

- a) **DOV/20/01566 - Change of use to and conversion into three dwellinghouses with associated parking, first-floor extension to one side with double hipped roof and associated external/internal alterations (application for planning permission)**

DOV/20/01567 - Alterations to facilitate conversion to three residential units including first-floor extension (application for listed building consent)

White Cliffs Hotel, High Street, St Margaret's-at-Cliffe

Reason for referral – number of contrary views (60)

b) **Summary of Recommendation**

Planning permission be granted for application reference DOV/20/01566, subject to conditions.

Listed building consent be granted for application reference DOV/20/01567, subject to conditions.

c) **Planning Policy and Guidance**

Development Plan

The statutory development plan comprises:

- Core Strategy (2010) (“**the Core Strategy**”)
- Land Allocations Local Plan (2015)
- Saved Policies of the Local Plan (2002)

Relevant policies of the Core Strategy include:

- CP2: Provision for Jobs and Homes
- CP4: Housing Quality, Mix, Density and Design
- CP5: Sustainable Construction Standards
- CP6: Infrastructure
- DM2: Protection of Employment Land and Buildings
- DM4: Re Use or Conversion of Rural Buildings
- DM11: Location of Development and Managing Travel Demand
- DM13: Parking Provision
- DM24: Retention of Rural Shops and Pubs

As is the case with the development plan, where existing policies were adopted prior to the publication of the National Planning Policy Framework (July 2021) (“**the Framework**”), the weight to be given to them depends on their degree of consistency with the policies of the Framework (paragraph 219).

Other Material Considerations

Other information material to the consideration of the applications includes:

National Planning Policy Framework

The Framework sets out the Government’s planning policies for England and how these are expected to be applied. It is therefore a material consideration, to which significant weight should be attached in determining the application.

At paragraph 8, the Framework states that sustainable development has three overarching objectives – an economic objective, a social objective and an environmental objective. These are interdependent and need to be pursued in mutually supportive ways, seeking net gains across each.

Paragraph 11 identifies a presumption in favour of sustainable development. For decision-taking, development proposals that accord with an up-to-date development plan should be approved without delay; or where there are no relevant development plan policies, or the policies which are most important for determining the application are out-of-date, permission should be granted unless the application of footnote 7 policies provides a clear reason for refusing development, or any adverse impacts of doing so would “significantly and demonstrably” outweigh the benefits. Footnote 8 is clear that for applications involving the provision of housing, the most important policies will be considered to be out of date where a local planning authority cannot demonstrate a five year housing land supply.

Paragraph 38 advises that local planning authorities should approach decisions on proposed development in a positive and creative way, and work pro-actively with applicants to secure developments that will improve the economic, social and environmental conditions of the area. Decision makers should seek to approve applications for sustainable development where possible.

Paragraph 60 – to support the Government’s objective of significantly boosting the supply of homes, it is important that a sufficient amount and variety of land can come forward where it is needed, that the needs of groups with specific housing requirements are addressed and that land with permission is developed without unnecessary delay.

Paragraph 81 requires planning policies and decisions to create the conditions in which businesses can invest, expand and adapt. In support of a prosperous rural economy, planning should allow the sustainable growth and expansion of all types of business in rural areas; and the retention and development of accessible local services and community facilities.

Paragraph 93 – planning should provide the social, recreational and cultural facilities/services the community needs. Decisions should guard against the unnecessary loss of valued facilities and services, particularly where this would reduce the community’s ability to meet its day-to-day needs.

Paragraph 110 – applications for development should make appropriate opportunities to promote sustainable mode of transport; provide that safe and suitable access for all users; and seek to mitigate any significant impacts on the transport network (in terms of capacity and congestion) or on highway safety.

Paragraph 111 – development should only be prevented or refused on transport grounds if there would be an unacceptable impact on highway safety, or the residual cumulative impacts on the road network would be severe.

Paragraph 119 – planning policies and decisions should promote an effective use of land in meeting the need for homes and other uses, whilst safeguarding and improving the environment and ensuring safe and healthy living conditions.

Paragraph 126 – the creation of high quality buildings and places is fundamental to what the planning and development process should achieve. Good design is a key aspect of sustainable development, creates better places in which to live and work and helps make development acceptable to communities.

Paragraph 131 – trees make an important contribution to the character and quality of urban environments and can help mitigate and adapt to climate change.

Paragraph 152 – the planning system should support the transition to a low carbon future in a changing climate, taking full account of flood risk and coastal change. It should help to shape places in ways that contribute to radical reductions in greenhouse gas emissions, minimise vulnerability and improve resilience; encourage the reuse of existing resources; and support renewable and low carbon energy and associated infrastructure.

Paragraph 180 – if significant harm to biodiversity resulting from a development cannot be avoided (through locating on an alternative site with less harmful impacts), adequately mitigated, or, as a last resort, compensated for, then planning permission should be refused.

Paragraph 199 – great weight should be given the conservation of designated heritage assets.

Paragraph 202 – where a development proposal would lead to less than substantial harm to the significance of a designated heritage asset, this harm should be weighed against the public benefits of the proposal.

Draft Dover District Local Plan

The draft Dover District Local Plan sets out planning policies and proposals for new development in the District over the period from 2020 to 2040 and when adopted will replace the existing development plan. The emerging Local Plan is at Regulation 19 consultation stage and is a material planning consideration in the determination of this planning application. The weight to be afforded to its policies depends (in accordance with paragraph 48 of the Framework) on the stage of preparation of the emerging plan, the extent to which there are unresolved objections to the relevant policies and their consistency with the Framework.

Relevant policies of the emerging Local Plan include:

- Policy SP4: Residential Windfall Development
- Policy CC4: Water Efficiency
- Policy PM1: Achieving High Quality Design
- Policy PM2: Quality of Residential Accommodation
- Policy PM6: Community Facilities and Services
- Policy E4: Tourist Accommodation and Attractions
- Policy TI1: Sustainable Transport and Travel
- Policy TI3: Parking Provision on new Development
- Policy HE1: Designated and Non-Designated Heritage Assets
- Policy HE2: Conservation Areas

Legislation

The combined effect of section 70(2) of the Town and Country Planning Act 1990 and section 38(6) of the Planning and Compulsory Purchase Act 2004 (as amended) is that planning applications must be determined in accordance with the statutory development plan unless material considerations indicate otherwise.

Section 66 of the Planning (Listed Buildings and Conservation Areas) Act 1990 requires that the planning authority should pay special regard to the desirability of preserving a listed building or its setting or any features of special architectural or historic interest it possesses.

Section 72 of the Planning (Listed Buildings and Conservation Areas) Act 1990 requires, with respect to any buildings or other land in a conservation area, special attention shall be paid to the desirability of preserving or enhancing the character or appearance of that area.

d) Relevant Planning History

02/01101 & 02/01102 Erection of single storey kitchen extension to inn; external alterations to ancillary buildings; extension/alterations to ancillary building to create two self-catering units; and revisions to forecourt layout. Planning permission and listed building consent granted (02/12/02).

04/00805 Erection of building [to the side of the main hotel building] to form two units of self-contained holiday accommodation. Planning permission granted (14/09/04) and implemented.

04/00875 Raise height of existing boundary wall, rebuild south west and south east facing elevations, replacement windows, insertion of rooflights, external and internal alterations. Listed building consent granted (06/09/04).

07/00466 Erection of detached dwelling [on land to the rear of the main hotel building]. Planning permission granted (19/10/07).

10/00131 Renewal of planning permission 07/0466 for erection of detached dwelling [on land to the rear of the main hotel building]. Planning permission granted (04/05/10).

19/01112 Erection of two dwellings with associated parking [on land to the rear of the main hotel building]; and change of use and conversion of annexe buildings to two dwellings [to the side of the main hotel building]. Planning permission granted (27/03/20) and implemented.

19/01113 Conversion of two annexe buildings from self-catering accommodation to residential units; internal alterations to remove & insert new partitions, infill & insert new openings to form ground floor living accommodation; replace front elevation door with window. Internal alterations to remove & insert new partitions to form ground floor wc & first floor ensuite, bathroom & bedroom. Insert access gate with new piers to boundary wall. Listed building consent granted (27/03/20) and implemented.

21/01249 Erection of a detached dwelling with driveway, associated parking, cycle shed, and recycle store [on land to the rear of the main hotel building]. Planning permission granted (01/04/22).

22/00751 Removal of Condition 15 (restrict bar/restaurant use) of planning permission 19/01112 (erection of two dwellings with associated parking; and change of use and conversion of annexe buildings to two dwellings (application under Section 73). Condition 15 of 19/01112 removed (12/08/22).

(Officer comment: This will be explained further in the assessment part of this report)

e) **Consultee Responses and Third-Party Representations**

St Margaret's-at-Cliffe Parish Council

Response of 12/02/21 & 22/02/21

Taken in conjunction with application reference 19/01112, the development would add a total of seven new dwellings to the historic, already crowded centre of the village, which is a Conservation Area. Cripps Lane is a narrow historic lane from which entry onto the High Street is already problematic. The High Street itself is narrow at this point. The proposed conversions of the hotel provide small houses, seeking as many dwellings as possible, and tiny gardens and does not enhance the appearance of this historic building

The Hotel sits in an important cluster of key historic buildings in the heart of the village.

The proposed changes will dramatically alter the hotel's original appearance and fabric.

Development will close a much-loved historic pub both for local residents and for the district's tourism economy. This application seems at odds with DDC's tourism strategy. Draft local plan DM Policy 24 Tourism: *'We will seek to retain and evolve a broad range of high-quality serviced tourist accommodation'*

Claims about viability, and the effect on the heart of the village's Conservation Area, need to be strongly and factually evidenced.

Taken with planning application 19/01112, these proposals crowd the site with 7 dwellings and the proposals should be looked at together as a whole.

The application claims it will provide 'much needed housing' but without any evidence of the specific needs in the village or a review of what is actually needed. The last Village Housing Needs survey (2011) identified a need for 39 affordable homes. Since 2011, nine affordable rented units in the village have been sold by the Bay Trust, removing them from the affordable rented sector. Two previous pub conversions in the village centre remain unsold. What is the evidence of need for houses of the size and type proposed in the application?

This proposal fundamentally changes the nature of the buildings and surrounding site which has had the same function and appearance as a single unit since 1885. There are concerns as to the future maintenance of a building which it is proposed would be in multiple ownership for the first time in its history.

The Parish Council believes that the changes proposed in the applications do cause substantial harm and loss to the community, to the street scene in the centre of the village, to the conservation area.

Claims that the hotel business is no longer viable are unsubstantiated. The applicants admit that the building has been in use for letting since April 2020. Claims made in the original application that it was closed and empty from April 2020 until recently, can therefore be discounted. The applicant claims a deterioration in the business makes the asset unviable. This is disputed by the Parish Council.

A well-managed and marketed hospitality business is a viable use of this building.

The applications will cause substantial harm but even if less than substantial harm is argued there is no public benefit from the applications and that the historic use as a bar/restaurant/hotel is the “optimum viable use” for the building and the community.

Supplementary response (undated)

Application 19/01112, granted in 2020, contained condition 15 which required the bar and restaurant in the White Cliffs Hotel to close if the adjacent properties were occupied by residents. But consider the White Cliffs Hotel remains a viable business as a pub/hotel if managed well, if service was better and prices made reasonable.

Dover Core Strategy Policy DM24 seeks for the retention of rural pubs and shops.

The proposals would cause substantial harm to this sensitive site in the centre of the village and conservation area.

Further Response (undated)

A further detailed response has been received from St Margaret’s at Cliffe Parish Council, raising matters or amplifying previous concerns in respect of:

- lawfulness of condition 15 of planning permission 19/01112;
- loss of pub/restaurant is not justified;
- impact on special interest & setting of listed building;
- impact on character and appearance of the conservation area; and
- impact on amenities of housing granted under planning permission 19/01112.

Response on Viability Assessment (undated)

The Viability Assessment Report is largely based on the issue of onsite parking space (only allowing 4 out of the 9 guest rooms to be occupied at one time and limiting bar restaurant area to residents only) and only analysing the accounts for March 2019 and March 2020.

The Viability Assessment Report has a number of weaknesses:

- the accounts cover a very limited period;
- assumed that the limited profits and the losses are a result of operating conditions but does not allow for managerial inefficiency or absence of effective marketing or business planning as contributory causes;
- the issue of restricted parking space is undermined by the closure of the bar and restaurant to preserve parking spaces at the front of the main building;
- the Parish Council considers that Condition 15 of planning permission 19/01112 is unlawful and should not be used to justify measures in subsequent planning applications;

- the Smugglers Inn has no car park yet remains open and operates very successfully;
- as the village car park is opposite the hotel, parking is not a determinative issue;
- St Margaret's attracts a high number of visitors and tourists in a normal year;
- efficiently managed amenities should have no problem making profits;
- other potential options such hotel/bar or bar/restaurant or pub with food or takeaway provision, which could provide good business opportunities, are not assessed;
- the viability of the sale of the White Cliffs Hotel business as a going concern has not been fully market tested. There has therefore been no real attempt to sell it as a commercial property/business;
- the Viability Assessment Report fails to take into account the expected increase in demand as we come out of pandemic restrictions; and
- the White Cliffs Hotel continues to operate as a hospitality business, as 'The White Cliffs Retreat'. It is not a lost cause.

Response Received 11/10/22

The consequence of the removal of Condition 15 of 19/01112 is that the business must now be assessed as a pub/restaurant/hotel rather than just a hotel.

Focus of objection is on the pub/restaurant business. Policy DM24 (retention of rural shops and pubs) applies to this application.

Previous objections demonstrate that loss of the pub/restaurant provision would harm the economic and social viability of the community and those objections remain.

No evidence that the whole business has been genuinely, let alone adequately, marketed or that the pub/restaurant element has been marketed at all.

Both the new Viability Assessment and the previous one are based on estimated income and costs, in the absence of normal accounts. Neither study is independent, and both are very narrow in their evaluation of business opportunities.

The application fails to meet the requirements of Policy DM24 and would also fail the provisions of Policy PM6 in the new Local Plan.

The Parish Council maintains that the amended Viability Assessment does not provide a valid justification for change of use of the White Cliffs hotel and contains several statements and estimates that undermine its own conclusion. It does not consider a business model as a pub/restaurant only (no hotel) or other ways to use the upstairs floors without impacting the look of the Grade 2 listed building within the conservation area at the centre of the village.

There is no consideration in the Viability Assessment as to how car parking provision is a threat or weakness to the continued operation of the pub/restaurant. The nearby Smugglers Inn operates very successfully with no parking at all.

The inference is that the pub/restaurant could only accommodate 34 guests belittles the size and potential of this facility. For events there have been well in excess of 100 patrons inside the building. This section neglects to mention outside areas.

The alleged difficulties with the road layout/absence of parking etc would not be problematic for the efficient running of the pub.

It is documented in the report that the estimated annual revenue of the pub / restaurant alone is likely to be £320,000 (gross profit would £200,000 i.e. 62%). Whilst this is just an estimate and is not the actual profit, it could be a more profitable business if it was operated more efficiently.

The Viability Assessment claims that a fair maintainable trade would result in a gross profit of £265,000. If the argument concerning primary and ancillary uses etc is considered, the fact that the gross profit of the pub / restaurant alone is estimated at £200,000 and hotel estimated at £65,000 suggests that the primary use of the planning unit would be that of a pub/restaurant and the hotel element is ancillary.

If the first-floor hotel element was rented or sold as flats, the ground floor pub/restaurant would be even more profitable.

The Viability Assessment is very narrow in its thinking and has not considered other options / alternative uses and/or rationalisation with regard to costs / expenses.

The Viability Assessment has not tested the market, so this is not a tried and tested viability report. It's an opinion, it's not independent and it's not objective as it was undertaken on behalf of the applicant and paid for by the applicant.

Core Strategy paragraph 1.78 relating to relating to Policy DM24 requires regard to be had to the way in which the shop or pub has been managed.

This Viability Assessment indicates that the pub / restaurant business is significantly more profitable than the hotel element and could be greater if it was run efficiently. Any viability issues are more a result of ineffective management and poor decision making than an inherent weakness in the business.

It has demonstrated that loss of the White Cliffs pub/restaurant will cause harm to the local community. It reiterates that 10 years ago the village centre of St Margaret's at Cliffe was served by four pubs but these applications would reduce that number to one. It will result in loss of much needed hospitality provision for not just locals but visitors.

St Margaret's is on the Kent Heritage Coast which is ranked as one of the best places to visit in the world. There is no mitigating public benefit.

The change of use to residential would cause permanent harm to the appearance and setting of the Grade 2 listed building and harm to the Conservation Area in the centre of the village.

DDC Heritage (comments relating to the listed building application ref: 20/01567)

The White Cliffs Hotel was originally constructed to provide school classrooms and accommodation as a part of the adjacent Cliffe House School in the C18th & C19th. The main boarding part of the school was in Cliffe House, accessed across Cripps Lane by a walkway at first floor level which still exists. Since the late C19th, the White Cliffs has functioned as a hotel.

The proposal seeks to convert the building into 3no. residential units by subdividing the interior vertically with party walls forming the separation. The works include forming a new front entrance, separate rear gardens and allocated parking to the front. A first-floor extension is proposed by removing the roof of a single storey side addition.

As existing this single storey addition functions as a kitchen to the hotel, as approved and constructed in the early 2000's. The proposed first floor extension is to provide accommodation for the proposed unit 3. The design reflects the character and appearance of the building and replicates the roof form of the existing side additions.

The interior of the building has been significantly altered in the C20th assumed prior to listing. Specific fireplaces appear to survive and are largely unaffected by the proposed works, but the historic plan form and layout does not survive intact. This is particularly of note at first floor level where many of the spaces consist of modern partitioning forming separate bedrooms with ensuite facilities.

Assessment of Impact

The proposal seeks to retain the building's character as much as possible whilst also ensuring it has a viable use forming residential accommodation. The proposed extension is modest and subservient to the listed building, with a simple design with materials that are sympathetic to the character of the listed building.

The building's interior and historic fabric is largely unaffected by the proposed subdivision of the spaces. Also, of note is how the historic spatial quality of the interior is no longer easily read or appreciated due to previous alterations. It is considered that the proposed internal works cause no harm to the significance of the building.

Amended plans have been received that retain a central chimney, which previously was shown to be removed.

Alterations are considered relatively minor but will result in the loss of fabric including inserting a new door and window to the principal south west elevation, alterations to the size of window openings to the 2nd floor side south east elevation, and the re-organisation of internal spaces to form the party wall separation and new stairs access. Due to the extent of alteration to the exterior of the listed building, the very minor amount of fabric affected (majority of which is C20th) and the design of the extension and doors/windows, it is considered that these works would not cause harm.

The proposed first floor extension would form part of the principal south west elevation. It reflects the character of the listed building, with a traditional design and matching materials which is considered appropriate. Its scale and siting do not compete for dominance and is considered to complement the character and appearance of the building. Due to the detailed design and siting of the extension it is considered that there is no harm.

The building's function as a hotel is not considered a significant aspect of its special architectural character.

Impact on the character of the Conservation Area

The White Cliffs Hotel is set back from the main street frontage centrally located within St Margaret's at Cliffe village. The building and its neighbouring 'bunkhouses' are prominent due to their external cladding in white timber weatherboarding, which is distinctive to this site, as the surrounding architecture has a material palate of rendered, brick and in some examples flintwork. Cliffe House is a Grade II listed

building and sits adjacent to the White Cliffs Hotel. Opposite the site and across the main High Street on high ground sits the Church of St Margaret.

The proposed first floor extension is sited such that it would not restrict views from public vantage points. There would be clear views of the extension within the conservation area, but the complementary, high standard of traditional design would add to the overall character of this part of the conservation area. The extension is subservient to the White Cliffs Hotel and surrounding buildings and would preserve the character of the conservation area.

The site plan includes the parking for each new residential unit. This proposal is no different to the existing arrangement which currently provides car parking spaces at the front of the building. The subdivision of the rear garden area to create separate gardens for each unit is proposed with fencing/boundary's indicated including bike sheds, bin stores and additional hardstanding. These items are all located to the rear of the building with no public views affected. This proposal causes no harm and would preserve the character of the conservation area.

DDC Environmental Health

No objection

DDC Strategic Tourism Manager

Consulted, no response

DDC Viability Consultant

Of the opinion that The White Cliffs Hotel High Street St Margaret's at Cliffe is not capable of operating a viable business without any planning conditions imposing restrictions on the manner of use of the restaurant/bar.

Of the view that the business will generate an 'Earnings Before Interest Tax Depreciation Amortisation and Property Costs' (EBITDA) profit of £43,421.

After property costs and depreciation, of the view that the business would generate a small pre-tax profit of £5,921.

At this marginal level of pre-tax net profit, does not consider the business to be viable.

In order for the business to be considered viable, of the view that the business would need to achieve annual revenue of at least £460,000 which is significantly more than the level considered to be achievable.

If the revenue forecasts used by Pinders (acting on behalf of the applicant) were adopted, consider that the EBITDA profit would be in the order of £48,000. This would result in a pre-tax profit after property costs and depreciation, in the order of £10,500 per annum. Consider the business is not capable of operating profitably based on the applicant's expert's assessment of revenue.

Consider the business to not be viable on this financial performance because the owner would not see any return on their labour and financial investment in the business.

Marketability

It is understood that the property has not been formally marketed as available for occupation by another operator, either on a freehold or leasehold basis.

Market conditions are currently weak. The cost of living crisis, recent financial markets uncertainty, expected inflation and interest rates, and lack of consumer confidence means that the outlook for the UK economy is poor. The outlook for hospitality businesses is particularly poor, since the sector is also affected by a major labour shortage as well as large increases in utilities and other input costs.

If this property were to be marketed, expected that there would be very little demand to be forthcoming from the market from potential operators. It is difficult for would-be purchasers or lessees to secure funding for new ventures. The fact that the business needs to be established and is not in existence today and already operating, with a customer base, workforce, reputation and the like, would make this a high risk start up situation. This increases risk to a prospective purchaser/operator and further reduces likely market demand.

KCC Highways

Confirmed no comments

Southern Water

No objection

Public Representations

A total of 60 letters of objection to the proposed development across the applications for planning permission and listed building consent have been received which raise the following comments:

- loss of employment opportunities
- loss of important pubs
- increase in traffic
- over development of the site
- lack of community engagement by applicant
- harmful to the conservation area
- viability case has not been made
- loss of vibrant community facility and amenity
- better management of hotel is needed
- lack of parking in the village
- loss of tourism opportunities
- lack of visitor accommodation in the area
- could be a suitable wedding venue
- split ownership will harm the listed building
- other pub conversions difficult to sell

The Site and the Proposal

The Site

- 1.1 The site comprises the White Cliffs Hotel, located on the corner of High Street and Cripps Lane in the centre of St Margaret's at Cliff.



Figure 1: Application Site

- 1.2 The hotel building has two distinctive three-storey gables facing High Street, with an asymmetric profile and hipped roof form at the rear. Adjoining the south east flank is a two-storey structure (an older part of the building) with a more recent single storey extension in front, each with a simple pitched and hipped roof over.



Figure 2: Street Scene

- 1.3 The planning unit and application site comprises the hotel building described above, along with a gravel forecourt (served by an existing vehicular access from the south western end of Cripps Lane) and garden to the rear. This is consistent with development approved under planning permission reference 19/0112, which allowed

the construction of two new houses on land (to the rear) formerly used for car parking, and the change of use / conversion of annex buildings (to the south east) as two independent dwellings.

- 1.4 The hotel building is Grade II listed; and the site is within the St Margaret's at Cliffe Conservation Area. A fuller description of the listed hotel building and conservation area is provided in the comments of DDC Heritage above.

Surrounding Area

- 1.5 Centrally located in the village, the site is within walking distance of local amenities including convenience shop, pub, primary school and public car park.
- 1.6 Opposite the site is the Church of St Margaret (Grade I listed), but generally screened from High Street by a treed hedge; to the rear beyond the former hotel car park is a single storey cottage; to the north west is the more imposing (three storey) building of Cliffe House (Grade II listed); and to the south east, beyond the former hotel annex buildings, is a row of terraced houses.

Proposed Development

- 1.7 Planning permission and listed building consent is sought (as two separate applications) for (i) the change of use and conversion of the hotel building to three residential dwellings; (ii) a first floor addition to the adjoining single storey extension; and (iii) other internal and external works / alterations to the listed building.
- 1.8 The building would be divided vertically, with:
- unit 1 (four bed) on the north western side, over three floors, which would utilise the existing main front door and staircase;
 - unit 2 (four bed) in the centre, again over three floors, for which a new front door and new staircase would be provided; and
 - unit 3 (three bed) on the south eastern side of the building, over two floors, including a new front door and internal staircase.
- 1.9 Other alterations to the exterior of the building include a new ground floor window on the front elevation for unit 2, a set of doors on the rear elevation for unit 1, and the enlargement of two first floor windows on the south eastern flank elevation.



Figure 3: Proposed Front Elevation

1.10 Internally, main alterations include:

- ground floor: removal of ground floor bar fittings and toilets, some partition walls and kitchen facilities; construction of new dividing walls between the three units; and installation of two new staircases;
- first floor: removal of hotel bathrooms and some partition walls, as well as removal of area of floor to accommodate the new staircases;
- second floor: removal of hotel bathrooms and some partition walls.



Figure 4 Proposed Ground Floor

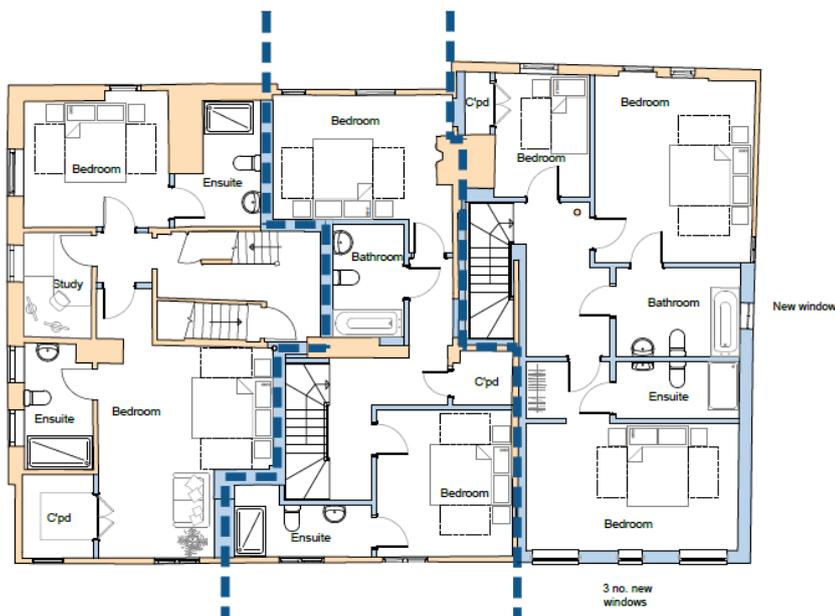


Figure 5: Proposed First Floor



Figure 6: Proposed Second Floor

- 1.11 Existing vehicular access to the site would be retained, with six car parking spaces to be provided for the three dwellings in an arrangement similar to the current situation.
- 1.12 To the rear, the existing garden would be divided into three, with each divided area providing for cycle and bin storage.

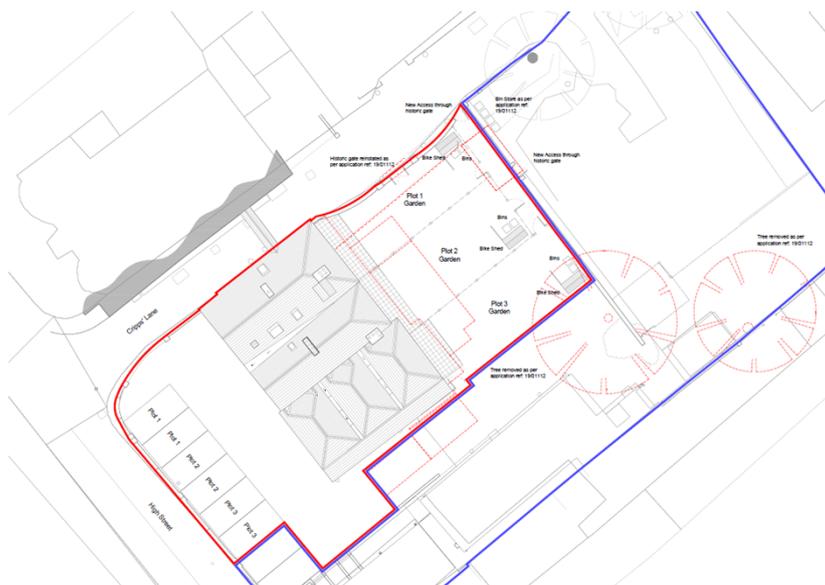


Figure 7: Proposed Site Layout

- 1.13 The reinstatement of a historic gate on the north western boundary wall is proposed, as is a new gate onto Cripps Lane to provide rear access to each of the gardens.
- 1.14 Supporting information for the application include:
 - Heritage Statement
 - Design & Access Statement
 - Viability Assessment Report (November 2021)
 - Viability Assessment Report (September 2022) (revised to take account of removal of restriction of use of bar / restaurant)

2. Background

- 2.1 These applications for planning permission and listed building consent (20/01566 and 20/01567) were considered by the Planning Committee in March 2022 (for the same development as presented here) where it resolved that both be approved.
- 2.2 Following that resolution, and before decision notices could be issued, the Local Planning Authority received a planning application (reference 22/00751) from St Margaret's Parish Council (under s.73 of the Town and County Planning Act 1990 (as amended)) to remove a specific condition (Condition 15) of an operative planning permission (reference 19/01112) relating to the application site.

- 2.3 That planning permission was for the erection of two dwellings (on land to the rear of the main hotel building) and change of use and conversion of annexe buildings to two further dwellings (to the side of the main hotel building). Condition 15 read as follows:

Upon the first use of either unit 4 or 5 as an independent self-contained dwelling, or the first occupation of either unit 1 or 2, whichever of these events occurs first, the bar and restaurant facilities within the hotel/bunkhouse shall cease to offer facilities to non-residents and shall thereafter only be available for the use of resident guests of the hotel.

Reason: To ensure that adequate car parking facilities are available to serve the proposed residential dwellings, in the interests of highway safety.

- 2.4 As the restriction of Condition 15 was material in the consideration of the undetermined applications as reported here, the Local Planning Authority held back issuing any decision notice until the application to remove Condition 15 had been determined.
- 2.5 That application (for the removal of Condition 15) was considered and approved by the Planning Committee at its meeting in August 2022 and the decision notice issued.
- 2.6 Planning and listed building applications 20/01566 and 20/01567 are now referred back to Planning Committee for further consideration in light of the removal of Condition 15 of 19/01112 which is considered to be a material change in circumstances.
- 2.7 Since Planning Committee in March 2022, the Council's emerging Local Plan has been published for consultation at Regulation 19 stage, with increased weight now being applied to its draft policies. That weight is informed by the extent to which there are unresolved objections and the degree of consistency of that policy to the Framework.

Main Issues

- 2.8 Against this background the main issues in the consideration of this application are:

- Loss of the existing use
- Suitability of the site for residential
- Impact on listed building and conservation area
- Residential Amenity
- Highway Safety
- Other matters
- Planning balance / conclusion

Assessment

Loss of the Existing Use

Hotel Accommodation

- 2.9 The proposed loss of the hotel use is considered in the context of the challenges facing Dover's local economy, as highlighted by the Core Strategy (paragraph 2.67): that the economy lags behind other parts of the county, is polarised between low and higher

value businesses and has an underdeveloped tourism sector (with the District seen as a transit location rather than destination).

- 2.10 The Core Strategy identifies (paragraph 3.25) the considerable opportunity to encourage economic growth through tourism, including by enhancing the overall hotel offer and better promotion of the District's historic and natural assets.
- 2.11 The Council's more recent 'Growth strategy for tourism and the visitor economy' sees hotel development as an important component of a wider economic strategy, although with greatest focus on new larger 4/5* schemes.
- 2.12 The draft Local Plan is consistent with this economic strategy, promoting new hotels, or improvements to existing ones, to enhance the quality of accommodation and increase the number of visitors and their length of stay.
- 2.13 The importance of tourism, and in particular larger scale hotels, to Dover District is reflected in draft Local Plan Policy E4 (Tourist Accommodation and Attractions). This seeks to prevent the loss of existing tourist accommodation of 10 or more bedrooms unless it can be demonstrated the use is no longer suitable or viable. This threshold of number of bedrooms is considered to reflect the greater economic importance of larger hotels.
- 2.14 Given the smaller size of the White Cliffs Hotel with seven guest bedrooms, the tests of Policy E4 for the loss of a greater amount of hotel accommodation do not apply to this application.

Viability

- 2.15 Notwithstanding the position with Policy E4 of the emerging Local Plan, the applicant has provided a Viability Assessment Report (September 2022) relating to the existing use on the site, which considers the guest accommodation and the ground floor bar / restaurant facility together. Viability Assessment Report presents that the hotel is not a commercially viable enterprise for a number of key reasons – that:
- on site car parking is limited to six spaces;
 - due to a lack of car parking only four guest rooms are likely to be occupied at any one time; and
 - the upkeep of the listed building is relatively expensive.
- 2.16 The applicant's Viability Assessment Report considers the hotel (including the bar / restaurant) would deliver a 'fair maintainable operating profit' of £40,000 per year, which would represent a very low rate of pay; and if the owners had some form of debt finance that would likely take earnings to below the National Minimum Wage.
- 2.17 The Council has sought independent advice in respect of the applicant's Viability Assessment Report, to review the robustness of its findings. This Viability Review considers viability using the applicant's revenue assumptions as well as making its own assessment of viability that includes all seven hotel rooms being available.
- 2.18 The Viability Review considers the business would make a 'earnings before interest tax depreciation amortisation and property costs' profit of £43,421, which after property costs and depreciation would generate a small pre-tax profit of £5,921. Notably, this figure is without any wages or return on investment to the proprietor.

- 2.19 At this level, the Viability Review considers that the existing business on the site is not viable.
- 2.20 As to what the minimum level of revenue would need to be for the business to be considered viable, the Viability Review considers at least £460,000 per annum which it considers unlikely to be achievable.

Rural Shops and Pubs

- 2.21 Core Strategy Policy DM24 presents that the loss of a rural shop or pub would only be allowed if (i) that loss would not harm the economic or social viability of the community or (ii) it has been adequately demonstrated that the use is no longer commercially viable including the marketing of the premises as an ongoing use.
- 2.22 Whether the bar / restaurant is ancillary to the hotel or vice versa as the Parish Council alleges, it is considered (as it was in the reporting of planning application 19/01112 to Planning Committee) that the loss of the bar / restaurant would not “*significantly harm the viability of the settlement or mean that it fails to meet its day-to-day needs.*” For this reason, Policy DM24 is therefore satisfied.
- 2.23 If a different view is taken on Policy DM24 limb (i), regard is had to the viability position set out above. For this, both the applicant’s Viability Assessment Report and the Council’s Viability Review come to the same conclusion that the existing business, as a whole, is not financially viable.
- 2.24 Whilst under limb ii) Policy DM24 seeks for a premises to be realistically marketed, and noting Parish Council representations that the White Cliffs Hotel has not been, regard is had to the Viability Review advising that:

“If this property were to be marketed, I would expect very little demand to be forthcoming from the market from potential operators. It is difficult for would-be purchasers or lessees to secure funding for new ventures. The fact that the business needs to be established and is not in existence today and already operating, with a customer base, workforce, reputation and the like, would make this a high risk start up situation. This increases risk to a prospective purchaser/operator and further reduces likely market demand.”

- 2.25 The Viability Review is a material consideration that demonstrates compliance with Policy DM24 limb ii) or otherwise indicates that objection on the grounds of that policy could not be sustained.
- 2.26 The detailed responses from the Parish Council include that other alternative developments or business models should be pursued, but it is considered only reasonable to consider the existing site against its current lawful use. With regard to text in the Core Strategy that “*the Council will have regard to the way in which a shop or pub has been managed*” the viability advice received does not assess the business when last in full operation as that would be during periods of Covid restrictions or before the annexe accommodation was separated from the hotel (converted to residential) and so representing circumstances not directly applicable to the existing use today. Rather, the viability advice considers how the existing use could operate in the future were it to reopen.

Community Facilities and Services

- 2.27 Policy PM6 of the emerging Local Plan identifies pubs to be a community facility and seeks to retain that facility unless there is alternative provision in the local area

(amongst other circumstances); and where that pub is in a rural area that community would be left without or with seriously diminished such facilities unless the use is demonstrated to be no longer commercially viable. Policy PM6 is generally considered consistent with the Framework as national policy.

- 2.28 If the bar / restaurant of the hotel is considered in this context (against Policy PM6) regard should be had to the nearby 'The Smugglers' pub (also serving food) in the village and other places to eat and drink in St Margarets Bay such that it is considered the village would not be without or with a seriously diminished offer of such facilities that the proposed development would be contrary to Policy PM6. (In respect of St Margarets Bay, Framework paragraph 78 highlights that development in one village may support services in a village nearby in terms of their overall sustainability.)
- 2.29 The viability test of Policy PM6 has been addressed above.
- 2.30 The proposed development is considered compliant with draft Local Plan Policy PM6.

Suitability of the Site for Residential Use

- 2.31 Core Strategy Policy DM4 encourages the re-use or conversion of buildings (including for private residential use) within villages, especially where that building positively contributes to the local character.
- 2.32 As the existing building clearly contributes to the special character of the St Margret's at Cliff Conservation Area, as well as being Grade II listed and of significant architectural merit, its conversion and reuse (where it is demonstrated the hotel is unviable) is consistent with the objectives of Core Strategy Policy DM4.
- 2.33 Draft Local Plan Policy SP4 (Residential Windfall Development) allows for residential development within and adjacent to St Margarets at Cliffe as a sustainable settlement.
- 2.34 In terms of being within the built-up area of the village, walking distance of local services/amenities and with opportunities for the use of sustainable modes of travel (with regular bus services between Dover and Sandwich), the site is considered a suitable location for the small number of houses that would be created.
- 2.35 Each house would have a reasonably sized and private garden to the rear, as well as a suitable arrangement for the storage of refuse bins and cycles.
- 2.36 The new and enlarged windows at first and second floor height on the south eastern elevation can reasonably be conditioned to be obscured glazed and so would not result in a material loss of privacy to the adjacent houses to the south east.

Impact on the Listed Building and Conservation Area

- 2.37 Externally, proposed changes to the listed building and its curtilage are considered limited.
- 2.38 The first floor extension on the south eastern flank is subservient to the main building, and sympathetic in its roof form and proposed use of materials. Other external alterations of the insertion of new doors and windows are minor, and again sympathetically detailed, and would not have more than a limited impact on the appearance of the building.

- 2.39 The Heritage Officer also advises that the building's function as a hotel (given it previously was part of a school) is not considered a significant aspect of its special architectural character. The building does not display any historic features that can be considered to define its function either as a hotel or as originally designed (as school rooms) and, therefore, it is considered that there is no harm to the significance of the listed building as a result of the change of use.
- 2.40 The division of the rear garden and introduction of domestic accoutrements is considered to have a minor and limited impact upon the setting of the listed building.
- 2.41 With all aspects of the proposed development taken together, it is considered that no harm would be caused to the significance of the listed building.
- 2.42 In relation to the surrounding conservation area, the proposed development (with regard to the comments of the Heritage Officer) would cause no harm and preserve its recognised and special character.

Listed Building Consent Application

- 2.43 Paragraph 195 of the NPPF requires the local planning authority to assess the significance of a heritage asset and take this into account when determining proposals which affect a heritage asset. Under paragraph 197 a local planning authority is required to take account of the desirability of sustaining and enhancing the significance of heritage assets, the positive contribution that conservation of heritage assets can make and the desirability of new development making a positive contribution to local character and distinctiveness.
- 2.44 The White Cliffs Hotel was originally constructed to provide school classrooms and accommodation as a part of the adjacent Cliffe House School and has functioned as a hotel since the late 19th Century. The interior of the building has been significantly altered in the 20th Century with alterations to the historic planform to facilitate the hotel function, including large open plan spaces to the ground floor, and in respect of internal features, only some historic fireplaces survive.
- 2.45 The proposal seeks to convert the listed building into three residential units, provide a new front entrance and first floor extension to the rear over an existing modern addition which currently forms the hotel kitchen.

Assessment of Harm

- 2.46 Paragraph 199 of the NPPF requires that, when assessing the impact of a proposal on the significance of a listed building, great weight should be given to the asset's conservation.
- 2.47 Due to the extensive previous alterations to the interior of the listed building and consequential impact on the original character of the spaces, as well as advice from the Council's heritage officer that 'the building's function as a hotel is not a significant aspect of its special architectural character', the proposed subdivision is not considered to cause harm. Amended plans have been secured that retain a prominent central chimney that originally was shown to be removed. The proposed extension has been designed sensitively so that it forms a natural addition to the listed building. Other external alterations will result in very limited loss of fabric of which the majority is 20th Century in date. The detailed design of the door and windows is traditional. It is therefore considered that there will be no harm to the significance of the listed building.

- 2.48 As a conversion of an existing building, with limited external changes, there is no impact upon neighbouring residential amenities.
- 2.49 For future occupants, the layout and size of the units is informed by an appropriate approach to the conversion of the listed building and would provide a suitable internal living environment along with outdoor amenity space.

Highway Safety

- 2.50 For three houses, six car parking spaces (positioned across the front of the site as is the existing arrangement) is considered appropriate to accommodate the likely level of parking demand.
- 2.51 Vehicular access close to the corner of High Street / Cripps Lane remains unaltered.

Other Matters

- 2.52 There is no objection from Southern Water re foul drainage, with general infrastructure demand being similar or no greater than the existing use.

3. Conclusion

3.1 Dealing first with the loss of the existing use: as the size of the hotel is below the 10 bedroom threshold, there is no breach of draft Local Plan Policy E4; and if the bar / restaurant was considered to be a rural pub or community use, Core Strategy Policy DM24 and draft Local plan Policy PM6 are satisfied with regard to other nearby facilities and the conclusions of the financial viability assessments.

3.2 In these circumstances, Core Strategy Policy DM4 encourages the reuse/conversion of existing buildings in general; and as a listed building paragraph 190 of the Framework identifies (for plan making, but also considered an important objective when assessing planning applications) the desirability of sustaining and enhancing the significance of a heritage asset, seeking a viable use consistent with its conservation.

3.3 The change and conversion of the listed building from a hotel to three dwellings is considered a viable use – one that will conserve its heritage significance (as a public benefit) as well as making effective use of previously developed land in a suitably sustainable location. The proposed works would cause no harm to the historic or architectural character or appearance of the listed building. In turn, the development would preserve the character and appearance of the designated conservation area and there would be no harm to residential amenity and highway safety.

g) Recommendation

Application 20/01566

- I That PLANNING PERMISSION BE GRANTED subject to conditions to include:
1. Standard time limit
 2. List of approved plans
 3. Material samples
 4. Details of improvements to north west boundary wall
 5. Fencing details for internal gardens
 5. Fenestration and new door details, including joinery

7. Construction Management Plan
 8. Surface water drainage details
 9. Parking spaces – provision and retention
 10. Bin and cycle storage in accordance with approved plans
 11. Water efficiency of 110 litre per person per day
- II Powers to be delegated to the Head of Planning and Development to settle any necessary planning conditions in line with the issues set out in the recommendation and as resolved by the Planning Committee.

Application 20/01567

- I That LISTED BUILDING CONSENT BE GRANTED subject to conditions to include:
1. Standard time limit
 2. List of approved plans
 3. Material samples
 4. Fenestration and new door details, including joinery
 5. Details of new staircase to house on plot 2 and plot 3
- II Powers to be delegated to the Head of Planning and Development to settle any necessary planning conditions in line with the issues set out in the recommendation and as resolved by the Planning Committee.

Case Officer

Andrew Somerville