
CAIRNGORMS NATIONAL PARK AUTHORITY

Title: REPORT ON CALLED-IN PLANNING APPLICATION

Prepared by: ANDREW TAIT, PLANNING OFFICER (DEVELOPMENT MANAGEMENT)

DEVELOPMENT PROPOSED: CHANGE OF USE FROM HOTEL TO RESIDENTIAL USE, HEATHERBRAE HOTEL, DELL ROAD, NETHY BRIDGE (FULL PP)

REFERENCE: 07/450/CP

APPLICANT: BRIAN & IRENE TAYLOR

DATE CALLED-IN: 30 NOVEMBER 2007

RECOMMENDATION: APPROVAL (AMENDED REPORT)

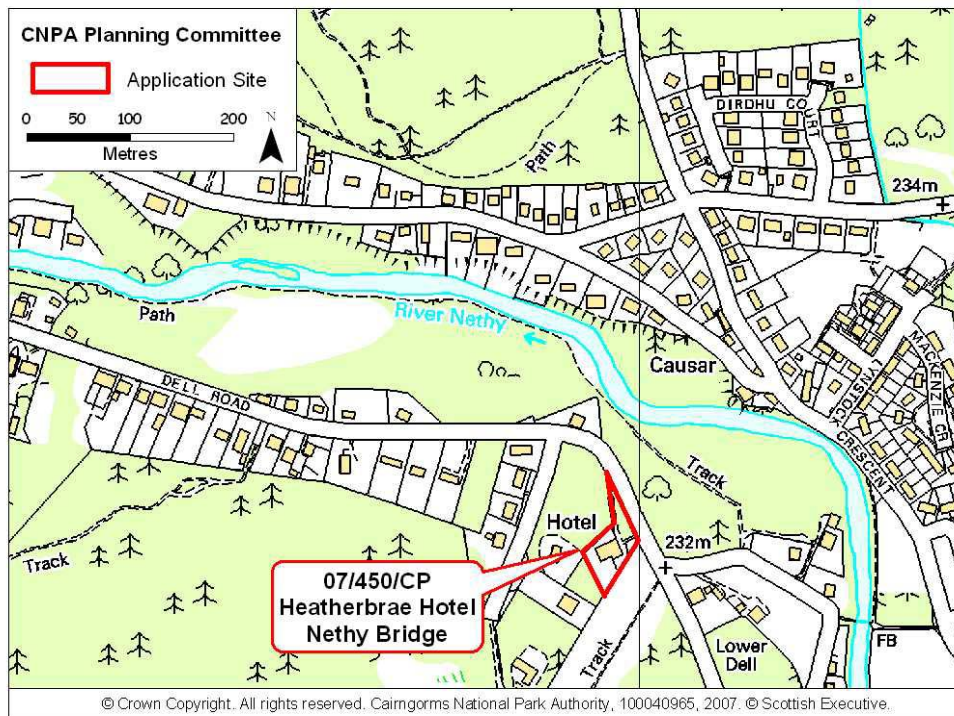


Fig. 1 - Location Plan

SITE DESCRIPTION AND PROPOSAL

1. The Heatherbrae Hotel lies on the Dell Road in Nethy Bridge towards the edge of the village (see figure 1). The hotel is set on rising ground to the south side of the River Nethy and the road. The area is generally characterised by housing in a woodland setting.
2. The hotel was bought by the current owners in October 2005. The hotel closed in early October 2007. The closure followed an attempt in spring 2007 to market the hotel as a going concern which was not successful. The Heatherbrae was formerly used as a hotel with 4 letting bedrooms (although it is understood to have 8 in total) but also included a substantial public bar with a games room, conservatory restaurant and a small beer garden at the front of the building.
3. This application is for the change of use of the Hotel to a single residential use in principle. Plans have been submitted showing how the building could be utilised as a single dwelling without any significant external or internal alteration. Should this application prove successful another application would be likely to follow which would include any physical works to convert the building to a single dwelling house.
4. The applicants originally submitted a short supporting statement with the application and subsequently in the face of a significant number of objections to the scheme have put forward further statements to justify the reasoning behind the application. **These statements were attached to the original report that was considered on 8 February in Nethy Bridge where members decided to defer a decision for an independent economic assessment of the business. From the applicants' viewpoint the business was considered no longer viable as they had been subsidising the hotel throughout its operation, this eventually prompted its closure. The main body of the independent economic assessment is included at the back of this report. The appendices are not because they include private business figures.**



Figs 2, 3 & 4 Front and rear Elevations of Hotel.



Fig 5 Hotel entrance

DEVELOPMENT PLAN CONTEXT

National Guidance

5. At the National level **SPP3 Planning for Housing** encourages the re-use of existing buildings for residential development. Para 32 under the efficient use of land and buildings, tends to relate to larger settlements but notes that the conversion of commercial premises offers opportunities to create new residential environments with a distinctive character while retaining buildings of architectural or historical interest.
6. Para 49 of SPP3 notes that traditionally planning policy has sought to restrict new housing in the countryside to maintain rural character and amenity and safeguard agricultural production. Where possible most new housing requirements should be met within or adjacent to settlements.
7. **Scottish Planning Policy 2 Economic Development** includes a range of advice promoting new economic development but says little about protection of existing facilities.
8. **Scottish Planning Policy 15 Planning for Rural Development** again emphasises promotion of rural economic development in the right places and seeks thriving and sustainable communities but says little about the role of existing facilities.

Highland Structure Plan 2003

9. **Policy G2 Design for Sustainability** considers that proposed developments will be assessed on the extent to which they are compatible with service provision, are accessible by public transport,

cycling and walking, maximise energy efficiency, make use of brownfield sites, existing buildings and recycled materials, impact on individual and community residential amenity, impacts on landscape, habitats, species, cultural heritage, promote varied, lively and well used environments and contribute to the economic and social development of the community.

10. The Highland Structure Plan includes a whole section on tourism and the first line of this section notes that tourism is a vital element of the Highland Economy. Under para 2.7.8 General accommodation is not considered to be on the whole in short supply, although a growth trend in recent years has been evident in the self catering sector. Again there is little in the way of guidance as regards the protection of existing facilities.

Badenoch and Strathspey Local Plan

11. The Plan recognises the importance of tourism in the area. Under 2.2.10 the council will encourage the development of tourist accommodation and facilities at suitable sites within or immediately adjoining communities.
12. Under the text section of the Plan it is noted that the economy of the area relies heavily upon tourism, and there is a need to broaden the area's economic base. Given a large local population of retirement age, and a substantial number of second or holiday homes this will foster a better balanced community. The main objectives at Nethybridge include safeguarding and enhancing local amenities, including important open spaces; securing an appropriate range of community facilities and services; and helping strengthen and diversify the economic base of the community.
13. The site is shown as infill on the proposals map of the Badenoch and Strathspey Local Plan for Nethybridge, there is a narrow strip of amenity woodland to the north east with housing allocations either side of the site. The site on the north- west side of the hotel has been developed.

Cairngorms National Park Plan 2007

14. Strategic objectives for Living and Working in the Park under **5.2.2 Sustainable Communities** include objective c) which seeks to promote provision of local services that meet the needs of communities through community planning and other community development initiatives. The background to this objective notes that the provision of services should contribute to thriving communities that have the appropriate facilities to meet their needs. Access to services, including schools, health care and social infrastructure such as shops, post offices, pubs and phone boxes are key to the long term sustainability of

communities. New development should seek to reinforce the sustainability of communities and support the provision of services in settlements. Under **5.2.3 Economy and Employment** include a) creating conditions that are conducive to business growth; d) promoting opportunities for economic diversification across all areas of the Park.

15. Under **5.3.2 Sustainable Tourism** a range of strategic objectives relate to b) improving and maintaining the quality of experience in the Park for all visitors, communities and those working in the tourism industry; e) strengthening and maintaining the viability of the tourism industry in the Park and the contribution that it makes to the local and regional economy.

NOTE FOR INFORMATION ONLY

16. **I would not normally introduce policies from the Cairngorms National Park Deposit Local Plan. However, a large number of objections that have cited Policy 33 Tourism Development of the plan have led me to include this policy. However, I would stress that this is for information purposes only.**
17. The Policy states that “Proposals for new or enhanced tourism-related facilities/attractions will be favourably considered where they enhance the range and quality of tourism attractions and facilities on offer, and/or lengthen the tourist season, with a beneficial impact on the local economy and without adverse environmental or landscape impacts. Any change of use within or away from the tourism sector should not adversely affect the quality of standards provided, or the selection offered, without adequate justification to the satisfaction of the planning authority.
18. “Supporting justifications for proposals should be based on best practice relating to the European charter for Sustainable tourism in Protected Areas, and the standards established within the industry through Visit Scotland.”
19. “All proposals should protect the current quality of the environment and amenity enjoyed by local communities, maintain and enhance the quality of the visitor’s experience and ensure the long term viability of the local tourism industry. Any proposal that would reduce the tourist facilities of an area will be resisted unless the affect can be compensated for/mitigated.”

CONSULTATIONS

20. **Highland Council Contaminated Land** has no comment on the proposal.
21. **CNPA Sustainable Tourism Officer** comments that the Heatherbrae was an 8-bedroom hotel. According to the Nethy bridge Tourist Association web-site it is one of three hotels in the village along with 10 B&Bs, 3 hostels and 56 self-catering units. It also has a bar that is open to non-residents. The proposal raises issues about loss of visitor accommodation, but it is considered that the potential loss of the bar and restaurant are of greater concern. Nethy Bridge is well served by visitor accommodation but many smaller accommodation operations have recommended the Heatherbrae to guests for lunches and evening meals. Consequently, there is some potential of wider economic impact. Information on general tourism trends within the National Park is provided through analysis of STEAM (tourism economic activity monitor) data from 2003 – 2006 (2007 figures are not yet available). If we look at visitors staying in serviced accommodation in Badenoch & Strathspey we see an 11% rise in tourist days over that 4-year period.
22. The applicant states in his letters that tourist numbers have fallen dramatically following recent mild winters. The figures we have for the period Jan – March from 2003–2006 show fluctuation, but an overall increase in tourist days for the serviced accommodation sector.
23. Additionally the Aviemore and Cairngorms DMO has recently commissioned a quarterly “business barometer” to assess business confidence in the local tourism industry. Key results below from the first survey (Q3 2007, July-Sept) show that business confidence is generally high.

<i>YTD to same period last year (customer numbers):</i>	<i>Anticipated business levels in coming year(customer numbers):</i>
24.2% - downturn in customers 21.2% - no change 47% - increase in customers of up to 20% 7.6% - increase in customers of over 20%	9.1% - expect a downturn in customers 24.2% - expect no change 59.1% - expect increase of up to 20% 7.6% - expect increase of over 20%

Marketing of the Hotel

24. In the applicant’s letter dated 1st November he advises that that “business has steadily declined at the Heatherbrae since 2005, despite attempts by the licensee to increase trading at the premises.” Would it be possible to find out what these attempts were?

Property Sale Marketing

25. I understand that the property has been marketed for sale through Masson Cairns. The headline listing for the property states "8-bed detached house" and the property fails to appear when a search for 'commercial' property is carried out. This may imply that marketing has been skewed towards a private sale. There are specific sales outlets for commercial properties and I would be interested to know if the property has been marketed through such specific sites.
26. The economic report confirms that the hotel was profitable under previous owners from 1988 - 2005. Under recent management by the licensees from 2005 - 2007 the profitability was in decline, largely, but not solely, due to the high leasing fee due to the applicant. They conclude that the business is unable to provide an income to an owner and separate licensees but would be viable if owner-operated. The consultants also echo my concerns that the property was not adequately marketed as a hotel, highlighting a shortage of hotel properties for sale in the area. I would therefore like to see the property marketed nationally through a specialist commercial property agent.

REPRESENTATIONS

27. Two letters had been received from **Nethy Bridge Community Council** and were attached at the back of your original report.
28. The first letter dated November 2007 considers that while not wanting to dictate any individual rights or freedom, the Community Council would like to see the Heatherbrae Hotel remain a pub, restaurant, and hotel. To lose this establishment seriously adversely affects all other tourist related businesses in the village. The Community Council therefore request that permission is denied.
29. The second letter dated December 2007 reiterates that the Community Council is against the proposal for the Heatherbrae which is considered to be greatly used by locals and visitors alike. However, if at the end there is no alternative a request is made that a clause be inserted as a condition that the building is used as a single residence and not allowed to be developed as flats nor the ground built upon and further that the building is restored to its original design of a detached villa.
30. The proposal has attracted a large number of individual objections.
31. There have been 27 letters/e-mails received and 40 pro-forma petition style letters and a formal petition that was circulated in 2007 under the title 'Save the Heatherbrae' this includes 235 entries representing 275 individuals, all of these were attached at the back of your original

report. Representations also include an e-mail from the Nethy Bridge Tourist Association which has 64 members.

32. The individual letters raise issues in relation to the large number of objections and petition; loss of venue for locals and visitors alike; impact on local B&Bs from lack of evening meals; description of development misleading; loss of tourism provider; loss of local social venue for weddings, funerals and for local organisation meetings etc; potential for site to become multiple occupancy; other hotels specialise in catering for bird watching and coach tourism and not more general tourism; contrary to Policy 33 of the Cairngorms National Park Deposit Draft Local Plan; over 70 local B&B establishments to some extent have relied on the Heatherbrae; set a precedent that would encourage further change of use applications of this type.
33. The pro-forma style letters raise the following concerns. 1) Detrimental effect on tourism 2) If change of use is allowed there is a strong possibility of this site becoming a far larger building development. 3) Any development if the Heatherbrae Hotel would certainly be contrary to Policy 33 of the Cairngorms National Park Deposit Local Plan (see above policy section).
34. Background justification for the proposal from the applicants was also attached to your original report where responses are made to the objections put forward. Later letters also cover issues raised by CNPA officers in the consideration of the application relating to how the business has been marketed; what was the secondary income stream and what attempts had been made to increase trade.

APPRAISAL

35. A detailed report had been presented at the previous meeting which covered a range of issues in detail and it is not my intention to cover this ground again.
36. The key concern related to the viability of the Heatherbrae as a business and whether this apparent lack of viability was a justification for granting approval for the scheme. The recommendation was for approval of the proposal, though the report at the time made clear that this was a difficult decision to balance and that there were concerns about the fact that the property had not been marketed as a going concern with a specialist agent, although it was recognised that there was alternative provision within the village in principle.
37. Because of the concern about viability, members decided to defer the application to allow an independent economic assessment to be carried out. This has now been carried out and the report is attached at the back of this planning report. The report included trading figures but I have

withheld these as this constitutes private business information. The written body of the report covers the issues adequately in any case.

38. On the point relating to the hotel not being marketed through a specialist agent the report confirms concerns about this. The independent consultant has discussed the matter with Christie & Co who are specialist agents for the sale of Hotels in Scotland. The senior negotiator for Christies examined the trade particulars and trading figures for the Heatherbrae and compared them with similar businesses. It was pointed out that because the hotel had not been marketed with a specialist that many potential buyers would not be aware of the Heatherbrae. The independent report therefore harbours a concern that because the hotel was not marketed with a specialist it failed to receive the attention of buyers in the nationwide market place. Christie and Co added that there is a shortage of hotel properties for sale in the area. They also considered the rental figure being charged to be unrealistic. However, this is a business arrangement between the two parties and presumably both parties entered it freely.
39. The report clearly shows that trade has been dropping off over a period of time but there a range of reasons for this and it is clear from the report that the Hotel could still be potentially viable if it was actually operated as an owner run business.
40. This is still a very difficult application to make a recommendation on as there are still several physical issues such as the location of the Hotel, alternative provision within the village and elsewhere and the general state of repair of the building that has recently been exacerbated by the removal of the bar fixture and fittings. This would indicate that a considerable investment would be required for the re-opening of the Hotel.
41. My earlier report considered that the recommendation was very much on balance relying on the physical aspects of the argument in relation to non-viability. My earlier report under the conclusion recognised that a business had to be viable in economic terms to be truly sustainable as a facility for locals, visitors and tourists alike.
42. As a starting point the economic report considers that the Hotel had been marketed at a reasonable price for it to be purchased as a hotel. My original report expressed some concerns about the marketing of the hotel and the economic report to some extent bears this out with a specialist on Hotel sales pointing out that if marketed through a specialist agent the Hotel would have attracted greater attention. While accepting this point the counter argument for the applicant would run that the Hotel had been considered by a significant number of potential buyers (18 in total) with no takers. It is important to note that the applicant presumably could not provide potential purchasers with business figures for the hotel. However, any potential purchasers could have approached the licensees directly for this information.

43. The economic report commissioned by the CNPA considers that the Heatherbrae was a profitable hotel but that the profitability was in decline not just because of a very high rental figure but also because of a substantial drop in revenues. The report provides an indication that there are revenue problems with the hotel but that it could, potentially be viable with the right owners. I would emphasise at this point that my report is making a planning and not a business based recommendation. A planning recommendation must reflect the policy context that the decision is being made in. As mentioned in the previous report there is little policy background of direct relevance beyond the objectives of the Nethy section of the Local Plan where a statement is made regarding safeguarding and enhancing local amenities; securing an appropriate range of community facilities and services to strengthen and diversify the economic base of the community. However, the plan does not expand upon what these facilities are and has no specific statement on the loss of any particular facility. The most clear and recent guidance is in the form of the National Park Plan where section 5.2.2 talks about the provision of services contributing towards thriving communities that have appropriate facilities to meet their needs. The guidance notes that access to services such as pubs are key to the long term sustainability of communities. There is wide community support for the planning committee to resist this change of use application but the economic report indicates a reality that there has been a substantial drop in revenues.
44. As mentioned many times this is a difficult application to make a decision on and places the committee firmly upon the difficult ground between allowing the market to operate freely and the level of control that can be reasonably justified by the planning system. Here I would emphasise that the degree of regulation upon any particular application is based upon the requirements of the development plan policies contained within the relevant Structure and Local Plans. In this case, there is little policy to support the retention of the Heatherbrae. To aid in the decision making process the applicant has been asked to provide justification for the proposal to give an indication of the viability of the business and this was followed up by a request from the Committee for an independent economic assessment. This has recognised that the property was marketed at a price which would not necessarily deter commercial buyers; and that there has been a substantial drop in revenues. The report tends to indicate that the business could be viable if in the right hands. However, this could be said about many struggling businesses and it is not the place of the planning system to resist such proposals on the basis that there could be 'someone out there' who could make the Heatherbrae (or any other business) a success. At the end of the day there should be a realistic anticipation that the business would re-open if the proposal to change of use to a dwelling was resisted. The Economic Report points out that a considerable investment would be required to get the business up and running, although this has been exacerbated by the recent works to remove the bar fixtures and fittings. I find it unlikely that the Heatherbrae would re-open as a business and it is the case that the building could be

used purely as a guest house without the requirement for planning permission.

45. In addition to the economic report, officers have also taken advice from a planning solicitor who confirms that development plan policy must be the basis for any decision. It was considered that while not impossible this would be a difficult case to resist on appeal as he regarded development plan policies and national guidance to be largely neutral, or mildly supportive of the proposal given that there is an emphasis on the re-use of buildings for residential development as outlined by SPP3 (see development plan context section of the report). Given the lack of policy to support the retention of the facility the fact that the premises are closed and have been for some time, taken together with the fact that there is some evidence of marketing and declining revenue the solicitor considered that there was no easy answer to this matter but, on balance, considered that the proposal should not be resisted.
46. As with my earlier report I am of the view that this is quite a finely balanced decision but make a recommendation of approval on the basis that some marketing has been carried out, that the premises are unlikely to re-open regardless of the committee's decision and also on the basis that there are other facilities within the village. Should the Planning Committee wish to reject the application I would suggest that any reasoning should be based upon the National Park Plan and the limited references in the Badenoch and Strathspey Local Plan with regard to safeguarding and enhancing local amenities of the village.

IMPLICATIONS FOR THE AIMS OF THE NATIONAL PARK

Conserve and Enhance the Natural and Cultural Heritage of the Area

47. The change of use of the building does not grant any physical alterations to the Heatherbrae beyond what would not require permission, the conversion and use of the building in future could revert the building to its original form as a Victorian Villa and contribute to cultural heritage in a physical sense. Conversely given the number of concerned residents the loss of the hotel would appear to have some negative effect on the cultural life of the village, although it must be recognised that this loss has already occurred with the closure of the hotel. There are no natural heritage considerations here.

Promote Sustainable Use of Natural Resources

48. The proposal is not directly relevant to this aim in a physical sense. There is the possibility that the proposal could result in more journeys away from the village to restaurant facilities elsewhere.

Promote Understanding and Enjoyment

49. The change of use would result in an alternative use for the building and the loss of a facility. However, as noted above this loss has already taken place with the closure of the Heatherbrae.

Promote Sustainable Economic and Social Development

50. Concerns have been raised by a large number of objectors in relation to the economic impact of the loss of the Heatherbrae with particular regard to the loss of lunch and evening meal provision for B & B clientele staying within Nethy. The new information provided indicates that the Heatherbrae has some potential but would need a significant investment to re-open. While there is some concern regarding the loss of this facility for local people the facility could not be expected to remain open to service other accommodation providers. It has to be noted that the Heatherbrae is already closed and it is unlikely that it would re-open in its former guise. This is particularly the case given the potential for the Heatherbrae to be adapted to a guest house without the need for planning permission.

RECOMMENDATION

51. That Members of the Planning Committee support a recommendation to **GRANT** Full Planning Permission for change of use from hotel to residential use at the Heatherbrae, Dell Road, Nethy Bridge.
1. The development to which this permission relates must be begun within five years from the date of this permission.

ADVICE NOTE

For the avoidance of doubt please note that this permission is for the principle of the use of the building as a single residential unit. The permission does not allow for multiple occupation or any physical alterations beyond what would not normally require planning permission.

Andrew Tait
Date 24 April 2008

planning@cairngorms.co.uk

The map on the first page of this report has been produced to aid in the statutory process of dealing with planning applications. The map is to help identify the site and its surroundings and to aid Planning Officers, Committee Members and the Public in the determination of the proposal. Maps shown in the Planning Committee Report can only be used for the purposes of the Planning Committee. Any other use risks infringing Crown Copyright and may lead to prosecution or civil proceedings. Maps produced within this Planning Committee Report can only be reproduced with the express permission of the Cairngorms National Park Authority and other Copyright holders. This permission must be granted in advance.