

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

REPORT TO: Planning Committee

14th January 2009

AUTHOR/S: Executive Director / Corporate Manager - Planning and Sustainable Communities

S/1025/08/F – STOW-CUM-QUY

Extensions to Existing Outbuildings to Provide Outdoor Centre and Offices/Store at Quay Mill Hotel, Newmarket Road for Munroe Leisure Ltd.

Recommendation: Refusal

Date for Determination: 4th August 2008

Notes:

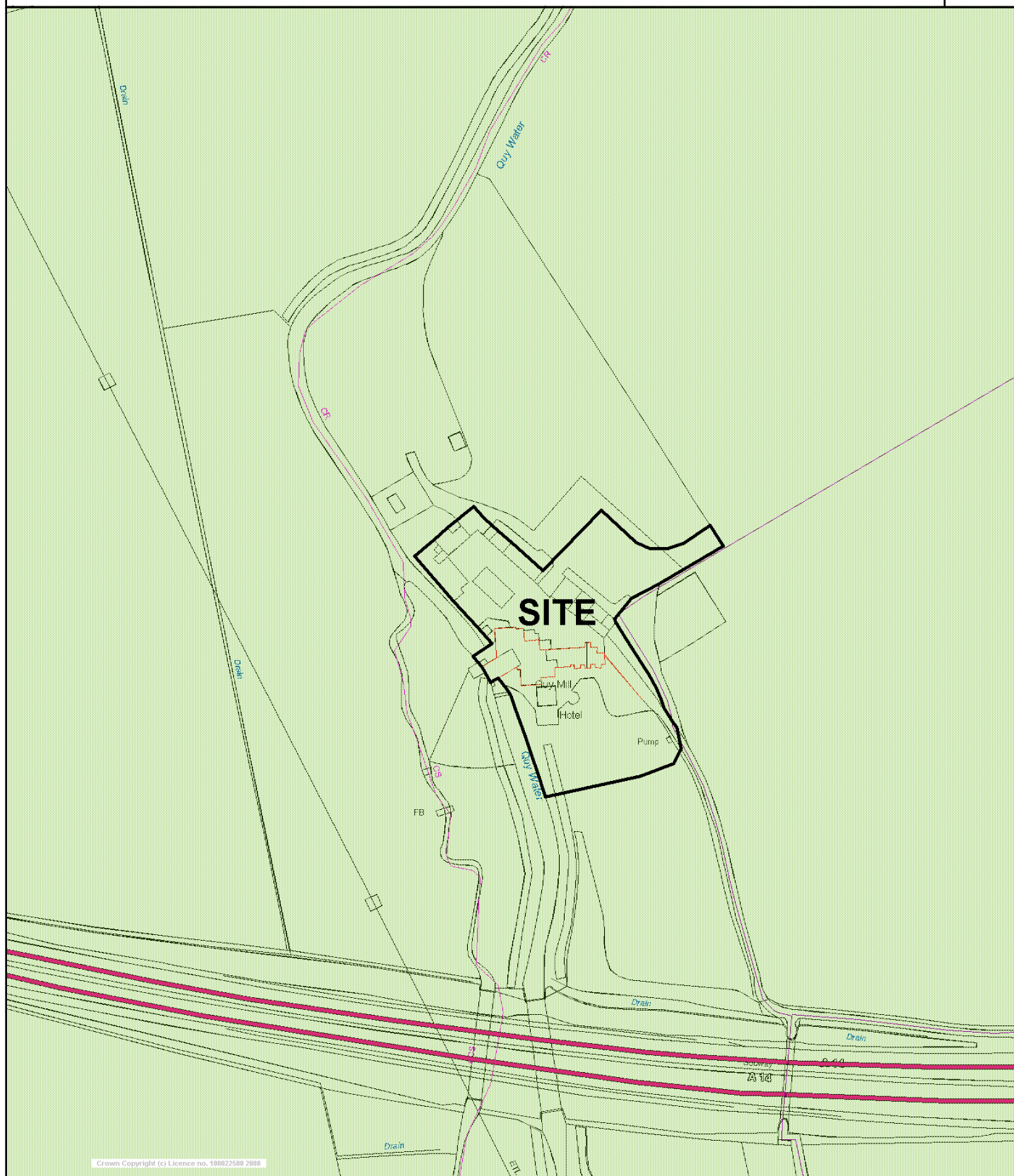
This application has been reported to the Planning Committee for determination at the request of the Local Member.

Members will visit the site on 14th January 2009

Departure Application

Site and Proposal

1. Quay Mill Hotel is located to the north of the A14 trunk road, approximately 5 miles to the east of Cambridge. The site covers approximately 4.4 hectares and is situated outside of any village framework and in the Green Belt/ countryside. It comprises the grade II listed Mill, the grade II listed Miller's House and various curtilage listed outbuildings. It is surrounded by open agricultural land. Quay water flows along the western site boundary.
2. The property was converted from offices to a hotel in 1983. The Mill is a four storey, gault brick and slate building that is situated in the south western corner of the site. The Millers House is a two and a half storey gault brick and slate building that is situated to the east of The Mill. The two buildings have been linked by modern single storey extensions comprising function rooms. The outbuildings range between single and two-storey in height and lie to the north and north west of the main buildings. The north western building is a fitness centre and the remaining outbuildings are bedroom accommodation. There are small hard surfaced areas between the buildings providing approximately 15 parking spaces. A large car park lies on the north eastern part of the site providing approximately 80 parking spaces.
3. This full planning application, received 9th June 2008, proposes three separate extensions to the existing outbuildings that lie on the northern part of the site. The first extension consists of a part two-storey, part one and a half storey, and part single storey 11 metre long element to the north eastern elevation of the fitness centre. It comprises a lecture hall and two seminar rooms for the outdoor centre at ground floor level and changing rooms at first floor level. The extension ranges from 7 metres to 3.5 metres in height. The second extension consists of a one and a half storey element measuring 23 square metres in floor area and 5.5 metres in height. It would be situated within the courtyard to the south eastern corner of the fitness centre and



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provide an enlarged reception area. The third extension consists of a one and a half storey 17 metres long element to the south east elevation of the existing swimming pool. It would comprise storage rooms at ground floor level and staff offices at first floor level. A single storey undercover walkway link to the main reception is also proposed. The design of the extensions would match that of the existing outbuildings. The materials would be brick plinth and timber weatherboarding for the walls and slate for the roof, to match the existing outbuildings. A number of small outbuildings would be removed. The net additional gross internal floorspace comprises 381 sq.m, which represents a 12.3% increase.

Planning History

4. Planning permission was refused in August 2007 for an extension to create leisure suite containing spa and gymnasium with ancillary offices and general store **(S/1138/07/F)** for the following reason: -

“The proposed extension to the existing leisure facility is contrary to Green Belt Policies P9/2a of the Cambridgeshire and Peterborough Structure Plan 2003 and GB/1 of the South Cambridgeshire Local Development Framework 2007 in that it is inappropriate development for which no very special circumstances have been put forward in order to justify a departure from these Green Belt Policies. The proposal is therefore by definition harmful to the Cambridge Green Belt and, by reason of the additional floorspace proposed, would be harmful to the openness of the Green Belt.”
5. Planning permission was granted in January 2007 for a clay pigeon shooting shelter **(S/2149/06/F)**.
6. Planning permission was granted in April 2003 for function room and orangery extensions to the rear and a foyer to the front **(S/0325/03/F)**. Planning permission was granted in June 2002 for extension and conversion of the outbuildings to form fitness centre and bedroom accommodation **(S/0482/02/F)**. Planning permission was granted in January 2001 for extension and conversion of stables to bedroom accommodation and office extension, and an extension to form function room and link **(S/1537/00/F and S/1517/00/F)**. Planning permission was granted for conversion and extension of outbuildings to bedroom accommodation, function room and staff accommodation in May 1998 **(S/1263/97/F)**. Planning permission was granted for a conservatory extension in April 1997 **(S/0045/97/F)**. Planning permission was granted for a front kitchen and lobby extension in March 1986 **(S/0058/86/F)**. Planning permission was granted for change of use to hotel and link extension in January 1981 **(S/1890/80/F)**.

Planning Policy

Relevant policies are listed below. Please refer to Appendix 1 to this Committee agenda for further details.

7. *South Cambridgeshire Local Development Framework Development Control Policies Document:*

Policies **GB/1, GB/5, DP/2, DP/3, DP/7, CH/3, CH/4, ET/10 and NE/6** are relevant.
8. *National Planning Guidance:*

Paragraph 3.2 of Planning Policy Guidance Note 2 (Green Belts)
Planning Policy Statement 7 (Sustainable Development in Rural Areas)

Paragraph 2.12 of Planning Policy Guidance Note 15 (Planning and the Historic Environment)

The Good Practice Guide on Planning for Tourism

Consultation

9. **Stow-cum-Quy Parish Council** – Recommends approval.
10. **Conservation Officer** – The proposal will have a minimal impact upon the setting of the listed mill and the character and appearance of the curtilage listed barn buildings. The extensions are fairly modest in scale and the form and design matches the existing extensions. However, there is some concern regarding the openings to the rear elevation, as these would detract from the simple character and appearance of the building.
11. **Local Highway Authority** – Objects to the application on the grounds that it is unable to assess the proposal, as there is insufficient information on the expected traffic flows generated and the subsequent traffic impact upon the surrounding highway network.
12. **Ecology Officer** – No objection subject to a condition to ensure ecological enhancement of the site as proposed in the ecological report submitted with the application.
13. **Environment Agency** – No objection in principle to the development but makes the following comments: -

The proposed development is adjacent to the former Quy Mill Hotel landfill site. The developer needs to carry out a spike test to investigate the presence of gases and, if found, a gas monitoring survey should be undertaken during the course of development.

The site is within Flood Zone 1 (low risk) but lies adjacent to land that falls within the medium and high risk flood zones.

Any works within 9 metres of the top of the bank of the main river requires separate consent from the Environment Agency.

The application does not sufficiently consider surface and foul water drainage as the site delineated is within an area of major aquifer and unknown sewerage capacity. Any consent should be subject to conditions and informatives in respect of these issues.
14. **Corporate Manager (Health and Environmental Services)** – No significant noise or environmental pollution impacts.
15. **Fleurets Surveyors (Business and Property Services for the Leisure and Hospitality Industry)** – The business is operating profitably, albeit that the profit margin is at the lower end of expectations. However, it is at a level which operators in the market would consider viable.

The weekly turnover for the business in 2008 has increased by 20% from 2006 and 2007. Income from accommodation has grown by 9% from 2005 to 2008. This is likely to be as a result of the seven additional rooms. Food and beverage sales have fluctuated from year to year, but declined by 8% from 2005 to 2008. The income from

room hire and functions and the fitness club have remained broadly stable at 7% and 11%. The gross profit from the three accounting years ending May 2007 is stable and in line with expectation for a business of this nature. The gross profit for 2008 shows a marked decline, but this is likely to be due to outsourcing of the catering. The adjusted net profit is low for a business of this nature and declined from 23% in 2005 to 14% in 2008. However, although not available, the net operating profit for 2008 shows a significant improvement and is likely to be in the region of 25% of turnover.

Representations

Applicant's Agent

16. It is absolutely essential that expansion or diversification of the enterprise should take place, to enable the hotel to survive. The hotel has not made the maximum use of the extensive grounds and the opportunities for outdoor sport and recreation. It is argued that the proposal is not inappropriate development in the Green Belt as it is for essential facilities for outdoor sport and recreation.

Applicant's Accountant

17. The market is fiercely competitive and at least six new hotels have opened in the area surrounding Cambridge over the last 12 years. The business has had mixed fortunes over the last few years. The heavy loss in 2006-2007 eroded all the previous retained profit. In April 2008, the food and beverage operation of the hotel was franchised out to a local contractor. A significant burden on the business is the cost of maintenance of the Grade II listed building. The hotel's performance has improved in the first part of 2008 but it is difficult to predict the macro economic climate of the future. The business needs to provide alternative facilities to attract additional guests to the hotel to remain viable in the long term and survive.

Other

18. **Visit Cambridge**, the tourism service for Cambridge, supports the application. It makes the following comments: -
"The tourism industry, both leisure and business is an essential part of the economy. Any improvements to the venue that will in turn extend the visitor's stay longer in the area, or enhance their experience whilst in venue, is always a positive sign. In these uncertain times, every effort should be made to secure one's share of the market and by offering extra facilities such as an outdoor centre, in my opinion, will help secure future business for Quy Mill."

Planning Comments – Key Issues

19. The main issues to be considered during the determination of this application relate to whether the extensions would:
 - (a) Represent inappropriate development in the Green Belt;
 - (b) Result in any other harm to the Green Belt/ countryside;
 - (c) Amount to very special circumstances to clearly outweigh the harm to the Green Belt through inappropriateness and other harm in the Green Belt as a result of the case put forward by the applicants;
 - (d) Adversely affect the character and appearance of the curtilage listed buildings and/ or the setting of the grade II listed Mill and Mill House; and,
 - (e) Be detrimental to highway safety through such an increase in traffic generation.

Green Belt

20. The Mill and Mill House were converted to a hotel in 1986. Since that time, the Council has granted planning permission for various extensions to the main buildings, and conversion and extension of the outbuildings. The cumulative impact of the existing extensions has significantly reduced the openness of the site, and consequently the Green Belt.
21. The proposed extensions are for a lecture room and two seminars rooms, and changing rooms for an outdoor centre; a reception area to the fitness club; and storage rooms and offices. Such uses do not fall within any of the criteria outlined under paragraph 3.4 of Planning Policy Guidance Note 2 (Green Belts). The extensions are therefore considered to represent inappropriate development that is, by definition harmful to the Green Belt.
22. Whilst it is acknowledged that extensions to tourist accommodation is supported in principle, the proposed extensions are considered to further increase the mass of built development, and reduce the openness of the site. Whilst it is acknowledged that the extensions would be attached to the existing group of outbuildings in order to make a courtyard style development, this would close the open spaces that currently exist between the buildings that retain a sense of openness to the area. The development is therefore visually intrusive and would harm the rural character and appearance of the area.
23. The applicants consider that very special circumstances have been demonstrated that outweigh the harm through reason of inappropriateness and any other harm. However, given the advice from Fleurets on the viability of the business, it is officers' view that the business is currently viable and therefore very special circumstances have not been demonstrated.
24. Fleurets state that there are a number of factors that can cause a business to become unviable. These are: -
 - (a) A building that falls into disrepair to the point that the cost of repairs would be disproportionate to the cost of the business;
 - (b) The poor management of a business and subsequent depletion of a customer base;
 - (c) Strong competition;
 - (d) Where the level of turnover falls below an acceptable level where the operators cannot make a living; and,
 - (e) Material changes to the local area such as the loss of a factory or the demolition of a housing estate.
25. Given the assessment of each factor below, the only significant issue that may affect the viability of the hotel business appears to be competition from new hotels in the area and the general state of the market at the current time.
26. Quy Mill Hotel is generally in good repair with significant elements of the complex either newly built or subject of conversion and refurbishment over the last 12 years. There is no knowledge of any major items of expenditure required for the building beyond general maintenance.
27. The business appears to be competently and professional managed by the current owners providing the level expected of a good quality 3* hotel. Facilities are

maintained to a high standard, pricing levels are competitive and the business appears to be effectively promoted and marketed.

28. Significant development of hotels has taken place in Cambridge in the last five years, notably in the budget branded sector with the Quay Mill Hotel in direct competition for corporate business guests in particular. These recent additions place pressure on existing businesses to review their business model in order to sustain turnover and profitability. Unless a unique selling point or superior facilities can be offered, hotels have to undercut room rates to attract sufficient custom. Although the range of facilities and accommodation allow the hotel to compete in business and leisure markets, it is at a competitive disadvantage as a result of the nature of the complex of buildings and high running costs, and the lack of superior offerings such as a golf course or a city centre location. By virtue of current and future development, competition may be expected to increase.
29. The hotel has maintained a steady level of turnover in the year ending May 2006 and May 2007, with turnover improving 20% from the preceding year. The business is capable of maintaining a modest level of profitability and although at the lower level, it would be sufficient for the operator to make a living. However, given the high underlying costs of the business and the low profit margins, it will be sensitive to fluctuations in turnover, such that any reduction is likely to result in disproportionate reduction in net operating profit. In the short term, competitive pressures are likely to be exacerbated by the current economic climate with rising inflation and the credit crunch increasing downward pressure upon business and consumer spending.
30. Cambridge is a popular centre for tourism and an important centre for science and technology based research and development. The area has seen continued expansion in recent years and on this basis it is unlikely that any external factors would provide the hotel operator with cause for concern.

Listed Building

31. The proposed extensions are not considered to adversely affect the character and appearance of the curtilage listed outbuildings. Whilst they would change the historic plan of the buildings, they would retain its overall simple design, form and agricultural nature.
32. The extensions would also not damage the setting of The Mill and Mill House listed buildings, given that they would remain similar in scale to the existing outbuildings.

Highway Safety

33. The Local Highway Authority is unable to make an assessment on the traffic generation of the proposal at present and its impact upon highway safety, as a result of the lack of information submitted with the application. The Committee will be updated of any data received and subsequent evaluation of the impact upon the highway network.

Other Matters

34. The site lies within Flood Zone 1 (low risk). The proposed extensions would not significantly increase the risk of flooding to the site and surrounding area, as they would be situated in existing hard surfaced areas.

35. The proposal is considered to enhance the biodiversity of the area through improving habitats for birds and bats, and by increasing botanical diversity. This would be a condition of any consent.

Recommendation

36. Refusal.
1. The proposed extensions would represent inappropriate development. Inappropriate development is, by definition harmful to the Green Belt. The proposal is therefore contrary to Policy GB/1 of the South Cambridgeshire Local Development Framework Development Control Policies Document 2007 and Paragraphs 3.2 and 3.4 of Planning Policy Guidance Note 2 (Green Belts) that outline the presumption against inappropriate development in the Green Belt.
 2. The cumulative impact of the existing extensions and proposed extensions would also cause other harm to the Green Belt. The increase in the floorspace and mass of built form on the site would result in a significant loss of openness.
 3. No very special circumstances have been demonstrated by the applicants that clearly outweigh the harm through inappropriateness and loss of openness of the Green Belt.

Background Papers: the following background papers were used in the preparation of this report:

- South Cambridgeshire Local Development Framework Development Control Policies Document 2007
- Planning Policy Guidance Note 2 (Green Belts), Planning Policy Guidance Note 7 (Sustainable Development in Rural Areas), Planning Policy Guidance Note 15 (Planning and the Historic Environment), and Good Practice Guide on Planning for Tourism
- Planning File References: S/1025/08/F, S/1138/07/F, S/2149/06/F, S/0325/03/F, S/482/02/F, S/1537/00/F, S/1517/00/F, S/1263/97/F, S/0045/97/F, S/0779/86/F and S/0058/86/F.

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