

STRATEGIC PLANNING BOARD – 12 SEPTEMBER 2012

SUPPLEMENTARY REPORT

Application No. 12/2082M

Location: MOORSIDE HOTEL, MUDHURST LANE, DISLEY, SK12 2AP

Proposal: CHANGE OF USE FROM USE CLASS C1 (HOTEL)
TO USE CLASS C2 (RESIDENTIAL INSTITUTION).

Prepared: 31 August 2012

BACKGROUND

Members will recall that this application was deferred from the 22 August 2012 Strategic Planning Board, in order to consult the Peak District National Park, and our Visitor Economy Development Manager.

These consultations have been carried out, and formal responses have been requested by 7th September 2012. An update report will be circulated to Members in advance of the Committee meeting setting out their response.

In advance of this, the Case Officer has discussed the proposed development with the Cheshire East Visitor Economy Manager. He has raised concerns about the loss of the hotel, as it is in an excellent location and it is the only large provider of tourist accommodation in the area. The closest alternative hotel in Cheshire East is Shrigley Hall, Pott Shrigley, over 6 miles away.

ADDITIONAL INFORMATION

Economic Viability

During the Committee, Members raised concerns in respect of the economic viability of the hotel.

The applicant has submitted the audited accounts for year end 31st December 2010. For clarity, the accounts are for the Hotel and Leisure club as one enterprise. The accounts, (which have been independently audited) show a pre-tax loss of £158,400. Draft accounts for 2011 have also been submitted, which indicate a pre-tax loss of £197,000. This shows a trend of increasing losses.

As the accounts are commercially sensitive, they are not in the public domain, although, Officers can confirm that the operation is running at a significant loss. In addition, the accounts demonstrate that the sale of the hotel is unlikely to recoup the losses.

Chardon have looked into trading the Leisure Club as a stand alone entity. However, it has been concluded that it would not be financially viable. Membership numbers and average membership income are reducing, and if the hotel closes, Savills predict that membership would plummet.

Sustainability

As outlined at the 22nd August Strategic Planning Board, Officers are of the view that the proposed development is no less sustainable than the existing use of the site. Moreover, the provision of a mini-bus service would help improve the site's sustainability.

CONCLUSION

Whilst the informal comments from our Visitor Economy Development Manager are noted, no evidence has been advanced to substantiate the harm of the development on the tourist economy. Having regard to paragraph 14 of The Framework, any adverse impacts must be significant and demonstrable to warrant the refusal of an application.

As is stands, and in advance of the formal comments from our Visitor Economy Development Manager and the Peak District National Park, the recommendation of approval remains, subject to conditions.

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Location: MOORSIDE HOTEL, MUDHURST LANE, DISLEY, SK12 2AP

Proposal: Change of use from Use Class C1 (Hotel) to Use Class C2 (Residential Institution).

Applicant: Stardon (Moorside) Ltd

Expiry Date: 29-Aug-2012

SUMMARY RECOMMENDATION

Approve, subject to conditions

MAIN ISSUES

- Whether the development complies with the National Planning Policy Framework (The Framework) and the MBC Local Plan;
- Whether the change of use would have a materially greater impact than the present use on the openness of the Green Belt;
- Loss of tourist accommodation and a private health & leisure club;
- Viability of the Hotel;
- Impact on employment levels;
- Whether the proposal would maintain a balance of residential uses;
- Sustainability issues;
- Highway Safety.

REASON FOR REPORT

The proposal is a major development as defined by The Town and Country Planning (Development Management Procedure) Order 2010. Under the Council's constitution, such applications are required to be considered by Strategic Planning Board.

DESCRIPTION OF SITE AND CONTEXT

The Moorside Grange Hotel is situated in an isolated position to the south of Disley. It is within the Green Belt and an Area for Special County Value for landscape, at the fringe of the Peak District. The site is accessed off Mudhurst Lane. The Hotel currently provides 98 bedrooms with associated conferencing, banqueting and leisure facilities and 195 parking spaces.

DETAILS OF PROPOSAL

Full planning permission is sought for a change of use of the Hotel from Use Class C1 to C2 for use as a Residential Institution.

Permitted uses within Use Class C2 include:

1. Residential care homes
1. Hospitals
2. Nursing homes
3. Boarding schools
4. Residential colleges
5. Training centres

No physical alterations to the building are proposed at this stage.

For clarity, permission is **NOT** sought for a C2A use (Secure Residential Institutions). Uses within C2A include uses such as prisons, young offenders institutions, detention centres, secure training centres, custody centres, short term holding centres, secure hospitals, secure local authority accommodation or use as a military barracks.

If this application were to be approved and implemented, a separate application would be required for the change of use to C2A (Secure Residential Institution). This subsequent application would have to be assessed against the Planning Policy at that time, and regard would have to be paid to the advice from Consultees, and comments from the Parish Council and Local Residents.

RELEVANT HISTORY

A number of applications have been approved for physical alterations and extensions to the Hotel, including the extension to provide the leisure centre. In addition, permission has been granted for a 10-hole golf course, landscaping works, and various signs.

POLICIES

North West of England Regional Spatial Strategy

- DP1 - Spatial principles applicable to development management
- DP2 - Criteria to promote sustainable communities
- DP3 - Promotion of sustainable economic development
- DP4 - Sequential approach to make the best use of existing resources
- DP7 - Criteria to promote environmental quality
- RDF2 - Spatial priority for development in rural areas
- RDF4 - Maintaining the general extent of the Region's Green Belt

Local Plan

- GC8 & GC9 – Reuse of buildings within the Green Belt
- NE1 – Areas of Special County Value for Landscape
- DC3 – Residential Amenity
- DC6 – Circulation and access

DC14 – Sound proofing
DC42 - Subdivision of property for residential purposes
DC57 – Residential Institutions

Other Material Considerations

- National Planning Policy Framework
- Written Ministerial Statement: Planning for Growth June 2011
- Localism Bill

CONSULTATIONS (External to Planning)

The following consultation & representation responses are a summary. Full copies of the consultation response are available at Committee should Members wish to read the comments in full.

Highways:

No objection, subject to a condition preventing the site being used as a private hospital.

Environmental Health:

Recommend a condition in respect of noise mitigation.

Adult Services:

Although it is generally acknowledged that the number of older people is likely to increase in the next few years, it is difficult to pinpoint exactly where the demand will be. There is already considerable provision of residential and nursing home places in the north of the borough and it is unclear whether or not this will need to be increased in the medium to long term or whether demand will be for other types of supported living.

If the hotel building were to be used as a residential or nursing home, this could put considerable pressure on local services such as hospitals, doctors and dentists as the number of people requiring services in the area would increase significantly.

Public Rights of Way:

The property is adjacent to public footpath No's 54, 55 and 56 in the parish of Disley. It appears unlikely that the proposal would affect the public rights of way. An informative is recommended to prevent any obstruction of the footpaths.

VIEWS OF THE PARISH / TOWN COUNCIL

Disley Parish Council strongly objects to the application for the following reasons:

The application contravenes DC57 sections 1, 2 & 6 of the Local Plan because:

- i) The site is in a remote rural location, with no bus service, local shops or community facilities
- ii) Pedestrian access along Mudhurst Lane is very unsafe, particularly at night as it is unlit
- iii) Mudhurst Lane is a road traffic accident black spot.

Further concerns are raised in respect of:

- Loss of tourism / tourist accommodation. Disley is being promoted as 'Gateway to the Peak District'. The availability of accommodation for visitors is absolutely essential to the future sustainability and prosperity of Disley.
- Adverse impact on local economy
- Loss of major employer (100 employees)
- Loss of the Health and Leisure Club
- Proposals may add pressure onto healthcare services and infrastructure

OTHER REPRESENTATIONS

42 letters of objection have been received. Some of these letters have been written on behalf of groups of residents.

In summary concerns are raised in respect of:

Viability of the Hotel

- The Hotel & Leisure Club are viable and profitable (advertised as a going concern worth £4 million in 2010)
- The Hotel is still taking Wedding and Christmas bookings
- The Hotel has not been marketed sufficiently

Sustainability

- The site is in an isolated position
- There is a lack of public transport, there is only 1 bus service which runs weekly on a Wednesday
- There are no services or local shops within walking distance
- The development may increase the pressure on the local Doctor's surgery

Access

- Vehicular and pedestrian access is poor, with no pavements and a 60MPH speed limit on Mudhurst Lane
- A Boarding School would not be appropriate in this location, as children may be injured trying to walk into Disley
- Proposal may increase traffic on an unsafe road

Tourism

- The proposal would have an adverse impact on tourism, due to lack of tourist accommodation being available at the fringe of the Peak District
- The proposal would undermine the Parish Council's objectives to promote tourism

Economy

- The proposal would have an adverse impact on local economy as local businesses rely on "linked trips" from visitors to the Moorside
- The proposal would result on a loss of jobs, rather than a gain

Leisure Centre

- Loss of the leisure club, and associated impact on health & wellbeing. New Mills Leisure Centre is not a satisfactory alternative

Residential uses

- Proposal would lead to an imbalance of residential uses - there is already a care home in Disley, and there is no need for another one
- Proposal could result in anti-social behaviour if troubled children/teenagers were accommodated on site
- Proposal may bring a large number of temporary residents, which would change the character of the Village
- It may not be possible to accommodate additional children at the local school

Other

- Serious sewage / drainage disposal problems, due to incorrect dosing of the main drain, and infrequent cleaning of the drain by the Hotel, leading to offensive smells for residents on Mudhurst Lane & Buxton Old Road
- The development will be a "nuisance" to neighbours
- Stardon have not invested into the Hotel, which has resulted in the Hotel having a dated appearance

APPLICANT'S SUPPORTING INFORMATION

- Design and Access Statement
- Planning Supporting Statement
- Marketing summary letter
- Transport Statement
- Travel Plan
- Question & Answer document following Disley Parish Council meeting (24th July 2012)

OFFICER APPRAISAL

Background

In February this year, the Local Planning Authority issued an advice letter to the applicant, following the submission of a pre-application enquiry. In our letter we expressed concerns in respect of the loss of the Hotel, as it provides tourist accommodation, and is a local employer. Furthermore, we raised concerns in respect of the sustainability of this site. However, we thought this issue could potentially be overcome if a Travel Plan was submitted with the application, which proposed frequent mini-bus services into Disley for the future residents, staff and visitors of the Residential Institution.

Marketing

The site was marketed as a Hotel between March and June 2011. During this period 3 offers were made from Hoteliers. However, it transpired that none of them had the proper funding in place for a sale to proceed.

Marketing has continued on-line, and through cross-referral. We are told by Savills that other Hotel groups are concerned that if the current experienced Hotel operator can not trade successfully in this location, then they may not be able to either. Furthermore, the Hotel requires significant capital input, to improve its standard.

No acceptable offers have been made to date, although the applicants have been approached by a number of C2 operators, including a care home / care village operator, residential school for children young adults with special needs, and other residential study centres. It is for this reason that permission is sought for the change of use to maximise the variety of permitted uses on site, in order to sell the property.

National Planning Policy Framework 2012 (The Framework)

The Framework is key in the determination of this application.

At paragraph 14 it advises:

*'At the heart of The Framework is a presumption in favour of sustainable development...'For decision-taking this means' (unless material considerations indicate otherwise)... 'where the development plan is absent, silent or relevant policies are **out-of-date, granting permission unless:***

- *Any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole:*
or
- *Specific policies in this Framework indicate development should be restricted'*

As the Macclesfield Local Plan was adopted in 2004, it is now 8 years out of date. As such, it is considered that more weight should be afforded to The Framework, in accordance with paragraph 215. Members therefore need to consider **whether any adverse impacts of granting permission would significantly and demonstrably outweigh the benefits.**

In section 3, paragraph 28 of The Framework (Supporting a prosperous rural economy) it advises:

'Planning policies should support economic growth in rural areas in order to create jobs and prosperity by taking a positive approach to sustainable new development. 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'*

The key issue in respect of this policy is the impact a change of use would have in terms of employment. The applicant advises that the Hotel currently employs approximately 44 staff (full time equivalent), and the proposed new user would support at least this number, although some users within Use Class C2 may employ double that figure.

Viability of the Hotel

The owners have indicated that the Hotel is not viable for them to continue as it is. They advise that income is declining year on year and the present situation cannot continue. The audited published accounts for the last year available (year ended 31 December 2010) show a pre-tax loss of £158,000. The trading performance has declined since then.

The owners have actively sought to sell to Hotel operators for over a year whilst continuing to operate the Hotel as is. The fact that no credible offer from a Hotel operator has been made is further testament to the difficulties the Hotel faces. Details of a sustained marketing campaign have been submitted with the application, which substantiate that the operator has taken all reasonable steps to market the property properly.

This indicates that whilst the Hotel currently employs 44 (FTE), if the Hotel were to close, these jobs would be lost.

Green Belt

In respect of Green Belt policy, paragraph 90 advises that the re-use of buildings is not inappropriate, provided they preserve the openness of the Green Belt and do not conflict with the purposes of including land in Green Belt. As the proposed development is limited to a change of use of the buildings (with no physical alterations), it is considered that the development would not harm the openness of the Green Belt.

Residential Institutions

Local Plan policy DC57 specifically considers C2 Residential Institutions. In respect of this application, criterion 1, 2 & 6 are most relevant.

Criterion 1

The site must be close to local facilities such as bus services, local shops and other community facilities and is normally in a residential area

Criterion 2

A satisfactory balance of residential uses must be maintained in any neighbourhood and that the concentration of specialist housing and care facilities is avoided

Criterion 6

Vehicular and pedestrian access should be safe and convenient, particularly by the adequate provision of visibility splays

It is clear to see that there is some conflict with this policy.

Although policy DC57 is somewhat out of date, the principle of sustainable development is a key theme throughout The Framework. The application site is in an isolated position, within limited access to public transport, shops and services. Without knowing the specific end user, it is difficult to assess the degree of conflict with this policy. In our advice letter, we explained that under the C2 use class umbrella, there are uses which are less sensitive to the location. We advised that a residential conference or training centre would be more acceptable, as there would be less reliance on local services. We also thought it might be possible to overcome the sustainability issue by proposing a Travel Plan with a dedicated, reliable and frequent mini-bus service into Disley.

Whilst a Travel Plan has been submitted with the application, it does not propose a mini-bus service, rather it proposes a number of initiatives to promote the use of cycling, car sharing and rail travel to the site in order to reduce the number of single occupancy car journeys to and from the site. We do not consider that this goes far enough, and recommend a condition requiring a dedicated mini-bus service for residents, staff & visitors.

In respect of the concentration of specialist housing, Members need to consider if there is any harm in permitting a care home/nursing home in this location, and if so, if this significantly and demonstrably outweighs the benefits to the rural economy through job creation/replacement. Officers are of the view that the benefits to the rural economy through job creation/replacement outweigh any harm caused by concentrated specialist housing, and conditions can be imposed on any approval to mitigate the development to some degree.

In respect of the access, the Highway Engineer concludes that a C2 operator (with the exception of a private hospital) would be no worse than the existing use of the site. Therefore, a refusal could not be substantiated on highway grounds, as discussed below.

Highways

The Highway Engineer has reviewed the highway issues to determine whether such a change of use would materially affect road safety or cause excessive traffic generation.

The collision record on Mudhurst Lane/ Higher Lane indicates a number of accidents, including a fatality. Most collisions involved loss of control or misjudgement resulting in a collision with an oncoming vehicle. No collisions occurred at the site entrance and none involved a pedestrian or cyclist.

The sites current use as Hotel and leisure centre has been compared with that of possible alternative uses. Data provided by the applicant suggests that for possible uses such as nursing/care home traffic generation would be less whereas for some hospital uses it could be more. However, the existing site is somewhat atypical in its location and it is difficult to predict traffic generation on the basis of that generated by sites in built-up areas.

The use which would generate the greatest traffic (approximately twice that of a Hotel) is a private hospital. The applicant has agreed that a condition preventing change of use to a private hospital would be accepted.

With the above condition, no objections are raised.

Residential Amenity

Concerns have been raised from local residents in respect of unpleasant smells coming from the poor drainage of the site.

A condition is recommended requiring the submission of a detailed drainage scheme, which specifies how waste will be adequately disposed of from site.

CONCLUSIONS AND REASON(S) FOR THE DECISION

The determination of this application is finely balanced. On the one hand, concerns are raised in respect of the sustainability of the site, the pressure the development will have on local services, the loss of tourist accommodation and leisure facilities; on the other hand, a C2 use is comparable to a Hotel in terms of sustainability, and we are told that the current Hotel use is not viable.

Whilst the closure of the Hotel would be regrettable, there is nothing the Local Planning Authority can do to stop the Hotel & Leisure Club from closing. The Framework encourages us to support economic growth in rural areas in order to create jobs, if an alternative use were to provide the same or more jobs than the Hotel, then this use should be supported.

The Framework indicates that planning permission should be granted, unless any adverse impacts of granting permission would significantly and demonstrably outweigh the benefits. Officers consider that sustaining rural employment outweighs any harm the development creates, and therefore the application is recommended for approval, subject to conditions.

Application for Full Planning

RECOMMENDATION: Approve subject to following conditions

1. A01BC - Change of use - no consent for alteration or extension
2. A03FP - Commencement of development (3 years)
3. A04NC - Details of drainage to be submitted

4. Submission of a scheme outlining noise mitigation measures
5. Limitation on use - Private hospital not permitted
6. Submission of amended travel plan to include the provision of a dedicated mini-bus service for use by staff, residents and visitors of the C2 operator.

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