

LEE VALLEY REGIONAL PARK AUTHORITY
AUTHORITY MEETING
25 APRIL 2024 AT 14:00

Agenda Item No:

7

Report No:

A/4351/24

**PROPOSAL FOR ADDITIONAL VISITOR ACCOMMODATION
ENHANCING THE OFFER AT SEWARDSTONE CAMPSITE**

Presented by Corporate Director

SUMMARY

The proposal is to develop three new key areas consisting of additional and new accommodation types at the Sewardstone campsite. This will broaden the portfolio available for customers to rent. This report seeks approval for development of the three key areas. The expansion of the private static holiday home numbers by an additional ten units, the sale of which will then fund all the remaining phases, development of hotel pods and the creation of a woodland zone. These schemes will enable the Authority to improve the environmental credentials of the campsites, engage with a broader customer base and provide a return for its investment.

RECOMMENDATIONS

- Members Approve:
- (1) the three phases of development outlined within this report;
 - (2) use of the revenue returns to fund the project; and
 - (3) a financial waiver for the purchase of the hotel pods at a cost of £123,000 as outlined in paragraph 6 of this report.

BACKGROUND

- 1 Sewardstone Campsite was originally a touring site where all visitors brought their accommodation unit (tent, touring caravan, motor home) with them. Over the years the Authority has diversified the offer and now the site has 46 private holiday homes, two forms of cocoons, new glamping pods known as Peaky Pods and an Airbnb offer.
- 2 This diversification has proved very successful and offers a wide opportunity to meet our visitors' needs and wants. As such our campsites cannot stand still and need to move with the times, to keep them modern, appealing and profitable.

- 3 With this ethos in mind officers propose a new three phase enhancement programme. This starts with an extra ten static holiday homes which in turn funds the remaining two phases.

THE THREE PHASES

4 Expansion of the Statics

The development opportunity at Sewardstone Campsite comprises of three development phases, the first being the creation of ten additional hard standing pitches to accommodate the latest 40 x 13 single unit holiday homes, six of which will have private parking making them premium pitches. Each new unit will be owned privately.

This element will have no impact on the current staff or resources of the site as they are in private ownership.

They will also require little of the marketing budget to complete the sales as the site has a waiting list and initial contact has received a positive response. Consultation with the existing owners will be required but can be undertaken within current resources.

5 Woodland Zone

The second phase of the development is creating a modern outdoor learning and activity area set in established woodland to the west of the site behind the existing cabins and holiday homes. The area will comprise of a woodland activity zone, bird hide village, amphitheater seating, den building zone, messy mud zone, bare foot trail and bug hotel along with sheltered teaching area and look out point. This will be a secure area with an entrance into the campsite where two dormitory style Safari tents will be situated to accommodate short term overnight stays. The second entrance is at the bottom of the woodland area and will provide wider access to the Park and the River Lee. When not in use for education and engagement purposes the area can be opened to guests of the campsite and can be themed for seasonal activities and promotions with the use of interactive QR codes.

The Learning and Engagement team will work with the campsite to produce activity programs that are broadly in line with the national curriculum before commencing with digital marketing campaigns, using our extensive database of schools and community groups in London, Hertfordshire, and Essex

6 Hotel Pods

The third part of the development comprises four hotel pods unique to the Authority. Based on a 23sqm hotel room each pod will comprise a full-size bathroom with a 1600mm walk-in shower, queen sized bed, sofa bed, desk, wardrobe, and dressing area with the addition of a fridge and microwave not found in normal hotel rooms. Each pod will have private parking for two cars with EV charging points included in the rental charge. The aim is to have two of the four pods fully accessible as the campsite presently does not have any accessible rental units. The charge is anticipated to be £90 per night comparing favourably with the nearby hotel accommodation.

The running of these additional units will be incorporated into the existing site operation and won't therefore require much additional resource.

The hotel pods will be added to our own booking system and sold with the support of our existing third-party booking platforms.

The hotel pods are bespoke units and as such we cannot tender or get like for like quotes to fulfill Financial Regulation 571, therefore we are seeking approval to waive these, we have a quote for £31,000 each so a total of £123,000.

7 Project Time plan

It is envisaged that the project will take 17 weeks to complete. The first phase of creating the ten static pitches will take nine weeks, the woodland activity zone will take four weeks to complete and the final phase taking a further four weeks.

Phase one will commence after the sale of three static pitches (off plan).

Phase two will commence on the sale of five pitches.

Phase three will commence on the sale of eight pitches.

The two remaining static pitches do not trigger any future phases.

8 Current site layout



More detailed designs and plans are shown in Appendix A to this report.

CURRENT POSITION

- 9 Woodland management works have already been undertaken to both enhance the woodland and create the space for the proposal to take place. These works have been overseen by our Conservation team.
- 10 Feedback has been sought from Epping Forest District Council but no formal response has been received to date. The previous additions have been accepted by their Licensing team who have commented on how the site is

improving.

- 11 If Members approve the proposal, planning permission will be sought at the earliest opportunity. Consultation with the neighbouring holiday homeowners is planned for the next month. The risk is that planning is not achieved, but officers are in the process of clarifying the planning position and if an application is required officers are positive as to the outcome.

FINANCIAL

- 12 The total investment including the private holiday homes is circa £1.1million. The return from the investment is just over the total investment (including a small contingency) amount required. We have a waiting list for holiday home purchases greater than the additional ones proposed, so officers are confident of sales. The future phases can be delivered in line with sales.

Expenditure	Budget
Asset Purchase Costs	£927,645
Planning and infrastructure	£153,849
Marketing and Promotion	£10,000
Fiber WiFi	£20,000
Contingency (overnight expenditure, movements waste connections)	£12,100
Development Expenditure	£1,123,594
Development Income	£1,154,900
Balance	£31,306

- 13 The asset purchases include a mix of revenue (holiday homes for resale) and capital (hotel pods, safari tents, site enhancement) expenditure. The capital expenditure will be fully funded directly by a contribution from the holiday home sales income, so will not require use of existing capital reserves, and therefore not reduce our capital resources.
- 14 Whilst the project itself will be self-funded by the holiday home sales, there is likely to be a lag in terms of full income receipts from holiday home sales, and expenditure required on phase investments, but this can be accommodated within the Authority's cash-flow management.

Because of the requirement for planning and infrastructure works (e.g. site grounds maintenance, electric upgrades) ahead of caravan siting, there will be a need for around £100,000 of upfront cash-flow expenditure to prepare the site. However, as there is a waiting list for new pitches, the initial sale of holiday homes can commence, with deposits taken and units ordered.

Phase two, Woodland Zone, will then be financed once the first five holiday homes are sold, with Phase three commencing after eight sales. However, if sales are slower than anticipated, the later phases can be pushed back.

- 15 Once complete, the expected full year impact to the annual revenue return is detailed below.

Revenue pa	Budget
Site Fees [6 premium & 4 standard holiday homes with decks]	£40,500
Holiday Pods [based on 70% occupancy]	£58,032
Activity and Learn Breaks [10 groups of 30]	£15,000
Increased retails sales and family stays [8%]	£16,000
Total Income	£129,532
Additional Expenditure pa	
Staff	£14,000
Cleaning & Linen	£5,750
Utilities	£2,000
Marketing	£2,000
Repairs & Maintenance	£3,000
Other Costs	£2,000
Total Expenditure	£20,750
Net Operational Surplus	£100,782

The expected net revenue income in 2024/25 once the development stage is complete is £30,000, which allows for part-year site fees, as well as some income from holiday pods. Along with small surplus from the development stage of £31,306, will see a net change to the Authority's revenue budget for 2024/25 to one of a surplus of £53,800 (Authority approved budget was £7,500 deficit Paper A/4643/24).

BENEFITS OF THE SCHEME

16 Financial Benefits

- Does not require capital input from the Authority.
- Provides small investment profit.
- Increases annual net return by over £100k per annum.
- Extended operating season, by extending the "shoulder" periods.

Community Benefits

- Enables the Authority to engage communities across the region.
- Provides a platform to engage with new groups such as Home-Schooling UK and Mumsnet.
- Provides a day visitor attraction for nursery children and Reception School groups.

Environmental Benefits

- Improves and promotes ecology.
- Enables us to apply a sustainable woodland management programme.
- Promotes and improves biodiversity of the campsites and the Authority.

ENVIRONMENTAL IMPLICATIONS

17 The environmental implications are outlined within the body of this report.

FINANCIAL IMPLICATIONS

18 The financial implications are outlined within the body of this report.

HUMAN RESOURCE IMPLICATIONS

19 If approved the additional elements of the woodland zone, phase two of the project, will require the establishment and appointment of an additional 0.5FTE post.

LEGAL IMPLICATIONS

20 There are no legal implications arising directly from the recommendations in this report.

RISK MANAGEMENT IMPLICATIONS

21 The risks are outlined within the body of the report.

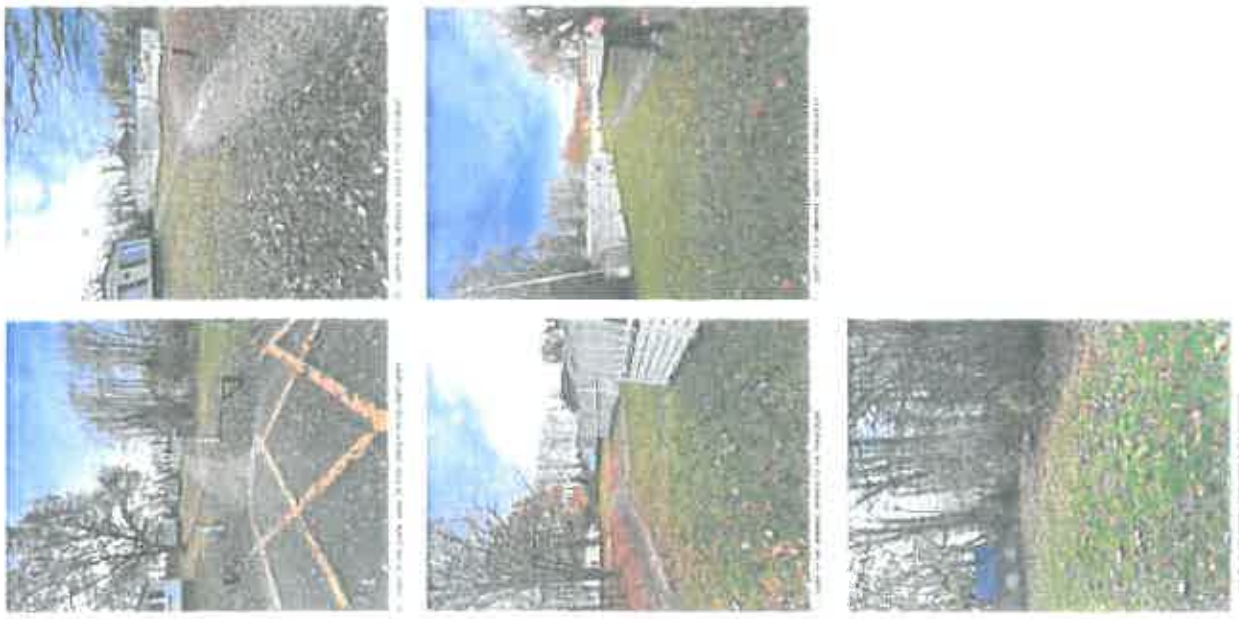
EQUALITY IMPLICATIONS

22 There are no equality implications arising directly from the recommendations in this report.

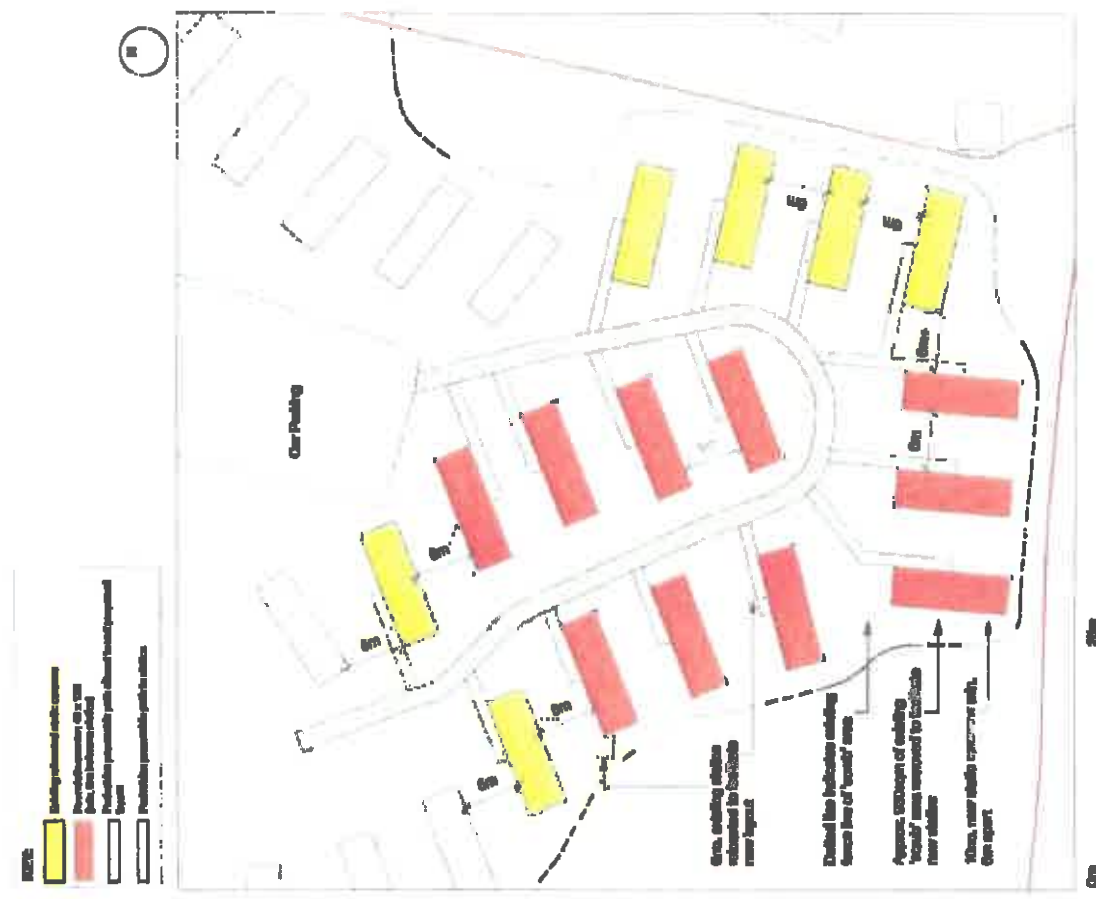
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APPENDIX ATTACHED

Appendix A Proposed Master Plans for the Three Phases



EXISTING CONTEXT PHOTOGRAPHS



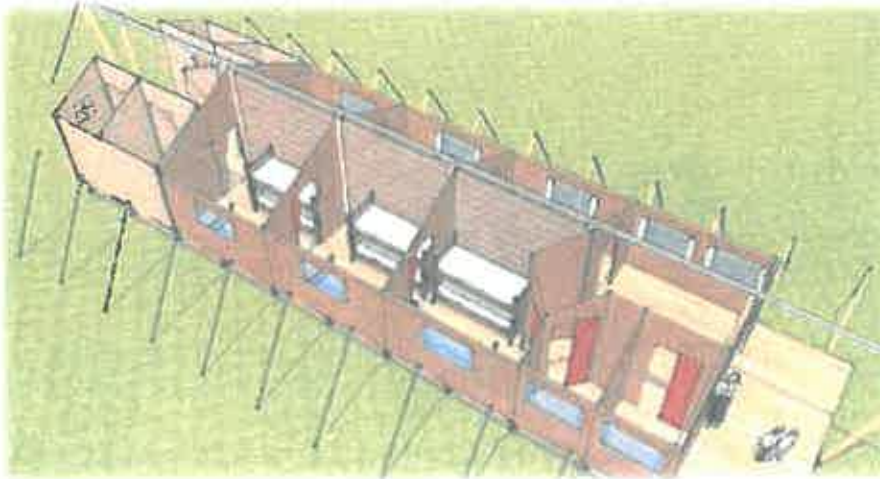
**Ordnance Survey Map as provided by LVPPA
 CAMPING & CARAVAN PARK, SEWARDSTONE
 ADDITIONAL STATIC CARAVANS : PROPOSED
 Scale 1:500**

Supporting Images

Woodland Activity and Learn



Demeritoy Safari Tent Layout



Hotel Pods 23 square meter



Conclusion

This investment opportunity can best be described as “Low Hanging Fruit” providing an immediate impact on the 2024/25 season in terms of:

- No requirement for an initial capital investment freeing up Authority funding for other projects
- A positive capital receipt from the development
- If started now it can be available for May 2024 taking in the peak seasons
- Increases the net operating profit of 371 by over £125k per annum year on year
- Identifies new revenue streams from hotel pods, learn and activity breaks and schools and community groups
- Provides the opportunity for greater community engagement across London, Hertfordshire and Essex
- It modernizes the site
- Creates increased workforce engagement
- Promotes repeat visits
- It's a sustainable project that improves ecology and bio-diversity
- It meets all of the Authority's Values

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