



12 August 2010
THL Teesside Planning Letter (3)

Mr Simon Grundy
Development Control
Gloucester House
72 Church Road
Stockton-on-Tees
TS18 1TW

Dear Mr Grundy

FORMER SPRINGS LEISURE CENTRE, TEESSIDE SHOPPING AND LEISURE PARK

PLANNING APPLICATION FOR CONSTRUCTION OF 66 BED TRAVELODGE, NANDOS RESTAURANT AND HARVESTER PUB / RESTAURANT WITH ASSOCIATED CAR PARKING (REF: 10/1533/FUL)

We write in connection with the above planning application as the proposed end user of the hotel element of the scheme.

During the course of the application process, it is understood that concerns have been raised by the Local Planning Authority over the proposed location of these uses. In support of the application, we have therefore prepared this letter setting out the operational reasoning for our need to locate at Teesside Shopping and Leisure Park, together with background information on Travelodge as a budget hotel operator.

Travelodge Hotels Ltd

Travelodge was the UK's first budget hotel brand, launched in 1985 and is now the UK's fastest growing hotel company, operating 400 hotels (>29,000 bedrooms) in UK, Ireland and Spain and employing over 5,000 staff. Travelodge is the best known hotel brand in the UK, with 98% consumer brand recognition (BDRC Group, Market Research, 2008), and serves over 6.5 million customers each year. Whilst originally a roadside brand, with hotels located on the motorway and trunk road network, the company's emphasis more recently has been largely developing new hotels in town and city centre locations, together with regional leisure destinations. The majority of Travelodge's developments are new build hotels and most form part of mixed-use development schemes.

Travelodge's hotels trade in the budget sector of the hospitality market. Its business model is to provide comfortable, affordable, no-frills accommodation, which is a very different proposition to higher branded hotels and to smaller guest houses and B&B operations, which often focus on a personal and unique customer experience. It caters for the leisure and business markets, with the typical split across the UK between leisure and business users being 60% / 40%, but varying with location.

Travelodge's growth strategy for the UK is to operate 10% of the accommodation sector by 2020. Travelodge's current 29,000 bedrooms represent around 4.2%, so the strategy requires the brand to grow to around 70,000 bedrooms. Travelodge intends to reach its 70,000 UK room target via individual development schemes rather than major corporate acquisitions. This will include new build developments,

Sleepy Hollow, Aylesbury Road, Thame, Oxon, OX9 3AT
travelodge.co.uk

mixed-use schemes, conversion of existing buildings, adapting 'going concern' hotels and extending its current hotels. The majority of these additional bedrooms will be provided through the development of brand new hotels, thus adding to the overall bedroom stock within the UK and in turn directly contributing to the economy.

Locational Considerations

Travelodge has an existing 55-bedroom hotel located within nearby Middlesbrough town centre. This hotel serves the business and leisure activities in the central area.

This planning proposal is intended to cater for an entirely different hospitality market; one specific to the activities associated with the Teesside Shopping and Leisure Park. It would also offer a complementary amenity to the core shopping and leisure uses.

The Teesside Shopping and Leisure Park is a major leisure destination in the north east attracting some 11 million visitors a year to its 45 shops and restaurants. In addition, the nearby Tees Barrage and Teesside White Water Course adds to the attraction of this area as a leisure destination. The extensive catchment area of the Park generates a demand for hotel accommodation from visitors. With the majority of visitors arriving by car, a number of prerequisites exist for a hotel operator in this location. Amongst other things, these include being accessible to guests through proximity to the A19 and A66, together with the availability of car parking onsite. Travelodge has been seeking an opportunity in the area for some time, with the Former Springs Leisure Centre currently being the only available site that provides such operational requirements.

A further locational consideration is that with the hotel only providing vending facilities, it is reliant upon the availability of the food / drink offer and other amenities for guests within the immediate surrounding area. Together with the pub / restaurant uses proposed within the planning application, the local area provides a good range of facilities and services for guests, ensuring that they will be well catered for.

We understand that during discussions with the applicant, the Local Planning Authority has referred to alternative sites to locate this hotel facility, including the Former Swallow site. This site would not represent an opportunity suitable for a Travelodge hotel as the unit size would be excessive for our accommodation requirements in this area and it includes extensive conferencing and banqueting facilities, which, as a budget hotel operator, we do not offer. Furthermore, it is in a poor state of repair and in need of extensive refurbishment, which would make this opportunity unviable. As this proposal is seeking to cater for a specific market associated with the Teesside Shopping and Leisure Park, locating in an entirely different location would not be operationally viable and Travelodge already has an existing trading hotel in the centre of Middlesborough, servicing the budget hotel demand in that area.

The operational needs of town centre uses such as hotels are however recognised in planning policy. The practice guide to PPS4 (2009) requires Local Planning Authorities to consider the relative priorities and needs of different main town centre uses, particularly recognising their differing operational and market requirements (para 6.90). In this respect, because the market is specific to the Teesside Shopping and Leisure Park it needs to be located within close proximity. Given this, Travelodge would not consider an alternative site for this hotel, as it would not be operationally feasible.



Hotel Benefits

It is also worth highlighting the benefits that this proposed hotel facility can offer to the area. Opening a new Travelodge facility in the Borough provides the opportunity to deliver a number of identifiable benefits to the area and local community. One of the main benefits is the level of job creation that the hotel will provide. A Travelodge Hotel containing 66 bedrooms and a vending facility, will generate 6 full time and 10 part time employment opportunities. All employees will be recruited locally, including management positions. Those who join Travelodge are given training as a matter of routine, with the aim of achieving at least a level two national vocational qualification. Those who show promise can be fast-tracked to a management development scheme that can lead to promotion to assistant or hotel manager.

Travelodge has also given a long-term commitment to the Government to recruit its entry level vacancies at all its hotels through a Local Employer Partnership with Job Centre Plus. Through this Partnership Travelodge agrees to interview unemployed applicants. In turn, Job Centre Plus agrees to identify staff suitable for the position with the right basic skills and forward candidates to Travelodge. Since joining this scheme in 2007, over 90% of staff for all of Travelodge's new hotels have been recruited from the local unemployed, with 67% coming from the Job Centre Plus' priority groups.

As a Travelodge is a limited service hotel, our customers spend far more in the local economy than those staying in full service hotels. Guests will use existing facilities within the surrounding area, helping to generate revenue for the local economy through guests spending on local goods and services. Information collected by Travelodge in 2006 (sample of 2,000 guests nationwide) indicates that the average Travelodge guest is likely to spend £36 a day on local goods and services. Assuming an average hotel occupancy of 85% throughout the year, this could generate a local revenue of nearly £750,000 per annum. The ethos of Travelodge is based on utilising local people and local amenities, which ensures each new Travelodge brings with it economic and employment benefits to each new location.

We trust this letter provides sufficient reasoning as to Travelodge's operational needs to locate on this site and background information on our business. Should you wish to discuss any matter in further detail, please do not hesitate to contact me.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Tony O'Brien", is located below the text "Yours sincerely,".

Tony O'Brien
UK Development Director