



**LUTON BOROUGH COUNCIL**

**LUTON HOTEL STUDY**

**JULY 2015**

100 ST JOHN STREET, LONDON EC1M 4EH

TEL: 020 7250 7500



## Document Control

Project: Luton Hotel Study  
Client: Luton Borough Council  
Job Number: A090023  
File Origin: P:\Projects\Luton Borough Council\A090023 - Hotel Study\Final Report

### Document Checking:

Prepared by: Kate Hughes/Peggy Hui

Checked by: Rob Pearson

Verified by: Rob Pearson

Issue	Date	Status
1	3 June 2015	Draft
2	27 July 2015	Final



## Contents Page

Executive Summary.....	- 1 -
1.0 Introduction.....	- 2 -
2.0 Context .....	- 4 -
3.0 Luton Hotel Supply.....	- 9 -
4.0 Luton Hotel Demand Projections .....	- 13 -
5.0 Policy Framework for Hotel Development .....	- 21 -
6.0 Conclusions and Recommendations.....	- 25 -

## Appendix Contents

Appendix 1 – Hotel Questionnaire

Appendix 2 – Map of Hotel Locations

Appendix 3 – Hotel Planning Permission in Luton

Appendix 4 – Hotel Demand Projections

## Executive Summary

### Background

This Luton Hotel Study was undertaken by WYG between January to May 2015 for Luton Borough Council. The aim of the study is to provide robust evidence on the current supply of hotels within Luton Borough and an estimate of the future demand for hotel development to inform the Council's policy formulation in steering future hotel development.

### Summary of the Key Findings

#### Current Hotel Supply and Development Proposals

The current supply of hotels in Luton Borough comprises 20 hotels with a total of approximately 1,805 letting bedrooms. Luton Hoo Hotel, Golf & Spa, located to the south of Luton is the only 5 star hotel. The hotel supply is predominately a mix of 2 - 3 star hotel located in and around Luton town centre and London Luton Airport.

The hotel stock has increased by 135% since 2005 with the opening of 10 new hotels in Luton Borough. A number of hotels have also undergone extension and refurbishment programmes.

In terms of proposed hotel development, there are currently proposals for 8 hotels which would provide 985 extra rooms in the Borough.

#### Current Hotel Performance

The Luton hotel market is dominated by airport related demand. Hotels in Luton are most busy on weekdays (Monday to Thursday) and quietest on Sundays. 46% of stays are for businesses purposes.

#### Future Demand

Our analysis showed that there is a significant current demand from various sources including visitors to Luton, passengers flying through Luton, air industries and other major employers who required staying facilities for staff. With the airport expansion plan, accounting for the extra rooms provided by extant hotel permissions, it is projected that there will be a net hotel room requirement of for an extra 1,024 rooms by 2020, growing to between 1,030 to 1,829 rooms by 2030.

### Future Monitoring

This Hotel Study provides a snapshot of hotel performance in 2015 and projects future demand. The level of future requirements is directly linked with the economy and the delivery of the London Luton Airport expansion scheme. It will therefore be fundamental to update the information periodically in relation to the hotel supply, development, performance and markets in order to reflect the latest position for the future.

## 1.0 Introduction

1.0.1 WYG Planning and Environment (hereafter referred to as “WYG”) have been commissioned by Luton Borough Council (“the Council”) to undertake a Hotel Study to assess Luton’s capacity for hotel development across the Borough.

### 1.1 Aims and Objectives

1.1.1 The aim is to provide a robust evidence base, conclusions and recommendations in order to steer the appropriate type and scale of hotel development in the appropriate locations within the Borough.

1.1.2 The objectives of this study are as follows:

- To provide an up-to-date picture of hotel performance and market trends nationally and in Luton;
- To provide an overview of the existing hotel stock in Luton;
- To identify the room requirements for hotel in Luton;
- To comment on the capacity of existing hotels in terms of vacant rooms;
- To assess the capacity for further hotel development in Luton.

1.1.3 The study findings will be helpful in informing the Council’s policy formulation and may assist the Council in assessing planning applications for hotel schemes.

### 1.2 Research Methods

1.2.1 To gather the above information, WYG carried out the following research and consultations:

- Consultation meeting with the planning policy and regeneration department of Luton Borough to understand the needs and requirements of the Council.
- An audit of the existing hotel stock in Luton and the immediately surrounding parts of Central Bedfordshire, including identifying any recent changes in the Borough’s competitive hotel supply in the last few years in terms of hotel openings and extension.
- An audit of existing hotel commitments (extant planning permissions) across the Borough.
- A statistical analysis of the current capacity within existing hotels in the Borough.
- Consultation with key stakeholders to assess their demand for hotels by location and purpose.
- Analysis of the demand and market for hotel development in Luton and the production of a strategic approach to accommodate this development.

- A survey of the managers of existing hotels to gather information on hotel facilities and performance. The survey was conducted via posted and emailed questionnaire. A copy of the questionnaire and a full list of participating hotels are provided in appendix 1. Interviews were conducted on a strictly confidential basis. Information on the individual hotel performance has not been included in the report, only the overall results from the analysis of the data collected have been reported.
- A review of all relevant planning policy, regeneration and economic development documents and strategies.
- Consultation with the Council's Economic Development Team to gather statistical data.
- The preparation of projections of how the hotel market might grow in Luton and at London Luton Airport through to 2030, based upon the likely levels of employment, air traffic and population growth and leisure demand.

1.2.2 For the purposes of this study, research focuses on 'hotels' and does not include information or research on self-catering accommodation, guesthouses or bed and breakfasts. The definitions which are of relevance to this report are:

<b>Hotels:</b>	These have a minimum of six guest bedrooms, but are more likely to have 20+ rooms.
<b>Small Hotels:</b>	These have a maximum of 20 bedrooms.
<b>Country House Hotel:</b>	Hotel's with ample grounds or gardens, in a rural or semi rural situation with an emphasis on peace and quiet.
<b>Budget Hotels:</b>	These are part of a large hotel chain of branded hotels offering clean and comfortable en-suite facilities, 24 hour reservations and a consistent level of facilities.

\*SOURCE: Luton Borough Council Website

1.2.3 There are no objective definitions of bed and breakfast and guesthouse accommodation based on number of rooms and provision of facilities but generally, as the name suggests, these tend to be much smaller scale and largely self catering with the exception of the provision of breakfasts. Bedrooms are not necessarily en-suite and often unlike hotels there is an informal social area. This type of accommodation would normally be without facilities such as a bar, a reception and dining facilities.

## 2.0 Context

### 2.1 National Hotel Data

2.1.1 There are currently around 45,000 hotels in the UK which turnover an estimated £40 billion per year (British Hospitality Association, 2015). This turnover excludes other types of guest accommodation as outlined in Chapter 1. BHA also identifies that in the period 2005-2010, there have been 100-150 new hotel openings annually.

2.1.2 Visit England, the country's national tourist board, produces occupancy survey reports annually. To assess England's trends in hotel occupancy in recent years, we refer to Figure 1 below. Evident from the table is that there was a decline in occupancy between 2007 and 2009, most probably resultant of the financial recession. Following this, occupancy rates of hotel rooms in England have increased.

Year	2007	2008	2009	2010	2011	2012	2013	2014
<b>Annual Hotel Room Occupancy Rates-England</b>	63%	60%	58%	62%	66%	69%	72%	73%

Fig. 1: Average Hotel Room Occupancy Rates, England. (Source: Visit England, 2015.)

### 2.2 Tourism Information

2.2.1 For this section of the report, we utilise data from two sources. The International Passenger Surveys (IPS) from the Office for National Statistics (ONS) provides data on inbound tourism; - trips taken to England from outside the UK. Data for domestic tourism is taken from 'Visit England.'

2.2.2 With reference to Visit England's 2013-2014 annual review £83bn was spent in the tourism industry (including domestic and inbound tourism) in England. The breakdown of this was that inbound visitors made 28.6m trips and spent 217m nights in hotels in England. 102m overnight trips were made by British residents which equated to 297m nights away from their home.

2.2.3 The table below shows the trends in tourist visits, overnight stays and total spend in recent years. It is important to note that the information is not directly comparable to the figures in paragraph 2.2.2, as the data below is analysed in 3 year cycles, hence the data for 2012-2014 is not yet available. The above data is also inclusive of inbound tourism data.

	2006-08	2007-09	2008-10	2009-11	2010-12	2011-13
<b>Total Trips (millions)</b>	98.3	98.7	97,5	100.6	101.4	103.5
<b>Holiday Trips (millions)</b>	40.5	42.7	43.4	45.6	45.2	45.7
<b>Total Nights (millions)</b>	304.0	302.8	296.4	300.9	300.9	304.9
<b>Holiday Nights (millions)</b>	146.0	153.8	154.0	159.4	155.3	154.7
<b>Total Spend (millions)</b>	£16,044	£16,414	£16,314	£16,924	£17,751	£18,707
<b>Holiday Spend (millions)</b>	£8,387	£8,890	£9,055	£9,573	£10,037	£10,500

Fig 2: Trends in Domestic Tourism, UK, 2006-2013.

- 2.2.4 As shown in Figure 2, between 2006-2013, there is a growth in the domestic tourism industry which the number of total nights stay in England increased. Between 2006 and 2008, 98.3 million trips were taken in England which equated to 304 million nights per year.
- 2.2.5 During 2011 and 2013, there has been an increase to a total of 103.5 million trips taken in England which equated to 304.9 million nights per year. This showed a steady growth in domestic tourism industry and the increase of nights stay in England.

## LUTON

### 2.3 London Luton Airport:

- 2.3.1 With reference to London Luton Airport press office in an article entitled '*London Luton Airport records 11.4% growth in passengers and continues to welcome new routes,*' (dated May 2015) London Luton Airport has seen an 11.4% increase in passenger numbers since April 2014. This strong demand delivers the 13<sup>th</sup> consecutive month of growth for the airport. In the last 5 years there have been 38 new routes opened to London Luton Airport (LLA) and a steady increase of about 2 million passengers, (LLA Annual Monitoring Report 2010-2014). This contributes significantly to the increase in hotel occupancy rates in Luton which follows a similar increasing trend.
- 2.3.2 New routes and carriers are responsible for the growth together with a new 10 year contract signed with easyJet which was announced by the company in March 2014. The agreement is expected to open up new business and leisure routes as well as adding additional frequency on easyJet's existing 39 routes from LLA. It is anticipated that the agreement will bring immediate growth to the airport, with plans to grow the airline's capacity by around 20% over the next year.

- 2.3.3 Informed by a report written by BDO, (a leading accountancy firm with business advisors that specialise in hotel industry experience), the Civil Aviation Authority confirmed that 2014 has been a record year for passenger numbers despite the UK hub almost being at capacity, growth has been driven by rising numbers of people travelling from China and the Far East.
- 2.3.4 In 2014, planning permission (ref: 12/01400/FUL) was granted for redevelopment and extension of the airport and will allow the annual passenger capacity to increase from 10 million to 18 million passengers per annum by 2026. This is based on the projected million passengers per annum (mppa) and the air traffic movement, (ATMs -000). Figure 3 illustrates the forecast up until 2031. Currently the airport supports 8,500 gross full-time equivalent jobs. The plans for airport expansion are expected to create 5,100 gross new full-time equivalent jobs and in addition, there are expected to be 4,400 indirect and induced jobs bringing the overall total to 17,750. It is expected that the economic value of the airport in terms of the value to the sub regional economy and the revenue for local and central government, will increase from £1bn to £1.7bn once the expansion is complete.

<b>Year</b>	<b>mppa</b>	<b>ATM's-000</b>
<b>2013</b>	10.3	112
<b>2014</b>	10.8	116
<b>2015</b>	11.2	118
<b>2016</b>	11.7	121
<b>2017</b>	12.1	124
<b>2018</b>	12.6	128
<b>2019</b>	12.9	130
<b>2020</b>	13.4	132
<b>2021</b>	14.3	137
<b>2022</b>	14.8	141
<b>2023</b>	15.4	144
<b>2024</b>	16.6	146
<b>2025</b>	17.3	150
<b>2026</b>	17.7	154
<b>2027</b>	17.8	156
<b>2028</b>	17.8	157
<b>2029</b>	17.8	157
<b>2030</b>	17.8	157

Fig. 3: Passenger and Air Traffic projections up to 2031  
 Source: London Luton Airport Operations Limited (LLAOL) (2012)

- 2.3.5 Impacting on Luton Hotel market, the significant influx of passengers to Luton and aircrew stopovers increases the demand for hotel accommodation, preferably within close proximity to the

airport. The following chapter illustrates the location of the current hotel supply in Luton, assesses the requirement for further accommodation and discuss where the most appropriate location for this would be.

## 2.4 Visitors to Luton

2.4.1 The Great Britain Tourism Survey (GBTS) is a national consumer survey measuring the volume and value of overnight domestic tourism trips taken by residents of Great Britain. According to GBTS 2013, Luton attracted a significant number of day trips and overnights stays for the period of 2011-2013. The figures for the 2 year period were as follows:

- 249,000 day trips,
- 58,000 holiday trips,
- 552,000 overnight stays; and
- £32 million spend.

2.4.2 A detailed breakdown of the number of overseas visitors to towns in the UK highlights the following information regarding Luton. Figure 4 shows how many overseas visitors there were to Luton for varying purposes. Visits to towns are based on the town’s visitor reports, which, relate to people staying overnight for least one night during their trip. The data showed that majority of visitors in Luton are “visiting friends and relatives” followed by business purposes.

Town	Data	Purpose	Year			
			2010	2011	2012	2013
Luton, Bedfordshire	Visits (000)	All	115	106	97	141
		Holiday	24	14	11	16
		Business	28	28	33	49
		Study	1	2	-	-
		VFR	49	49	40	57
		Other	13	13	13	19

Fig 4: Inbound Tourism to Luton

SOURCE: Visit Britain, Visits to Towns Data

2.4.3 In recent years Luton has seen an increase in the number of people visiting Luton for business purposes which results in an overall increase in visitors.

## 2.5 The Asian Wedding Market:

2.5.1 People attending weddings are other key markets for Luton hotels. Putteridge Bury, Venue Central and Luton Hoo Hotel are major wedding venues in the area. The Council have received planning applications for wedding venues stemming from the lack of facilities in Luton able to cater for the large guest lists, characteristic of Asian weddings. There are limited wedding venues in Luton and

very few able to cater for the volume of guests present at Asian weddings. This generates further demand for hotels in Luton to cater for events and weddings of this size.

- 2.5.2 Recently applications for hotels able to cater for weddings of this size, particularly aimed at the Asian wedding market, have been refused by the Council on the grounds of loss of employment land and inadequate supply of off street parking. One of particular note is an application for the 'change of use to functions/wedding venue and erection of two storey front extension' which was refused for the aforementioned reasons (LPA Ref: 14/00917/FUL). No re-submission or appeal has been submitted for this proposal.

## **2.6 Corporate Demand:**

- 2.6.1 The majority of hotel guests in Luton are staying for business or business travel purposes rather than for tourist purposes. The airport is the main source of midweek demand for most hotels in the Borough. Our survey included a question to find out which time of the week hotels were at their busiest. The survey results showed that this typically midweek trade accounted for 50-95% of hotel's weekly trade.

## **2.7 Airline Contracts:**

- 2.7.1 Demand for bedroom space for aircrews, management and administration working at London Luton Airport is high in the area surrounding the airport itself, and for some 3 or 4 star hotels in the town centre. Aircrew business tends to be very low-rated and is highly competitive but can provide hotels with stable demand and good base business. The demand for hotel accommodation is high and often exceeds the supply of hotels in Luton Borough. For example, easyJet also uses hotel facilities in Hemel Hempstead, Hatfield and Dunstable due to inadequate supply in Luton.
- 2.7.2 Midweek, the easyJet academy training centre provides new entrant training and recurrent training for the crews and is a major source of demand for hotels midweek in Luton.
- 2.7.3 The following section addresses the current hotel supply in Luton by location and type of hotel and also details the extant planning permissions.

## 3.0 Luton Hotel Supply

### 3.1 Current Hotel Supply in Luton:

3.1.1 Luton borough has a total of 20 hotels providing 1,805 letting rooms in total. Figure 5 below shows an extensive and detailed list of hotels in Luton Borough. A map to show the locations of hotels in Luton is included in the appendix 2 of this report. The 5 star Luton Hoo Hotel, Golf & Spa is located to the south of Luton. There are a number of small, independent 2 and 3 star hotels in the town centre. The hotels located near to the airport are typically chains and 2-3 star rated. Also evident from the table and the map that the majority of Luton hotel stock is outside the town centre. Of those hotels situated outside the town centre boundary, almost half are situated within close proximity to London Luton Airport.

	<b>Name of Hotel</b>	<b>Address</b>	<b>No. Of Rooms</b>	<b>Star Rating</b>	<b>Location</b>	<b>Year Hotel Opened</b>
<b>1</b>	Stockwood Hotel	41-43 Stockwood Crescent	19	2*	Outside	2009
<b>2</b>	Easy Hotel	40a Guildford Street	58	2*	Town Centre	2008
<b>3</b>	Ibis Hotel	Spittlesea Road	98	2*	Outside/Airport	1989
<b>4</b>	Leaside Hotel	72 New Bedford Road	22	3*	Town Centre	1979
<b>5</b>	The Pines	10 Marsh Road	12	3*	Outside	Between 1997 - 2000
<b>6</b>	Red Lion (PH)	2 Castle Street	25	3*	Edge of Town Centre	N/A
<b>7</b>	Comfort Hotel	1 Mill Street	44	3*	Town Centre	2011 (formerly Royal Hotel)
<b>8</b>	Stuart Hotel	74 Stuart Street	61	3*	Town Centre	2013
<b>9</b>	Icon Hotel	Stuart Street	68	3*	Town Centre	2009
<b>10</b>	Chiltern Hotel	Waller Ave	97	3*	Outside	1965
<b>11</b>	Ramada Encore	Blush House, Airport Way	124	3*	Outside/Airport	2012
<b>12</b>	Premier Travel Inn	Osbourne Road	129	3*	Outside/Airport	1999
<b>13</b>	Travel Lodge	641 Dunstable Road	140	3*	Outside	2007
<b>14</b>	Express by Holiday Inn	Airport Way	147	3*	Outside/Airport	2002
<b>15</b>	Hilton Garden Hotel	Butterfield	157	3*	Outside	2012
<b>16</b>	Hampton by Hilton	42-50 Kimpton Road	188	3*	Outside/Airport	2012
<b>17</b>	Luton Hoo Hotel, Golf and Spa	The Mansion House, Luton, Bedfordshire	193	5*	Outside	2007
<b>18</b>	Quality Skyline Hotel	246 Dunstable Road Luton	61	3*	Outside	Pre 1992
<b>19</b>	Premier Inn	Regent Street	120	2*	Town Centre	2014
<b>20</b>	Premier Inn Dunstable	350 Luton Road	42	2*	Outside	1996
<b>TOTAL</b>			<b>1,805</b>			

Fig. 5: Existing Luton Hotel Supply

### 3.2 Luton Hotel Supply by Star Rating:

3.2.1 Figure 6 shows that the majority of rooms are made up of 2 star and 3 star standards of accommodation. Budget accommodation forms approximately 90% of the hotel room supply in Luton.

Standard	Hotels	Rooms	% of Rooms
5 Star	1	193	10.7%
4 Star	0	0	0.0%
3 Star	15	1,275	70.6%
2 Star	5	337	18.7%
<b>Total</b>	<b>20</b>	<b>1,805</b>	<b>100%</b>

Fig 6: Competitive Hotel Supply – London Luton Airport, April 2015

### 3.3 Luton Hotel Supply by Location:

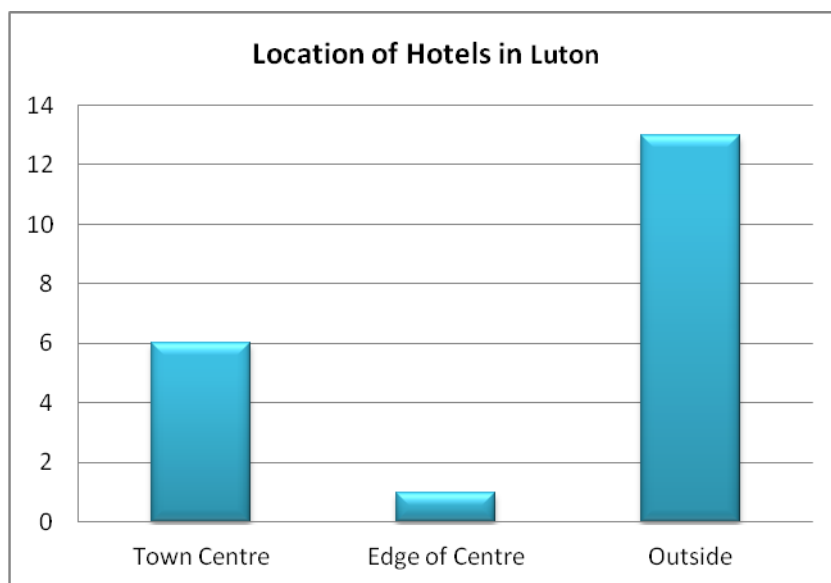


Fig. 7: Location of Hotels in Luton

3.3.1 Figure 7 above illustrates the location of the existing hotel stock in relation to Luton town centre. The definition of town centre, edge of centre and out of centre is in compliance with the National Planning Policy Framework (NPPF) definition which is set out in annex 2. Evidently from the graph above, much of Luton’s hotel supply is located outside the town centre boundary. Furthermore, we can see from Fig 4 which shows that almost 50% of hotels located outside the centre are located within close proximity of the Airport.

### 3.4 Hotel Planning Permissions in Luton:

- 3.4.1 A list showing the extant and expired planning permissions is attached in the appendix 3 of this report. Currently in Luton, extant planning permissions would provide for an extra of 985 hotel rooms. Of these permissions, 69% of the hotel rooms provided would be located in the immediate vicinity of the airport, despite a national planning policy preference to situate hotels in town centres, the demand for hotels around the airport is reflected in planning decisions. Referring back to effect of the recession on the hotel development, it is notable that there are a total of 8 expired planning permissions by May 2015 which would have provided an extra of 1,103 hotel rooms in the last 10 years.
- 3.4.2 Figure 8 shows that 5 hotels have undertaken extension in the last 10 years. These have added 412 rooms to the Luton’s hotel supply.

Hotel	Location	Standard	Year of extension	Increase in rooms
<b>The Leaside Hotel</b>	Luton Town Centre	3*	2005	5
<b>Luton Hoo Hotel</b>	Outside the Town Centre	5*	2007	193
<b>Icon Hotel</b>	Luton Town Centre	3*	2008	68
<b>Comfort Hotel (Mill Street)</b>	Luton Town Centre	3*	2010/2011	26
<b>Premier Inn (Regent St)</b>	Luton Town Centre	3*	2014	120

Fig 8: Luton Borough – Growth in Hotel Supply in 2005-2015

3.4.3 Figure 9 below provides a summary of the annual changes to the supply stock in Luton Borough.

<b>Year</b>	<b>No. Hotels</b>	<b>Hotels Rooms</b>	<b>Additional Hotel Rooms</b>	<b>Annual Increase in Hotel Supply (%)</b>	<b>Additional Hotel Rooms since 2005</b>	<b>Increase in Hotel Rooms since 2005 (%)</b>
<b>2005</b>	10	768	0	0	0	0
<b>2006</b>	10	768	0	0	0	0
<b>2007</b>	12	1,101	333	30.25	333	40.36
<b>2008</b>	13	1,159	58	5.00	391	50.91
<b>2009</b>	15	1,246	87	6.98	478	62.24
<b>2010</b>	15	1,246	0	0	478	62.24
<b>2011</b>	16	1,290	44	3.41	522	67.97
<b>2012</b>	19	1,759	469	26.66	991	129.04
<b>2013</b>	20	1,685	-74	-4.39	917	199.40
<b>2014</b>	20	1,805	120	6.65	1,037	135.03

Fig 9: Luton Borough – New Hotels 2005-2015

3.4.4 In the last 10 years, there is a 135.03% growth in hotel room supply in Luton Borough. This includes the opening of 10 new hotels, expansion of 5 hotels, which together resulted in an additional 1,037 hotel bedrooms.

3.4.5 The following section addresses the demand projections for hotel development in Luton, based on the information gathered through the research process and the additional supply of hotel rooms which could come forward through current planning permissions.

## 4.0 Luton Hotel Demand Projections

### 4.1 Midweek/Weekend Occupancies

4.1.1 In order to gather some first-hand information about hotel facilities and occupancy, WYG designed a survey questionnaire with the Council and questionnaires were sent out to hotels in and around Luton in March 2015. We received a total of 7 completed surveys. The results showed that hotels in Luton were most busy on weekdays (Mon-Thurs) and quietest on Sundays. This is because the hotel trade in Luton is dominated by people staying for business purposes rather than for leisure. This information is highlighted in Figures 10-11 below.

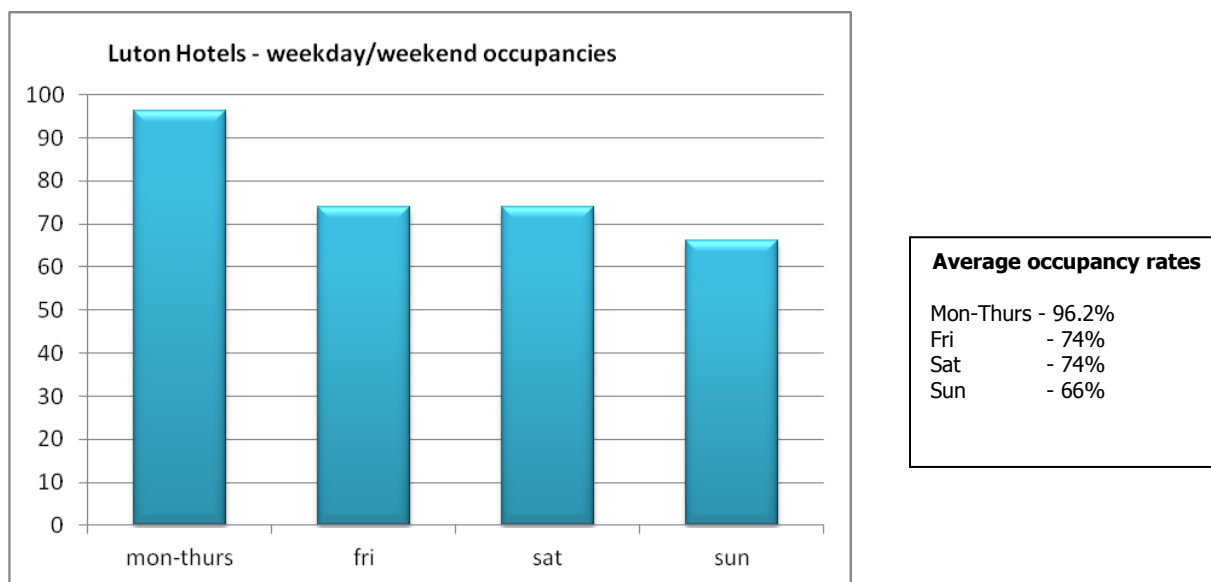


Fig10: The average occupancy rate of hotel rooms by time of the week  
 Note: Information provided by hotel managers in Luton. 100% means hotels are at full capacity.

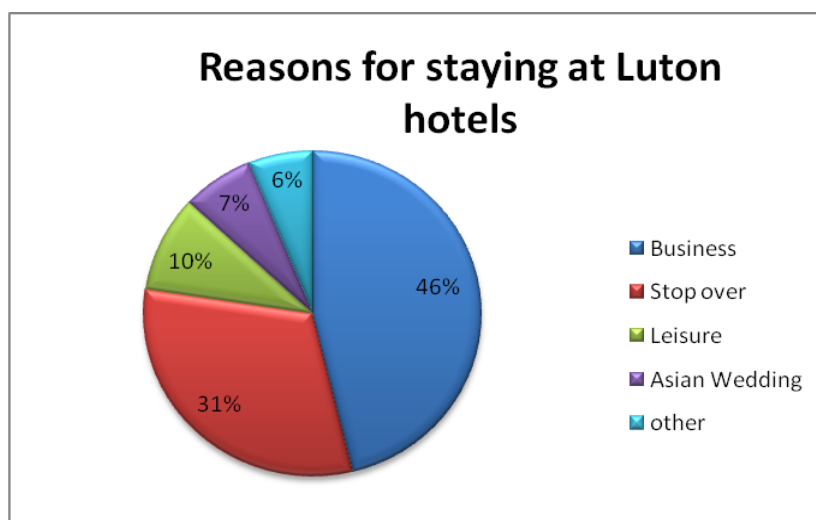


Fig 11: Reasons for staying at Luton hotels

## **4.2 Denied Business**

4.2.1 Denied business refers to business that hotels turn away because they are fully booked. Our survey responses showed that the majority of our respondents denied business. The hotels located in close proximity to the airport denied the most business on a weekly basis. In particular, one hotel at the airport turned away over 50 bookings on a weekly basis i.e. over 2,600 bookings in a year. This reflects the excess of demand over supply on this airport area. Hotels located around the town centre turned away a more modest level of trade (average of 11-20 bookings per week).

## **4.3 Current Demand**

4.3.1 In order to provide an indication of the number of new hotel bedrooms that might be required in Luton to meet the market growth, WYG has produced a model to estimate the indicative requirement in 2015 and projected that demand forward to 2020 and 2030. The methodology and assumptions made are detailed in the table contained in appendix 4.

4.3.2 In projecting future requirements, we have first identified the current baseline demand. The Luton hotel market is very much dominated by airport-related demand, both during the weekdays and at weekends, in terms of business related to aircrew; the easyJet training academy; air passengers travelling for holiday, business and other purposes; delayed flights; and companies based at the airport. We summarise this various demand profiles as follows:-

## **4.4 Air Industries**

4.4.1 In attempting to interview local stakeholders to assess their hotel requirements in Luton, we sought the key contact for each of the stakeholders and sent letters and emails requesting their participation in our research. We followed this up with emails and phone calls. However there was little response with only easyJet airline willing to participate in the research. We therefore, cannot comment on the remaining stakeholders that we believed would have a significant demand for hotel rooms in Luton. The other stakeholders included but not exclusively, Wizzair, Monarch, (both airlines) and General Motors (a car manufacturer). We also contacted Astrazeneca (A pharmaceutical company), who did respond but stated that they had little requirement for hotel rooms in Luton.

4.4.2 WYG attended a meeting with easyJet in order to obtain their current requirement for hotel accommodation for staff. In 2014, easyJet required 29,100 rooms for their staff in Luton. This is the total requirement for operational crew, new entrant and recurrent training and management administration. Whilst it is difficult to predict what this figure would look like with the planned airport expansion, taking into account the airport has expanded by 30% over the last three years, the budgeted data for this year would be about 23,000 rooms. Whilst the budgeted requirement is

lower than the actual requirement in 2014, it was acknowledged that the 2014 requirement was 25% higher than the budgeted figure. Notably if the budget is exceeded by a similar amount to the previous year, the actual requirement will be around 28,750 hotel rooms per annum.

4.4.3 Easyjet stated that they currently use the following hotels to accommodate their demand.

- Premier Inn – London Luton Airport
- Premier Inn – Luton
- Holiday Inn- London Luton Airport
- Ramada Encore – London Luton Airport
- Ibis – London Luton Airport
- Comfort Hotel – Luton
- Hampton by Hilton - London Luton Airport
- Icon Hotel – Luton
- Chiltern Hotel – Luton
- Hilton Garden Inn Luton North – Luton
- Leaside Hotel Restaurant – Luton
- Beales Hotel – Hatfield
- Holiday Inn Luton South M1 J0 - St Albans
- Holiday Inn Express – Dunstable
- Premier Inn St Albans City Centre – St Albans
- Sun Hotel – Hitchin
- Travelodge (Bar Cafe) Watford Central – Watford

4.4.4 Lack of available staff accommodation in Luton forces easyJet to use hotels located outside Luton borough including Hitchin, Watford and St Albans. During the interview with easyJet, WYG were made aware of the difficulties easyJet face in finding accommodation to cope with the increasing demand for staff training and overnight accommodation for crew members and passenger requirements, which would inevitably come from airport expansion. For this reason, easyJet are currently in the process of finalising contracts with hotels located outside Luton.

## 4.5 Visitors to Luton

4.5.1 According to Visit England’s Great Britain Tourism Survey (GBTS) 2013, there are 552,000 overnight stays visitors to Luton in 2011-2013. This figure includes all stays at commercial and private accommodations. Based on GBTS that 24% of visitors accommodation stays are in hotels/motels, this would equate to an annual total of 132,480 overnights stays in Luton for that period.

## 4.6 Flight Passengers

4.6.1 London Luton Airport is currently the UK’s 5<sup>th</sup> largest passenger airport. The London Luton Airport Annual Monitoring Reports show there to be a steady increase of number of passengers in the last 4 years. The annual changes are shown in Figure 12 below:

Year	Net no. of additional routes	Passenger Numbers	Increase from previous year	Percentage Increase from the previous year
2005	19 (76 total)	9.1m	1,600,000	21%
2006	2 (76 total)	9.4m	300,000	3%
2007	21 (87 total)	9.9m	500,000	3%
2008	15 (93 total)	10.2m	300,000	8%
2009	20 (90 total)	9.1m	-1,100,000	-10%
2010	12 (95 total)	8.8m	-300,000	-4%
2011	7 (95 total)	9.5m	700,000	9%
2012	11 (99 total)	9.6m	100,000	1%
2013	8 (100 total)	9.7m	100,000	1%
2014	(103 total)	10.5m	800,000	8%

Fig. 12: Annual changes to passenger numbers at London Luton Airport

4.6.2 The presence of an airport in Luton generates a major demand for hotel accommodation from passengers especially those staying overnight before departing or arriving at London Luton Airport. According to UK Aviation Forecast published by UK Civil Aviation Authority in 2014, there are 10.5million passengers flying through Luton in 2013. Assuming 10% of passengers stay at hotels, that indicates a demand of 1.05million person per annum (PPA).

## 4.7 Other sources

4.7.1 Due to the accessibility to the airport, it accommodates a great demand for residential conferences and weddings. This is reflected by our hotel survey that the majority of Luton hotels received 1-5

bookings for conference/wedding per week. In particular, Luton Hoo Hotel typically received twenty or more bookings for conferences and wedding on a weekly basis. Our survey responses showed a significant proportion of attendees tended to stay in the same hotel as their conference/wedding.

- 4.7.2 Flight delays result in air passengers needing to be accommodated overnight. Many Luton hotels benefit from the delays that resulted from the volcanic ash cloud in April 2010. EasyJet also informed that they had difficulties in finding sufficient hotel rooms to accommodate their passengers when disruption occurs.
- 4.7.3 As shown in the table in appendix 4, various sources of hotel demands implies a current requirement of 1.2million bed spaces per annum in Luton. When we translate this bed space to room night, that indicates a requirement of 879,390 per annum. Comparing this requirement to the existing supply of 713,210 room nights per annum, this indicates that current demand exceeds the current supply of hotel rooms in Luton.
- 4.7.4 We compared this figure to the occupancy responses received from Luton hotels participating in our survey. The result shows that there is a large midweek demand for Luton Hotels and the occupancy rate ranging from 80 to 100% whilst Fridays and weekends occupancy ranging from 40% - 95%. At the same time, there is a significant level of denied business for hotels around the airport area and some of them regularly turn away 50+ bookings on a weekly basis. This indicates that the demand is particularly high around the airport area.

### **PROJECTED DEMAND**

#### **4.8 Air industries**

- 4.8.1 London Luton Airport serves as a base for easyJet, Monarch, Thomson Airways and Ryanair. The May 2015 press release by London Luton Airport indicates there is an 11.4% increase in passenger numbers during April 2015 compared to the same month last year, with 991,110 passengers choosing to fly from London Luton Airport. This marks the 13<sup>th</sup> consecutive month of growth in passenger numbers at London Luton Airport.
- 4.8.2 The airport has confirmed 14 new routes for 2015, of 4 routes launched last month introduced with flights operated by La Compagine, easyJet and VLM. With the airport expansion in place, it could provide up to 45,000 extra flights a year. For Wizz Air, the second largest carrier at the airport, it introduces 3 new routes from June 2015 (7 additional flights per week to Budapest, 4 additional flights to Sofia and 3 additional flights to Burgas).

4.8.3 Naturally, with the expansion of the airport, more crews, management and administrative staff will be required by each airline operator. At the moment, the hotel requirement for easyJet's staff is budgeted for 5% per year; however, the actual figures for the last 3 years showed that the actual volume requirement is 35% above the budget. Again, the easyJet requirement would be directly linked to the delivery of the airport expansion scheme and how many additional planes would the airport accommodate when it is at full operation. At the moment, it is difficult to estimate the precise level of increase; we therefore set up high and low growth scenarios in table of appendix 4 to estimate the future demand for the air industries. The low growth is set for 5% and the high growth is 10% per annum for 2015 to 2030.

#### **4.9 Flight passengers**

4.9.1 The future demand is highly driven by the London Luton Airport expansion plan. According to the UK Aviation Forecast prepared by Department for Transport, it is estimated that the number of passengers flying through London Luton Airport will be increased to 11 million and 15 million in 2020 and 2030 respectively under a low range scenario, and 15 million and 18 million under a high range scenario.

#### **4.10 Other Sources**

4.10.1 Employment forecasts provide an indicator of local business development and labour market growth potential. The latest labour market forecasts for Luton from the East of England Economic Forecasting model 2012 project an 18.5% growth in jobs in Luton between 2011 to 2031, with the strongest growth in office based activities. Future growth in corporate demand of hotel accommodation therefore could be at higher levels than the present time.

#### **4.11 Projected new hotel rooms requirement in Luton**

4.11.1 Our table showing the projected demand for 2020 and 2030 is shown in appendix 4. The demand from overnight stays visitors, passengers flying through London Luton Airport, air industries staff and staff requirement from other major employers would add up to 1.2 - 1.7 million bed spaces by 2020, growing to 1.7 - 2.0 million by 2030. This implies a room night requirement of approximately 0.9 - 1.3 million by 2020 and 1.3 - 1.5 million by 2030. Assessing the forecast demand against the existing hotel room stock of 1,805 in Luton borough, in 2020, the low growth scenario shows a hotel requirement for 916 rooms while the high growth scenarios indicate a requirement of 1,857 rooms. In 2030, the requirement for hotel rooms is forecast to grow to between 1,863 to 2,662 rooms, accounting for the low and high scenarios.

Year	Room Requirement (Low Growth Scenario)	Room Requirement (High Growth Scenario )
2020	916	1,857
2030	1,863	2,662

Fig. 13: Total hotel rooms requirement by 2020 and 2030

4.11.2 As mentioned in paragraph 3.4.1, 8 extant hotel permissions would provide 985 rooms in the pipeline. However, we understand that the planning permission for a six-storey hotel comprising 152 bedrooms at land adjacent Airport Way (planning reference: 12/01006/FUL) is unlikely to be implemented by 21 June 2016 as the airport operator is intended to use the site for a temporary car park to facilitate the construction of terminal building work. A planning application for such use will be submitted to the Council imminently. Taking this into consideration and a conservative approach, we assume the rest of 7 extant hotel permissions were to be implemented by 2020, the net requirement for additional hotel rooms would be as follows:

Year	Room Requirement (Low Growth Scenario)	Room Requirement (High Growth Scenario )
2020	83	1,024
2030	1,030	1,829

Fig. 14: Net hotel room requirement (minus extant permission) by 2020 and 2030

4.11.3 The increase in passenger numbers in recent years places demand on hotels both in terms of the increase in passengers that require hotel rooms in preparation for an early or late flight or in case of flight delays. With reference to the above information regarding easyJet hotel requirements and the current high denied business around the airport area, this provides justification to locate a proportion of new hotel development within close proximity to the airport.

#### 4.12 Barriers to hotel development in recent years

4.12.1 Since the recession hit the UK economy in 2008, it became more difficult for commercial developers to secure finance in order to fund building projects therefore hotel development was halted. This is reflected in Figure 9 of Chapter 3 that only 7 of new hotels were built since 2008. As people lost confidence financially, there were major reductions in spending which led to reductions in profit for luxury services such as hotels, restaurants, bars and cafes therefore profits were reduced and confidence in lending decreased further.

- 4.12.2 Due to lack of funding, a lot of hotel planning permissions were left expired in Luton without implementation. As shown in Appendix 3, between 2009 to 2015, there are a total of 8 expired permissions which could have provided an additional 1,103 rooms in Luton Borough.
- 4.12.3 Planning is another obstacle for hotel development. The National Planning Policy Framework (NPPF) classified hotel as a "cultural and tourism development" under main town centre uses that planning permission would be subject to a "sequential test". While many investors favour central locations and their access to bars, restaurants and other cultural faculties, for the case in Luton, demand is located closer to the airport which is an out of centre location in NPPF terms.
- 4.12.4 In addition, hotels require considerable plots of land for development which may be allocated for other land uses such as residential, housing and employment. These non-compliant land uses are resisted by the planning local authorities in order to ensure sufficient land supply for other land uses.

## 5.0 Policy Framework for Hotel Development

### 5.1 National Planning Policy Framework (NPPF)

- 5.1.1 There is little guidance on tourism and hotel development in the NPPF. Annex 2 of the NPPF defines hotels as “culture and tourism development” which is main town centre uses and therefore subject to paragraphs 23-28 of the NPPF. Paragraph 23 of the NPPF dictates how local planning authorities should plan to protect and promote the vitality of town centres. Should an application be submitted to develop a town centre use, i.e. a hotel, either on the edge or outside the town centre, permission would only be granted if it could be demonstrated that there are no alternative sites closer to the town centre that are both available and suitable. This is in line with the requirements of the sequential test (paragraph 24) which give preference to accessible sites that are well connected to the town centre. Annex 2 defines ‘edge of centre’ as a location that is well connected and up to 300m from the town centre boundary main town centre uses (apart from retail). A location which is beyond 300m from the town centre boundary would be classified as an out of centre location.
- 5.1.2 Additionally, paragraph 26 provides details of impact assessment which must also be carried out for hotel development which is over a threshold of 2,500sqm set by the NPPF; Luton Borough Council do not have a local threshold for assessment.
- 5.1.3 The impact assessment requires an examination of the impact of the proposal on existing, committed and planned public and private investment in a centre or centres in the catchment area, and the impact of the proposal on town centre vitality and viability, including local consumer choice and trade in the town centre and wider area, up to five years from the time the application is made. For major schemes where the full impact will not be realised in five years, the impact should also be assessed up to 10 years from the time the application is made.
- 5.1.4 Paragraph 27 of the NPPF states that where an application fails to satisfy the sequential test, or is likely to have a significant adverse impact on one or more of the above factors, it should be refused.
- 5.1.5 Tourism is referenced in relation to rural policy ‘Supporting a prosperous rural economy’ (paragraph 28). “*To promote a strong rural economy, local and neighbourhood plans should:*
- *support the sustainable growth and expansion of all types of business and enterprise in rural areas, both through conversion of existing buildings and well designed new buildings; promote the development and diversification of agricultural and other land-based rural businesses;*

- *Support sustainable rural tourism and leisure developments that benefit businesses in rural areas communities and visitors, and which respect the character of the countryside. This should include supporting the provision and expansion of tourist and visitor facilities in appropriate locations where identified needs are not met by existing facilities in rural service centres; and*
- *Promote the retention and development of local services and community facilities in villages, such as local shops, meeting places, sports venues, cultural buildings, public houses and places of worship.'*

5.1.6 Other policies in the NPPF that are of relevance to hotel development are:

- A presumption in favour of sustainable development
- A continued focus on supporting economic growth
- An encouragement to plan positively to support local development whilst reflecting individual requirements.
- A streamlined and efficient approach to decision making for applications in accordance with the development plan
- A requirement to comply with national and local standards of car parking.
- Maintaining commitments to retain the Green Belt
- Policy should seek to address potential investment barriers
- Pro-active engagement with the applicant and positive pre application discussions are encouraged
- Joint working between councils on cross boundary areas is expected through a duty to cooperate
- Weight will also be given to emerging plans dependant on their stage of preparation and conformity with national policies.

## **5.2 Luton Local Plan 2001-2011**

5.2.1 The Luton Local Plan was adopted in March 2006 and most of the policies were saved by Secretary of State in 2012. The Local Plan is the Council's land use strategy for the Borough. It sets the pattern and character of future development in the borough and provides the basis that the Council will use for the determination of planning applications.

- 5.2.2 Policy LC8 relates to visitor and tourist accommodation and supports proposals which would increase and improve visitor and tourist accommodation stock, providing there are no adverse effects on the amenity of surrounding residential properties, other uses or on the local environment.
- 5.2.3 The local plan 2001-11 suggests the hotel development is acceptable in the following areas:
- Wigmore Employment Area (Policy EM3)
  - London Luton Airport (Policy LLA1)
  - Northern Gateway (Policy CA5)
  - Power Court (Policy CA7)
- 5.2.4 The above sites are not specific allocations for hotel development. However, mixed use development is acceptable providing there are no adverse impacts on transport, surrounding residential amenity and mixed uses. We take this to include hotel uses as national framework refers to hotels as both a town centre use and a leisure use.
- 5.2.5 Policy T3 ensures that all types of development will only be permitted if traffic generated by the proposal would not exacerbate congestion, compromise road safety for pedestrians or cyclists, or harm the quality of the local environment.
- 5.2.6 Policy LLA1 relates to development at London Luton Airport. The Council permits development at London Luton Airport providing it is airport related; it does not conflict with national or regional government aviation policies; it is in accordance with most recent airport development brief, results in airport noise below the 1999 level; incorporates sustainable transport measures, and provides adequate parking facilities in line with local and national policy.

### **5.3 Allocated Sites**

- 5.3.1 More specifically, the following sites have been allocated in the adopted local plan as sites that will be supported for hotel development, one of which have already been developed.
- Power Court (Policy CA7)
  - Kimpton Road (Policy KR1)
- 5.3.2 Kimpton Road has been developed as the new Hampton by Hilton Hotel. Power Court though, remains undeveloped.

## **5.4 Luton Borough Council Local Policy Framework**

### **Luton Local Plan 2011-2031**

5.4.1 The draft and revised local plans 2011 underwent consultation with the public in July and August 2014. It is not yet confirmed as to whether there will be a second round of consultation. However Luton Borough Council are currently working towards responding to all the comments received from the first round of consultation and the timeline to adoption will be updated either late 2015 or early 2016.

- Hotel development is first referred to in policy LP3 'Town Centre Strategy' whereby the council intend to allocate 12,200 sq m to include hotels, along with other leisure uses and other non-bulky comparison goods.
- Policy LP6 refers to 'London Luton Airport' and in particular supports development at Century Park to include a hotel.
- Napier Park is also promoted by the draft local plan to be redeveloped to provide guest accommodation amongst other uses including housing, offices, retail, leisure and car parking (Policy LP8).
- Policy LP11 'Station Gateway' relating to station gateway details the contribution development at this site will make to the delivery of a substantial amount of residential units in the form of contemporary flats, offices and ancillary hotel and leisure and limited retail.
- Policy LP13 'The economic strategy' advises that planning permission for proposals that would increase and improve visitor accommodation will be granted providing it does not provide adverse impacts to the road network and is in conformity with policies in the local plan.

## 6.0 Conclusions and Recommendations

### Summary of Key Findings:

#### Current Supply

- 6.1 The current supply of hotels in Luton Borough comprises 20 hotels with a total of 1,805 letting bedrooms. The 5 star Luton Hoo Hotel, Golf & Spa is located to the south of Luton. There are a number of small, independent 2 and 3 star hotels in the town centre. The hotels located near to the airport are typically chains and 2-3 star rated.
- 6.2 In terms of change in hotel supply in the last 10 years, hotel stock has increased by 135% since 2005 in Luton with the opening of 10 of new hotels. A number of hotels have also undergone extension and refurbishment programmes.
- 6.3 In terms of proposed hotel development, there are currently extant planning permissions for 8 new hotels which would provide 985 extra rooms in the Borough.

#### Current Hotel Performance

- 6.4 The Luton hotel market is dominated by airport related demand. Hotels in Luton were most busy on weekdays (Monday to Thursday) and quietest on Sundays. 46% of stays are for business purposes.
- 6.5 Hotels located within close proximity to the airport denied the most business on a weekly basis.

#### Future Demand

- 6.6 Our analysis showed that there is a significant current demand from various sources including visitors to Luton, passengers flying through Luton, air industries and other major employers. With the airport expansion plan, without taking account of the current planning permissions, theoretically there would be a gross hotel room requirement of up to 1,857 rooms by 2020, growing to between 1,863 to 2,662 rooms by 2030.
- 6.7 Assuming the extant hotel permissions were to be implemented by 2020, this would indicate a net requirement for additional 1,024 rooms by 2020, growing to between 1,030 to 1,829 rooms by 2030.

### Conclusions and Recommendations

- 6.8 Our analysis shows that existing demand exceeds the current supply of hotel rooms in Luton. With the airport expansion plan, it is projected that the demand from passengers and the air industries will increase significantly. It is important for the Council to identify sufficient sites to accommodate the demand. In terms of location, as the demand is located with close proximately to the airport,

we anticipate there would be less interest received for hotel space in Luton Town Centre. We understand that the Power Court site was allocated for a mixed use scheme including a hotel, but that it remains undeveloped. The former Strathmore Hotel in Luton town centre was closed down in December 2013 when the Menzies Hotels Group went into administration. The site represents another opportunity site and therefore there will be limited need to allocate more hotel sites in the town centre.

- 6.9 The draft Local Plan 2011-2031 (June 2014) supports the market potential for hotel development in Luton Borough. It encourages hotel development in the town centre (Policy LP3 – Luton Town Centre Strategy), Century Park, London Luton Airport (Policy LP6 – London Luton Airport ) and Napier Park (Policy LP8 –Napier Park ).
- 6.10 Our findings indicate that more sites may be needed to accommodate the identified need. Our analysis shows that assuming the extant hotel permissions were to be implemented by 2020, this would indicate a net requirement for additional 1,024 rooms by 2020, growing to between 1,030 to 1,829 rooms by 2030. This is a conservative approach and therefore represents a minimum level of hotel rooms requirement. We therefore encourage the Council to review the current land use supply for different uses and to consider hotel use to be included in some of the large mixed use schemes. Subject to the development being acceptable in planning terms, we advise the Council to consider all the benefits of hotel development especially as it is a sustainable development encouraged by the NPPF, it creates direct and indirect employment opportunities, it supports visitor economy and attracts more spending in the Borough.
- 6.11 Policy LP13 of the draft Local Plan sets out the Economic Strategy for Luton and safeguarding allocated employment sites and hotel use is included under London Luton Airport (Century Park) but not included in Napier Park. We would encourage the Council to review Policy LP13 to include “hotel” uses in compliance with the hotel allocation in Policy LP8 – Napier Park.

### **Future Monitoring**

- 6.12 The Hotel Study provides a snapshot of hotel performance in 2015 and projects the demand forward. The level of future requirement is directly linked with the economy and the delivery of the London Luton Airport scheme. It will therefore be fundamental to update the information periodically in relation to the hotel supply, development, performance and markets in order to reflect the latest position for the future.

# Appendix 1:

## Hotel Questionnaire

# Luton Hotel Study

## Hotel Managers Questionnaire March 2015



Name of Hotel: \_\_\_\_\_

Location/Address: \_\_\_\_\_

Name of Respondent: \_\_\_\_\_

WYG has been instructed by Luton Borough Council to undertake a Hotel Study for Luton Area. This questionnaire aims to gather some basic information about hotel facilities and occupancy rates to inform the future need for hotel's in Luton. Information on individual hotel performance will not be referred to explicitly in the final report. If you have any questions in relation to this questionnaire, you can contact Wendy Rousell at Luton Borough Council (tel: 01582 546 317) or Kate Hughes at WYG (tel: 0207 250 7518). Thank you very much for your time in participating in our survey.

### **Section A: General**

Q1. How many rooms do you have? (Please circle your answer)

1. 1-20
2. 21-40
3. 41-60
4. 61-80
5. 81-100
6. 101 or above

Q2 How many car parking spaces do you have? (Please circle your answer)

1. 1-20
2. 21-40
3. 41-60
4. 61-80
5. 81-100
6. 101 or above

Q3. What is the average room rate for a standard double room at your hotel? (Please circle your answer)

1. £1 - £30
2. £31 - £50
3. £51 - £80
4. £81 - £100
5. £101 or above



Q4. Would you please circle the facilities that apply to your hotel?

- Hi-speed Internet
- Room Service
- Breakfast
- Telephone
- Meeting rooms
- Banquet facilities
- Business centre
- On site Car Park
- 24hr Reception
- 24hr Reservations Facility
- Gym/Fitness Facility
- Restaurant
- Airport Transfer
- Disabled Facilities
- Spa/Sauna/Swimming pool

**Section B: Capacity**

Q5. What is your typical room occupancy rate?

Monday – Thursday	Friday	Saturday	Sunday
%	%	%	%

Q6. What is the proportion of corporate bookings (i.e. not individual booking) on hotel rooms?

Monday – Thursday	Friday	Saturday	Sunday
%	%	%	%

Q7. Does the room demand vary seasonally? (Please circle your answer)

1. Higher demand in summer months
2. Higher demand in school holidays
3. Higher demand in winter months
4. About the same

Q8. How many room nights do you deny on a weekly basis? (Please circle your answer)

1. 0
2. 1-5
3. 6-10
4. 11-20
5. 21-50
6. 50 or above

# Luton Hotel Study

## Hotel Managers Questionnaire

Q9 What proportion of your bookings come through the following sources? (Please write down your answers)

1. Internet.....( %)
2. Direct calls.....( %)
3. Drop in trades.....( %)
4. Others (please specify) .....( %)

Q 10 What proportion of your rooms is allocated to third party websites? (Please write down your answer)

1. None
2. Some (please specify)
3. All

Q11 What proportion of your customers do you perceive to be derived from the following sources? (Please write down your answers)

1. Visiting Luton on Business .....( %)
2. Travelling through Luton Airport ..... ( %)
3. Visiting Luton on Leisure ..... ( %)
4. Attend wedding in Luton .....( %)
5. Others (please specify)..... ( %)

### **Section C: Conferences and Weddings**

Q12. Do you have facilities to cater for weddings and conferences? (Please circle your answer)

1. Yes
2. No (please go to question 15)

Q13. How many people are you able to cater for weddings? (Please circle your answer)

1. 1-20
2. 21-50
3. 51-70
4. 71-100
5. 100-150
6. 151-200
7. 200 or above

# Luton Hotel Study

## Hotel Managers Questionnaire

Q14. How many people are you able to cater for conferences? (Please circle your answer)

1. 1-20
2. 21-50
3. 51-70
4. 71-100
5. 100-150
6. 151-200
7. 200 or above

Q15. Do the conference/wedding attendees tend to stay overnight in your hotel? (Please circle your answer)

1. Yes
2. No

Q16. How many bookings do you receive for conferences and weddings on a weekly basis? (Please circle your answer)

1. 1-5
2. 6-10
3. 11-20
4. 21 or above

Q17. Is it ever the case that business is turned down for reasons of: - (Please circle your answer)

- a) The hotel is at full capacity
- b) The hotel does not have the facilities to cater for the size of the party/conference
- c) Location of the hotel
- d) Others (please specify)

### **Section D: Future Plan**

Q 18 Do you anticipate an increase in room demand at your hotel in the next 2 years? (Please circle your answer)

1. Yes
2. No

# Luton Hotel Study Hotel Managers Questionnaire

Q19 Does your hotel have any plan to refurbish the current facilities in the next 2 years? (Please circle your answer)

1. Yes (please specify).....
2. No

**End of Questionnaire**

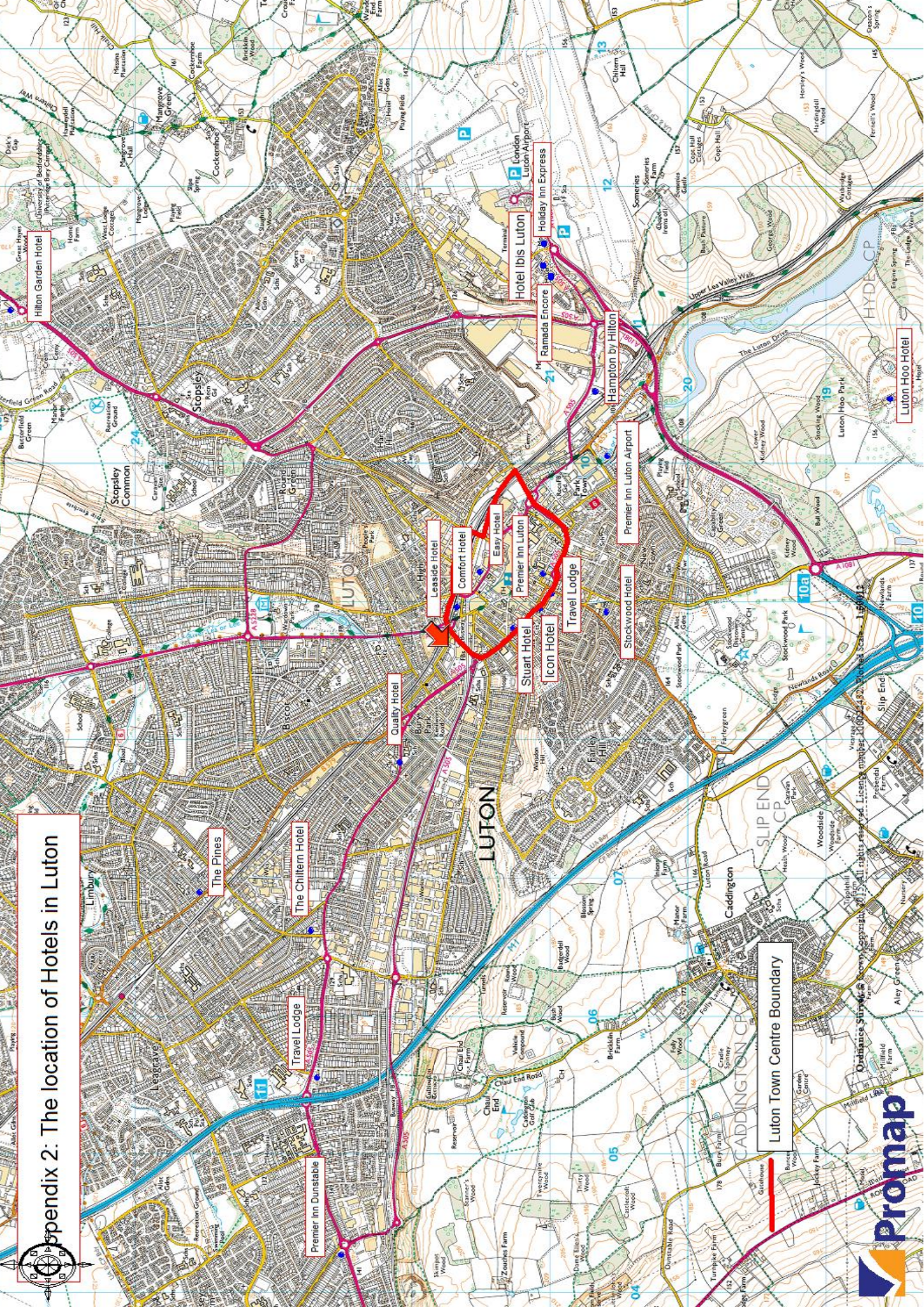
**On behalf of Luton Borough Council, we would like to thank you very much for taking the time to complete this questionnaire.**

## **Appendix 1 – List of hotel participating in Hotel Survey 2015**

1. Premier Inn, Dunstable
2. Premier Inn, Luton Airport
3. Quality Skyline Hotel, Luton
4. Chiltern Hotel, Luton
5. Luton Hoo Hotel, Golf+ Spa
6. IBIS, Luton Airport
7. Holiday Inn Express, Luton Airport

# Appendix 2: Location Map

# Appendix 2: The location of Hotels in Luton



Hilton Garden Hotel

The Pines

The Chiltern Hotel

Travel Lodge

Premier Inn Dunstable

Quality Hotel

Leaside Hotel

Comfort Hotel

Easy Hotel

Premier Inn Luton

Stuart Hotel

Icon Hotel

Travel Lodge

Stockwood Hotel

Hotel Ibis Luton

Ramada Encore

Holiday Inn Express

Hampton by Hilton

Premier Inn Luton Airport

Luton Hoo Hotel

Luton Town Centre Boundary

**Appendix 3:**  
**Extant and Expired Hotel Planning**  
**Permissions in Luton**

## Extant Hotel Planning Permissions in Luton

Address	Permission	Expires	Rooms	Proposal	location
<b>26-30 Cardiff Road</b>	31/05/2013	31/05/2016	50	Conversion and change of use from Class B2 (business) to class C1 budget hotel.	town centre
<b>37 Upper George Street</b>	29/03/2013	29/03/2016	60	Change of use from A2 (office use) to C1 (hotel use)	town centre
<b>Land adj Airport Way (former ELC site compound)</b>	21/01/2013	21/01/2016	152	Erection of a six-storey hotel comprising 152 bedrooms, ground floor bar, restaurant, gym and conference facilities together with car parking and associated works (revised scheme)	airport
<b>Former Mondi Packaging, Airport Way (rectangular site)</b>	18/04/2013	18/04/2016	156	Erection of an eight-storey hotel comprising 156 bedrooms, ground floor bar/restaurant, first floor meeting room suites together with car parking access and associated works	airport
<b>The Mount, Old Peoples Home, 136 Tennyson Road</b>	06/06/2013	06/06/2016	46	Change of use to Hotel with ancillary residential accommodation and extensions to reception and orangery. - Resubmission	neither
<b>Vauxhall Motors Ltd Kimpton Road Luton Bedfordshire LU2 0SY</b>	16/04/2015	16/04/2018	250	Outline application for a mixed use development - Residential, Retail, Office, storage and distribution, hotel and casino uses, new landscaping, park and public realm, car parking, means of access, new access to Kimpton Road and other associated works. (With EIA).	airport
<b>Former Mondi Packaging, Airport Way (triangle site)</b>	29/08/2014	29/08/2017	120	Erection of a six-storey hotel comprising 120 bedrooms, lobby/public area, associated servicing, access, parking and landscaping.	Airport
<b>Hotel Complex Cumberland Street, Luton Bedfordshire, LU1 3BX</b>	09/06/2011	09/06/2016	151	Erection of 151 Bedroom Holiday Inn Hotel in a 5 and 7 storey block with conference/meeting facilities, restaurant/bar and basement car park.	town centre

## Expired Hotel Planning Permissions in Luton

<b>04/01695/COU</b>	<b>Midland House 41 King Street Luton LU1 2DW</b>	<b>24/02/2005</b>	<b>24/02/2010</b>	<b>73</b>	<b>Change of use from office to 73 bedroom hotel</b>	<b>Airport</b>
<b>06/00205/FUL</b>	Land North Of 2 Oxford Road Oxford Road Luton Bedfordshire LU1 3AX	24/08/2006	24/08/2009	99	Erection of Hotel on seven floors, with 99 bedrooms and associated basement car parking. (Resubmission)	Town centre
<b>08/00982/OUT</b>	Former Vauxhall Trailer Park, Eaton Green Road	subject to S106	removed from worklist	250	Development of land for mixed use development including B1, B2, B8 and C1 (Hotel with ancillary A3 - A5 Uses) Together with an amended vehicle access and new service/access road and siting of an electrical sub station.	Town centre
<b>06/01585/ RENEW</b>	Land Opposite Whitbread House Flowers Way Luton Bedfordshire	11/02/2010	11/02/2013	148	Development of land to provide mixed use scheme comprising 202 residential units, 148 bedroom Hotel, Class A1, A3/A4 retail floorspace and car parking.	Town centre
<b>08/00052/ RENEW</b>	Site Of Former Honda Garage Cumberland Street Luton Bedfordshire LU1 3BW	09/06/2011	09/06/2014	151	Erection of 151 Bedroom Holiday Inn Hotel in a 5 and 7 storey block with Conference / Meeting Facilities, Restaurant / Bar & Basement Car Park.	Town centre
<b>10/00621/FUL</b>	Land adj Airport Way	16.02.11	16.02.14	171	Erection of new 5-storey hotel comprising 171 bedrooms and 3 meeting rooms (111 bedrooms and 3 meeting rooms to Phase 1; 60 additional bedrooms to Phase 2)	Airport
<b>10/00898/FUL</b>	Police Station and Court House, 12 Dunstable Place	03.05.2012	03.05.2015	211	Mixed use development, incorporating 41 flats and 211 hotel rooms with associated car parking	Town centre
<b>11/00249/FUL</b>	Central Hotel, 100 Park Street	31/03/2011	31/03/2014	loss	Demolition of existing hotel and erection of a 4 and 5 storey student accommodation building. . Re-submission.	Town centre

# Appendix 4:

## Hotel Demand Projections

**Luton Hotel Demand Projections**

	Current Demand in 2015			Forecast Demand in 2020 (low growth scenario)			Forecast Demand in 2020 (high growth scenario)			Forecast Demand in 2030 (low growth scenario)			Forecast Demand in 2030 (high growth scenario)		
	Person Per Annum (PPA)	Room Nights	Room	Person Per Annum (PPA)	Room Nights	Room	Person Per Annum (PPA)	Room Nights	Room	Person Per Annum (PPA)	Room Nights	Room	Person Per Annum (PPA)	Room Nights	Room
1 Overnight stays visitors	132,480	99,360		153,581	115,185		196,012	147,009		178,042	133,532		250,167	187,625	
2 Passengers flying through Luton airport	1,048,494	786,370		1,100,000	825,000		1,500,000	1,125,000		1,500,000	1,125,000		1,800,000	1,350,000	
3 Easy Jet crews staying	26,000	26,000		34,946	34,946		42,093	42,093		56,923	56,923		56,923	56,923	
4 EasyJet management and admin	3,100	3,100													
5 Allowance for other major airlines (including WizzAir, Ryanair and Monarch)	13,000	13,000		16,592	16,592		20,937	20,937		21,176	21,176		33,719	33,719	
6 Allowance for other staffs accommodation for major employer	1,240	1,240		1,583	1,583		1,583	1,583		2,020	2,020		2,020	2,020	
7 sub total	1,224,314	929,070		1,306,701	993,306		1,760,624	1,336,621		1,758,161	1,338,650		2,142,828	1,630,287	
8 EXISTING HOTEL ROOMS IN LUTON		658,825	1,805		658,825	1,805		658,825	1,805		658,825	1,805		658,825	1,805
9 NET DEMAND		270,245	740		334,481	916		677,796	1,857		679,825	1,863		971,462	2,662

**Sources and Notes:**

- Information from Visit England. A total of 552,000 overnight stays per year by UK residents in Luton in 2011-2013, assuming 24% stay in hotels based on England Occupancy Survey. Assuming low growth rate at 3% and high growth rate at 5% per annum between 2020 and 2030.
- Information from UK Aviation Forecasts by Department for Transport published in Jan 2013 - Table 5.6 low-high range of UK terminal passengers. Assuming 10% of passengers flying through Luton Airport stays at Luton hotels.
- Information from easyJet. Growth at 5% per annum for low growth scenario and 10% per annum for high growth scenario. 5% is EastJet budgeted staffing while 10% is also tested to reflect that easyJet actual requirement is 35% higher than budget over the last 3 year.
- Information from easyJet
- easyJet is the largest operator at Luton and represents 45% of movements at Luton. WYG anticipate that other operators would have only half of easyJet requirement.
- WYG estimates of staff accommodation requirement from other major employers in Luton
- Sum of (1) to (5)
- WYG survey
- (7) - (8)