
CAIRNGORMS NATIONAL PARK AUTHORITY

Title: REPORT ON CALLED-IN PLANNING APPLICATION

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(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

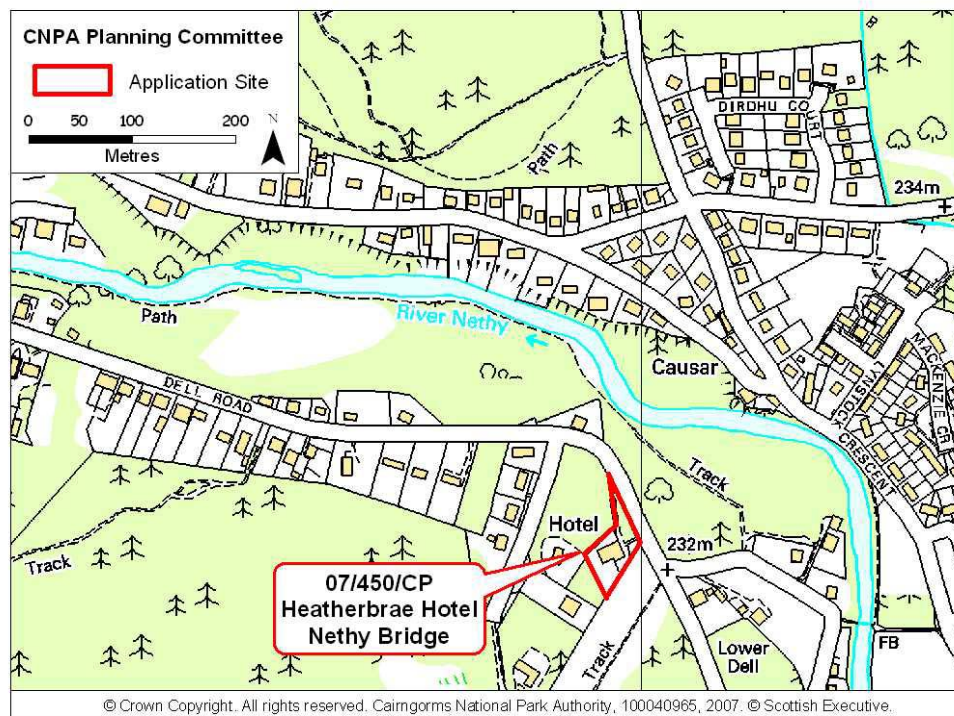


Fig. 1 - Location Plan

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 are attached at the back of the report. For a range of reasons the business was considered no longer viable as the applicants had been subsidising the hotel throughout its operation, this eventually prompted its closure.



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 for information purposes.
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> |
|---|--|
| <p><i>24.2% - downturn in customers</i> <i>21.2% - no change</i> <i>47% - increase in customers of up to 20%</i> <i>7.6% - increase in customers of over 20%</i></p> | <p><i>9.1% - expect a downturn in customers</i> <i>24.2% - expect no change</i> <i>59.1% - expect increase of up to 20%</i> <i>7.6% - expect increase of over 20%</i></p> |

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. At present I remain unconvinced that the property could not run as a viable business and would like to see a greater effort made to market it as a commercial property. **(Further information addressing these questions has been provided by the applicants and is attached at the back of the report).**

REPRESENTATIONS

27. Two letters have been received from **Nethy Bridge Community Council**
28. Both are attached at the back of this report. 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 are attached at the back of the 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 is attached at the back of the 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. Firstly, it is important to note that this application is for change of use of the building from a hotel to a single residential use. Some concern has been raised by objectors about the description of the development referring to the change of use of a private hotel and the lack of reference to a public bar or restaurant facility which the building also hosts. However, Highland Council planners removed the word 'private' from the official description of the development. In addition the large number of objections made appear aware of the facilities that the Heatherbrae offered.
36. Again, this is purely an application for the change of use of the building to a single residence. The application does not refer to the physical redevelopment of the site and permission granted here would not allow any significant alterations to the external appearance of the building; beyond that allowed by normal permitted development rights and internal changes shown on the applicants plans that would not require planning permission. I understand that the intention is that the building would be used as a single house and in their supporting documents the applicants state that following a grant of permission for change of use a further application would follow for physical works to the building to provide a single house.
37. One other matter to be dealt with relates to a large number of objections referring to Policy 33 of the CNPA Deposit Local Plan and its

stance in seeking to resist the loss of tourist facilities. The plan is currently at deposit stage and we have been advised that its policies can currently carry little or no weight. Because of this the policy is not further considered in this section of the report.

38. Given the above the application turns on the single issue of the acceptability of the change of use in principle. National planning guidance encourages the re-use of existing buildings within settlements for residential purposes but conversely SPP2 Economic Development and SPP15 Planning for Rural Development both emphasise the importance of economic development in the right places. National guidance offers no direct comments in relation to the weight to be given to retaining existing facilities in a market economy. However, the importance placed upon promoting economic development must be assumed to relate to the promotion of existing facilities as well as new one's.
39. On a more detailed level Policy G2 of the Highland Structure Plan talks about promoting varied, lively and well used environments that contribute to the economic and social development of the community. The Structure Plan also notes that tourism is a vital element of the local economy.
40. The Badenoch and Strathspey Local Plan notes that the district relies heavily on tourism and the text of the Nethy Bridge section of the plan includes objectives for the settlement including safeguarding and enhancing local amenities; securing an appropriate range of community facilities and services and helping to strengthen and diversify the economic base of the community.
41. The National Park Plan provides more up to date and strategic guidance that embodies the aims of the National Park. Section 5.2.2 of the Plan under Sustainable Communities specifically 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 including facilities such as pubs are key to the long term sustainability of communities. The guidance notes that new development should seek to reinforce the sustainability of communities.
42. The key loss in this instance as evidenced by the large number of objections relate to the public bar and restaurant facilities. The loss is considered to be both to the local and visitor community and particular concern is raised about the consequent impact upon local B&B providers and the loss of opportunities for their clients to purchase lunch or an evening meal from the Heatherbrae.
43. As noted there are no specific policies against which to assess applications such as this beyond the general notion in principle of utilising existing buildings for residential development but also sustaining vibrant and thriving rural communities. However, such

aspirations must be tempered against the reality that the Heatherbrae Hotel was a private business that had to be viable in a commercial sense. With regard to this it is to be noted that the hotel was closed before the planning application was lodged. The background letters from the applicants include a range of justifications as to why the Heatherbrae is not viable including a decline in tourism; lack of local trade particularly in winter; the availability of alternative provision in the village in the form of the Mountview and Nethy Hotels; physical restrictions in the location and access to the hotel; and crucially the fact that the premises had been marketed as a going concern throughout the spring and summer of 2007.

44. Planning decisions on such developments generally turn on a number of issues including many of the issues that have been raised by the applicants in the above paragraph relating to viability. In a sense a number of informal tests have been developed through consideration of previous proposals of this type that particularly relate to the loss of public houses. Some local authorities have produced supplementary guidance to address the issue of loss of village facilities including shops and public houses and the tests in that context become more formal. Nonetheless, the tests are of some help in considering this application.
45. A decline in tourism has been noted as one reason for the lack of viability. However, in the consultations section of the report the CNPA Sustainable Tourism Officer questions this assumption and figures are provided that show an 11% rise in tourists staying in serviced accommodation between 2003 and 2006. Winter tourism numbers have fluctuated over the period but an overall increase in tourist days for the serviced accommodation sector. Given these figures it is my view that the general comment that there is a decline in tourism does not alone justify the proposal.
46. The issue of alternative provision in a village is a key one that is generally taken into account. The lack of business viability in this case is a two-fold argument in that in one sense there is the proposition that too many businesses are chasing too few clients; and that should the Heatherbrae be lost there is alternative provision. Objectors have made the point that the two alternative venues in the form of the Mount View Hotel and Nethy Hotel provide facilities for distinct clients in terms of birdwatchers and coach tourists respectively. However, it is important to note that it is not the place of the planning system to analyse in detail the different offers that two businesses may make. Both hotels have public facilities in principle and it is not the place of the planning system to make decisions based upon the differing offers of commercial facilities. Presumably, if the market identifies a short fall of provision then this would be taken up by the existing hotels B&B's and potentially new businesses openings to provide evening meals. If this was the last public house/restaurant facility then it is likely that I would be recommending refusal of the proposal based on the overall level of

justification put forward and would use the National Park Plan to support this. However, given the alternative provision that is available in principle I am of the view that refusal of the proposal based on lack of alternative facilities generally would be difficult to justify.

47. The location of the hotel and the fact that the facility is not well located for the majority of residents is also raised as a concern and part of the justification for lack of viability. This is a question that is often raised in such cases. The questions are usually asked if the facility is in the centre of the village, if it is on a well used through route, and if it is located in what could be considered as a tourist area. The answers to these questions are quite clear. The Heatherbrae could not be considered as being in the centre of the village, is not on a well used through route but is obviously set in what is an attractive tourist area of the National Park. Certain physical constraints about the size of the hotel and constraints of access and that the access road is not suitable for a large increase in commercial traffic are put forward by the applicants. However, presumably all of these constraints were in place when the current applicants acquired the business in October 2005.
48. Another key factor to take into account is the fact that the hotel has been marketed as a going concern. The applicants view was that the Hotel required a second income stream which was lost during the running of the hotel. On its own it was not considered viable and the Hotel was marketed through the spring and summer of 2007 with no takers, hence the application before the committee today.
49. Together with our Sustainable Tourism Officer I had some concerns about the nature of the marketing. The hotel had been marketed through Masson Cairns who are not specialist agents for hotel sales. This issue has been raised with the applicant directly and their letter of 20 January (attached at the back of the report) provides some answers on this issue. When the current owners bought the Hotel it was purchased from a specialist commercial property company and it is understood that the property was on the market for a period of 2 years with no takers. Masson Cairns as a local agent have marketed the property both as a going concern and as a possible site for residential use. Some background tables are provided from the agent showing that out of 24 persons noting an interest only 6 of those looked at the Heatherbrae purely as a residential development. The remaining 18, plus another local hotelier looked at the premises from the view of potentially running the Heatherbrae as a hotel/restaurant or developing the premises into an up-market B&B establishment. In the light of the reply from the applicant there is clearly some evidence that the Hotel has been marketed as a going concern, but perhaps not as widely as possible.

Conclusion

50. This is a very difficult application to make a recommendation upon not least because of the lack of clear policy guidance and large number of representations that have been received set against the wider picture of allowing the market to function properly and the level of intervention that a public authority can reasonably justify. In my view, the proposal meets many of the informal tests to gauge whether the premises is likely to be un-viable. In physical terms the hotel is not currently open, is not in the centre of the village or on an important through route where it could easily attract passing trade, although it is in a tourist area. More crucially, and notwithstanding concerns about their detailed offer which is not a matter for the planning system, there are other public house/restaurant hotel facilities in the village. The applicants have provided some information to show how they attempted to improve the offer at the hotel. Balanced against this are some on-going concerns about the nature of the marketing undertaken and the target audience for that marketing (potential hoteliers or persons seeking a residential property) and whether the price (understood to be around £375,000) reflects the audience marketed to. When a search is carried out on the property the headline refers to a an 8-bed detached house, though the details beyond this clearly state that the building is a hotel and as noted by the applicant notes of interest show that there has been interest in the hotel as a commercial proposition. However, the Heatherbrae does appear to require some works/renovations and from the applicants evidence it would appear that this was a factor in dissuading some potential buyers from progressing. While the price mentioned above seems to accord generally with some other hotels that are for sale it is difficult to assess whether physical repairs that may be needed at the Heatherbrae are factored into the price.
51. Reference is made in the applicants supporting statement to a number of other hotels in the National Park that have reverted to residential including one other (the Balgonie Country House Hotel, where very different circumstances apply) that is on the same agenda as this application. Reference is also made to the Glen Lui Hotel in Ballater. However, it is important to note that CNPA officers resisted the loss of this facility and the redevelopment of the site for flats, though reasons included much more than just the loss of the tourist accommodation. The Glen Lui Hotel was placed on the market with a specialist commercial property company and subsequently sold as a going concern.
52. This is very much an 'on balance' recommendation for approval of the proposal and this is based largely upon the physical tests relating to the fact that the facility is already closed, that there is other provision in the village and that the hotel is not on a through route that would easily attract passing trade. There is also an acceptance that the business has to be viable in economic terms to be truly sustainable as a facility for visitors and tourists. I would be providing a stronger

recommendation of approval if the most recent marketing had been through a specialist property consultant with no takers. Should the Committee wish to take a different view I would suggest that the nature of the marketing and how it has been used to demonstrate non-viability in tandem with expressions of the National Park Plan as laid out in paragraphs 14 and 15 may provide an avenue, albeit a limited one for resisting the proposal.

IMPLICATIONS FOR THE AIMS OF THE NATIONAL PARK

Conserve and Enhance the Natural and Cultural Heritage of the Area

53. 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 Victoria 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

54. 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

55. 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

56. 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. However, it is clear that the Heatherbrae has to be a viable enterprise and cannot be regarded as a service for other tourism providers. Concern is raised that this is the loss of an important facility for local people in terms of social provision and for more informal meetings.

RECOMMENDATION

57. 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 31 January 2008

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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.