STRATFORD-ON-AVON DISTRICT COUNCIL

Town and Country Planning Act 1990

Appeal refs:	APP/J3720/C/18/3215384
LPA ref:	13/00765/VARENF
Appellant:	Westbourne Leisure Ltd
Location:	The Oak (Formally known as The Warwick or the Royal Oak), Stratford Road, Hockley Heath, SOLIHULL, B94 5NW
Development:	Without planning permission the erection of an extension in the approximate position hatched black on the plan.
Start Date:	6th May 2020

1. INTRODUCTION

1.1 My name is Gary Moss. I am a Director of MSC Planning Associates Ltd, a planning consultant instructed by Stratford on Avon District Council to act on their behalf in the defence of an Enforcement Notice Appeal in respect of the above.

1.2 I hold a degree in City and Regional Planning and Diplomas in Town Planning and Urban Design. I am also a member of the Royal Town Planning Institute. I was previously employed by Stratford on Avon District Council as a Senior Planning Officer until August 2014.

1.3 This appeal is against an Enforcement Notice which was issued on the 1st October 2018 and alleges ***'without planning permission the erection of an extension in the approximate position hatched black on the plan.'***

1.4 The reasons for serving the Enforcement Notice are set out in full in the Statement of Common Ground, but in summary are as follows:

1. *Development is 'inappropriate development' in the Green Belt and no 'very special circumstances' exist that would sufficiently outweigh the harm to the Green Belt and any other harm.*

2. *The Council considers that the extension as built, whilst directly associated with the existing lawful pub/restaurant, is not appropriately related in scale and nature to the existing lawful activities on site and is significantly in excess of that which would be considered proportionate to the existing permitted activities on site.*

1.5 The requirements of The Notice are:

(a) Demolish the extension, insofar as it falls on land within the jurisdiction of Stratford on Avon District Council;
(b) Remove from the Land any materials arising from the above

Or

(c) Reduce the size of the extension to accord with the plans approved under permission reference 16/00451/FUL dated 3rd March 2017.

1.6 The Enforcement Notice appeal by Westbourne Leisure Ltd has been lodged arguing Grounds (a) and (g), in that planning permission should be granted for the alleged unauthorised development, or that the period of time to enable compliance with the Notice is unreasonable. The ground (d) appeal originally lodged was withdrawn when it was accepted by the Appellants that the previous Notice served on 10th February 2016 but withdrawn, meant that the 2nd bite provisions applied and the development was not immune from enforcement action.

1.7 This statement has been prepared in accordance with the guidelines laid down by the Royal Town Planning Institute and The Planning Inspectorate's Procedural Guide 'Enforcement notice appeals' – England (March 2016) as updated.

2. SITE AND SURROUNDING AREA

2.1 A description of the site and surrounding area is contained in the Statement of Common Ground.

3. PLANNING HISTORY/BACKGROUND

3.1 The site's history and background to this appeal is contained within the Statement of Common Ground.

4. PLANNING POLICIES & GUIDANCE

4.1 A detailed list of policies and guidance is contained within the Statement of Common Ground.

4.2 Policies specific to the ground (a) appeal include:

Policy CS.1 – Sustainable Development
Policy CS.10 – Green Belt
Policy CS.24 –Tourism and Leisure Development
Policy AS.10 – Countryside and Villages

5. CASE FOR THE COUNCIL

The Ground (a) appeal

Green Belt

5.1 It is accepted by the Appellant in the Statement of Common Ground that the extension, the subject of this appeal, constitutes 'inappropriate development' in the Green Belt.

5.2 Policy AS.10 of the Core Strategy, in accordance with the NPPF paragraph 143, states:

> *"The purposes of the Green Belt will be upheld by resisting inappropriate development within it, except in cases where very special circumstances are justified in accordance with the provisions of national policy."*

5.3 Paragraph 144 of the NPPF is clear in that:

> *"When considering any planning application, local planning authorities should ensure that* ***substantial weight*** *is given to any harm to the Green Belt. 'Very special circumstances' will not exist unless the potential harm to the Green Belt by reason of inappropriateness, and any other harm resulting from the proposal, is clearly outweighed by other considerations."* (Bold/underline my emphasis)

5.4 The Council argues that the level of harm to the Green Belt is considered substantial by reason of the extensions inappropriateness, due to its excessive size and bulk, resulting in a disproportionate addition over and above the size of the original building. In addition, the development is harmful to the purposes of including land within the Green Belt, principally due to a loss of openness resulting from the scale and mass of the extension, which does not assist in safeguarding the countryside from encroachment.

5.5 In this context, the hotel as now constructed amounts to some 2,412 square metres of floor space. This is compared to 807 square metres of floorspace which existed pre-2012; a total of 1436 square metres of floorspace which had been permitted under application 12/02929/FUL (but which had not been implemented) and 1890 square metres of floorspace allowed for the 44 bed hotel granted under application under 16/00451/FUL. In percentage terms the hotel, as now built, is 298% larger (floorspace) than the building as existing prior to 2012. This is a further 64% increase over that of the 44-bedroom hotel scheme allowed under application 16/00451/FUL, although in that case 'very special circumstances' were considered to exist to justify outweighing the harm to the Green Belt and any other harm.

5.6 The development is also considered to cause additional harm when assessed against Policies AS.10 and CS.24 of the Core Strategy together with paragraph 84 of the revised NPPF (July 2018). Although these policies provide scope for new and extended visitor accommodation, this is only acceptable so long as it is directly associated with and related to the scale and nature of an existing use and is sensitive to its surroundings.

5.7 The Council argues that the extension as built, whilst directly associated with the existing lawful pub/restaurant use, is not appropriately related in scale and nature to the existing lawful activities on site. It is also considered to be significantly more than that which would be considered proportionate to the existing permitted activities on site. The extension is also not sensitive to its surroundings, due to its size, scale and bulk.

5.8 This level of Green Belt and other harm was originally set out by the Council in determining application 18/00312/FUL. Copies of the officer's report and

decision notice for this application are attached at **Appendix 1** and supports the Council's appeal argument.

5.9 For the reasons given above, the Council argues that the harm to the Green Belt and any other harm is substantial and in order to be justified the Appellant needs to demonstrate that 'very special circumstances' exist to outweigh this substantial harm.

5.10 The Appellant's very special circumstances, as set out in their statement of case, is based upon the following:

1. *A robust viability case, i.e. the scale of development which exists is the minimum required to retain a commercially viable use and operation on the site; and*

2. *Failure to continue to operate the business would see the site fall into disrepair and lack of on-site management to the detriment of the Green Belt and result in loss of local rural employment.*

Assessment of viability

5.11 The Appellant originally submitted a viability statement in support of applications back in 2016 and more recently in respect of application 18/00312/FUL. Despite viability being brought forward, the Council considered that this and other factors put forward by the Appellant, would not amount to very special circumstances that justified outweighing the harm to the Green Belt and any other harm. I refer the Inspector to the officer's report attached at Appendix 1.

5.12 In support of the Council's case for this appeal, the independent viability consultants Lambert Smith Hampton have been instructed to review the Appellant's viability arguments.

5.13 It is agreed in the Statement of Common Ground that the assessment into viability is based solely upon the Appellant's commercial/business data, as supplied, and includes:

- Updated management accounts from January 2015 to January 2020 for the subject business; and
- Hotel occupancy figures for Year Ending 2019.

5.14 When the appeal was first lodged the Council commissioned a Viability report based on the appellants submissions to date. The report, which was prepared in August 2019, and based on the Appellant's statement of case and business information (at the time the appeal was lodged), and concluded:

"In summary, our analysis indicates that the inconsistent approach to costs and the application of a discretionary £81,000 management fee are the primary reasons that the applicant's projections suggest that the 44-bed scenario would not be viable. In addition, had the applicant adopted costs on a consistent basis with the management accounts, relative to turnover, the 44-bed scenario would have been shown to be viable."

5.15 A copy of this report is attached at **Appendix 2.**

5.16 An updated report, based on the Appellant's latest management accounts and occupancy figures (received by the Local Planning Authority on 16th June 2020), has also been produced and is submitted as part of this appeal statement at **Appendix 3**. This updated assessment once again concludes that:

"In summary, the management accounts provided now both highlight and support the question whether there is the demand or the requirement for 60 or 62 bedrooms when the 44 bedrooms would have been sufficient and would have reduced business expenditure based on historic trading levels. This updated analysis, following the report done in August 2019, further confirms that a 44-bedroom scenario is indeed profitable and the additional rooms are not necessary in order to make the business a viable proposition."

5.17 The latest report highlights the following points:

- The new management accounts do not include the management fees of £81,000 as featured in the previous projections therefore boosting earnings before interest, taxes, depreciation, and amortization (EBITDA) substantially for a 44 bedroom hotel as reflected by the 2018 and 2019 accounts.
- The numbers prove that occupancy rates with the current 62-bedroom hotel are around 59%-65% from 2018/2019, so we have translated this into the 44 bedrooms scenario which would still be manageable and be a strong occupancy rate at 83.9%.
- The average room rate is low which shows the owners may have dropped this to raise the occupancy levels to fill the rooms. If the room rates were raised with less bedrooms (44) then turnover would be very much the same.
- Focused on the reduction of expenses if there were 44 bedrooms rather than 60+ therefore further boosting the EBITDA.

5.18 In summary, the Council's independent assessment of the Appellant's business operation confirms that whilst a large hotel may be more profitable, it is not essential in making the hotel operation viable. Furthermore, it confirms that a 44-bedroom hotel would be very profitable and based on the historic occupancy levels it would do well as a business.

5.19 The Council therefore argues that the viability argument put forward by the Appellant, individually or cumulatively with their other arguments, does not amount to 'very special circumstances' to justify outweighing the harm to the Green Belt and any other harm.

5.20 Given that the assessment concludes that the business is viable with less bedrooms, the Appellant's subsequent argument that the business would close resulting in the site falling vacant and falling into disrepair cannot be justified.

5.21 The report also considers the issues surrounding the hospitality sector following the COVID 19 pandemic. Although the future remains uncertain, the report

indicates that a drop in occupancy rates as is to be expected, would not necessarily hinder the business operation, and may actually support the smaller 44-bedroom hotel provision.

5.22 In respect of this point, given the change in appeal process from an inquiry to a written representations, the Council has not seen the Appellant's full statement and thus this statement is based on the information available, as set out in their grounds of appeal. Furthermore, given the delay between the appeal being lodged and the subsequent start date and the unforeseen COVID 19 pandemic, the Council would respectfully ask that if the Appellant's case is fundamentally different and/or new information/arguments are raised that the Council are not prejudiced and have an appropriate opportunity to make further representation, as necessary.

Assessment against Policies CS.1, CS.24 and AS.10

5.23 In addition to their very special circumstances, to address the second reason for issuing the Enforcement Notice, the Appellant argues in their Grounds of Appeal the following, in line with the criteria contained in Policy CS.24 of the Core Strategy:

> 1. The public house and restaurant have been operating since pre-1975 and is an established use that is integrated into its surroundings by the very nature of it having been operating for a substantial period of time. It also benefits from an extant planning permission (ref: 16/00451/FUL, Appendix 1) for the provision of hotel accommodation as a diversification of the original use. The use attracts visitors both for business and on a recreational level and is an appropriate use in the area, serving the local community. The Framework supports the retention of existing businesses in the rural area and the proposed development would help support the retention of the business.
>
> 2. The proposed development does not adversely affect the local landscape or any settlements and, with reference to landscape impact and environmental improvements, evidence will be provided to show that there would be a net benefit to the locality. It comprises

development within an existing Site, with the development replacing a previous extension in the same location and is seen in the context of the existing development.

3. In addition, the development does not result in the site or development being any closer to the nearest settlements or adjacent development and uses, maintaining the network of roads and lanes with belts of mature trees as at present.

4. The proposed development and diversification of the use to provide hotel accommodation at the level proposed in this planning application is vital to the continued operation of a long-established business in this location, ensuring it remains a going concern with associated benefits to the economy through the creation of jobs for local people. This is a point which has been established in the Viability Appraisal which accompanies the planning application.

5. The proposed development would have no adverse highways impacts. The site is accessed off Stratford Road and the existing site access would not alter because of the proposed development. There is more than sufficient car parking on the site to serve the hotel and public house/restaurant use. The site's relationship with the local road network would not alter because of the development the subject of this application.

6. The site is accessible by bus services which run 7 days a week along Stratford Road, with bus stops outside the site in both northerly and southerly directions. The site is accessible by modes of transport other than the private car for both staff and visitors.

5.24 In respect of points 1 to 4, the Council argue in line with the earlier Green Belt and viability assessment above, that the development, would not be appropriately related in scale and nature to the existing lawful activities on site and that the extension, as built, is not sensitive to its surroundings. It cannot therefore be considered a sustainable development and is contrary to the Development Plan and the NPPF.

5.25 Whilst well connected, the existing leisure use on site was originally a roadside pub/restaurant. This does not immediately suggest the need for a 60-bedroom scale hotel. Notwithstanding the earlier approval as a 44-bed hotel, a hotel comprising an additional 16 bedrooms (36% increase), results in a significant change in the use of the site. In conclusion, whilst the Council has accepted a hotel use on the site to be appropriate, that use has been limited in scale. The current development is significantly larger than anything else previously approved and is considered disproportionate to the existing permitted activities on site.

5.26 Furthermore, the Appellant's viability argument for the larger hotel is not accepted and confirms that the approved 44-bed hotel, is a viable proposition in any event.

5.27 Whilst the design and visual impact of the development may not be harmful in its own right, the sheer size and scale of the development within the Green Belt, means that it is not sensitive to its surroundings.

5.28 In respect of points 5 and 6 above, the Council raise no objection or issue.

5.29 In conclusion, the viability and other arguments put forward by the Appellant in support of their appeal are not justified, as confirmed by independent assessment. The development remains as inappropriate development that causes substantial harm to the Green Belt and together with the other harm, is not outweighed by the very special circumstances advanced by the Appellant. Furthermore, the development

5.30 The Council respectfully asks that the Inspector dismisses the ground (a) appeal.

5.31 If, however, the Inspector is minded to allow the ground (a) appeal then a list of agreed 'without prejudice' conditions is attached to the Statement of Common Ground.

The Ground (g) appeal

5.32 The Enforcement Notice requires compliance within 8 months. The Appellant in their original Grounds of Appeal request that this period be extended to 12 months.

5.33 The Local Planning Authority consider that it is reasonable to allow an extended period for compliance given the impact of COVID 19 and its implications for the hospitality sector.

5.34 As agreed in the Statement of Common Ground the Local Planning Authority would therefore agree to an extended period of 12 months for compliance. If the appeal is allowed, we respectfully ask the Inspector to amend the notice accordingly.

5.35 However, the Appellant's agent has indicated in an e-mail dated 13th July 2020 (See **Appendix 4**) and in the Statement of Common Ground that they are likely to seek a longer period of compliance than originally set out in their grounds of appeal. The Appellant's agent has indicated that they are likely to seek a period of 12 – 18 months to fulfil all bookings, in particular those that have been cancelled from this year and moved back to next year, with a further 12 months required to carry out the works to the building.

5.36 The Council, in already agreeing to an extension of 4 months, argue that this is more than sufficient time to enable the hotel to make alternative arrangements and undertake the necessary works. In terms of physical works, the fallback of the 44-bed permission is relatively straight forward, given the compartmentalisation construction and layout of the building, meaning that many rooms can be continued to be used despite building works being undertaken, this is shown on the plan attached at **Appendix 5**. It is therefore argued that a period of 12 months just to undertake demolition and restoration is totally unreasonable and unjustified.

5.36 Even considering the COVID 19 situation, the period for compliance requested by the Appellant, which would amount to some 2 to 2.5 years, is totally

unreasonable and unjustified and effectively results in the granting of a temporary permission.

6. CONCLUSION

6.1 The Appellant has appealed on grounds (a) and (g) in that planning permission should be granted for the development or that the time for compliance is unacceptable.

6.2 The Council, in issuing the Enforcement Notice, argues that the development constitutes inappropriate development in the Green Belt, a fact not disputed by the Appellants, in line with Policy CS.10 of the Core Strategy. The Council also argue that the level of harm to the Green Belt and other harm is substantial and that the very special circumstances advanced by the Appellant are not sufficient to outweigh this harm, as verified by independent assessment in respect of viability.

6.3 In addition, the development, would not be appropriately related in scale and nature to the existing lawful activities on site and that the extension, as built, is not sensitive to its surroundings, due to its size and scale. It cannot therefore be considered a sustainable development and fails to accord with Policies CS.1, CS.24 and AS.10 of the Core Strategy.

6.4 In respect of the Ground (g) appeal, The Council has agreed that it is fair and reasonable to allow 12 months for compliance with the notice, given the current COVID 19 situation, rather than the 8 months originally stated, as confirmed in the Statement of Common Ground. The Council would therefore invite the Inspector to amend the notice in this respect, as necessary.

6.5 The Council would argue, however, that the Appellants intention to seek a longer period for compliance consisting of 12 – 18 months to allow functions/events to be re-scheduled then a further 12 months to undertake works to the building is totally unjustified and unreasonable. The period of 2 to 2.5 years is effectively the same as seeking a temporary consent, for unauthorised works and is unjustified/reasonable given the level of harm.

6.6 Finally, the Council's statement is based upon the information provided in the Appellant's grounds of appeal and due to the change in process has not seen the Appellant's full statement of case. The Council therefore respectfully asks that due to this change; the delay between the appeal being lodged and the subsequent start date and the unforeseen COVID 19 pandemic, that if the Appellant's case is fundamentally different and/or new information/arguments are pursued that the Council are not prejudiced and have an appropriate opportunity to make further representation, as necessary.

6.7 The Inspector is therefore respectfully asked to dismiss the Enforcement Notice appeal but asked to amend The Notice, as necessary, for allowing 12 months rather than 8 months for compliance.

DELEGATED REPORT

Application Ref.	18/00312/FUL
Site Address	The Oak, Stratford Road, Hockley Heath, B94 5NW
Description of Development	Part retrospective application for retention of existing development on site comprising 60-bedroom hotel. Including demolition of existing function room, three storey rear extension and conversion of space on ground and first floors of existing public house/restaurant. Ground floor extension to existing restaurant and external alterations including amendments to rear extension to provide amended roof line and new windows, 2 no. gables on rear elevation, plus associated landscaping and car park alterations.
Applicant	Westboure Leisure Limited - Mr Paul Owens,
Case Officer	Dave Kenyon
Ward Member(s)	Councillor G. Atkinson
Town/Parish Council	Tanworth-in-Arden
Description of Site Constraints	Green Belt Special Landscape Area
Summary of Recommendation	REFUSE DB

DESCRIPTION OF PROPOSAL
This is a part retrospective planning application.

Retrospective planning permission was sought during May 2016 for the retention of a 62 bedroom hotel extension (ref 16/00450/FUL). That proposal included demolition of an existing function room, the retention of a three storey rear extension containing 45 bedrooms and the conversion of space on ground and first floors of existing public house/restaurant to provide 17 bedrooms. In addition, the retention of a ground floor extension to the existing restaurant and external alterations including 2 no. gables on rear elevation, plus associated landscaping and car park alterations.

Planning permission was refused on 3rd March 2017 for the following reasons:

1. The site is located in the West Midlands Green Belt and the application seeks permission for development which is considered inappropriate and harmful to the Green Belt by definition. Policy CS.10 and paragraphs 79-80 & 87-89 of the NPPF require that the Green Belt shall be protected from inappropriate development except in cases where 'very special circumstances' are demonstrated. The applicant has sought to demonstrate that 'very special circumstances' do exist in this case on a number of grounds. The Local Planning Authority consider that of these the viability of the business and the need to ensure local employment can be considered 'very special circumstances'. However, having considered the nature of the application the Local Planning Authority does not consider that the identified circumstances sufficiently outweigh the harm caused to the character, purpose and openness of the Green Belt by reason of the proposals excessive size and bulk. For these reasons, the proposal is considered to be contrary to Policy CS.10 of the Stratford-on-Avon District Core Strategy 2011 – 2031 and paragraphs 79-80 & 87-89 of the NPPF

2. The application site falls outside of any of the District's Built-Up-Area Boundaries as defined by the Stratford-on-Avon Core Strategy 2011 - 2031. Accordingly, the site falls within the rural parts of the district where Policy AS.10 – Countryside and Villages makes provision for a wide variety of activities and development subject to criteria. It provides under point (t) Tourism and Leisure that purpose built visitor accommodation can be acceptable in principle so long as it is directly associated with and related to the scale and nature of an existing use. The Local Planning Authority considers that the proposed development, whilst directly associated with the pub/restaurant, is not appropriately related in scale and nature to the existing activities on site. The development proposed secures 62 rooms of accommodation. The Local Planning Authority considers this is significantly in excess of that which would be considered proportionate to the existing permitted activities on site. The proposal therefore conflicts with the provisions of Policy AS.10 of the Stratford-on-Avon Core Strategy 2011 – 2031 and is not considered sustainable development

This current application seeks to address these reasons for refusal. The proposed development seeks to retain 19 bedrooms (18 hotel bedrooms and 1 staff room) on the ground, 1st and 2nd floors of the main building and to retain the rear extension comprising 43 bedrooms (42 hotel bedrooms and 1 staff room). This totals 60 hotel bedrooms and 2 staff rooms. Physical alterations / amendments to the existing building that are being proposed comprise:

- the reduction in number of bedrooms (2 no.);
- removing part of existing roof and replacing it with a roof at a lower level;

- replacing 5 no. dormer windows with 5 no. rooflights on the external side elevation of the building and replacing 6 no. dormer windows with 3 no. rooflights on the internal side elevation;
- extensions of walls and roof slopes along the external side elevation;
- use of timber support posts, buttress walls, roof features, replacement widows, black rainwater goods and painted brick below DPC level to match the original building; and
- the extension of the existing wall along the length of the external side elevation.

DESCRIPTION OF SITE AND SURROUNDINGS

The application site is located on the eastern side of Stratford Road (A3400) which runs south to north between junction 16 of the M40 and Hockley Heath. The Pub Restaurant known as the Oak sits within landscaped grounds in the open countryside forming part of the west Midlands Green Belt. The original building presents a long, low, 'arts and crafts' style frontage to Stratford Road featuring prominent dormers and tall chimneys. The building is finished in white render and red tiled roof. To the north of the site there is substantial area of car parking which is also broken up by areas of landscape planting. The whole of the site amounts to around 1.39 hectares and is characterised by a significant degree of enclosure provided by substantial mature hedgerows and trees to all boundaries other than the road frontage.

DEVELOPMENT PLAN AND MATERIAL CONSIDERATIONS

Development Plan

Core Strategy
CS.1: Sustainable Development
CS.2: Climate Change and Sustainable Construction
CS.3: Sustainable Energy
CS.4: Water Environment and Flood Risk
CS.5: Landscape
CS.6: Natural Environment
CS.8: Historic Environment
CS.9: Design and Distinctiveness
CS.10: Green Belt
CS.12: Special Landscape Area
CS.24: Tourism and Leisure Development
CS.25: Healthy Communities
CS.26: Transport and Communications
AS.10: Countryside and Villages

Tanworth-in Arden Neighbourhood Plan
A Neighbourhood Plan area was designated for Tanworth-in-Arden in October 2014. Further progress has not been made at this time.

Other Material Considerations

Central government guidance
- NPPF 2012 & PPG 2014
- Circular 06/05: Biodiversity and Geological Conservation

Other documents
- Stratford on Avon District Design Guide.
- Historic England Good Practice Notes 2015:
  - GPA 1 – The Historic Environment in Local Plans

- GPA 2 – Manging Significance in Decision-Taking in the Historic Environment
- GPA 3 – The Setting of Heritage Assets

Other Legislation

- Human Rights Act 1998
- Natural Environment and Rural Communities (NERC) Act 2006
- The Conservation of Habitats and Species Regulations 2017
- Localism Act
- Planning (Listed Buildings & Conservation Areas) Act 1990

SUMMARY OF RELEVANT HISTORY

Reference Number	Proposal	Decision and date
95/00219/FUL	ERECTION OF SINGLE STOREY REAR EXTENSION TO FORM CHILDRENS PLAY ROOM AND ERECTION OF NEW ENTRANCE	Approved 20.04.1995
09/01714/OUT	Erection of two storey 70 bed hotel with replacement function and conference suite.	Refused 09.12.2009
10/02699/OUT	Demolition of existing function room and erection of extension to provide 40 bedrooms and replacement function room (re-submission of 09/01714/OUT)	Refused 07.07.2011 Appeal dismissed
12/02929/FUL	Demolition of part of existing building and erection of new extension providing overnight hotel accommodation (C1 use) and minor alterations to part of car park. (14 bed)	Approved 12.03.2013
13/01607/VARY	Variation of condition 2 of planning permission 12/02929/FUL for the demolition of part of the existing building and erection of a new extension providing overnight hotel accommodation. Variation of condition 2 allows for the addition of drawing number 03B, 04A, 05B and 08 which show reinstatement of the roof between the main building and extension, insertion of dormer windows into the roof and use of the roofspace as additional overnight accommodation	Approved 04.09.2013
14/00622/FUL	Retrospective demolition of part of existing building and erection of new extension providing overnight hotel accommodation (Use Class C1) and minor alterations to part of car park. (14 bed)	'Finally disposed of' 24.05.2017 in accordance with Article 40(13) of the Town & Country Planning (Development Management

		Procedure) (England) Order 2015
16/00450/FUL	Retrospective application for retention of 62 bedroom hotel extension. Including demolition of existing function room, three storey rear extension containing 45 bedrooms, and conversion of space on ground and first floors of existing public house/restaurant to provide 17 bedrooms. Ground floor extension to existing restaurant and external alterations including 2 no. gables on rear elevation, plus associated landscaping and car park alterations	Refused 03.03.2017
16/00451/FUL	Retrospective application for demolition of function room and retention of 2 no. gables on rear elevation, extension to restaurant on ground floor and existing garage building. Planning permission for alterations to existing three storey extension and internal alterations to provide a total of 44 hotel bedrooms plus relocation of existing fire escape.	Approved 03.03.2017

The application site has a detailed planning history which reflects its use as a roadside pub. This includes advertising consents and approvals for minor extensions and adjustments to the building and car park. Of more significance as shown above is the history of applications seeking consent for rear extensions. These began with a substantial approved extension to house a children's play area and was later followed by various proposals to replace this with hotel accommodation.

Prior to 2016, a single application (12/02929/FUL – now lapsed) was approved for hotel accommodation in this location. All other applications were either refused or dismissed at appeal.

During 2016 retrospective applications were submitted by the current applicant (16/00450/FUL and 16/00451/FUL). These applications arose because the applicant proceeded with construction to the rear of The Oak but did not undertake the work in accordance with any approval.

Application 16/00450/FUL sought permission for the retention of the entirety of the unconsented works (Total of 62 bedrooms, including 3 storey rear extension containing 45 bedrooms). This was refused planning permission on 3rd March 2017.

Application 16/00451/FUL sought to regularise the development by seeking retrospective planning permission for part of the development but which would also result in the demolition of a portion of the unconsented rear extension (total 44 bedrooms, including 27 bedrooms in the retained part of the rear extension). Planning permission was granted on 3rd March 2017. This was subject to a condition requiring the development to be commenced within 12 months from the

date of approval and brought into full accordance with approved plans within 18 months of the approval. In addition condition 7 required the submission of a drainage report to be approved by the LPA within 12 months from the date of the permission and condition 8 required the submission and approval of a landscaping scheme prior to commencement of development. At the time of compiling this report, conditions 7 and 8 have not been discharged and no drainage report or landscaping scheme has been approved by the LPA.

This current application seeks to regularise some of the unauthorised works by carrying out various amendments to the design of the building in question in an attempt to make the scheme as a whole acceptable in planning terms.

An Enforcement Notice was issued in February 2016 but subsequently withdrawn. The enforcement case will be reviewed pending the outcome of this application.

REPRESENTATIONS

Applicant's Supporting Documents

List of documents:

- Application Form
- CIL form
- Design and Access Statement. December 2017.
- Energy and Sustainability Statement. November 2017.
- Green Belt Volume Statement. November 2017.
- Landscape Visual Appraisal. 04/01/2018.
- Viability Appraisal – Operating projections. December 2017.
- Flood Risk Assessment. 22/12/2017.
- Transport Statement (V4). 11.0116 (should be 11/01/17)
- Planning Statement. January 2018.
- Plans, levels, sections and elevational drawings

Ward Member - Cllr George Atkinson

14.03.2018
As the principle of judging a planning application is to judge its merits as submitted my reasoning is to satisfy that objective.
The proposals meet SDC policy as expressed in the Corporate Strategy and conform to the principles outlined in the NPPF as well as the Core Strategy about the preservation of rural business because of the economic benefit derived but obviously not an enterprise which would detract from a setting and have a considerable adverse impact upon the Green Belt.
For many years there has been a similar operation from the site although the existing hotel is an extension of activity but in general I do not read the structure has a dramatic adverse impact upon the setting or Green Belt and therefore reason the proposals do not breach the protection afforded to it. The site is on a major road network in an area with built form of residential and business outlets in easy reach with that adjacent being not only housing but a business, part of which is retailing coal. Also close to the site is an important motorway junction. All therefore contribute to the belief these are some very special circumstances in favour of the application.
The Sustainability of the business meets the 3 basic principles within the brand which reflect the financial demand the development has to achieve as a tourist etc. source for the area which I believe are also very special circumstances.
If the application needs to be referred to Committee then a site visit is essential so that members can have the benefit it will give them.

15.06.2018 – previous comments support the application.

02.07.2018
I *have considered the issues involved and concluded my comments should be 'No representations'. This is because an element of the application is retrospective which amounts to my suggesting support for unauthorised development.*

(The full responses are available in the application file)

Parish/Town Council
OBJECT for the following planning reasons.

The Parish Council considers that planning permission should not be granted for the same reasons given by the District Council when refusing permission for the previous application 17/00450. A reduction from 62 bedrooms to 58 bedrooms and minor changes to the roof line do not justify permission. The Parish Council would also comment that confidence in the planning system would be severely damaged if a 62 bedroom hotel deliberately built without permission (despite earlier refusals and dismissed appeal) in the Green Belt should essentially be allowed to remain. (12.03.2018)

Third Party Responses
The planning-related comments made by third parties have been summarised by the case officer.

No letters of objection from local residents have been received.

A single letter from the CPRE objecting to the proposal has been received (12.03.20180. The planning grounds for objection relate to inappropriate development in the Green belt without the benefit of very special circumstances on a site outside a built up area of the District.

4 letters of support received. Comments relate to:

- The proposed changes to the rear extension will create an attractive, less substantive structure which will help settle the buildings into the landscape.
- Proposed new design will help reflect details and appearance of original structure.
- Proposal is preferable to the previous structure granted permission.
- Very little impact on the amenities of the neighbouring property.
- Critical that the site remains in use - the proposal supports this
- Provides a useful community facility
- Provides employment for local people
- Impact on the Green Belt is minimal
- Renovations have enhanced the pub and the amenities of the village in general
- Previous owners have failed to run successful businesses in this location

(The full responses are available in the application file)

Consultations
The full responses are available in the application file.

WCC Rights of Way – No Objection but requires public footpath W& to remain open and unobstructed at all times. (12.03.2018)

WCC Ecology – No representation (12.03.2018)

Warwichshire Police – No objections (22.02.2018)

SDC Environmental Health – No representation (06.03.2018)

WCC Highways – No objection subject to condition required to secure appropriate visibility splays (14.03.2018)

WCC Lead Local Flood Authority – No comments received.

Environment Agency – No comments received.

Severn Trent Water – No comments received.

Fire and Rescue Service - No comments received.

ASSESSMENT OF THE KEY ISSUES

Principle of Development

The Council is required to make a decision in line with the Development Plan, unless material considerations indicate otherwise. (Section 38(6) PCPA 2004 and Section 70(2) TCPA 1990). The National Planning Policy Framework (NPPF) is a key material planning consideration.

The application site has had two previous refusals for large hotel schemes, and approvals for more modest proposals.

Application 10/02699/OUT which proposed a 40 room hotel which was refused and the appeal dismissed after consideration of the following issues:

a) Whether the proposal constitutes inappropriate development in the Green Belt and if so whether there were very special circumstances
b) The impact of the proposal on the quality of the area
c) The impact of the proposal on tourism
d) Whether the proposals constitute sustainable development

The approval 12/02929/FUL secured permission for hotel accommodation comprising 14 beds and included a rear extension amounting 196.9 Square metres with an overall height of 7.3 metres.

Since these decisions the Stratford-on-Avon Local Plan has been superseded by the Core Strategy. As detailed at the outset of this report, application 16/00450/FUL to retain a 62 bedroomed hotel (including the unauthorised 45 bedroomed rear extension) was refused permission during March 2017. The reasons for refusal were two-fold. First, the development was contrary to Green Belt Policy CS.10 in the adopted Stratford-on-Avon District Core Strategy and pertinent paragraphs 79, 80, 87, 88 and 89 contained within the National Planning Policy Framework. Whilst certain 'very special circumstances' were identified, these were not considered to outweigh the harm caused to the character, purpose and openness of the Green Belt by reason of the excessive size and bulk of the development proposal. Second, the proposal was contrary to Policy AS.10 of the Core Strategy because it was not appropriately related in scale and nature to existing activities on this site, located as it is outside any Built-Up Area Boundary.

Nevertheless a separate application 16/00451/FUL for demolition of part of the existing building resulting in a total of 44 bedrooms was approved during March 2017. When considering the reduced scale of this hotel bedroom proposal, and weighing the harm to the Green Belt against 'very special circumstances' (such as opportunities for employment in the rural area and supporting the rural economy) this reduced scheme was considered acceptable. Whilst the 'very special circumstances' warranted only moderate weight, nevertheless the harm to the Green Belt through a loss of openness was to be reduced and also mitigated to some extent by the location and setting of the site.

In respect of this current application 18/00312/FUL for a 60 bedroomed hotel the policies which relate to the determination of this application are detailed above. Policies CS.10 and AS.10 of the Core Strategy are of particular relevance as indeed they were when determining the two recent applications 16/00450/FUL and 16/00451/FUL briefly summarised above. In addition, it is considered that Core Strategy Policy CS.24 is particularly relevant to this proposal, although no references to this Policy were made when considering the previous applications 16/00450/FUL and 16/00451/FUL.

Policy CS.10 requires that the purposes of the Green Belt will be upheld by resisting inappropriate development within it, except in cases where very special circumstances can be identified in accordance with national policy.

New buildings within the Green Belt are considered inappropriate development with a number of exceptions. Amongst those exceptions category 'b' of policy CS.10 identifies that - a small-scale extension or alteration of a building will be considered an exception to inappropriate development. The NPPF at paragraph 89 provides that the extension or alteration of a building may be an exception provided that it does not result in 'disproportionate additions' over and above the size of the 'original building'. This guidance is reflected in the Development Management Considerations detailed in the Core Strategy.

In this context, the hotel as constructed amounts to 2,412 square metres of floor space. (1,105 square metres of the new floorspace falls within the three storey rear extension as has been constructed). This is compared to 807 square metres of floorspace which existed pre-2012; a total of 1436 square metres of floorspace which had been permitted under 12/02929/FUL (but which had not been implemented) and 1890 square metres of floorspace allowed under 16/00451/FUL for the 44 hotel bedrooms scheme.

The submitted "Design and Access Statement" clarifies that the extension the subject of this current application would occupy an additional footprint area of approximately 135 square metres compared with the approved footprint in the 16/00451/FUL scheme. There would be an additional total internal floor area of approximately 372 square metres over three floors. It should be noted that the submitted "Planning Statement" states that this current application is seeking permission for additional floorspace of 348 square metres above the floorspace approved under application 16/00451/FUL.

It is recognised that the volume and floor space of this facility has grown over time. Nevertheless, the development currently being proposed is considered to be disproportionately larger than the original building.

Being an extension or building which is disproportionately larger than the original, the development is 'inappropriate development' and is therefore, by definition, harmful to the Green Belt. Accordingly, permission should not be approved unless

'very special circumstances' are found which outweigh the harm. 'Very special circumstances' will not exist unless the potential harm to the Green Belt by reason of inappropriateness and any other harm is clearly outweighed by other considerations.

In recognition of this, the applicant has submitted within the "Planning Statement" a number of matters which are believed to amount to 'very special circumstances'. These are available in full on the application file but can be summarised as follows:

- Viability – the approved 44 bedroom scheme is not a commercially viable option;
- The proposal would meet Green Belt objectives;
- Positive impact on the landscape, visual amenity and openness of the Green Belt;
- Contributing to rural employment
- Providing support for rural business
- Meeting Core planning principles

Accordingly, it is necessary to consider whether these matters amount to 'very special circumstances' either individually or collectively.

Viability
A "Viability Appraisal – Operating Projections" document has been submitted as part of the application which supports the quantum of development proposed.

It is argued that the current scheme of a 60 bedrooms hotel is the only scheme that would be a sustainable, profitable position for the hotel, ensuring the future value and operation of the hotel and employment of its staff. The document sets out its reasoning behind this and also provides evidence to support the view that the approved smaller 44 bedrooms hotel would not be operationally viable.

The detailed planning history and ownership of the site (which has changed hands on a number of occasions) suggests that operating a viable business in this location has been challenging. As such, I consider that there is a reasoned argument for a larger hotel scheme on this site being of benefit to the viability of the development and concur that this may be considered against the harm to the Green Belt.

Meeting Green Belt objectives
The applicant maintains that the proposal would not be harmful to the purposes of including land within the Green Belt and suggest that this of itself amounts to a very special circumstance.

Whilst the various proposed alterations to the existing building, including lowering part of the roof, are material considerations, I do not concur with this opinion and consider that the proposal would be harmful to the purposes of including land within the Green Belt, principally due to a loss of openness. In addition, the proposal does not assist in safeguarding the countryside from encroachment, contribute to restricting the sprawl of built up areas or encourage the urban regeneration through the recycling of derelict and other urban land.

Even if it were the case, that the proposal did appear to preserve the objectives of including land in the Green Belt, I do not agree that this would amount to a 'very special circumstance' in its self. Doing so would set an unacceptably low bar for 'very special circumstances' and set a precedent which could be easily replicated elsewhere in the District.

The impact of the development on the objectives of the Green Belt allocation are considered in further detail below.

Positive Impact on the Landscape
The applicant maintains that the proposal would result in improvements to the landscape and amenity of the area. The development's impact on the landscape is considered in detail below. It is not disputed that the continued operation of the site ensures that the roadside frontage and landscaped grounds are acceptably maintained. Also it is agreed that the newly built form is preferable to a less well maintained rear aspect.

That noted, I cannot agree that this is a 'very special circumstance' which supports an increased scale of development where such a scale would be inappropriate. This is because the same benefits could also be secured by a smaller development which could also be appropriate development within the Green Belt, as evidenced by the March 2017 permission for the smaller 44 hotel bedrooms. It is also notable that such benefits are capable of being transitory. The LPA has no control over the frequency of building and landscape maintenance beyond that which may be reasonably imposed by condition.

Contributing to Rural Employment & Providing Support for Rural Business
The applicant maintains that the proposed large scale 60 bedroom hotel development ensures a significant element of rural employment. The submitted "Viability Appraisal – Operating Projections" document advises that the proposed 60 bedrooms hotel would provide 23 FTE jobs (compared to 20 FTE jobs in respect of the approved 44 bedrooms hotel development). The submitted "Planning Statement" states that the "continued use of the site as a public house and restaurant plus the proposed hotel accommodation will directly result in 27 full-time equivalent jobs".

I agree that opportunities for employment in rural areas and supporting the rural economy are important benefits, which a large scale scheme such as that proposed can deliver. However, based on the information set out above, the current proposal to provide a 60 bedrooms hotel development secures only an additional 3 FTE jobs over and above the approved 44 hotel bedroom development. Whilst it is appropriate to give weight to this special circumstance of providing the additional jobs against the harm to the Green Belt, nevertheless it must also be recognised that the level of increase in FTE jobs provision is limited in number. At the same time it is acknowledged that the current proposal would secure these additional jobs and would deliver benefits (albeit small scale) over and above that which could be secured by a smaller development.

Meeting Core Planning Principles
The applicant considers that meeting the core planning principles detailed within the NPPF amounts to a 'very special circumstance'. Although the benefits of the scheme can be related to a number of the NPPF's core principles, nevertheless this does not provide specific support for the development as proposed. Indeed meeting the core principles set out in the NPPF is a minimum requirement and, as such, I do not agree that this amounts to 'very special circumstances'.

Summary of 'Very Special Circumstances'
The LPA considers that there are 'very special circumstances' which may be weighed against the Green Belt harm in this case. These are the enhanced viability which a larger scheme brings in this location and, arising from that, the benefit of rural employment which a viable scheme will deliver.

Whilst these matters are capable of being 'very special circumstances', such an approach cannot be entirely open ended, as that could allow development without limits. The Core Strategy and NPPF require consideration of 'very special circumstances' in the context of the harm which would be done to the Green Belt and the degree to which the particular considerations outweigh that harm. Where the harm is not outweighed by those considerations, 'very special circumstances' will not be seen to exist.

In the above context, whilst it is agreed that the hotel development as proposed represents a viable scheme which delivers valuable local employment, however it remains necessary to assess the harm of the scheme to the Green Belt. If the harm is not/cannot be outweighed then permission should be refused.

Harm to the Green Belt
Decision makers should attach substantial weight to any the harm to the Green Belt.

The fundamental aim of Green Belt policy is to prevent urban sprawl by keeping land permanently open. Thus the defining characteristics of Green Belts are their openness and permanence. A "Landscape Visual Appraisal" has been submitted which addresses the landscape impacts of the development, although it should be noted that the consideration of openness is distinct from landscape character and visual impacts. In addition the LVA has concluded that the proposed development would not have a material impact on the openness of the Green Belt, such impact being "negligible".

This opinion is not accepted by the LPA. The proposed alterations to the 'as built' unauthorised development would result in a significant loss of openness whether measured by volume of development or by square metres. The appearance and bulk of the extension 'as built' is considered inappropriate and as such is harmful to the Green Belt. Because of its scale and mass its appearance serves to emphasise the loss of openness. The proposed alterations, whilst seeking to reduce the scale / bulk of the extension and the impact on openness, would not, in my opinion, reduce the extent of harm to the Green Belt to any significant degree as to justify planning permission being granted.

The NPPF identifies 5 purposes for the Green Belt. These include checking unrestricted sprawl of large built up areas, safeguarding the countryside from encroachment and assisting urban regeneration by encouraging the reuse of land in urban areas. I conclude that the above purposes are harmed by the inappropriate development of a considerable hotel development within the countryside.

The degree to which the identified harm is considered to be outweighed by the circumstances of the development is a matter of judgement and decision makers will need to draw their own conclusions on the nature of the harm. In this instance, there is considerable concern that the scale of development implemented and the remedial alterations being proposed here is unacceptable even when the benefits of securing a viable business on site and securing local employment in a rural context are considered.

Accordingly, I have concluded that the harm is not outweighed by other considerations. As such, 'very special circumstances' do not exist in this case.

Notwithstanding the above conclusions, I shall continue below to consider the remaining Core Strategy Policies.

Core Strategy Policies – Tourism and Leisure

CS.24 – Tourism and Leisure Development

Large-scale schemes for visitor attractions or overnight accommodation should, wherever possible, be located within the urban areas of Stratford-upon-Avon or a Main Rural Centre. Elsewhere in the District, unless established through other provisions of the Plan, large-scale proposals for new and major extensions to existing tourism-related development, including accommodation, will need to be justified taking into account:

1. the nature of the activity and whether it can only reasonably be located in a rural area;
2. the nature of the existing site and its relationship to the local area;
3. its impact on the character of the local landscape and settlements, including historic and natural features;
4. the benefits that the scheme offers to the local communities;
5. the benefits that the scheme would secure to wider economic or environmental interests;
6. the relationship between the development and major transport routes and impact on the highway network; and
7. the accessibility of the site by existing public transport and the scope to improve services.

Large-scale visitor accommodation may be justified in the rural parts of the District where it is directly associated with and genuinely ancillary to a major existing tourist, recreation, conference or other form of business use. Within the "Development Management Considerations" part of this policy, clarification is provided for schemes involving large-scale hotels or similar accommodation in rural locations. Such accommodation should be directly associated with an existing use which has to be of such a nature and scale that it can justify the provision of overnight accommodation in its own right. It must be genuinely ancillary to the needs of the existing use on the site. Consequently any proposal should be of a scale appropriate to the needs of that use, and it will be a requirement for all applicants to justify why the accommodation proposed is appropriate in relation to the particular existing use.

Small scale tourism and visitor-based schemes, including those for new or extensions to existing visitor accommodation and conference facilities, will be supported where they are appropriate to the size and role of the settlement and/or to the specific nature of the location.

All forms of tourism and leisure development should be sensitive to the character of the area and designed to maximise the benefits for the communities affected in terms of job opportunities and support for local services.

AS.10 – Countryside and Villages

The applications site falls outside of any of the districts Built-Up Area Boundaries. As such Policy AS.10 – Countryside and Villages applies. AS.10 provides that all proposals will be thoroughly assessed against the principles of sustainable development including the need to:

- minimise impact on the character of the local landscape, communities and environmental features;
- minimise impact on the occupiers and users of existing properties in the area;
- avoid a level of increase in traffic on rural roads that would be harmful to the local area;

- make provision for sustainable forms of transport wherever appropriate and justified;
- prioritise the re-use of brownfield land and existing buildings; and
- seek to avoid the loss of large areas of higher quality agricultural land.

It states that the following forms of development and uses are acceptable in principle, noting at point (n) that 'An extension to a business in its established location, particularly if it would be unreasonable to expect the business to relocate in order to expand'. It further states at point (t) that purpose built visitor accommodation that is directly associated with and related to the scale and nature of an existing use can be considered an acceptable form of development within the countryside.

Within the submitted "Planning Statement", the applicant has sought to demonstrate that the hotel accommodation is in compliance with Policies CS.24 and AS.10.

The LPA accepts that the proposal does form an extension to a business in its established location, and it would be unreasonable to expect the business to relocate in order to expand. Indeed, the latter point was a consideration when planning permission was granted to allow the 44 bedroom hotel use on the site under application 16/00451/FUL.

Notwithstanding this, the policies require the proposed development to take into account the nature of the existing site and its relationship to the local area; its impact on the character of the local landscape; and to be directly associated with and related to the scale and nature of an existing use. As such, whilst well connected, the existing leisure use on site is a roadside pub/restaurant. This does not immediately suggest the need for a 60 bedroom scale hotel. The previously granted permission allowed for 44 bedrooms to be developed whereas this proposal delivers some 60 units of hotel accommodation. This suggests a significant change in the use of the site. Whilst the LPA has accepted through application 16/0451/FUL a hotel use on the site to be appropriate, that has been limited in scale and numbers of bedrooms to 44 no. in total. An increase in scale to 60 bedrooms hotel is considered by the LPA to be significantly in excess of what is appropriate and disproportionate to the existing permitted activities on site.

As such, whilst Policies CS.24 and AS.10 support the principle of expanding the existing business in its current location, nevertheless there is conflict as the intensity of the proposal does not adequately reflect the scale and nature of the leisure use on site. This conflict with Core Strategy policies therefore indicates that the development may not properly be defined as sustainable development and should be refused on these grounds.

Impact on the Landscape and Character of the Area

The submitted "Landscape and Visual Appraisal" acknowledges that the site falls within Green Belt and within a Special Landscape Area. As such, Policies CS.5: "Landscape", CS.10: "Green Belt" and CS.12: "Special Landscape Areas" are engaged (Policy CS.10 has been considered in detail above).

The NPPF requires as part of its core principles (paragraph 17 (5)), that, amongst other things, planning should take account of the different roles and character of different areas and recognise the intrinsic character and beauty of the countryside. Policy CS.5 requires development to minimise and mitigate impacts on the landscape character and quality, including cumulative impacts. Paragraph 109 of the NPPF also states that the planning system should contribute to and

enhance the natural and local environment by protecting and enhancing valued landscapes. In addition, Policy CS.5 advises that the landscape character and quality of the district will be maintained by ensuring that development takes place in a manner that minimises and mitigates its impact and, where possible, incorporates measures to enhance the landscape.

Policy CS.12 provides that the high landscape quality of the Special Landscape Areas, including their associated historic and cultural features, will be protected by resisting development proposals that would have a harmful effect on their distinctive character and appearance.

In respect of the above, the application site falls within National Character Area 97: Arden. At the regional scale the Warwickshire Landscape Guidelines identify the site as falling within the Arden Character Area. This is described as "An historic region of former wood pasture and heath characterised by ancient woodlands and mature hedgerow oaks and a dispersed settlement patter of brick and half-timbered farmsteads and wayside cottages."

The application site and existing buildings are heavily enclosed by surrounding vegetation. As such, the submitted landscape appraisal demonstrates that open views towards the site are difficult to achieve within the local landscape. Some glimpsed views are possible from Spring Lane and from the two footpath to the south and east of the site.

Equally, due to its enclosure the site is not considered to contribute significantly to the landscape character of the area. Accordingly, the site is considered to be of relatively low sensitivity to the development as proposed. A scheme of landscape enhancements is proposed which would result in a net gain in planting around the site. This mitigation would ensure that views towards the site would not be unacceptable and the general appearance and amenity of the site would be improved.

Accordingly, I consider that the development does not conflict with Policies CS.5 and CS.12.

Impact on Heritage Assets

Section 66 of the Planning (Listed Buildings and Conservation Areas) Act 1990 requires that, "In considering whether to grant planning permission for development which affects a listed building or its setting, the local planning authority or, as the case may be, the Secretary of State shall have special regard to the desirability of preserving the building or its setting or any features of special architectural or historic interest which it possesses."

The nearest listed building lies some 195m to the north west of the application site, a scheduled ancient monument, Packwood Hall Moated Site, lies 1.9KM to the north east, Packwood House Garden, a Registered Park and Garden lies 1.6Km to the north and a National Trail – the Millennium Way runs in a north to south direction approximately 1Km to the east of the development.

The nearest conservation area is situated within Lapworth.

Whilst each application must be considered on its own merits, nevertheless the decision relating to application 16/00450/FUL to refuse the 'as built' 62 bedrooms hotel development is a material consideration. The reasons for that refusal did not include any reference to unacceptable impact on nearby heritage assets or their settings. Conservation advice received in respect of that previous application made clear that there were no substantive heritage concerns as the nearby assets

are sufficiently removed so as to avoid any harm to their settings. It was noted that The Oak itself has some interest as a non-designated heritage asset, but that interest is limited and in any regard the works were not considered to harm the building in a way which would engage paragraph 135 of the NPPF. As such it was concluded that the development under 16/00450/FUL did not conflict with the requirements of Core Strategy Policy CS.8: "Historic Environment".

The current proposal involves works to the existing building which will not cause unacceptable impact on nearby heritage assets. As was the case with application 16/00450/FUL this current proposal does not conflict with Policy CS.8.

Design, Layout, Scale, and Appearance

The 'as built' extension is to the rear and set back from the principle elevation. It comprises three storeys with a single projecting bay. The fenestration is small and simply arranged. The entire elevation is completed in render – all in white excepting for the projecting bay which is finished in a cream colour. When considering application 16/00450/FUL, concern was expressed that the extension appears as a very significant addition, which is greater than or equivalent in scale to the entirety of the original building. This is contrary to ordinary planning practice and Green Belt policy which would guide towards a need for extensions to be subordinate in both size and character to the original building.

In addition concern was raised about the design of this 'as built' extension when considering application 16/00450/FUL, most notably the roof design being significantly different from that of the original property as it is comparatively shallow pitch and its eaves are higher. Consequently the roof does not extend down as far as that of the original building and does not reflect the characterful arts and crafts style appearance of the original building.

Notwithstanding the above it was noted that a number of letters of support for the 'as built' development had been received from the local community which cite the well-kept appearance of the new building and the improvements which have been undertaken to the main building and in the car park as reasons for approval of the application. There were no neighbour objections and, by virtue of the distances between this building any sensitive receptors who would be harmed by its scale and mass, it was considered that was no unacceptable impact on residential amenity as a result of that development.

Accordingly, whilst the design of the 'as built' rear extension was considered unacceptable in design terms, this was given only moderate weight to those findings given the local support for the scheme and did not form part of a reason for refusing application 16/00450/FUL

As part of this current application, the proposed alterations to the 'as built' extension involve reducing in height part of the existing roof, removal of dormer windows, extending roof slope and walls to provide lower eaves levels, the use of timber posts and buttress piers and replacement windows and doors to reflect the style and appearance of existing fenestration in the principal front elevation.

These proposed alterations are considered to be more in keeping with and reflect the arts and crafts style appearance of the original building.

Notwithstanding the proposed alterations, the extension would still appear as a very significant addition. However, this is not considered to be so unacceptable in terms of design and Core Strategy Policy CS.9 as to justify a reason to refuse the proposal.

Highways Matters
The Local Highway Authority raises no objections to the proposal, subject to a condition necessary to secure appropriate visibility splays are provided and kept clear for the remaining access. I concur with the above view.

Mindful that the scheme for a 62 bedroom hotel was not subject to a highways reason for refusal under application 16/00450/FUL, it would be unreasonable to impose a highways related reason for refusal for this proposal for 60 bedrooms.

As such, I consider that there would be no conflict with Policy CS.26 of the Core Strategy.

Flood Risk and Drainage
The County Council as Lead Local Flood Authority (LLFA) has made no comment in response to this current application. However, the LLFA raised no objection to the previous application 16/00450/FUL for 62 bedrooms. Therefore it is reasonable to assume that there are no overriding flood risk and drainage objections to this current proposal for 60 bedrooms.

I consider that there would be no conflict with Core Strategy Policy CS.4.

Ecological Impacts
The County Council Ecologist offers no representations to the current proposals. As such, I consider that there would be no conflict with Core Strategy Policy CS.6.

Conclusions
I consider that the current application should be determined in accordance with the adopted Development Plan. I can identify no material considerations that warrant an alternative approach.

Policy CS.1 states that the Council will take a positive approach to applications that reflect the presumption in favour of sustainable development contained in the NPPF.

On the basis of the considerations set out in this report, and the identified conflict with Policies CS.10, CS.24 and AS.10 of the Core Strategy, in my opinion, the development does not comply with the Core Strategy and therefore cannot properly be characterised as sustainable development for the purposes of the NPPF. I therefore consider that the presumption in favour does not apply in this case and conclude that Planning Permission should be refused

RECOMMENDATION
It is therefore recommended that the application be REFUSED for the following reasons:

1. The site is located in the West Midlands Green Belt and the application seeks permission for development which is considered inappropriate and harmful to the Green Belt by definition. Policy CS.10 and paragraphs 79-80 & 87-89 of the NPPF require that the Green Belt shall be protected from inappropriate development except in cases where 'very special circumstances' are demonstrated. The applicant has sought to demonstrate that 'very special circumstances' do exist in this case on a number of grounds. The Local Planning Authority considers that of these the viability of the business and the need to ensure local employment can be considered 'very special circumstances'. However, having considered the nature of the application, the Local Planning Authority does not consider that the identified circumstances

sufficiently outweigh the harm caused to the character, purpose and openness of the Green Belt by reason of the excessive size and bulk of the proposal. Although the Authority notes the proposed amendment to the roofline of the development, it is maintained that the identified harm to the openness of the Green Belt remains unjustified. For these reasons, the proposal is considered to be contrary to Policy CS.10 of the Stratford-on-Avon District Core Strategy 2011 - 2031 and paragraphs 79-80 & 87-89 of the NPPF.

2. The application site falls outside of any of the District's Built-Up-Area Boundaries as defined by the Stratford-on-Avon Core Strategy 2011 - 2031. Accordingly, the site falls within the rural parts of the district where Policy AS.10 - Countryside and Villages makes provision for a wide variety of activities and development subject to criteria. It provides under point (t) Tourism and Leisure, that purpose built visitor accommodation can be acceptable in principle so long as it is directly associated with and related to the scale and nature of an existing use. The Local Planning Authority considers that the proposed development, whilst directly associated with the pub/restaurant, is not appropriately related in scale and nature to the existing activities on site. The development proposed secures 60 rooms of accommodation. The Local Planning Authority considers this is significantly in excess of that which would be considered proportionate to the existing permitted activities on site. The proposal therefore conflicts with the provisions of Policy AS.10 of the Stratford-on-Avon Core Strategy 2011 - 2031 and is not considered sustainable development.

Notes:

1. The local planning authority has also taken into account paragraphs 186 and 187 of the National Planning Policy Framework concerning the need to work positively with applicants to secure developments that improve the economic, social and environmental conditions of the area. However, the applicant did not enter into pre-application discussions and it has not been possible to overcome all of the objections to the proposal through discussions as part of the application process.

ROBERT WEEKS
HEAD OF PLANNING AND HOUSING

19.7.18

Notice of Decision

REFUSAL

Town and Country Planning Act, 1990
Town and Country Planning (Development Management Procedure) Order, 2015

Miss Sarah Butterfield
WYG
54 Hagley Road
3rd Floor
Edgbaston
Birmingham
B16 8PE

THE STRATFORD-ON-AVON DISTRICT COUNCIL, having considered the application for permission to develop land at:-

The Oak , Stratford Road, Hockley Heath, B94 5NW

Submitted by: Mr Paul Owens Westboure Leisure Limited

Received by the Council on 19 February 2018

HEREBY GIVE YOU NOTICE that PLANNING PERMISSION is REFUSED for the following development, namely:-

Part retrospective application for retention of existing development on site comprising 60-bedroom hotel. Including demolition of existing function room, three storey rear extension and conversion of space on ground and first floors of existing public house/restaurant. Ground floor extension to existing restaurant and external alterations including amendments to rear extension to provide amended roof line and new windows, 2 no. gables on rear elevation, plus associated landscaping and car park alterations.

The reasons for the Council's decision to refuse permission for the development are:-

1. The site is located in the West Midlands Green Belt and the application seeks permission for development which is considered inappropriate and harmful to the Green Belt by definition. Policy CS.10 and paragraphs 79-80 & 87-89 of the NPPF require that the Green Belt shall be protected from inappropriate development except in cases where 'very special circumstances' are demonstrated. The applicant has sought to demonstrate that 'very special circumstances' do exist in this case on a number of grounds. The Local Planning Authority considers that of these the viability of the business and the need to ensure local employment can be considered 'very special circumstances'. However, having considered the nature of the application, the Local Planning Authority does not consider that the identified circumstances sufficiently outweigh the harm caused to the character, purpose and

openness of the Green Belt by reason of the excessive size and bulk of the proposal. Although the Authority notes the proposed amendment to the roofline of the development, it is maintained that the identified harm to the openness of the Green Belt remains unjustified. For these reasons, the proposal is considered to be contrary to Policy CS.10 of the Stratford-on-Avon District Core Strategy 2011 - 2031 and paragraphs 79-80 & 87-89 of the NPPF.

2. The application site falls outside of any of the District's Built-Up-Area Boundaries as defined by the Stratford-on-Avon Core Strategy 2011 - 2031. Accordingly, the site falls within the rural parts of the district where Policy AS.10 - Countryside and Villages makes provision for a wide variety of activities and development subject to criteria. It provides under point (t) Tourism and Leisure, that purpose built visitor accommodation can be acceptable in principle so long as it is directly associated with and related to the scale and nature of an existing use. The Local Planning Authority considers that the proposed development, whilst directly associated with the pub/restaurant, is not appropriately related in scale and nature to the existing activities on site. The development proposed secures 60 rooms of accommodation. The Local Planning Authority considers this is significantly in excess of that which would be considered proportionate to the existing permitted activities on site. The proposal therefore conflicts with the provisions of Policy AS.10 of the Stratford-on-Avon Core Strategy 2011 - 2031 and is not considered sustainable development.

Note:

1. The Local Planning Authority has also taken into account paragraphs 186 and 187 of the National Planning Policy Framework concerning the need to work positively with applicants to secure developments that improve the economic, social and environmental conditions of the area. However, the applicant did not enter into pre-application discussions and it has not been possible to overcome all of the objections to the proposal through discussions as part of the application process.

DATED: 19 July 2018

AUTHORISED OFFICER OF THE COUNCIL.....

IT IS IMPORTANT THAT YOU READ THE NOTES ATTACHED TO THIS FORM

STRATFORD-ON-AVON DISTRICT COUNCIL
ELIZABETH HOUSE, CHURCH STREET, STRATFORD-UPON-AVON CV37 6HX

NOTES

PART 2

PRE–START CONDITIONS

You are reminded that some of the conditions attached to planning permissions (pre-start conditions) require details and schemes to be submitted and approved in writing before any work commences on site. You should therefore submit any details required at least 8 weeks prior to starting work and obtain the Council's written approval, if required, in order to comply with the planning condition.

Failure to comply with pre-start conditions may result in your planning permission being void.

FEES FOR THE DISCHARGE OF PLANNING CONDITIONS

In accordance with Statutory Instrument 958, a fee is now payable where a written request is made for the discharge of one or more planning conditions on the same permission or for the written confirmation of compliance with a planning condition or conditions. Further guidance on this process together with the associated fees is available on the Council's website
https://www.stratford.gov.uk/planning-regeneration/the-application-process.cfm

APPEALS TO THE SECRETARY OF STATE

If you are aggrieved by the decision of your Local Planning Authority to refuse permission for the proposed development or to grant it subject to conditions, then you can appeal to the Planning Inspectorate under Section 78 of the Town and Country Planning Act 1990.

If you want to appeal, then you must do so within **six months** of the date of this notice. For appeals against the refusal of Householder applications (i.e.: works to a dwelling or development within the garden of a dwelling) or Minor Commercial Development you must lodge your appeal within **12 weeks** of the date of the decision.

If the development is the same (or substantially the same) as that specified in an Enforcement Notice served on the same land, an appeal must be lodged within

A) 28 days of the date of the planning decision if there is an extant Enforcement Notice served up to 2 years prior to the date of the decision
B) 28 days of the date of the Enforcement Notice if the Notice is served after the date of the decision of the planning application for the same development

Appeals must be made using a form which you can get from the Secretary of State at Temple Quay House, 2 The Square, Temple Quay, Bristol BS1 6PN (Tel: 0303 444 5000) or online at https://www.gov.uk/planning-inspectorate.

The Inspectorate will publish details of your appeal on the internet (on the Appeals area of the Planning Portal). This may include a copy of the original planning application form and relevant supporting documents supplied to the local authority by you or your agent, together with the completed appeal form and information you submit to the Planning Inspectorate. Please ensure that you only provide information, including personal information belonging to you that you are happy will be made available to others in this way. If you supply personal information belonging to a third party please ensure you have their permission to do so. More detailed information about data protection and privacy matters is available on the Planning Portal.

The Planning Inspectorate can allow a longer period of giving notice of an appeal, but he will not normally be prepared to use this power unless there are special circumstances which excuse the delay in giving notice of appeal.

The Planning Inspectorate need not consider an appeal if it seems to him that the Local Planning Authority could not have granted planning permission for the proposed development or could not have granted it without the conditions it imposed, having regard to the statutory requirements to the provisions of the Development Order and to any directions given under the Order.

In practice, the Planning Inspectorate does not refuse to consider appeals solely because the Local Planning Authority based its decision on a direction given by him.

PURCHASE NOTICES

If either the Local Planning Authority or the Planning Inspectorate refused permission to develop land or grants it subject to conditions, the owner may claim that he can neither put the land to a reasonably beneficial use in its existing state nor can he render the land capable or a reasonably beneficial use by the carrying out of any development which has been or would be permitted.

In these circumstances, the owner may serve a purchase notice on the Council (District Council, London Borough Council or Common Council of the City of London) in whose area the land is situated. This notice will require the Council to purchase his interest in the land in accordance with the provisions of Part VI of the Town and Country Planning Act.

Compensation

In certain circumstances compensation may be claimed from the Local Planning Authority if permission is refused or granted subject to conditions by the Planning Inspectorate on appeal or on reference of the application to him.

These circumstances are set out in Part V of the Town and Country Planning Act 1990.

ADDRESSING YOUR NEW BUIDINGS

When you require the address(es) for this development contact "Street Naming and Numbering" at Stratford-on-Avon District Council, either by post or email 3720snandn@stratford-dc.gov.uk. You need to do this 6 weeks before utility contacts are required.
There will be an administrative charge for this service.

Information to include in your request can be found on www.stratford.gov.uk

Lambert Smith Hampton

www.lsh.co.uk

19 August 2019

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Lambert Smith Hampton
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Private & Confidential

Ms C Eynon
Planning Manager (Performance, Appeals and Enforcement)
Stratford-upon-Avon District Council
Church Street
Stratford-upon-Avon
Warwickshire
CV37 6HX

Dear Ms Eynon

Our Ref:	0142035-BI-0000
Property Address:	The Oak Hotel, Stratford Road, Hockley Heath, Solihull, West Midlands, B94 5NW

We refer to your email instructions dated 4 December 2018 to provide our professional opinion with regards to a Viability Appraisal prepared in respect of the above property and business.

In preparing this report we have relied upon the following.

- Brief inspection of the subject property on 28 January 2019.
- Meeting with Clare Eynon, Planning Manager, Stratford-upon-Avon District Council and Gary Moss, MSC Planning Consultants on 28 January 2019.
- Viability Appraisal – Operating Projections prepared by Lancaster Haskins Chartered Accountants (appended to this report) .
- Grounds of Appeal Statement prepared by WYG and dated November 2018 (appended to this report).

We have not undertaken any enquiries in relation to the property or business outside of the information provided in the aforementioned documentation. In addition, this report provides analysis of the information provided by the applicants, with particular reference to the Viability Appraisal – Operating Projections, but is not intended to be a formal appraisal of the subject business.

The aforementioned Viability Appraisal – Operating Projections document was submitted by the applicants, Westbourne Leisure Limited, in appealing Enforcement Notice reference 13/00765/VARENF, which was issued by Stratford upon Avon District Council on 1 October 2018.

The Enforcement Notice is described as *"Without planning permission the erection of extensions (notice 05/11/2018 1145) and erection of an extension (Notice 1213)"* and is understood to relate to the hotel having been extended to 62 bedrooms whilst planning consented existed for only 44 bedrooms.

In summary, the Viability Appraisal makes comparisons between 60 bedroom and 40 bedroom scenarios and concludes that a 44 bedroom hotel would not be viable and "*the 60 bedrooms hotel is the only scenario that projects a sustainable, profitable position for the hotel, ensuring the future value and operation of and employment of its staff".*

In line with your instructions, we have considered whether this conclusion is reasonable based on the information available.

Lambert Smith Hampton

1.0 Management Accounts and Projections Comparison

The Viability Appraisal prepared by Lancaster Haskins does not make any direct comparison between The Oak management accounts for the year ended 30 September 2017 included in their report as table 2.3.3, at which point the hotel operated with 62 rooms, and the annual projections for the 60 bedroom and 44 bedroom scenarios. This is despite the fact that the appraisal states that *"our projections are guided by the actual performance of The Oak for the year ended 30 September 2017 as well as our experience of the company's standards and internal benchmarks".*

In the following table we have presented the management accounts (62 bed) and the scenario 1 (60 bed) and scenario 2 (44 bed) projections in such a way that direct comparison can be made. The same headings have been adopted as used in the management accounts and projections, with the exception that we have included an Adjusted Net Profit after adding back the Management Fee.

	Management accounts		Scenario 1 60 bed projection		Scenario 2 44 bed projection	
	Y.e. 30/09/17		Y.e. 30/09/18		Y.e. 30/09/18	
Turnover						
Wet sales	£252,446	*20.5%*	£258,454	*20.0%*	£204,179	*19.6%*
Dry sales	£341,044	*27.7%*	£352,318	*27.3%*	£278,331	*26.7%*
Accommodation	£636,966	*51.8%*	£678,902	*52.6%*	£561,869	*53.8%*
Total Income	**£1,230,456**	***100.0%***	**£1,289,674**	***100.0%***	**£1,044,379**	***100.0%***
Cost of Sales						
Opening wet stock	£0	*0.0%*	£9,995	*0.8%*	£9,995	*1.0%*
Opening dry stock	£0	*0.0%*	£6,126	*0.5%*	£6,126	*0.6%*
Wet purchases	£131,165	*10.7%*	£135,630	*10.5%*	£107,190	*10.3%*
Dry purchases	£169,330	*13.8%*	£175,224	*13.6%*	£138,453	*13.3%*
Sundry purchases	£14,758	*1.2%*	£15,476	*1.2%*	£12,533	*1.2%*
Booking costs	£63,126	*5.1%*	£68,230	*5.3%*	£56,468	*5.4%*
Licence costs	£723	*0.1%*	£1,290	*0.1%*	£1,312	*0.1%*
Wages	£365,749	*29.7%*	£388,401	*30.1%*	£344,618	*33.0%*
Entertainment	£13,309	*1.1%*	£14,186	*1.1%*	£14,436	*1.4%*
Closing wet stock	£0	*0.0%*	-£10,195	*-0.8%*	-£10,195	*-1.0%*
Closing dry stock	£0	*0.0%*	-£6,249	*-0.5%*	-£6,249	*-0.6%*
Total Cost of Sales	**£758,160**	***61.6%***	**£798,114**	***61.9%***	**£674,687**	***64.6%***
Gross Profit	**£472,296**	***38.4%***	**£491,560**	***38.1%***	**£369,692**	***35.4%***
Expenditure						
Salaries	£52,165	*4.2%*	£45,000	*3.5%*	£45,000	*4.3%*
Employer's NIC	£5,215	*0.4%*	£5,088	*0.4%*	£5,088	*0.5%*
Rates	£56,351	*4.6%*	£59,325	*4.6%*	£60,368	*5.8%*
Light and Heat	£61,883	*5.0%*	£66,418	*5.1%*	£60,828	*5.8%*
Repairs and maintenance	£28,554	*2.3%*	£55,456	*4.3%*	£56,431	*5.4%*
Waste collection	£5,814	*0.5%*	£6,448	*0.5%*	£6,562	*0.6%*
Laundry	£40,334	*3.3%*	£42,559	*3.3%*	£34,465	*3.3%*
Printing, postage and stationery	£3,761	*0.3%*	£3,869	*0.3%*	£3,937	*0.4%*
Advertising	£2,392	*0.2%*	£2,579	*0.2%*	£2,625	*0.3%*
Telephone	£8,458	*0.7%*	£9,028	*0.7%*	£9,186	*0.9%*
Legal and professional	£2,945	*0.2%*	£2,579	*0.2%*	£2,625	*0.3%*

PDQ commission	£17,717	*1.4%*	£18,055	*1.4%*	£14,621	*1.4%*
Management fee	£0	*0.0%*	£81,000	*6.3%*	£81,000	*7.8%*
Total Expenditure	**£285,589**	***23.2%***	**£397,404**	***30.8%***	**£382,736**	***36.6%***
Net Profit	**£186,707**	***15.2%***	**£94,156**	***7.3%***	**-£13,044**	***-1.2%***
Management fee added back	£0		£81,000		£81,000	
Adjusted Net Profit	**£186,707**	**15.2%**	**£175,156**	**13.6%**	**£67,956**	**6.5%**

It will be noted that there is a strong net profit of £186,707 in the management accounts. However, the 60 bed projection shows a much lower net profit of £94,156, despite the trading format being broadly unchanged and reporting an increase in turnover. This is primarily as a result of inconsistent application of costs in the projections compared to the management accounts.

When the costs are applied on a basis consistent with the management accounts, the applicant's own figures show the business to be very profitable in the 60 bed scenario and comfortably viable in the 44 bed scenario.

We comment as follows in respect of those specific costs that have had the most direct impact on the net profit presented in the applicant's projections.

1.1 Management Fee

It will be noted that the management accounts do not include a management fee but the applicants have applied a figure of £81,000 to both projections.

The Viability Appraisal states that *"management fees have been incorporated into our forecasts to cover essential operating functions carried out by head office on behalf of The Oak. These costs were not included in the previous report".* The previous report to which they refer is a viability appraisal prepared by Bilfinger GVA in January 2016.

It should be appreciated that the inclusion of a management fee, and at what level, is at the absolute discretion of the operator and/or their accountants.

The applicants state that the management fee is *"based on 20% of the average monthly head office payroll costs, covering book-keeping, accounting function, wet and dry ordering, payroll, HR and the hotel area manager".*

We would suggest that it is not consistent to adopt a management fee in the projections when it is not the applicant's practice to include a management fee when preparing their accounts and a management fee was not included in previous forecasts.

In addition, in our experience, a figure of £81,000 is unusually high and it is not explained why 20% of total head office costs are attributed to this business.

We would also suggest that it is inconsistent to apply the same level of management fee to both the 60 bed and 44 bed scenarios. The management fee equates to 6.28% of the 60 bed turnover and, on the same basis, the management fee for the 44 bed option would be £65,594.

In summary, the discretionary management fee is the primary reason the 44 bed scenario shows a loss and, had it not been applied, the same 44 bed projection would have shown a more viable net profit of £67,956.

1.2 Costs of Sales

There is some inconsistency as to how the wages have been applied in the three scenarios.

			60 bed		44 bed	
	Y.e. 30/09/17		Y.e. 30/09/18		Y.e. 30/09/18	
Wages	£365,749	*29.7%*	£388,401	*30.1%*	£344,618	*33.0%*

Relative to turnover, wages are consistent in the management accounts and the 60 bed scenario. However, whilst wages reduce from £365,749 to £344,618 between the management accounts and 44 bed scenario, as a proportion of turnover wages increase from 29.7% to 33.0%.

In addition, relative to turnover, the applicants have adopted significantly higher wages costs in the 44 bed scenario than the 60 bed scenario.

Whilst we would expect some modest economies of scale, a difference of circa 3% is considered excessive.

To put this in context, had wages been adopted in line with the management accounts (29.7% of turnover) in the 44 bed scenario, the reported wages would have been £307,020, which would have increased net profit by £37,598.

1.3 Administrative Expenses

The total administrative expenses in the three sets of figures, as a proportion of turnover, are as follows.

Management Accounts (62 bed)	23.2%
Scenario 1 (60 bed)	30.8%
Scenario 2 (44 bed)	36.6%

The main reason for the difference between the management accounts and the projections is the management fee. However, if the management fee is excluded, the three sets of figures remain inconsistent.

Management Accounts (62 bed)	23.2%
Scenario 1 (60 bed)	24.5%
Scenario 2 (44 bed)	28.9%

Whilst the total administrative expenses are reasonably consistent between the management accounts and the 60 bed scenario, it is evident that there are inconsistencies between the approach taken to the 60 bed and 44 bed scenarios.

Whilst accepting that a larger hotel will benefit from some modest economies of scale, we would suggest that the differential is beyond expectations.

Below is a comparison of the administrative expenses adopted in the two scenarios.

	Scenario 1 60 bed projection		Scenario 2 44 bed projection	
	Y.e. 30/09/18		Y.e. 30/09/18	
Administrative Expenses				
Salaries	£45,000	*3.5%*	£45,000	*4.3%*
Employer's NIC	£5,088	*0.4%*	£5,088	*0.5%*
Rates	£59,325	*4.6%*	£60,368	*5.8%*
Light and Heat	£66,418	*5.1%*	£60,828	*5.8%*
Repairs and maintenance	£55,456	*4.3%*	£56,431	*5.4%*

Waste collection	£6,448	*0.5%*	£6,562	*0.6%*
Laundry	£42,559	*3.3%*	£34,465	*3.3%*
Printing, postage and stationery	£3,869	*0.3%*	£3,937	*0.4%*
Advertising	£2,579	*0.2%*	£2,625	*0.3%*
Telephone	£9,028	*0.7%*	£9,186	*0.9%*
Legal and professional	£2,579	*0.2%*	£2,625	*0.3%*
PDQ commission	£18,055	*1.4%*	£14,621	*1.4%*
Management fee	£81,000	*6.3%*	£81,000	*7.8%*
Total Expenditure	**£397,404**	***30.8%***	**£382,736**	***36.6%***

It will be noted that the majority of the costs adopted in the 44 bed scenario are higher, relative to turnover, than adopted in the 60 bed scenario.

In addition, some of the costs are not only higher relative to turnover, but are also higher in 'cash' terms, such are Rates and Repairs and Maintenance.

The vast majority of the administrative expenses are, typically, linked directly to either the size of the property and/or trading levels. Given that the premises will be significantly smaller and trading at lower levels, we would suggest that the increase in total expenditure, relative to turnover, of circa 5.8% is excessive.

To put this in context, had the administrative expenses been adopted at 30.8%, in line with the 60 bed scenario, the reported total administrative expenses in the 44 bed scenario would have been £321,669, which would have increased net profit by £61,067.

1.4 Alternative Projections

In Appendix 1 we have included a projection on the assumption of that the same direct costs and administrative expenses, relative to turnover, had been adopted for the 44 bed projection as were adopted in the 60 bed projection.

As will be appreciated, this approach results in the same net profit margin as the 60 bed projection (13.6%) before any allowance for the management fee. On this basis the net profit is as follows.

	Adjusted 44 bed projection	
Adjusted Net Profit	**£141,841**	**13.6%**

In addition, we have also included a projection on the assumption that the same direct costs and administrative expenses, relative to turnover, had been adopted for the 44 bed projection as were shown in the management accounts for the year to 30 September 2017.

As will be appreciated, this approach results in the same net profit margin as the management accounts (15.2%). On this basis the net profit is as follows.

	Adjusted 44 bed projection	
Adjusted Net Profit	**£158,472**	**15.2%**

The above demonstrates that, had the margins and costs been applied entirely consistently with the 60 bed projection and/or management accounts, the viability report would have shown significantly higher levels of net profit for the 44 bed scenario.

The two approaches indicate a range of net profit from £141,841 to £158,472 before any adjustment for a management fee.

Whilst accepting that this range might be considered 'full', as there is no allowance for the modest economies of scale that might be expected between a 62/60 bed hotel and a 44 bed hotel, the above demonstrates that, had the applicants applied the margins and costs consistently, relative to turnover, the report would have shown the 44 bed scenario to be viable.

In addition, on this basis, a 44 bed hotel would be viable both before and after payment of the proposed £81,000 management fee.

1.5 Conclusion

As demonstrated throughout this correspondence, we are of the opinion that the applicants have adopted a variety of inconsistent approaches to the figures in arriving at the conclusion that the business will not be viable with 44 rooms, rather than 60 rooms.

We consider the main inconsistencies/issues to be as follows:-

- Despite the fact that the appraisal states that "our projections are guided by the actual performance of The Oak for the year ended 30 September 2017 as well as our experience of the company's standards and internal benchmarks", it does not make any direct comparison between The Oak management accounts for the year ended 30 September 2017 and the annual projections for the two scenarios (60 bedrooms and 44 bedrooms).

- Despite a strong net profit of £186,707 in the management accounts, the projections show much lower levels of net profit. This is primarily as a result of inconsistent application of costs in the projections compared to the management accounts.

- The management accounts do not include a management fee but the applicants have applied a figure of £81,000 to both projections.

- In our experience, a figure of £81,000 is unusually high and it is not explained why 20% of total head office costs are attributed to this business.

- The discretionary management fee is the primary reason the 44 bed scenario shows a loss and, had it not been applied, the same 44 bed projection would have shown a viable net profit of £67,956.

- The majority of the costs adopted in the 44 bed scenario are higher, relative to turnover, than adopted in the 60 bed scenario and the management accounts. In addition, some of the costs are not only higher relative to turnover, but are also higher in 'cash' terms.

- Our alternative projections, which assume the same direct costs and administrative expenses, relative to turnover, had been adopted for the 44 bed projection as were adopted in the 60 bed projection, indicate a range of net profit from £141,841 to £158,472 before any adjustment for a management fee.

In summary, our analysis indicates that the inconsistent approach to costs and the application of a discretionary £81,000 management fee are the primary reasons that the applicant's projections suggest that the 44 bed scenario would not be viable. In addition, had the applicant adopted costs on a consistent basis with the management accounts, relative to turnover, the 44 bed scenario would have been shown to be viable.

Report prepared by:

Andrew Morgan BSc (Hons) MRICS
RICS Registered Valuer
Business Appraiser and Valuer
Associate Director
For and on behalf of
LAMBERT SMITH HAMPTON

APPENDIX 1

ALTERNATIVE PROJECTIONS

Lambert Smith Hampton

Scenario 2 (44 bed) projection adopting the margins and costs, relative to turnover, stated in the management accounts for the year ended 30 September 2017.

	Adjusted 40 bed Projection	
	Y.e. 30/09/18	
Sales		
Wet sales	£204,179	*19.6%*
Dry sales	£278,331	*26.7%*
Accommodation	£561,869	*53.8%*
Total	**£1,044,379**	*100.0%*
Cost of Sales		
Opening wet stock	£8,094	*0.8%*
Opening dry stock	£4,961	*0.5%*
Wet purchases	£109,833	*10.5%*
Dry purchases	£141,897	*13.6%*
Sundry purchases	£12,532	*1.2%*
Booking costs	£55,253	*5.3%*
Licence costs	£1,045	*0.1%*
Wages	£314,527	*30.1%*
Entertainment	£11,488	*1.1%*
Closing wet stock	-£8,256	*-0.8%*
Closing dry stock	-£5,060	*-0.5%*
Total Cost of Sales	**£646,313**	***61.9%***
Gross Profit	**£398,066**	***38.1%***
Expenditure		
Salaries	£36,441	*3.5%*
Employer's NIC	£4,120	*0.4%*
Rates	£48,041	*4.6%*
Light and Heat	£53,785	*5.1%*
Repairs and maintenance	£44,908	*4.3%*
Waste collection	£5,222	*0.5%*
Laundry	£34,464	*3.3%*
Printing, postage and stationery	£3,133	*0.3%*
Advertising	£2,088	*0.2%*
Telephone	£7,311	*0.7%*
Legal and professional	£2,088	*0.2%*
PDQ commission	£14,621	*1.4%*
Total Expenditure	**£256,224**	***24.5%***
Net Profit	**£141,841**	***13.6%***

Lambert Smith Hampton

Scenario 2 (44 bed) projection adopting the margins and costs, relative to turnover, adopted by the applicants in the Scenario 1 (60 bed) projection for the year ended 30 September 2018.

	Adjusted 40 bed projection	
	Y.e. 30/09/18	
Turnover		
Wet sales	£204,179	*19.6%*
Dry sales	£278,331	*26.7%*
Accommodation	£561,869	*53.8%*
Total Income	**£1,044,379**	***100.0%***
Cost of Sales		
Opening wet stock	£0	*0.0%*
Opening dry stock	£0	*0.0%*
Wet purchases	£111,329	*10.7%*
Dry purchases	£143,723	*13.8%*
Sundry purchases	£12,526	*1.2%*
Booking costs	£53,580	*5.1%*
Licence costs	£614	*0.1%*
Wages	£310,438	*29.7%*
Entertainment	£11,296	*1.1%*
Closing wet stock	£0	*0.0%*
Closing dry stock	£0	*0.0%*
Total Cost of Sales	**£643,506**	***61.6%***
Gross Profit	**£400,873**	***38.4%***
Expenditure		
Salaries	£44,276	*4.2%*
Employer's NIC	£4,426	*0.4%*
Rates	£47,829	*4.6%*
Light and Heat	£52,525	*5.0%*
Repairs and maintenance	£24,236	*2.3%*
Waste collection	£4,935	*0.5%*
Laundry	£34,234	*3.3%*
Printing, postage and stationery	£3,192	*0.3%*
Advertising	£2,030	*0.2%*
Telephone	£7,179	*0.7%*
Legal and professional	£2,500	*0.2%*
PDQ commission	£15,038	*1.4%*
Total Expenditure	**£242,401**	***23.2%***
Net Profit	**£158,472**	***15.2%***

Lambert Smith Hampton

APPENDIX 2

VIABILITY APPRAISAL – OPERATING PROJECTIONS

The Oak, Hockley Heath

Viability Appraisal - Operating Projections

Prepared for:

Westbourne Leisure Limited
72 Main Road
Meriden
CV7 7NF

December 2017

Lancaster Haskins
Chartered Accountants

CONTENTS

1. INTRODUCTION

1.1 PROJECT BACKGROUND

The newly refurbished 62 bedroom Oak Hotel, Hockley Heath opened in May 2014, being owned and operated by Westbourne Leisure Limited.

In 2013, during the planning phase of the hotel refurbishment, the original strategy of a "boutique" hotel was reviewed and concluded upon that it would not be successful. Changes in market demand indicated that larger capacity, mid-market accommodation was the only viable option. The planned number of bedrooms was, subsequently, increased. The footprint and massing of the completed extension was greater than the original planning permission. Consequently, Westbourne Leisure is required to apply for retrospective planning permission. The planning officer, however, has indicated his support for a smaller hotel (by removing part of the extension) leaving only 44 bedrooms. We believe that a hotel of this size would not be operationally viable and propose an alternative scenario where the number of bedrooms is reduced to 60 and the roof of the hotel is lowered and elevation improvements made, to reduce its massing. The estimated cost of the rectification work is £477,500 for lowering the roof under the 60 bedroom hotel scenario (Scenario 1) and £750,000 for removing part of the extension under the 44 bedroom hotel scenario (Scenario 2).

1.2 PURPOSE AND APPROACH

Westbourne Leisure is required to prove the viability of the hotel under both of the scenarios described in Section 1.1, to accompany the planning application. Lancaster Haskins, chartered accountants, has been instructed to undertake a Viability Appraisal by preparing detailed Operating Projections for both scenarios, forecast for a period of three years.

Lancaster Haskins has undertaken the following work in preparation of this report:

- Reviewed historic performance of The Oak Hotel and prepared and reviewed management accounts;

- Reviewed and assessed the previous viability report, prepared by Bilfinger GVA.

- Forecast projected occupancy rates and ADRs for both scenarios, based on comparative data and forecast market growth.

- Prepared detailed month-by-month Operating Projections for both scenarios to EBITDA, for Westbourne Leisure's next three trading years, with detailed assumptions.

2. EXECUTIVE SUMMARY

2.1 OPINION: SCENARIO 1 - 60 BEDROOM HOTEL IS THE ONLY VIABLE OPTION

The 60 bedrooms hotel is the only scenario that projects a sustainable, profitable position for the hotel, ensuring the future value and operation of the hotel and employment of its staff.

Under this scenario the hotel would generate an average EBITDA before rectification costs of £100,000 over the three years, compared to scenario 2, where the hotel would be loss-making, generating an average negative EBITDA of £11,000 over the three years.

It is evident that scenario 2, the 44 bedroom hotel is not viable, and, commercially, would lead to the cessation of operations at the hotel.

Table 2.1.1 below, summarises the key performance figures for both scenarios for comparison. The figures are averages for the projected three year period.

Table 2.1.1: The Oak Hotel - Average Projected Performance By Scenario

	60 Bedrooms	44 Bedrooms
Annual Occupancy	72.2%	81.5%
Average Daily Rate	£44.50	£44.50
Total Revenue	£1,335,167	£1,081,097
Total Costs	£1,235,313	£1,092,239
EBITDA	£99,854	-£11,142
IRR	5.2%	N/A
Rectification Cost	£477,500	£750,000
Post rectification EBITDA	-£59,313	-£261,142
Post rectification IRR	4.1%	N/A

Source: Lancaster Haskins

Table 2.1.1 shows that under scenario 1, 60 bedrooms, the hotel generates an average £100,000 per year EBITDA, which equates to a modest 5.2% IRR (to date) for a commercial property, which drops down to a 4.1% IRR when factoring in the projected rectification costs to lower the hotel roof, on top of the capital expenditure to date.

Table 2.1.1 also shows that under scenario 2, 44 bedrooms, the hotel is loss-making at an average loss of £11,000 per year, therefore, no positive IRR is generated. This is before factoring in projected rectification costs of £750,000 to remove part of the existing extension. Again, in this scenario the most likely outcome would be the cessation of operations at the hotel. Westbourne Leisure would then, also, be in a position where it would not be viable to sell the hotel as it would be worth considerably less than the initial investment (further impacted by the rectification costs) due to the negative IRR, which would deter other hotel operators and investors.

2.2 IMPACT ON EMPLOYMENT

The direct impact on staffing levels are as follows:

	60 Bedrooms	44 Bedrooms
Full Time Equivalent	23.0	20.0

Source: Lancaster Haskins

2.3 COMPARISON OF SCENARIO EBITDA TO PREVIOUS VIABILITY REPORT

In January 2016 a previous viability report was prepared by Bilfinger GVA, looking at similar scenarios (the existing 62 bedrooms hotel and the restructured 44 bedrooms hotel). The EBITDA positions in our forecasts for the years ended 30th September 2018, 2019 and 2020 are considerably lower than those forecast by Bilfinger GVA. There are a number of reasons for the variances in the forecast EBITDA positions under both scenarios. The main reasons being;

- Accommodation income in our forecasts is based on actual achieved ADR for 2017, increased by inflation, compared to the previous report which based the ADR on estimated room rates which were in excess of achieved levels (LH ADR - £44.50, GVA ADR - £59.70). This results in significantly lower levels of accommodation income, more in line with actual performance.

- Management fees have been incorporated into our forecasts to cover the essential operating functions carried out by head office on behalf of the Oak. These costs were not included in the previous report (average annual management fees for 2018-20 are £82,631).

- Rates and utilities in our forecasts are based on actual costs for 2017, increased by inflation, compared to estimated costs based on 2015 figures in the previous report. Our forecasted rates and utilities costs are higher as they take into account more recent actual rates rises and the significant increases in light and heat costs over the last couple of years, which have been far in excess of inflation.

Table 2.3.1 below summarises the average EBITDA position from both viability reports for both scenarios, reconciling the financial impact of the main reasons for the differences as highlighted above. The figures are based on the averages for the three years 2018, 2019 and 2020.

Table 2.3.1: Reconciliation of average EBITDA from GVA to LH forecasts by scenario

	60 Bedrooms	44 Bedrooms
EBITDA per Bilfinger GVA	422,742*	227,341
EBITDA per Lancaster Haskins	99,854	(11,142)
Difference	**322,888**	**238,483**
Less:		
Over-estimate of achievable ADR	(223,342)	(97,706)
Management fees not previously incorporated	(82,631)	(82,631)
Under-estimate of rates/utilities	(18,081)	(24,995)
Net movement in EBITDA due to other variances in forecast models and assumptions	**(1,166)**	**33,151**

Source: Lancaster Haskins and Bilfinger GVA

* EBITDA figure has been pro-rated to bring the original viability report 62 bedrooms scenario in line with the current viability report 60 bedrooms scenario.

Operating Statements for Scenario 1 - 60 Bedroom Hotel Three Year Annual Projections

	YE 30/09/18		YE 30/09/19		YE 30/09/20	
	£	£	£	£	£	£
Sales						
Wet sales		258,454		266,998		275,823
Dry sales		352,318		363,964		375,995
Accommodation		678,902		703,768		729,281
		1,289,673		1,334,729		1,381,099
Cost of sales						
Opening wet stock	9,995		10,195		10,399	
Opening dry stock	6,126		6,249		6,373	
Wet purchases	135,630		140,111		144,739	
Dry purchases	175,224		181,014		186,997	
Sundry purchases	15,476		16,017		16,573	
Booking costs	68,230		70,729		73,293	
Licence costs	1,290		1,335		1,381	
Wages, NIC and Pension	388,401		403,720		419,486	
Entertainment	14,186		14,682		15,192	
	814,558		844,051		874,434	
Closing wet stock	(10,195)		(10,399)		(10,607)	
Closing dry stock	(6,249)		(6,373)		(6,501)	
		(798,114)		(827,279)		(857,326)
Gross Profit		491,559		507,450		523,774
Administrative expenses						
Salaries	45,000		45,000		45,000	
Employer's NI contributions	5,088		5,088		5,088	
Rates	59,325		61,398		63,531	
Light and heat	66,418		68,739		69,055	
Repairs and maintenance	55,456		57,393		59,387	
Waste collection	6,448		6,674		6,905	
Laundry	42,559		44,046		45,576	
Printing, postage and stationery	3,869		4,004		4,143	
Advertising	2,579		2,669		2,762	
Telephone	9,028		9,343		9,668	
Legal and professional	2,579		2,669		2,762	
PDQ commission	18,055		18,686		19,335	
Management fees	81,000		82,620		84,272	
		(397,406)		(408,329)		(417,486)
EBITDA		**94,153**		**99,121**		**106,288**

Operating Statement for Scenario 1 - 60 Bedroom Hotel YE 30/09/18

	Oct-17		Nov-17		Dec-17		Jan-18		Feb-18		Mar-18		Apr-18		May-18		Jun-18		Jul-18		Aug-18		Sep-18		Total	
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Sales																										
Wet sales		25,525		19,500		22,568		18,090		13,310		22,601		14,511		24,237		20,124		29,294		31,230		17,464		258,454
Dry sales		36,117		31,079		40,908		22,463		21,526		27,764		22,714		29,161		27,872		32,184		37,027		23,503		352,318
Accommodation		70,795		68,091		51,908		53,871		52,039		52,867		44,362		54,612		56,226		59,934		57,273		56,924		678,902
		132,437		118,670		115,384		94,423		86,874		103,233		81,587		108,010		104,222		121,412		125,530		97,891		1,289,673
Cost of sales																										
Opening wet stock	9,995		13,191		13,112		13,605		12,747		12,750		13,005		13,005		9,865		10,928		11,440		10,679		9,995	
Opening dry stock	6,126		2,175		3,731		4,080		6,075		6,885		6,987		6,120		3,969		4,812		6,469		7,868		6,126	
Wet purchases	16,571		10,139		12,318		8,621		6,977		12,098		7,604		9,560		11,608		15,862		15,604		8,667		135,630	
Dry purchases	13,999		17,003		20,680		13,159		11,508		13,901		10,422		12,342		14,696		17,652		19,802		10,061		175,224	
Sundry purchases	1,589		1,424		1,385		1,133		1,042		1,239		979		1,296		1,251		1,457		1,506		1,175		15,476	
Booking costs	7,115		6,843		5,217		5,414		5,230		5,313		4,458		5,489		5,651		6,023		5,756		5,721		68,230	
Licence costs	132		119		115		94		87		103		82		108		104		121		126		98		1,290	
Wages, NIC and Pension	40,854		36,174		35,057		27,930		25,363		30,925		23,565		32,549		31,261		37,106		38,506		29,109		388,401	
Entertainment	1,457		1,305		1,269		1,039		956		1,136		897		1,188		1,146		1,336		1,381		1,077		14,186	
	97,838		88,373		92,884		75,075		69,986		84,350		68,000		81,657		79,551		95,298		100,590		74,455		814,558	
Closing wet stock	(13,191)		(13,112)		(13,605)		(12,747)		(12,750)		(13,005)		(13,005)		(9,865)		(10,928)		(11,440)		(10,679)		(10,195)		(10,195)	
Closing dry stock	(2,175)		(3,731)		(4,080)		(6,075)		(6,885)		(6,987)		(6,120)		(3,969)		(4,812)		(6,469)		(7,868)		(6,249)		(6,249)	
		(82,473)		(71,530)		(75,199)		(56,253)		(50,351)		(64,358)		(48,875)		(67,823)		(63,811)		(77,389)		(82,042)		(58,011)		(798,114)
Gross Profit		49,964		47,141		40,184		38,170		36,523		38,875		32,712		40,187		40,411		44,023		43,488		39,880		491,559
Administrative expenses																										
Salaries	3,750		3,750		3,750		3,750		3,750		3,750		3,750		3,750		3,750		3,750		3,750		3,750		45,000	
Employer's NI contributions	424		424		424		424		424		424		424		424		424		424		424		424		5,088	
Rates	6,092		5,459		5,308		4,343		3,996		4,749		3,753		4,968		4,794		5,585		5,774		4,503		59,325	
Light and heat	6,820		6,112		5,942		4,863		4,474		5,317		4,202		5,563		5,367		6,253		6,465		5,041		66,418	
Repairs and maintenance	5,695		5,103		4,962		4,060		3,736		4,439		3,508		4,644		4,482		5,221		5,398		4,209		55,456	
Waste collection	662		593		577		472		434		516		408		540		521		607		628		489		6,448	
Laundry	4,370		3,916		3,808		3,116		2,867		3,407		2,692		3,564		3,439		4,007		4,142		3,230		42,559	
Printing, postage and stationery	397		356		346		283		261		310		245		324		313		364		377		294		3,869	
Advertising	265		237		231		189		174		206		163		216		208		243		251		196		2,579	
Telephone	927		831		808		661		608		723		571		756		730		850		879		685		9,028	
Legal and professional	265		237		231		189		174		206		163		216		208		243		251		196		2,579	
PDQ commission	1,854		1,661		1,615		1,322		1,216		1,445		1,142		1,512		1,459		1,700		1,757		1,370		18,055	
Management fees	6,750		6,750		6,750		6,750		6,750		6,750		6,750		6,750		6,750		6,750		6,750		6,750		81,000	
		(38,272)		(35,429)		(34,751)		(30,422)		(28,864)		(32,242)		(27,772)		(33,228)		(32,446)		(35,996)		(36,846)		(31,138)		(397,406)
EBITDA		**11,692**		**11,711**		**5,434**		**7,748**		**7,660**		**6,633**		**4,940**		**6,959**		**7,965**		**8,028**		**6,642**		**8,741**		**94,153**

Key Performance Indicators													
GP Margin on wet sales	47.6%	47.6%	47.6%	47.6%	47.6%	47.6%	47.6%	47.6%	47.6%	47.6%	47.6%	47.6%	47.6%
GP Margin on dry sales	50.3%	50.3%	50.3%	50.3%	50.3%	50.3%	50.3%	50.3%	50.3%	50.3%	50.3%	50.3%	50.3%
Rooms occupied	1623	1561	1190	1235	1193	1212	1017	1252	1289	1374	1313	1305	15564
Room occupancy rate	87%	87%	64%	66%	71%	65%	57%	67%	72%	74%	71%	73%	71.1%
Laundry cost per room sold	£2.69	£2.51	£3.20	£2.52	£2.40	£2.81	£2.65	£2.85	£2.67	£2.92	£3.15	£2.48	£2.73
Wages, salaries & NIC as a proportion of turnover	34%	34%	34%	34%	34%	34%	34%	34%	34%	34%	34%	34%	34%
Average Daily Rate	43.62	43.62	43.62	43.62	43.62	43.62	43.62	43.62	43.62	43.62	43.62	43.62	43.62

Operating Statement for Scenario 1 - 60 Bedroom Hotel YE 30/09/19

	Oct-18		Nov-18		Dec-18		Jan-19		Feb-19		Mar-19		Apr-19		May-19		Jun-19		Jul-19		Aug-19		Sep-19		Total	
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Sales																										
Wet sales		26,368		20,145		23,314		18,688		13,750		23,348		14,991		25,038		20,789		30,263		32,263		18,041		266,998
Dry sales		37,311		32,107		42,260		23,205		22,237		28,682		23,465		30,125		28,793		33,248		38,251		24,280		363,964
Accommodation		73,381		70,577		53,845		55,803		53,979		54,780		46,013		56,604		58,251		62,122		59,363		59,052		703,768
		137,060		122,828		119,419		97,696		89,966		106,810		84,469		111,767		107,833		125,632		129,876		101,373		1,334,729
Cost of sales																										
Opening wet stock	10,195		13,454		13,112		13,605		12,747		12,750		13,005		13,005		9,865		10,928		11,440		10,679		10,195	
Opening dry stock	6,249		2,218		3,731		4,080		6,075		6,885		6,987		6,120		3,969		4,812		6,469		7,868		6,249	
Wet purchases	17,077		10,213		12,709		8,935		7,208		12,490		7,855		9,980		11,956		16,370		16,145		9,173		140,111	
Dry purchases	14,512		17,470		21,352		13,528		11,862		14,357		10,795		12,821		15,154		18,181		20,410		10,572		181,014	
Sundry purchases	1,645		1,474		1,433		1,172		1,080		1,282		1,014		1,341		1,294		1,508		1,559		1,216		16,017	
Booking costs	7,375		7,093		5,411		5,608		5,425		5,505		4,624		5,689		5,854		6,243		5,966		5,935		70,729	
Licence costs	137		123		119		98		90		107		84		112		108		126		130		101		1,335	
Wages, NIC and Pension	42,426		37,588		36,429		29,043		26,414		32,141		24,545		33,827		32,489		38,541		39,984		30,293		403,720	
Entertainment	1,508		1,351		1,314		1,075		990		1,175		929		1,229		1,186		1,382		1,429		1,115		14,682	
	101,123		90,985		95,611		77,143		71,890		86,692		69,839		84,124		81,876		98,090		103,531		76,953		844,051	
Closing wet stock	(13,454)		(13,112)		(13,605)		(12,747)		(12,750)		(13,005)		(13,005)		(9,865)		(10,928)		(11,440)		(10,679)		(10,399)		(10,399)	
Closing dry stock	(2,218)		(3,731)		(4,080)		(6,075)		(6,885)		(6,987)		(6,120)		(3,969)		(4,812)		(6,469)		(7,868)		(6,373)		(6,373)	
		(85,451)		(74,141)		(77,926)		(58,321)		(52,255)		(66,700)		(50,714)		(70,290)		(66,135)		(80,181)		(84,983)		(60,181)		(827,279)
Gross Profit		51,609		48,687		41,493		39,375		37,710		40,110		33,755		41,477		41,698		45,451		44,893		41,192		507,450
Administrative expenses																										
Salaries	3,750		3,750		3,750		3,750		3,750		3,750		3,750		3,750		3,750		3,750		3,750		3,750		45,000	
Employer's NI contributions	424		424		424		424		424		424		424		424		424		424		424		424		5,088	
Rates	6,305		5,650		5,493		4,494		4,138		4,913		3,886		5,141		4,960		5,779		5,974		4,663		61,398	
Light and heat	7,059		6,326		6,150		5,031		4,633		5,501		4,350		5,756		5,553		6,470		6,689		5,221		68,739	
Repairs and maintenance	5,894		5,282		5,135		4,201		3,869		4,593		3,632		4,806		4,637		5,402		5,585		4,359		57,393	
Waste collection	685		614		597		488		450		534		422		559		539		628		649		507		6,674	
Laundry	4,523		4,053		3,941		3,224		2,969		3,525		2,787		3,688		3,558		4,146		4,286		3,345		44,046	
Printing, postage and stationery	411		368		358		293		270		320		253		335		323		377		390		304		4,004	
Advertising	274		246		239		195		180		214		169		224		216		251		260		203		2,669	
Telephone	959		860		836		684		630		748		591		782		755		879		909		710		9,343	
Legal and professional	274		246		239		195		180		214		169		224		216		251		260		203		2,669	
PDQ commission	1,919		1,720		1,672		1,368		1,260		1,495		1,183		1,565		1,510		1,759		1,818		1,419		18,686	
Management fees	6,885		6,885		6,885		6,885		6,885		6,885		6,885		6,885		6,885		6,885		6,885		6,885		82,620	
		(39,362)		(36,423)		(35,719)		(31,233)		(29,637)		(33,115)		(28,502)		(34,139)		(33,326)		(37,002)		(37,878)		(31,992)		(408,329)
EBITDA		**12,247**		**12,264**		**5,774**		**8,142**		**8,074**		**6,995**		**5,253**		**7,338**		**8,371**		**8,449**		**7,015**		**9,199**		**99,121**

Key Performance Indicators													
GP Margin on wet sales	47.6%	47.6%	47.6%	47.6%	47.6%	47.6%	47.6%	47.6%	47.6%	47.6%	47.6%	47.6%	47.5%
GP Margin on dry sales	50.3%	50.3%	50.3%	50.3%	50.3%	50.3%	50.3%	50.3%	50.3%	50.3%	50.3%	50.3%	50.3%
Rooms occupied	1649	1586	1210	1254	1213	1231	1034	1272	1309	1396	1334	1327	15815
Room occupancy rate	89%	88%	65%	67%	72%	66%	57%	68%	73%	75%	72%	74%	72.2%
Laundry cost per room sold	£2.74	£2.56	£3.26	£2.57	£2.45	£2.86	£2.70	£2.90	£2.72	£2.97	£3.21	£2.52	£2.79
Wages, salaries & NIC as a proportion of turnover	34%	34%	34%	34%	34%	34%	34%	34%	34%	34%	34%	34%	34%
Average Daily Rate	44.50	44.50	44.50	44.50	44.50	44.50	44.50	44.50	44.50	44.50	44.50	44.50	44.50

Operating Statement for Scenario 1 - 60 Bedroom Hotel YE 30/09/20

	Oct-19		Nov-19		Dec-19		Jan-20		Feb-20		Mar-20		Apr-20		May-20		Jun-20		Jul-20		Aug-20		Sep-20		Total	
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Sales																										
Wet sales		27,240		20,810		24,085		19,306		14,204		24,120		15,487		25,865		21,476		31,263		33,329		18,637		275,823
Dry sales		38,544		33,168		43,657		23,972		22,972		29,630		24,240		31,121		29,745		34,347		39,515		25,083		375,995
Accommodation		76,028		73,123		55,784		57,872		55,920		56,783		47,660		58,644		60,414		64,408		61,503		61,140		729,281
		141,812		127,102		123,526		101,150		93,097		110,533		87,386		115,630		111,635		130,018		134,348		104,860		1,381,099
Cost of sales																										
Opening wet stock	10,399		13,454		13,112		13,605		12,747		12,750		13,005		13,005		9,865		10,928		11,440		10,679		10,399	
Opening dry stock	6,373		2,218		3,731		4,080		6,075		6,885		6,987		6,120		3,969		4,812		6,469		7,868		6,373	
Wet purchases	17,329		10,562		13,113		9,258		7,446		12,894		8,115		10,414		12,316		16,894		16,704		9,693		144,739	
Dry purchases	15,001		17,998		22,046		13,909		12,227		14,828		11,180		13,316		15,627		18,727		21,038		11,099		186,997	
Sundry purchases	1,702		1,525		1,482		1,214		1,117		1,326		1,049		1,388		1,340		1,560		1,612		1,258		16,573	
Booking costs	7,641		7,349		5,606		5,816		5,620		5,707		4,790		5,894		6,072		6,473		6,181		6,145		73,293	
Licence costs	142		127		124		101		93		111		87		116		112		130		134		105		1,381	
Wages, NIC and Pension	44,042		39,041		37,825		30,217		27,479		33,407		25,537		35,140		33,782		40,032		41,504		31,479		419,486	
Entertainment	1,560		1,398		1,359		1,113		1,024		1,216		961		1,272		1,228		1,430		1,478		1,153		15,192	
	104,189		93,673		98,399		79,313		73,829		89,124		71,712		86,664		84,310		100,987		106,561		79,480		874,434	
Closing wet stock	(13,454)		(13,112)		(13,605)		(12,747)		(12,750)		(13,005)		(13,005)		(9,865)		(10,928)		(11,440)		(10,679)		(10,607)		(10,607)	
Closing dry stock	(2,218)		(3,731)		(4,080)		(6,075)		(6,885)		(6,987)		(6,120)		(3,969)		(4,812)		(6,469)		(7,868)		(6,501)		(6,501)	
		(88,517)		(76,829)		(80,714)		(60,491)		(54,194)		(69,132)		(52,587)		(72,830)		(68,570)		(83,078)		(88,013)		(62,372)		(857,326)
Gross Profit		53,296		50,273		42,812		40,659		38,903		41,401		34,800		42,801		43,066		46,940		46,335		42,489		523,774
Administrative expenses																										
Salaries	3,750		3,750		3,750		3,750		3,750		3,750		3,750		3,750		3,750		3,750		3,750		3,750		45,000	
Employer's NI contributions	424		424		424		424		424		424		424		424		424		424		424		424		5,088	
Rates	6,523		5,847		5,682		4,653		4,282		5,085		4,020		5,319		5,135		5,981		6,180		4,824		63,531	
Light and heat	7,091		6,355		6,176		5,058		4,655		5,527		4,369		5,782		5,582		6,501		6,717		5,243		69,055	
Repairs and maintenance	6,098		5,465		5,312		4,349		4,003		4,753		3,758		4,972		4,800		5,591		5,777		4,509		59,387	
Waste collection	709		636		618		506		465		553		437		578		558		650		672		524		6,905	
Laundry	4,680		4,194		4,076		3,338		3,072		3,648		2,884		3,816		3,684		4,291		4,433		3,460		45,576	
Printing, postage and stationery	425		381		371		303		279		332		262		347		335		390		403		315		4,143	
Advertising	284		254		247		202		186		221		175		231		223		260		269		210		2,762	
Telephone	993		890		865		708		652		774		612		809		781		910		940		734		9,668	
Legal and professional	284		254		247		202		186		221		175		231		223		260		269		210		2,762	
PDQ commission	1,985		1,779		1,729		1,416		1,303		1,547		1,223		1,619		1,563		1,820		1,881		1,468		19,335	
Management fees	7,023		7,023		7,023		7,023		7,023		7,023		7,023		7,023		7,023		7,023		7,023		7,023		84,272	
		(40,268)		(37,253)		(36,520)		(31,932)		(30,282)		(33,856)		(29,111)		(34,901)		(34,082)		(37,850)		(38,738)		(32,693)		(417,486)
EBITDA		**13,027**		**13,020**		**6,293**		**8,726**		**8,622**		**7,545**		**5,689**		**7,900**		**8,984**		**9,090**		**7,597**		**9,795**		**106,288**

Key Performance Indicators													
GP Margin on wet sales	47.6%	47.6%	47.6%	47.6%	47.6%	47.6%	47.6%	47.6%	47.6%	47.6%	47.6%	47.6%	47.6%
GP Margin on dry sales	50.3%	50.3%	50.3%	50.3%	50.3%	50.3%	50.3%	50.3%	50.3%	50.3%	50.3%	50.3%	50.3%
Rooms occupied	1675	1611	1229	1275	1232	1251	1050	1292	1331	1419	1355	1347	16067
Room occupancy rate	90%	90%	66%	69%	73%	67%	58%	69%	74%	76%	73%	75%	73.4%
Laundry cost per room sold	£2.79	£2.60	£3.32	£2.62	£2.49	£2.92	£2.75	£2.95	£2.77	£3.02	£3.27	£2.57	£2.84
Wages, salaries & NIC as a proportion of turnover	34%	34%	34%	34%	34%	34%	34%	34%	34%	34%	34%	34%	34%
Average Daily Rate	45.39	45.39	45.39	45.39	45.39	45.39	45.39	45.39	45.39	45.39	45.39	45.39	45.39

Operating Statements for Scenario 2 - 44 Bedroom Hotel Three Year Annual Projections

	YE 30/09/18		YE 30/09/19		YE 30/09/20	
	£	£	£	£	£	£
Sales						
Wet sales		204,179		210,928		217,900
Dry sales		278,331		287,531		297,036
Accommodation		561,869		582,283		603,233
		1,044,379		1,080,742		1,118,170
Cost of sales						
Opening wet stock	9,995		10,195		10,399	
Opening dry stock	6,126		6,249		6,373	
Wet purchases	107,190		110,730		114,388	
Dry purchases	138,453		143,028		147,755	
Sundry purchases	12,533		12,969		13,418	
Booking costs	56,468		58,519		60,625	
Licence costs	1,312		1,358		1,405	
Wages, NIC and Pension	344,618		358,160		372,136	
Entertainment	14,436		14,939		15,459	
	691,130		716,148		741,958	
Closing wet stock	(10,195)		(10,399)		(10,607)	
Closing dry stock	(6,249)		(6,373)		(6,501)	
		(674,687)		(699,375)		(724,850)
Gross Profit		369,692		381,367		393,320
Administrative expenses						
Salaries	45,000		45,000		45,000	
Employer's NI contributions	5,088		5,088		5,088	
Rates	60,368		62,474		64,648	
Light and heat	60,828		62,950		63,242	
Repairs and maintenance	56,431		58,400		60,431	
Waste collection	6,562		6,791		7,027	
Laundry	34,465		35,664		36,900	
Printing, postage and stationery	3,937		4,074		4,216	
Advertising	2,625		2,716		2,811	
Telephone	9,186		9,507		9,838	
Legal and professional	2,625		2,716		2,811	
PDQ commission	14,621		15,130		15,654	
Management fees	81,000		82,620		84,272	
		(382,736)		(393,131)		(401,938)
EBITDA		**(13,044)**		**(11,765)**		**(8,618)**

Operating Statement for Scenario 2 - 44 Bedroom Hotel YE 30/09/18

	Oct-17		Nov-17		Dec-17		Jan-18		Feb-18		Mar-18		Apr-18		May-18		Jun-18		Jul-18		Aug-18		Sep-18		Total	
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Sales																										
Wet sales		20,165		15,405		17,829		14,291		10,515		17,855		11,464		19,147		15,898		23,143		24,672		13,796		204,179
Dry sales		28,532		24,553		32,317		17,746		17,005		21,934		17,944		23,037		22,019		25,425		29,251		18,567		278,331
Accommodation		54,481		54,263		44,143		44,885		43,315		44,056		39,869		45,496		46,673		49,727		47,677		47,284		561,869
		103,178		94,221		94,290		76,922		70,835		83,845		69,277		87,680		84,590		98,295		101,600		79,648		1,044,379
Cost of sales																										
Opening wet stock	9,995		13,191		13,112		13,605		12,747		12,750		13,005		13,005		9,865		10,928		11,440		10,679		9,995	
Opening dry stock	6,126		2,175		3,731		4,080		6,075		6,885		6,987		6,120		3,969		4,812		6,469		7,868		6,126	
Wet purchases	13,762		7,994		9,835		6,631		5,513		9,611		6,007		6,893		9,393		12,639		12,167		6,745		107,190	
Dry purchases	10,229		13,759		16,411		10,815		9,262		11,003		8,051		9,298		11,787		14,293		15,937		7,608		138,453	
Sundry purchases	1,238		1,131		1,131		923		850		1,006		831		1,052		1,015		1,180		1,219		956		12,533	
Booking costs	5,475		5,453		4,436		4,511		4,353		4,428		4,007		4,572		4,691		4,998		4,792		4,752		56,468	
Licence costs	132		119		115		94		87		103		82		108		104		121		126		98		1,290	
Wages, NIC and Pension	35,543		31,471		30,499		24,299		22,066		26,905		20,502		28,318		27,197		32,282		33,500		25,325		337,909	
Entertainment	1,457		1,305		1,269		1,039		956		1,136		897		1,188		1,146		1,336		1,381		1,077		14,186	
	83,958		76,598		80,540		65,996		61,908		73,827		60,369		70,555		69,168		82,589		87,031		65,108		684,149	
Closing wet stock	(13,191)		(13,112)		(13,605)		(12,747)		(12,750)		(13,005)		(13,005)		(9,865)		(10,928)		(11,440)		(10,679)		(10,195)		(10,195)	
Closing dry stock	(2,175)		(3,731)		(4,080)		(6,075)		(6,885)		(6,987)		(6,120)		(3,969)		(4,812)		(6,469)		(7,868)		(6,249)		(6,249)	
		(68,593)		(59,754)		(62,856)		(47,174)		(42,273)		(53,835)		(41,244)		(56,721)		(53,428)		(64,679)		(68,483)		(48,665)		(667,705)
Gross Profit		34,585		34,467		31,434		29,747		28,562		30,010		28,032		30,959		31,162		33,615		33,116		30,983		376,673
Administrative expenses																										
Salaries	3,750		3,750		3,750		3,750		3,750		3,750		3,750		3,750		3,750		3,750		3,750		3,750		45,000	
Employer's NI contributions	424		424		424		424		424		424		424		424		424		424		424		424		5,088	
Rates	6,092		5,459		5,308		4,343		3,996		4,749		3,753		4,968		4,794		5,585		5,774		4,503		59,325	
Light and heat	6,138		5,500		5,348		4,377		4,027		4,785		3,782		5,006		4,831		5,627		5,818		4,537		59,776	
Repairs and maintenance	5,695		5,103		4,962		4,060		3,736		4,439		3,508		4,644		4,482		5,221		5,398		4,209		55,456	
Waste collection	662		593		577		472		434		516		408		540		521		607		628		489		6,448	
Laundry	3,405		3,109		3,112		2,538		2,338		2,767		2,286		2,893		2,791		3,244		3,353		2,628		34,465	
Printing, postage and stationery	397		356		346		283		261		310		245		324		313		364		377		294		3,869	
Advertising	265		237		231		189		174		206		163		216		208		243		251		196		2,579	
Telephone	927		831		808		661		608		723		571		756		730		850		879		685		9,028	
Legal and professional	265		237		231		189		174		206		163		216		208		243		251		196		2,579	
PDQ commission	1,444		1,319		1,320		1,077		992		1,174		970		1,228		1,184		1,376		1,422		1,115		14,621	
Management fees	6,750		6,750		6,750		6,750		6,750		6,750		6,750		6,750		6,750		6,750		6,750		6,750		81,000	
		(36,215)		(33,669)		(33,165)		(29,114)		(27,662)		(30,799)		(26,773)		(31,716)		(30,986)		(34,284)		(35,075)		(29,777)		(379,235)
EBITDA		**(1,630)**		**798**		**(1,731)**		**634**		**899**		**(788)**		**1,259**		**(757)**		**176**		**(669)**		**(1,958)**		**1,206**		**(2,561)**

Key Performance Indicators													
GP Margin on wet sales	47.6%	47.6%	47.6%	47.6%	47.6%	47.6%	47.6%	47.6%	47.6%	47.6%	47.6%	47.6%	47.6%
GP Margin on dry sales	50.3%	50.3%	50.3%	50.3%	50.3%	50.3%	50.3%	50.3%	50.3%	50.3%	50.3%	50.3%	50.3%
Rooms occupied	1249	1244	1012	1029	993	1010	914	1043	1070	1140	1093	1084	12881
Room occupancy rate	92%	94%	74%	75%	81%	74%	69%	76%	81%	84%	80%	82%	80.2%
Laundry cost per room sold	£2.73	£2.50	£3.07	£2.47	£2.35	£2.74	£2.50	£2.77	£2.61	£2.85	£3.07	£2.42	£2.68
Wages, salaries & NIC as a proportion of turnover	38%	38%	37%	37%	37%	37%	36%	37%	37%	37%	37%	37%	37%
Average Daily Rate	43.62	43.62	43.62	43.62	43.62	43.62	43.62	43.62	43.62	43.62	43.62	43.62	43.62

Operating Statement for Scenario 2 - 44 Bedroom Hotel YE 30/09/19

	Oct-18		Nov-18		Dec-18		Jan-19		Feb-19		Mar-19		Apr-19		May-19		Jun-19		Jul-19		Aug-19		Sep-19		Total	
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Sales																										
Wet sales		20,831		15,914		18,418		14,763		10,862		18,445		11,843		19,780		16,423		23,908		25,488		14,252		210,928
Dry sales		29,475		25,364		33,386		18,332		17,568		22,659		18,537		23,799		22,747		26,266		30,218		19,181		287,531
Accommodation		56,471		56,248		45,746		46,503		44,856		45,657		41,341		47,170		48,372		51,531		49,395		48,995		582,283
		106,777		97,527		97,550		79,598		73,286		86,761		71,720		90,749		87,542		101,704		105,101		82,428		1,080,742
Cost of sales																										
Opening wet stock	10,195		13,454		13,112		13,605		12,747		12,750		13,005		13,005		9,865		10,928		11,440		10,679		10,195	
Opening dry stock	6,249		2,218		3,731		4,080		6,075		6,885		6,987		6,120		3,969		4,812		6,469		7,868		6,249	
Wet purchases	14,175		7,997		10,144		6,878		5,695		9,920		6,206		7,225		9,669		13,040		12,595		7,188		110,730	
Dry purchases	10,618		14,119		16,941		11,106		9,541		11,363		8,346		9,677		12,149		14,711		16,418		8,038		143,028	
Sundry purchases	1,281		1,170		1,171		955		879		1,041		861		1,089		1,050		1,220		1,261		989		12,969	
Booking costs	5,675		5,653		4,597		4,674		4,508		4,589		4,155		4,741		4,861		5,179		4,964		4,924		58,519	
Licence costs	137		123		119		98		90		107		84		112		108		126		130		101		1,335	
Wages, NIC and Pension	36,911		32,701		31,693		25,267		22,980		27,963		21,354		29,429		28,266		33,531		34,786		26,355		351,236	
Entertainment	1,508		1,351		1,314		1,075		990		1,175		929		1,229		1,186		1,382		1,429		1,115		14,682	
	86,749		78,787		82,823		67,737		63,505		75,793		61,927		72,627		71,123		84,928		89,492		67,258		708,943	
Closing wet stock	(13,454)		(13,112)		(13,605)		(12,747)		(12,750)		(13,005)		(13,005)		(9,865)		(10,928)		(11,440)		(10,679)		(10,399)		(10,399)	
Closing dry stock	(2,218)		(3,731)		(4,080)		(6,075)		(6,885)		(6,987)		(6,120)		(3,969)		(4,812)		(6,469)		(7,868)		(6,373)		(6,373)	
		(71,077)		(61,944)		(65,138)		(48,915)		(43,870)		(55,801)		(42,802)		(58,793)		(55,382)		(67,019)		(70,944)		(50,486)		(692,171)
Gross Profit		35,700		35,583		32,412		30,683		29,415		30,960		28,918		31,956		32,159		34,685		34,157		31,943		388,571
Administrative expenses																										
Salaries	3,750		3,750		3,750		3,750		3,750		3,750		3,750		3,750		3,750		3,750		3,750		3,750		45,000	
Employer's NI contributions	424		424		424		424		424		424		424		424		424		424		424		424		5,088	
Rates	6,305		5,650		5,493		4,494		4,138		4,913		3,886		5,141		4,960		5,779		5,974		4,663		61,398	
Light and heat	6,353		5,693		5,535		4,528		4,170		4,951		3,915		5,180		4,998		5,823		6,020		4,699		61,865	
Repairs and maintenance	5,894		5,282		5,135		4,201		3,869		4,593		3,632		4,806		4,637		5,402		5,585		4,359		57,393	
Waste collection	685		614		597		488		450		534		422		559		539		628		649		507		6,674	
Laundry	3,524		3,218		3,219		2,627		2,418		2,863		2,367		2,995		2,889		3,356		3,468		2,720		35,664	
Printing, postage and stationery	411		368		358		293		270		320		253		335		323		377		390		304		4,004	
Advertising	274		246		239		195		180		214		169		224		216		251		260		203		2,669	
Telephone	959		860		836		684		630		748		591		782		755		879		909		710		9,343	
Legal and professional	274		246		239		195		180		214		169		224		216		251		260		203		2,669	
PDQ commission	1,495		1,365		1,366		1,114		1,026		1,215		1,004		1,270		1,226		1,424		1,471		1,154		15,130	
Management fees	6,885		6,885		6,885		6,885		6,885		6,885		6,885		6,885		6,885		6,885		6,885		6,885		82,620	
		(37,233)		(34,601)		(34,076)		(29,880)		(28,390)		(31,623)		(27,468)		(32,575)		(31,817)		(35,230)		(36,045)		(30,580)		(389,518)
EBITDA		**(1,533)**		**982**		**(1,664)**		**803**		**1,026**		**(663)**		**1,451**		**(619)**		**342**		**(545)**		**(1,888)**		**1,363**		**(947)**

Key Performance Indicators													
GP Margin on wet sales	47.6%	47.6%	47.6%	47.6%	47.6%	47.6%	47.6%	47.6%	47.6%	47.6%	47.6%	47.6%	47.6%
GP Margin on dry sales	50.3%	50.3%	50.3%	50.3%	50.3%	50.3%	50.3%	50.3%	50.3%	50.3%	50.3%	50.3%	50.3%
Rooms occupied	1269	1264	1028	1045	1008	1026	929	1060	1087	1158	1110	1101	13085
Room occupancy rate	93%	96%	75%	77%	82%	75%	70%	78%	82%	85%	81%	83%	81.5%
Laundry cost per room sold	£2.78	£2.55	£3.13	£2.51	£2.40	£2.79	£2.55	£2.83	£2.66	£2.90	£3.12	£2.47	£2.73
Wages, salaries & NIC as a proportion of turnover	38%	38%	37%	37%	37%	37%	36%	37%	37%	37%	37%	37%	37%
Average Daily Rate	44.50	44.50	44.50	44.50	44.50	44.50	44.50	44.50	44.50	44.50	44.50	44.50	44.50

Operating Statement for Scenario 2 - 44 Bedroom Hotel YE 30/09/20

	Oct-19		Nov-19		Dec-19		Jan-20		Feb-20		Mar-20		Apr-20		May-20		Jun-20		Jul-20		Aug-20		Sep-20		Total	
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Sales																										
Wet sales		21,520		16,440		19,027		15,251		11,221		19,055		12,234		20,434		16,966		24,698		26,330		14,724		217,900
Dry sales		30,450		26,203		34,489		18,938		18,148		23,408		19,150		24,585		23,499		27,134		31,217		19,815		297,036
Accommodation		58,508		58,281		47,387		48,204		46,479		47,296		42,848		48,840		50,111		53,379		51,155		50,746		603,233
		110,477		100,924		100,903		82,394		75,849		89,759		74,232		93,859		90,575		105,210		108,702		85,285		1,118,170
Cost of sales																										
Opening wet stock	10,399		13,724		13,112		13,605		12,747		12,750		13,005		13,005		9,865		10,928		11,440		10,679		10,399	
Opening dry stock	6,373		2,262		3,731		4,080		6,075		6,885		6,987		6,120		3,969		4,812		6,469		7,868		6,373	
Wet purchases	14,601		8,003		10,463		7,134		5,883		10,240		6,411		7,568		9,953		13,454		13,036		7,643		114,388	
Dry purchases	11,023		14,491		17,490		11,407		9,830		11,736		8,650		10,068		12,522		15,142		16,914		8,481		147,755	
Sundry purchases	1,326		1,211		1,211		989		910		1,077		891		1,126		1,087		1,263		1,304		1,023		13,418	
Booking costs	5,880		5,857		4,762		4,845		4,671		4,753		4,306		4,908		5,036		5,365		5,141		5,100		60,625	
Licence costs	142		127		124		101		93		111		87		116		112		130		134		105		1,381	
Wages, NIC and Pension	38,317		33,965		32,908		26,289		23,907		29,064		22,218		30,572		29,390		34,828		36,109		27,386		364,953	
Entertainment	1,560		1,398		1,359		1,113		1,024		1,216		961		1,272		1,228		1,430		1,478		1,153		15,192	
	89,620		81,040		85,159		69,562		65,140		77,832		63,516		74,755		73,163		87,352		92,026		69,439		734,483	
Closing wet stock	(13,724)		(13,112)		(13,605)		(12,747)		(12,750)		(13,005)		(13,005)		(9,865)		(10,928)		(11,440)		(10,679)		(10,607)		(10,607)	
Closing dry stock	(2,262)		(3,731)		(4,080)		(6,075)		(6,885)		(6,987)		(6,120)		(3,969)		(4,812)		(6,469)		(7,868)		(6,501)		(6,501)	
		(73,634)		(64,196)		(67,475)		(50,740)		(45,505)		(57,840)		(44,391)		(60,920)		(57,422)		(69,443)		(73,478)		(52,331)		(717,376)
Gross Profit		36,843		36,727		33,429		31,654		30,344		31,920		29,841		32,938		33,153		35,768		35,223		32,953		400,794
Administrative expenses																										
Salaries	3,750		3,750		3,750		3,750		3,750		3,750		3,750		3,750		3,750		3,750		3,750		3,750		45,000	
Employer's NI contributions	424		424		424		424		424		424		424		424		424		424		424		424		5,088	
Rates	6,523		5,847		5,682		4,653		4,282		5,085		4,020		5,319		5,135		5,981		6,180		4,824		63,531	
Light and heat	6,382		5,720		5,559		4,552		4,189		4,974		3,932		5,203		5,024		5,851		6,046		4,719		62,149	
Repairs and maintenance	6,098		5,465		5,312		4,349		4,003		4,753		3,758		4,972		4,800		5,591		5,777		4,509		59,387	
Waste collection	709		636		618		506		465		553		437		578		558		650		672		524		6,905	
Laundry	3,646		3,330		3,330		2,719		2,503		2,962		2,450		3,097		2,989		3,472		3,587		2,814		36,900	
Printing, postage and stationery	425		381		371		303		279		332		262		347		335		390		403		315		4,143	
Advertising	284		254		247		202		186		221		175		231		223		260		269		210		2,762	
Telephone	993		890		865		708		652		774		612		809		781		910		940		734		9,668	
Legal and professional	284		254		247		202		186		221		175		231		223		260		269		210		2,762	
PDQ commission	1,547		1,413		1,413		1,154		1,062		1,257		1,039		1,314		1,268		1,473		1,522		1,194		15,654	
Management fees	7,023		7,023		7,023		7,023		7,023		7,023		7,023		7,023		7,023		7,023		7,023		7,023		84,272	
		(38,086)		(35,387)		(34,839)		(30,545)		(29,005)		(32,327)		(28,056)		(33,299)		(32,534)		(36,034)		(36,861)		(31,249)		(398,223)
EBITDA		**(1,243)**		**1,341**		**(1,410)**		**1,109**		**1,339**		**(407)**		**1,785**		**(361)**		**619**		**(267)**		**(1,637)**		**1,705**		**2,571**

Key Performance Indicators													
GP Margin on wet sales	47.6%	47.6%	47.6%	47.6%	47.6%	47.6%	47.6%	47.6%	47.6%	47.6%	47.6%	47.6%	47.6%
GP Margin on dry sales	50.3%	50.3%	50.3%	50.3%	50.3%	50.3%	50.3%	50.3%	50.3%	50.3%	50.3%	50.3%	50.3%
Rooms occupied	1289	1284	1044	1062	1024	1042	944	1076	1104	1176	1127	1118	13290
Room occupancy rate	95%	97%	77%	78%	83%	76%	72%	79%	84%	86%	83%	85%	82.8%
Laundry cost per room sold	£2.83	£2.59	£3.19	£2.56	£2.44	£2.84	£2.59	£2.88	£2.71	£2.95	£3.18	£2.52	£2.78
Wages, salaries & NIC as a proportion of turnover	38%	38%	37%	37%	37%	37%	36%	37%	37%	37%	37%	37%	37%
Average Daily Rate	45.39	45.39	45.39	45.39	45.39	45.39	45.39	45.39	45.39	45.39	45.39	45.39	45.39

APPENDIX 1: ASSUMPTIONS TO OPERATING PROJECTIONS

This section outlines the assumptions and projections used in preparing the forecasted EBITDA position for The Oak for the next three years of operation under two different scenarios. Our projections are guided by the actual performance of the Oak for the year ended 30 September 2017 as well as our experience of the company's standards and internal benchmarks. Revenue and expenditure are based upon the assumptions detailed below and annual inflation of 2.0% has been applied.

1.1 KEY ASSUMPTIONS

- The projections commence from 1 October 2017, covering the three years to 30 September 2020;

- The projections are presented excluding VAT;

- The projections cover two different bedroom scenarios; the first being the existing hotel position with rectification work to the hotel roof and elevations with a reduction to 60 bedrooms and the second being the restructuring of the hotel to 44 bedrooms. In both scenarios it is assumed that the public facilities will remain unchanged.

- Trading is deemed to be in the same competitive environment and economy as that of the comparative figures, trading is deemed to be uninterrupted and overseen by competent and effective management both on site and by head office.

1.2 REVENUES

1.2.1 HOTEL OCCUPANCY AND ADR

The occupancy and average rate were derived using the comparative information in Appendix 2, adjusted for forecast growth in demand, impact of change in management and inflation. Further adjustments were made under Scenario 2 to restrict scaled occupancy for factors including capacity limits, reduced appeal for group and function bookings, reduction in repeat bookings due to over demand at peak times and perceived drop in value by the customer due to smaller hotel size.

Table1.2.1.1: Scenario 1 - 60 Room Occupancy & ADR

Year	Occupancy	Average Daily Rate
2018	71.1%	£43.62
2019	72.2%	£44.50
2020	73.4%	£45.39

Source: Lancaster Haskins

In these two scenarios annual growth in demand has been estimated at 1.6% based upon the year on year growth identified in the VisitEngland Occupancy Survey September 2017 Results.

Table1.2.1.2: Scenario 2 - 44 Room Occupancy & ADR

Year	Occupancy	Average Daily Rate
2018	80.2%	£43.62
2019	81.5%	£44.50
2020	82.8%	£45.39

Source: Lancaster Haskins

The ADR has been estimated based on that achieved in the last four months of the year ended 30 September 2017 following a change in management at The Oak. Annual inflation of 2% has been applied, year on year.

Table 1.2.1.3: Calculation of forecast base occupancy for Scenario 2

Year	Actual Rooms Sold	Over Demand	Forecast Rooms Sold	Occupancy
2017	15,833	(2,396)	13,437	83.7%

Table 1.2.1.3 above considers the number of rooms sold in 2017, then deducts the number of rooms sold which were in excess of the Scenario 2 limit of 44 bedrooms to give a base number of rooms forecast to be sold in 2018, and hence base occupancy. This occupancy rate is then subject to the adjustment factors and growth rates highlighted above.

1.2.2 FOOD AND BEVERAGE REVENUES

The food and beverage revenues include food and beverage revenues earned from the utilisation of the hotel function room.

The food and beverage revenues were derived using the comparative information in Appendix 2, adjusted for forecast growth in demand as identified above flexed to assume an 80% pick up rate by guests. No significant change in the spend per cover is expected, therefore, this is unchanged over the three years covered by these projections.

1.3 DIRECT COSTS

Based on the comparative information in Appendix 2, we have assumed the following direct costs in the projections:

Expense	Assumption
Hotel Food	49.7% of food sales
Hotel Beverage	52.4% of beverage sales
Sundry Purchases	1.2% of total sales
Booking Costs	10.0% of accommodation sales (being 15% commission charged on 67% of room sales)
Licence Costs	0.1% of total sales from Scenario 1 as a fixed cost.
Wages & Payroll Costs	34% of total sales, less manager's salary, from Scenario 1 as a fixed cost, reduced by 13% for Scenario 2 (see table 1.3.1 below for breakdown)
Entertainment	1.1% of total sales

Table 1.3.1: Hotel Staff - FTE

Position	Scenario 1	Scenario 2
General Manager	1.0	1.0
Assistant Manager	1.0	1.0
Head Receptionist	1.0	1.0
Reception & Reservations	3.0	2.0
Housekeeper	3.0	2.0
Maintenance	1.0	1.0
Chef	1.0	1.0
Kitchen	5.0	5.0
Front of House Services	7.0	6.0
Total FTEs	**23.0**	**20.0**

Source: Lancaster Haskins

1.4 ADMINISTRATIVE EXPENSES

Based on the comparative information in Appendix 2, we have assumed the following in the projections:

Expense	Assumption
Salaries	Managers salary set at £45,000 per annum plus payroll taxes.
Rates	4.6% of total sales from Scenario 1 as a fixed cost
Light and Heat	5.0% of total sales from Scenario 1 as a fixed cost, reduced by 10% for Scenario 2, plus a 3% surcharge for both Scenarios estimated increase on leaving fixed price contracts.
Repairs and Maintenance	2.3% of total sales from Scenario 1 as a fixed cost, plus 2.0% of total sales from Scenario 1 accrued replacement reserve
Waste Collection	0.5% of total sales from Scenario 1 as a fixed cost
Laundry	3.3% of total sales
Printing, Postage and Stationery	0.3% of total sales from Scenario 1 as a fixed cost
Advertising	0.2% of total sales from Scenario 1 as a fixed cost
Telephone	0.7% of total sales from Scenario 1 as a fixed cost
Legal and Professional	0.2% of total sales from Scenario 1 as a fixed cost
PDQ Commission	1.4% of total sales
Management Fees	Based on 20% of the average monthly head office payroll costs, covering book-keeping accounting function, wet and dry ordering, payroll, HR and the hotel area manager.

APPENDIX 2: COMPARATIVE TRADING REVIEW

2.1 THE HOTEL

The Oak is a mid-market hotel, containing sixty-two rooms. Fifty-eight of the these rooms can accommodate two guests, whilst the remaining four rooms comprise one family room and three triple rooms. All rooms offer the same facilities of en-suite bathrooms, complimentary Wi-Fi and LCD televisions. The hotel is marketed towards the price conscious corporate and leisure guests.

The Oak has a large bar with restaurant capable of sixty covers, along with a function room with private bar with a capacity up to 200 people.

2.2 MANAGEMENT INFORMATION

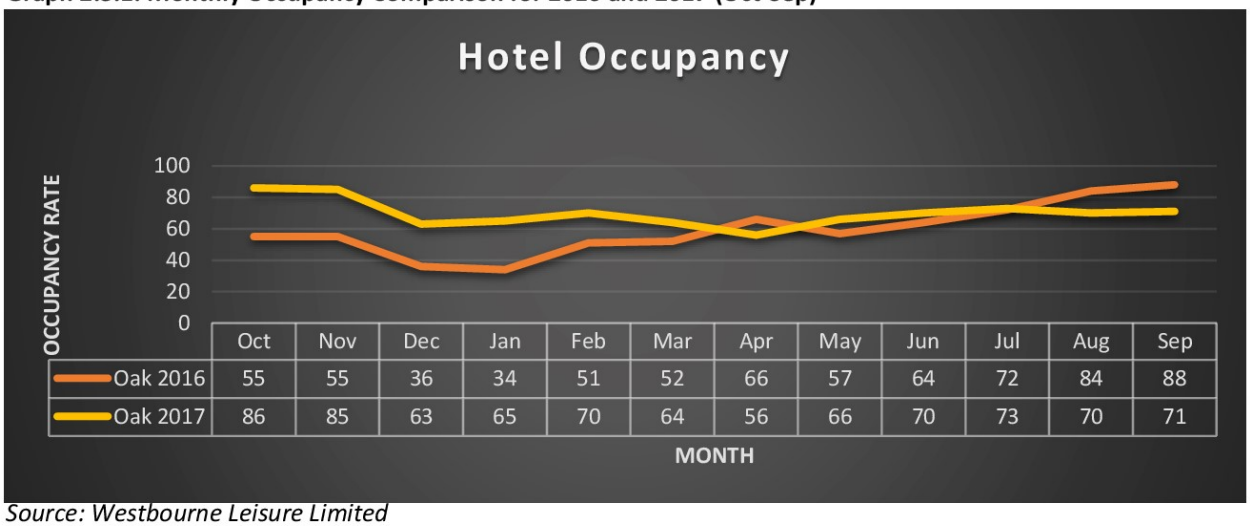
In summarising the comparative information included within this section, we have reviewed the daily hotel occupancy figures and the monthly management accounts for the 12 months ended 30 September 2017.

The management accounts do not include head office charges for accounts, payroll, HR, marketing and wet and dry ordering services.

2.3 COMPARATIVE INFORMATION

The graph below summarises the occupancy rates achieved by the Oak over the last two years.

Graph 2.3.1: Monthly Occupancy Comparison for 2016 and 2017 (Oct-Sep)



	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Oak 2016	55	55	36	34	51	52	66	57	64	72	84	88
Oak 2017	86	85	63	65	70	64	56	66	70	73	70	71

Source: Westbourne Leisure Limited

Table 2.3.2: Daily Occupancy Comparison for 2016 and 2017 (Oct-Sep)

Day	Mon	Tue	Wed	Thu	Fri	Sat	Sun
Oak 2016	60%	77%	78%	58%	44%	72%	26%
Oak 2017	71%	88%	85%	69%	57%	80%	35%

Source: Westbourne Leisure Limited

The table above highlights the large increase in occupancy rates as the hotel has become more established.

Table 2.3.3 shows the management accounts for the 12 months ended 30 September 2017

Table 2.3.3: The Oak Management Accounts for the year ended 30 September 2017

	Year ended 30 September 2017	% of T/O
Sales		
Wet sales	£252,446	
Dry sales	£341,044	
Accommodation	£636,966	
Total Sales	**£1,230,456**	
Cost of sales		
Wet purchases	£131,165	10.7%
Dry purchases	£169,330	13.8%
Sundry purchases	£14,758	1.2%
Booking costs	£63,126	5.1%
Licence costs	£723	0.1%
Wages	£350,660	28.5%
Employer's NI contributions	£13,797	1.1%
Employer's Pension	£1,292	0.1%
Entertainment	£13,309	1.1%
Total Cost of Sales	**£758,160**	
Gross Profit	**£472,296**	38.4%
Administrative expenses		
Salaries	£52,165	4.2%
Employer's NI contributions	£5,215	0.4%
Rates	£56,351	4.6%
Light and heat	£61,883	5.0%
Repairs and maintenance	£28,554	2.3%
Waste collection	£5,814	0.5%
Laundry	£40,334	3.3%
Printing, postage and stationery	£3,761	0.3%
Advertising	£2,392	0.2%
Telephone	£8,458	0.7%
Legal and professional	£2,945	0.2%
PDQ commission	£17,717	1.4%
Total Administrative Expenses	**£285,589**	
EBITDA	**£186,707**	15.2%
Rooms Available	22,630	
Rooms Sold	15,833	
Occupancy	70%	
ADR	£40.23	
Wet Margin	48%	
Dry Margin	50%	

Source: Westbourne Leisure Limited

Lambert Smith Hampton

APPENDIX 3

GROUNDS OF APPEAL STATEMENT

The Oak, Stratford Road, Hockley Heath, B94 5NW

Grounds of Appeal

On behalf of Westbourne Leisure Limited

Enforcement Notice Ref: 13/00765/VARENF

November 2018

54 Hagley Road, Edgbaston, Birmingham, B16 8PE

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1.0 Introduction

1.1 I am instructed by Westbourne Leisure Limited (the Appellant), to appeal the Enforcement Notice (ref: 13/00765/VARENF) issued by Stratford upon Avon District Council on 1st October 2018 relating to:

"Without planning permission, the erection of an extension in the approximate position hatched black on the Plan."

on land at the Oak, Stratford Road, Hockley Heath.

1.2 The Appeal is made under grounds (a), (d) and (g) of Section 174 of the Town and Country Planning Act 1990 (as amended).

1.3 The Enforcement Notice is due to take effect on Monday 5th November 2018 and was issued for the reasons set out in paragraph 4 of the Enforcement Notice (ref: 13/0765/VARENF).

1.4 The Appellant's grounds of appeal are listed at Section 2. In accordance with the procedure for pursuing the Inquiry appeal route for an enforcement notice, this Statement sets out the Appellant's grounds of appeal, with the Inquiry Statement to follow within 6 weeks of the appeal start date. The Appellant will expand on these grounds of appeal including details of the Site's planning history and provision of references to relevant case law, as appropriate, in the Inquiry Statement.

1.5 The enforcement appeal has been submitted electronically via the Planning Inspectorate's Appeals Casework Portal and consists of the following documents:

- Enforcement Notice appeal form;
- Grounds of Appeal and Reason for pursuing an Inquiry (this Statement);
- Copy of Enforcement Notice ref: 13/0765/VARENF;
- Site Location Plan Drawing No. 15138 PA-01;
- Existing Site Block Plan Drawing No. 15138 PA-02;
- Proposed Elevations Plan Drawing No. 15138 PA-111.

1.6 It is considered that an Inquiry is the most appropriate route for this enforcement appeal because it will allow the matters to be fully taken into account by the Inspector and subsequently tested, and given:

- There is a need for the evidence to be tested through formal questioning;
- The issues, including cross boundary matters are complex.

1.7 The matters pertaining to the case centre around the viability of sustaining a business at the Appeal Site, balanced against design matters, on this Green Belt site. It is therefore considered appropriate for the evidence to be tested through the Inquiry procedure route.

1.8 It is also confirmed that a copy of the enclosed documents, as listed above, have also been submitted to Stratford on Avon District Council (along with the appeal forms and this Grounds of Appeal Statement), as the Local Planning Authority.

2.0 GROUNDS OF APPEAL UNDER SECTION 174 OF THE TOWN AND COUNTRY PLANNING ACT 1990 (AS AMENDED)

Ground (a) – that, in respect of any breach of planning control which may be constituted by the matter stated in the notice, planning permission ought to be granted or, as the case may be, the condition or limitation concerned ought to be discharged.

2.1 The Appellant considers that planning permission should be granted for the works comprised in the Local Planning Authority's Enforcement Notice.

2.2 Contrary to the Local Planning Authority's first reason for issuing the Enforcement Notice (at paragraph 4(1)), evidence will be provided to demonstrate that the proposal would not conflict with the reasons for including land in the Green Belt. Very special circumstances have been justified, particularly including the viability of the business and proposed landscape improvements and are such that they outweigh harm caused to the openness of the Green Belt.

2.3 The very special circumstances will be demonstrated to be based on a robust viability case, i.e. the scale of development which exists is the minimum required to retain a commercially viable use and operation on the site.

2.4 The Appellant has sought to invest in the restaurant and public house business and a number of operators have failed to operate a commercially viable operation. Were planning permission to be refused for the development the subject of this application and the unauthorised development removed, this would also adversely impact on the Green Belt. The business would not remain commercially viable and would cease to operate and there would be no maintenance of the site or development. On this basis not only would the empty building be likely to fall into disrepair, be visually unattractive and would have a greater adverse impact on the openness of the Green Belt. In addition, the other benefits of the development would also be lost, to the detriment of the Green Belt objectives, rural employment and the core planning principles of the Framework identified above.

2.5 The evidence will demonstrate that the development is in accordance with Policy CS.10 of the Stratford-on-Avon Core Strategy 2011-2031 and paragraphs 133, 134 and 143-145 of the National Planning Policy Framework (NPPF) (2018).

2.6 Stratford-on-Avon District Core Strategy Policy AS.10 states that development proposals in the countryside will be thoroughly assessed against the principles of sustainable development, to make sure their scale, nature and location are appropriate, with reference to a number of criteria.

2.7 Contrary to the Local Planning Authority's second reason for issuing the Enforcement Notice (Enforcement Notice para 4(2)), evidence will be provided to demonstrate that the proposals do not conflict with the criteria of Policy AS.10, CS.1 or CS.24 of the Stratford-on-Avon Core Strategy.

2.8 The public house and restaurant have been operating since pre-1975 and is an established use that is integrated into its surroundings by the very nature of it having been operating for a substantial period of time. It also benefits from an extant planning permission (ref: 16/00451/FUL, Appendix 1) for the provision of hotel accommodation as a diversification of the original use. The use attracts visitors both for business and on a recreational level and is an appropriate use in the area, serving the local community. The Framework supports the retention of existing businesses in the rural area and the proposed development would help support the retention of the business.

2.9 The proposed development does not adversely affect the local landscape or any settlements and, with reference to landscape impact and environmental improvements, evidence will be provided to show that there would be a net benefit to the locality. It comprises development within an existing Site, with the development replacing a previous extension in the same location and is seen in the context of the existing development.

2.10 In addition, the development does not result in the site or development being any closer to the nearest settlements or adjacent development and uses, maintaining the network of roads and lanes with belts of mature trees as at present.

2.11 The proposed development and diversification of the use to provide hotel accommodation at the level proposed in this planning application is vital to the continued operation of a long-established business in this location, ensuring it remains a going concern with associated benefits to the economy through the creation of jobs for local people. This is a point which has been established in the Viability Appraisal which accompanies the planning application.

2.12 The proposed development would have no adverse highways impacts. The site is accessed off Stratford Road and the existing site access would not alter as a result of the proposed development. There is more than sufficient car parking on the site to serve the hotel and public

house/restaurant use. The site's relationship with the local road network would not alter as a result of the development the subject of this application.

2.13 The site is accessible by bus services which run 7 days a week along Stratford Road, with bus stops outside the site in both northerly and southerly directions. The site is accessible by modes of transport other than the private car for both staff and visitors.

2.14 The Appellant will provide evidence to demonstrate that the proposal accords with Policies CS.1, CS.24 and AS.10 of the Stratford-on-Avon Core Strategy 2011-2031 plus paragraphs 83 and 84 of the NPPF (2018).

Ground (d) – that, at the date when the notice was issued, no enforcement action could be taken in respect of any breach of planning control which may be constituted by those matters.

2.15 Evidence will be provided to show that at the date on which the Enforcement Notice was issued, no enforcement action could be taken in respect of any breach of planning control indicated in the Notice.

Ground (g) – that the period specific in the notice in accordance with Section 173 (9) falls short of what should reasonably be allowed.

2.16 Paragraph 6 of the Enforcement Notice (ref: 13/00765/VARENF) requires compliance with the remediation options stipulated within paragraph 5 of the Enforcement Notice to occur within 8 (eight) months of the date of the Notice taking effect.

2.17 In the event that the appeal under ground (a) is unsuccessful, the Appellant considers the 8-month period to complete the remediation works unreasonable.

2.18 The works, in particular those to reduce the size of the extension as set out at paragraph 5(c) of the Enforcement Notice will need to be informed by detailed construction drawings, and contractors and appropriate tradesmen will need to be appointed. In addition, the scheduling of works will need to be carefully programmed in to allow the business to fulfil existing commitments such as wedding bookings and room bookings, and to remain operational during the undertaking of those works.

2.19 The Appellant therefore requests a 12 (twelve) month timeframe to complete the works stipulated within paragraph 5 of the enforcement Notice (ref: 13/00765/VARENF).

Sarah Butterfield BSc (Hons) MRTPI

1st November 2018

APPENDIX 1 – Ref: 16/00451/FUL

Reference No: 16/00451/FUL
Date of Decision: 3 March 2017

Notice of Decision

PERMISSION WITH CONDITIONS

WYG - Mr Keith Fenwick
54 Hagley Road
3rd Floor
Edgbaston
Birmingham
B16 8PE

Town and Country Planning Act, 1990
Town and Country Planning (Development Management Procedure) Order, 2015

THE STRATFORD-ON-AVON DISTRICT COUNCIL, having considered the application for permission to develop land at:-

The Oak , Stratford Road, Hockley Heath, Warwickshire B94 5NW

Submitted by: Westbourne Leisure Ltd - Mr Paul Owens

Received by the Council on 3 May 2016

HEREBY GIVE YOU NOTICE that PLANNING PERMISSION is GRANTED for the following development, namely:-

Retrospective application for demolition of function room and retention of 2 no. gables on rear elevation, extension to restaurant on ground floor and existing garage building. Planning permission for alterations to existing three storey extension and internal alterations to provide a total of 44 hotel bedrooms plus relocation of existing fire escape.

Subject to the following condition(s) and reason(s), namely:-

1. The development to which this permission relates shall be commenced not later than the expiration of 12 months from the date of this permission and the site shall be brought into full accordance with the approved plans within 18 months from the date of this permission. Following 18 months from the date of this permission, no hotel room shall be let unless and until the development hereby approved has been undertaken in accordance with this permission.

Case Officer: David Jeffery
Reference No. 16/00451/FUL