occupied at present in the centre of a gyratory system. The development of this site would need to the see the reorganisation of this system, and the council had made initial enquires about re-developing the area to include a site on the opposite side of the road. This may take a longer period to re-develop given the need for acquiring occupied land. We believe this site to be secondary to the proposed hotel at the NW Development site with poorer access, a lack of car parking facilities and locating the proposed hotel on this site would detract from an integrated development at the NW Development site. The location of this site would be more suited to catching trade from the Cambridge Science Park rather than trade associated with the Cambridge West and passing trade from the M11. Cost factors for redeveloping the site in a manner which allows the reorganisation of the gyratory system will be a further constraint if such an approach is deemed necessary.

SITE 6	Former Chillis Grill and Bar, Abbeygate House, 164 – 167 East Road		
Site and Surroundings	The site is located in the east of Cambridge City Centre, within the City Centre boundary, just inside the ring road. The site is adjacent to the Grafton Centre and the Vue Cinema.		
Approximate Size	950 sqm (ground floor)	**Location**	Edge of Centre
Planning Policy and Site Allocations	Local Plan (2006)	The site is not allocated for any specific uses in the Local Plan. The site is not located within a conservation area or identified as being within the Primary or Secondary Shopping Frontage.	
Existing Uses	Former restaurant (ground floor), offices above.		
SUITABILITY:			
Planning History	The site was permitted change of use from retail Class A1 to restaurant Class A3 in 1995. There have been no other major applications on the development site.		
Relationship with Town Centre (& PSA)	The site is located within the City Centre boundary but outside the primary shopping area. The site is within very close proximity to shops and services situated on Burleigh Street and within walking distance of the Grafton Centre.		
Accessibility	Access to the site is via the dual carriageway, East Road, which forms the ring road to the east of the City Centre and the City Centre boundary. A small amount of dedicated parking is available on site. Other parking provision is available a short walk away at the Grafton Centre.		
Potential Constraints	The suitability of the site for a hotel development would rely on the availability of the entire building. Currently only the ground floor of the building is vacant which is insufficient in scale to accommodate a hotel. On site parking is also insufficient to support a hotel development.		
Potential for Hotel Development	The site benefits from close proximity to the Grafton Centre and occupies a prominent position on East Road. The site is easily accessible by car although there is only a small amount of dedicated parking which may be insufficient to support a hotel facility.		
AVAILABILITY:			
Availability (Timescale)	The suitability of the site for a hotel would depend on the availability of the entire building. The ground floor unit was identified in the Goad Plan of 2010 as being vacant. However, according to the agents Cushman & Wakefield, the leasehold for the site is currently under offer and therefore may no longer be available. Office uses on the first floor are currently operational and therefore also unavailable.		
Land Ownership	Unknown		
Land Assembly / CPO Requirements	Unknown.		
VIABILITY:			
Potential for Redevelopment	This site for the proposed hotel is too small, only being the ground floor of an office building. The location of the building is good, being on main transport links, however, the remainder of the building is occupied, so to make it suitable for hotel use the remaining building would need to be acquired. There is also insufficient car parking on site. The location of the proposed hotel here would not benefit the NW development as it would benefit from City Centre trade rather than that associated with the NW development and Cambridge West site and will not serve the need for accommodation in the North West arc of Cambridge.		