

Application Number

P/2013/1209

Site AddressPalace Hotel
Babbacombe Road
Torquay
Devon**Case Officer**

Mrs Ruth Robinson

Ward

Wellswood

Executive Summary/Key Outcomes

The Palace Hotel is one of the Bays premier hotels. It has a great location, extensive grounds and huge potential as a 'top end' tourist destination. It has seen better days and is rapidly declining in the AA rankings. It is in need of substantial investment if it is to be fit for purpose and survive as a top grade hotel.

The Tourism Strategy 'Turning the Tide' identifies the need to improve the range of top quality hotels if the Bay is to remain a premier tourist destination. There is a shortage of tourist accommodation of this nature.

This application involves substantial improvements to the hotel and its tourist offer which will be funded by the construction of 137 private flats on the adjacent tennis court site which has an extant approval for 142 holiday flats in a building of a similar design.

The 'Tennis Court' site is identified in the saved Local Plan as a housing site and the emerging Local Plan as a potential development site primarily for housing. The SHLAA described the site as having the potential to yield 30-40 units but notes that there may be the potential for larger numbers to come forward.

This scheme delivers a significant level of housing in 4 blocks which layer up from 4 to 8 storeys. The height and volume of the flats is a key issue however financial evidence has been put forward to show that this scale of development is necessary to achieve the investment in the hotel. The scheme has been designed to sit within its landscape setting and to reflect the broad form of the existing consent.

The benefits to the local economy, in terms of jobs and spin off spend are significant. The number of jobs is anticipated to increase from 80 to 130 and the visitor spend from £1.3 to £4.5 million by 2019.

Failure to achieve this investment will result in this building becoming more dilapidated, less able to compete and further its slide down the AA rankings.

The quality of the scheme and the enhanced range of facilities, including improved restaurant facilities, new spa and leisure facilities, conference and entertainment facilities will be a pull for tourists and locals alike.

The design of the scheme is well considered and appropriate and has much improved through ongoing negotiation and input from officers and the design review panel.

The site is of value for its wildlife and landscape qualities. These are protected and through Woodland Management Plans, Garden Restoration Proposals and a LEMP that will offer full mitigation and secure a more robust future for the ecological and landscape qualities of the site.

The setting of the adjacent Scheduled Ancient Monument is unaffected and a Conservation and Ecological Management Plan will be secured to ensure that this 'at risk' archaeological resource is properly protected. The SSSI will be improved in terms of management of the calcareous grassland and the impact of walkers mitigated.

There is support from the local community for the broad principles of the scheme although there is concern about the size of buildings, adequacy of car parking, impact on the highway network, impact on trees and wildlife.

It is important that the improvements to the hotel are secured and there is a need for a mechanism in the S106 that will tie key stages in the hotels refurbishment to construction/occupation of the flats.

£1.37 million has been offered towards meeting Affordable Housing contributions and £411,000 towards community infrastructure contributions. This does represent a shortfall and is being assessed via an IVA. However, the economic benefits of the proposal have to be weighed in the balance.

The S106 community infrastructure contributions will secure benefits in terms of enhancements to the SW Coast path network, to the Walls Hill SAM/SSSI, to Ansteys Cove and allow, subject to safety surveys, the opening up of access to Redgate Beach. It will also secure benefits to cycling, bus infrastructure and improvements to public footpaths.

There are some outstanding matters to be resolved in relation to the S106, specifically the level of AH and community infrastructure contributions and the detail of the mechanism for ensuring delivery of the completed hotel. An update will be presented at the Committee Meeting.

Recommendation

A. Site visit.

- B. Approve: Conclusion of a S106 agreement, at the applicant's expense within 3 months of the date of this decision to secure i) Details of a mechanism to ensure a staged relationship between the construction of the proposed flats and the delivery of the hotel refurbishment including safeguards in relation to letting of contracts, bonds, etc (as appropriate) and restrictions on occupation of the final tranche of 30 flats until hotel restoration fully complete. ii) Payment of the agreed AH and community infrastructure contributions and iii) improvements to the Walls Hill SAM/SSSI via a Conservation and Ecological Management Plan.
- C. Conditions as detailed at the end of the report.

Statutory Determination Period

This is a major application and should be determined within 13 weeks. This expires on the 19th March. Given the complexities of resolving the S106 it will not be possible to reach a decision within the 13 week deadline. The applicant has agreed to an extension of time in which the decision can be made.

Site Details

The Palace Hotel was originally a grand Italianate villa and was built as a home for the Bishop of Exeter in 1841. It has been greatly extended and remodelled and now forms an important, albeit declining hotel set in spacious and attractive grounds. It is not listed.

The site is split with the hotel and its main gardens to the south west of Ansteys Cove Road and the indoor tennis building, outdoor tennis courts and woodland areas to the north east. The entire site is affected by a range of local plan designations which reflects its environmental and landscape sensitivities.

The main gardens fronting the Palace Hotel are designated Urban Landscape Protection Area and County Wildlife Site. The "Tennis Court" site, is immediately bounded by a county wildlife site; SSSI; Urban Landscape Protection Area; Area of Great Landscape Value; and Coastal Preservation Area. The Coastal Protection Zone skirts the lower south east portion of the site.

The land to the north of the tennis court site, currently comprising an attractive stone built cottage, gardens and woodlands is an allocated housing site (H1.8) for the provision of 35 units. There is an extant permission for 142 holiday flats on land to the immediate south of this on the site of the existing indoor tennis court building.

Walls Hill Scheduled Ancient Monument and SSSI extends close to the boundaries of the site.

Detailed Proposals

This application comprises extensions and improvements to the hotel with 137 private residential flats on the tennis court site to fund the improvements.

It is a detailed application and the scheme comprises the erection of single and two storey roof level hotel bedroom extension with reconstruction of the west wing of the hotel and reconstruction of existing three storey wing on NE elevation to provide a 4 storey block of additional guest accommodation. The scheme also includes a new Spa and gym facilities to SE elevation, enhancements to restaurant, entertainment and conference facilities and replacement Orangery.

The existing garage building located at the junction of Babbacombe Road and Ansteys Cove Road is to be redeveloped to provide 73 car parking spaces and an additional 40 spaces are to be accommodated on the hotel frontage.

The scheme includes the construction of 137 flats with leisure facilities on the 'tennis court' site with 181 covered car parking spaces and 24 visitor spaces.

The application includes restoration of the gardens, woodland management, including limited felling of TPO trees and improvements to local footpaths.

It is accompanied by a Design and Access Statement, Statement of Heritage Significance, Flood Risk Assessment, Transport Assessment and Travel Plan, Geotechnical and Geoenvironmental Investigation Report, an Ecological Impact Assessment, an Arboricultural Implications Assessment, Landscape Assessment and Energy Statement.

Summary Of Consultation Responses

Environment Agency: Have no objection providing the development proceeds in accordance with the submitted flood risk assessment.

Natural England: Have no objection subject to the proposal being carried out wholly in accordance with the details submitted with the application i.e. implementation of the mitigation outlined in section 4 of the Ecological Impact Assessment Dec 2013 and this to be secured in perpetuity. A LEMP (Landscape and Environmental Management Plan) is required to secure a management regime that will underpin delivery of the mitigation and enhancement measures. Biodiversity should be improved to comply with NPPF para 118 and NERC Act 2006 by ensuring native species in the landscape scheme.

Torbay Coast and Countryside Trust: Support the mitigation included in the Ecological Impact Assessment in respect of the Hopes Nose to Walls Hill SSSI. Also support proposals to reinstate access to Redgate Bay and to improve existing links and footpaths adjacent to Walls Hill although more details are required. Would like to see the viewing platform reintroduced on Walls Hill which was secured as part of previous approval.

RSPB: Support the recommendations of the Ecological Assessment including a LEMP (Landscape and Environmental Management Plan) for the Woodland and recommends the addition of conditions to secure nest sites within the new buildings and details of this to be included in LEMP. Supports sedum roofs to new flats.

English Heritage: Consider that the impact of the proposal on the Walls Hill Scheduled Ancient Monument (SAM) requires further detailed assessment to confirm that the additional height of both the flats and hotel elements of the the scheme will not have an adverse impact on the SAM and its setting. A Conservation Management Plan is required to ensure that the integrity of the SAM and its archaeological value is not compromised by additional footfall likely to be generated by the scheme.

Sports England: Have no objection.

South West Water: Have no objection.

English Riviera Tourism Company: Observations awaited.

Architectural Liaisons Officer: Considers that there is limited reference in the Design and access statement to designing out crime. Raises specific concerns about need for clear distinction between hotel and private accommodation and definition of public and private space. The importance of design and effective management of the underground car park is highlighted along with detailed design points about crime prevention.

Affordable Housing Manager: Questions whether the offer of an offsite contribution of £1.37 million is adequate given the level of private residential accommodation included within the scheme.

Trees: Highlights loss of good quality trees and questions whether the loss could be avoided. Specifically, Class A Beech Tree and Corsican Pine to the south of the proposed block of flats, 2 of the Ash trees proposed to be removed to allow car parking to the north of the flats and 2 Holm Oaks adjacent to the hotel to be removed to allow the Spa to be constructed.

Highways: Require more detail in relation to the proposed access and improvements along Ansteys Cove road and to junction with Babbacombe Road. SPD sustainable transport contribution to be spent on improvements to coast paths and other footpath links, bus shelter, cycle routes and safety improvements to the north of the site at St Annes Road, identified as an accident site in the TA.

A public right of way that skirts the southernmost boundary of the site is identified as requiring improvement.

A road traffic order will be required to extend the one way restriction along Ansteys Cove Road which will need to be funded by the applicant.

Design Review Panel: The scheme was considered by the Design Review Panel at a meeting on 22nd August 2013. The comments, in summary, were that a more detailed evaluation of the site, particularly its landscape qualities, would be beneficial and would help inform a vision for the site, that the strategy for dealing with the two distinct uses on the site required greater clarity, that more supporting information was needed to properly assess the size and impact of the proposed buildings which were considered to be 'too overpowering' and that the hotel refurbishment lacked architectural quality.

The proposals were subsequently amended.

Summary Of Representations

At the time of writing, 7 letters of objection and 4 letters offering 'unreserved' to cautious support have been received. This is very few in relation to a scheme of this nature.

The main concern relates to the adequacy of onsite car parking and the impact of additional traffic/parking on Babbacombe Road.

Also raised as concerns are the scale of tree loss, the additional scale of building on the site which is considered to be 'under-represented' in the submitted plans, the impact of this on the character of Ansteys Cove Road and the impact on wildlife.

A public exhibition was held on the 25th September 2013. This gathered generally positive feedback with 81% of the 67 people who completed a feedback form supporting the hotel refurbishment and 79% supporting the provision of the new apartments. A key issue emerging from consultation was car parking and traffic congestion.

Details of the application were presented to the Wellswood Community Partnership Steering Group in December 2013 and to the general meeting in January 2014. The response to the scheme was generally supportive in terms of the principles of development although concern was expressed about the adequacy of car parking, the potential for congestion on Babbacombe Road and the ability of the junction onto Babbacombe to cope with increased traffic levels.

These representations have been reproduced and sent electronically for Members consideration.

Relevant Planning History

There is a long history of applications with relation to the site. Of relevance are:-

P/2010/1224/OA: Extend time limit for implementation of P/2007/1224.
Approved: 29.09.11.

P/2007/0969/OA: Erection of 142 Holiday apartments. Approved: 20.02.08.

P/2006/1950/OA: Erection of 142 holiday apartments. Withdrawn.

P/2001/0439: Renewal of application (96.0723) to construct 28 bedroom suites in a roof extension. Approved: 30/5/2001.

P/2001/0436/OA: Erection of 36 units and parking. Approved: 24/5/2001.

P/2004/0812/RM: Erection of 36 units and parking. Approved: 21/7/2004.

Key Issues/Material Considerations

Background

There is an extensive planning history to this site. In 2007 planning permission was granted for development of the 'tennis court site' for 142 holiday flats arranged in a crescent form which occupied a similar footprint to the existing building.

This building achieved a height equivalent to the ridge of the existing tennis court building. It secured, as part of a Master Plan approach to the future of the wider site, improvements to the hotel, its setting and garden landscape. This comprehensive approach was welcomed as it replaced a series of ad hoc and piecemeal proposals which had previously characterised development on the site. An extension of time for implementation of this scheme was granted in 2011 and is still extant.

This scheme has not proven to be a viable solution for the site and the hotel is increasingly in need of investment. Consequently, this application has evolved which includes more extensive improvements to the hotel and in relation to the tennis court site seeks a broadly similar form of development but for private residential rather than holiday accommodation.

The key issues arising are:

1. The improvements to the hotel
2. The provision of private residential accommodation within the hotel grounds
3. The design and appearance of the proposed flats
4. The impact on trees and landscape setting
5. Impact on Walls Hill SAM and SSSI
6. The impact on ecology
7. The impact on highways
8. The benefits to the wider area
9. The deliverability of the complete package of development

Each will be addressed in turn.

1. Improvements to the Hotel

The Palace Hotel is a key hotel within the Bay but is in need of major investment if it is to deliver a 'high end' tourist facility which it has the potential to do. It is set within extensive parkland grounds and has a great location close to the sea and coastal walks.

An assessment of the condition of the hotel identifies a range of structural defects which need to be remedied. It is also the case that the décor is becoming tired and substantial investment is needed to bring the hotel up to date and to be in a position to compete with other major hotels.

The hotel facilities, which include conference facilities, squash courts, indoor and outdoor swimming pools, golf ranges, fitness suites, indoor and outdoor tennis courts, are in need of updating and investment. It has performed less well in the AA rankings as a consequence.

The need for investment in the bigger hotels to deliver a better quality tourist destination within the Bay is regularly highlighted in assessments of the tourist industry.

The ambition is to lift the current low 4* rating, which is under threat, to a high 4-5* standard. It is anticipated that around £16 million pounds worth of investment is needed to achieve this.

An Economic Appraisal submitted with the application confirms that the benefits the hotel currently delivers in terms of jobs and linked tourism spend could be significantly increased if the hotel was extended and improved. The ambition is to deliver a transformed hotel with a much improved standard of accommodation and range of onsite facilities that could achieve 4-5* status and be a major contributor to the local economy. The appraisal predicts employment levels increasing from around 80 staff currently to around 130 with an estimated 8 'spin off' jobs. It predicts visitor spend increasing from around 1.3 million to 4.5 million in 2019. This will lead to a greater hotel spend on local goods and services estimated to be 2.3 million from 2015.

In order to achieve this, the hotel building needs to be extensively remodelled and extended. To deliver this, the tennis court site needs to be developed for private occupancy rather than holiday flats.

In respect of the hotel, it is proposed to add single storey roof extensions to the two wings of the hotel and a two storey roof extension to the main core of the hotel which originally formed the Bishops Palace. The single storey wings are to a contemporary design, recessive in terms of visual impact and provide luxury bedroom accommodation with balconies overlooking the grounds. The 2 storey addition to the core is to a more traditional design and in order to achieve the correct proportion to the elevation, extends the existing elevation by one storey with a storey of mansard roof. Of relevance to consideration of the roof alteration, is the 2001 approval for a roof extension comprising 28 bedroom suites although this was never built and is now time expired.

The scheme also includes the rebuilding of the west wing with rationalisation of the fenestration, rebuilding of an existing wing on the road facing elevation to a four storey height. There are new extensions to the rear garden facing elevations to accommodate improved dining facilities, a replacement orangery and a new three storey spa and leisure suite with indoor and outdoor pool. All these new additions are to a more contemporary design that complements rather than mimics the more traditional appearance of the main building. It is considered that, subject to detail, the extensions to the building are well designed and enhance the existing building.

The overall appearance of the building is improved as the rather monolithic and 'patchwork' appearance to the building is modified. The original Bishop's Palace is defined through the roof extension and stands as a more separate entity, the fenestration is made more rhythmic and consistent and a clutter of additions to the building such as fire escapes and random extensions are removed. The new additions are, with the exception of the roof extension to the Bishops Palace to a unified and more contemporary design which helps create a more consistent appearance across the whole building.

The main entrance is improved by remodelling of the canopy and foyer to create a more impressive entrance to the building and legibility is enhanced by clarifying access to the different facilities on site. The public views of the building are improved by the moves to simplify and rationalise the main elevation.

The existing garage building, indoor pool and squash courts, which border the junction of the site with Babbacombe Road and Ansteys Cove Road are to be demolished. The swimming pool and squash court buildings have a particularly poor impact on the views and experience of Ansteys Cove Road and their loss is welcomed. The garage building will be replaced by a two storey car park which will have a much lower height than the existing building which will open up views into the site from Babbacombe Road. There are detailed design matters to resolve but the proposal is acceptable in principle.

Given the discussions above, the proposal complies with local plan policies TUS, TU3 and TU5 which seek to secure the future of the tourist industry in the Bay and policies BES and BE1 in terms of the quality of the design.

2. Provision of Private Residential Accommodation within the Hotel Grounds

The principle of including residential development within the hotel grounds is already established. A significant and prominent part of the tennis court site is an allocated residential site with an identified capacity of 35 units in the Adopted Torbay Local Plan. This site, initially allocated as a result of an Inspectors Decision is currently occupied by an attractive stone cottage and a belt of TPO Woodland immediately abutting Babbacombe Road.

The site is identified in the SHLAA as a potential housing site with a potential to yield between 30 and 40 units but notes that there may be scope for larger numbers to come

forward. The Proposed Submission Version of the Local Plan identifies the site as a potential development site primarily for housing.

The Council's 5 year land supply identifies 35 dwellings as being deliverable on this site within 5 years and 115 in the 6-10 year period. This would make an important contribution as a brownfield site to maintaining a rolling 5 year supply of housing land.

Development of this part of the site for a housing scheme would, in isolation, be difficult to resist in terms of planning policy. The 2007 scheme, in delivering development in a less sensitive part of the site succeeded in 'saving' the cottage and a belt of TPO woodland. A benefit of this application is that it achieves the same outcome and the future of the cottage and woodland is secured.

The improvements to the hotel are essential. However these works have to be funded and the failure of the holiday flat scheme to be progressed suggests a significant viability shortfall. Financial information has been submitted which supports the need to construct this level of private flats if the improvements to the hotel are to be delivered.

The site is not within a PHAA and it conveniently separates into two distinct sites which, divided by Ansteys Cove Road, allows the 2 uses to coexist without detriment to the tourism function of the main hotel site. Whilst there is a putative loss of tourism facilities in the form of the indoor and outdoor tennis courts this is compensated for by new facilities on the hotel site.

The approved holiday flats were divided into three 'tenures'. A third were to be managed by the hotel, a third were to be time share and a third second homes. It is still the case that private flats built on this site could be purchased to be let for holiday purposes and given the proposed enhancements to the Palace Hotel; this is likely to be an attractive investment.

As private flats, the issue of Affordable Housing and Community Infrastructure Contributions is clearly of significance. The applicants have submitted an IVA to substantiate their concerns regarding viability, but have offered to meet a proportion of the AH and the community infrastructure contributions. The details of this are addressed in the relevant section below.

The Police Architectural Liaison officer has raised legitimate concerns about the management of the space and the need for clear distinction between private and public space which will be followed up and incorporated into the landscape/ management proposals for the site.

In view of the circumstances of the site and its history, the principle of including private residential accommodation within the hotel grounds is acceptable and it will not adversely impact on the tourist function of the site. In fact, without the investment that this levers into the site the future of the hotel is in doubt.

3. The design and appearance of the proposed flats

This largely open site, which is well screened from wider views by its topography and tree planting, comprises the former kitchen gardens, a large and unattractive indoor tennis court building, outside tennis courts and the owner's cottage.

A belt of TPO Woodland which skirts the site, forms an elevated and curved backdrop separating this site from the adjacent Walls Hill SAM/SSSI. The footpath to Walls Hill is located to the north of the site affording views into and across the wooded glade adjacent to the owner's cottage.

The holiday flat approval provided for a crescent shaped building which followed the curve of the rear wooded slope and 'layered up' from 3 stories at either end of the building to a maximum of 6 stories at the midpoint of the building. This was equivalent in height to the ridge of the existing tennis court building. This was an outline application which established siting and design but not the appearance of the elevations. It is extant and is material in consideration of this application.

This building occupies a broadly similar crescent form and is the equivalent of just over a storey higher than the approved scheme. The ridge of the existing tennis court building is 72.2m OD and the maximum height of the proposed flats is 76.5m OD. It also extends beyond the footprint of the existing tennis court building incorporating the existing overspill car park area.

This increase in footprint is not an issue from a design perspective.

The flats increase in height from four stories to achieve a maximum of eight stories towards the middle of the site. Whilst this represents a big building, it is necessary to consider this impact in context.

The extant approval establishes that in principle, a building of some stature is acceptable. The site is viewed in close association with the Palace Hotel which is a substantial building in its own right. Sections confirm that the flats would be lower in height than the extended hotel building.

The highest part of the extended hotel, the tower, will achieve a level of 77.8 m OD. The top floor of the proposed flats achieves a slightly lower height of 76.5 m OD. The proposed flat building however quickly scales down from this maximum height. This means that the flats, despite some similarity in terms of its maximum height, will appear subservient to the main hotel complex.

In its design, the architects have sought to ensure that there is a tie up between the new extensions to the Palace and the proposed flats. This is achieved through use of materials, roof form and key features.

The association in terms of appearance assists in integrating a significant scale of building into the site by creating a separate but cohesive character and form of building

which is distinct from its urban surroundings. This, coupled with the extensive landscape setting to the site acts to further separate the proposed buildings from their context and in this way buildings of some size can be more readily accommodated within the immediate townscape.

Whilst visible from Babbacombe Road, it is not likely to have a significant impact on the character of the street due to the distance, it's layering up from the edges of the site and the screening offered by the woodland.

There are significant views of the site from a higher level, particularly from the estate centred on Perinville Road and the handling of the roof is important. The use of sedum roofs and imaginative planting will help mitigate this but visuals have been requested which will help reach a judgement on the visual impact from higher ground.

There are key views of the building from the junction of Babbacombe Road with Ansteys Cove Road and these will be the main 'passers-by' views of the site. It is thought that the curved and layered form of the building is acceptable and sits comfortably with the landscape character of the site. The elevations are very rhythmic and comprise heavily glazed elevations with balconies which will have a fairly lightweight appearance. It is important that the rear of the building is consistent with the wooded backdrop and so the use of materials that blend with this landscape character is vital particularly given the views of the building that will be possible from the footpath to Walls Hill. Subject to detail in respect of key features and use of materials, the scheme is considered to be well designed and accords with key design policies in the NPPF, adopted Local Plan and the emerging Local Plan

The set back of the building from Ansteys Cove Road and its relationship to the topography of the site reduces its impact on views along and enjoyment of this attractive route. The demolition of the squash court and indoor swimming pool will have a beneficial impact on the character of Ansteys Cove Road and will increase its sense of openness.

The increase in footprint and height are relevant in terms of the impact on trees and on Walls Hill SAM/SSSI and will be addressed in the following sections.

4. The impact on Trees and landscape setting

The site is covered by a variety of landscape designations which act to protect the intrinsic qualities of the site. It is also subject to Woodland and Area TPO's.

There are a substantial number of protected trees on the site of varying health and quality. An Arboricultural Assessment has been carried out which evaluates the value of the trees and the impact of the development. The works are broadly broken down into two areas; trees to be removed as a consequence of development on the Tennis Court site and those to be removed on the Palace Hotel site to open up historic vistas across the site and to facilitate restoration of the original parkland setting.

The former is the most sensitive. The tennis court site is bounded by TPO Woodland which forms an arc around the site and is critically important in terms of the setting it provides to the new buildings, the screening potential that it offers from Babbacombe Road and particularly Walls Hill.

The trees have long been neglected and there is a pressing need for a Woodland Management Plan to be implemented to ensure the long term health and survival of these trees. This can be achieved as a consequence of development on the site. The scheme originally included a number of trees for felling which has been reduced following negotiations and 'tweaking' of the layout.

These are a group of Ash trees, which are an important part of the woodland screening the scheme from Babbacombe Road and which are key in views from the path to Walls Hill SAM/SSSI. They were to be lost to car parking but re-arrangement of the car parking layout allows two of the largest and most significant of these to be retained. Similarly, the loss of 2 substantial Holm Oaks on the boundary to the hotel site has now been amended to a crown lift and pruning.

However, there is a grade A Beech tree which is within the proposed building footprint and a grade A Corsican Pine which is close to the southernmost tip of the flats but has now been identified for retention.

The applicants were asked to assess whether the footprint could be amended to allow retention of the Beech tree and to give greater certainty about the future of the Pine but their response was that it would reduce the size of the flats to an unacceptable degree and affect the overall viability of the scheme. Replacement tree planting has been offered.

It is necessary therefore to balance the loss of a good tree against the wider benefits of the scheme. It is considered that, subject to the quality of the compensatory tree planting and in view of the wider benefits to the landscape in terms of the restoration of the gardens and the delivery of a Woodland Management Plan that the loss of this tree is an acceptable 'cost'.

In respect of the removal of trees within the hotel gardens to open up views, large inappropriate trees have become established which were not part of the original planned layout of the site and these do hem in the building and prevent appreciation of the parkland setting. Subject to clarification on detail this is considered to be acceptable and should form part of a Woodland Management Plan for the entire site. This can be secured by condition.

There is an ambition to restore the historic landscape and open up planned vistas across the site and towards the sea. This is very welcome and detailed proposals have been put forward for a comprehensive garden restoration programme. This needs to be developed in tandem with a Woodland Management Plan and to include native planting that will help meet the biodiversity objectives outlined in Natural England's advice.

As such the scheme satisfies policies LS, L2 L3 L5, L8 and L9 of the Adopted Local Plan.

5. Impact on Walls Hill SAM/SSSI

Walls Hill is a Scheduled Ancient Monument and designated SSSI. It is important from an archaeological perspective due to the surviving Late Bronze Age/ Early Iron Age prehistoric field system which is of national significance. It is a designated SSSI due to the calcareous grassland. It is necessary to consider the impact of the building on the setting of the SAM and the impact on the archaeological resource and the calcareous grassland arising from increased footfall.

English Heritage's principal concern is the impact on the setting of the SAM. The existing Palace buildings are not visible from Walls Hill except from the footpath which leads to Walls Hill from Babbacombe Road. The applicants have supplied confirmation of this relationship.

The highest point of the new development is the tower to the hotel. This achieves a height of 77.8m OD. The measured height of the footpath across Walls Hill is 79.2m OD. The difference in levels between the 2 sites is such that the structures will not be seen. In addition to the level difference, a substantial belt of protected woodland offers screening to an additional height of several metres. This will be supplemented and reinforced through the Woodland Management Plan. It is important however, that the rear elevation of the flat building is designed to blend with the woodland character and the use of recessive materials/colours is to be secured by condition.

The impact of increased footfall on the archaeological features of the site and on the quality of the grassland does require mitigation. It is defined as being at High Risk on the EH Heritage Risk Register with a main risk factor being the erosion of earth works by walkers. Specific mitigation measures are required which are listed in EH response and these should be included in a Heritage Conservation Management Plan.

Similarly the increase in walkers and specifically dog walkers will have an adverse impact on the calcareous grassland.

The EIA recommends that a contribution be paid to fund installation and long term maintenance of 4 additional dog waste bins and the display of a minimum of 4 interpretative boards which explains the significance of the grasslands and the importance of clearing up after dogs. It also recommends a contribution towards a fencing and grazing project to enhance the grasslands.

The requirements of both EH and Natural England overlap and a Conservation and Ecology Management Plan to deliver a robust and comprehensive approach to dealing with the impact of additional footfall should be drawn up. This will require inclusion in the s106.

Further discussion is needed on the mechanics of this but there will be a need for a revenue commitment to ensure that the dog bin emptying and grazing is funded over a long term period.

Natural England and English Heritage support this suggestion and agree that it will overcome concerns about impact on the SAM/SSSI and will thus satisfy policies NC2 and BE9 of the Adopted Local plan and the relevant provisions of the NPPF.

6. The impact on Ecology

An Ecological Impact Assessment was required to fully assess the impact of the development on the ecology of the site as it includes part of the Hopes Nose to Walls Hill SSSI, a statutory nature conservation site designated for its botanically rich habitats with geological interest and the Asheldon Copse site of wildlife interest which includes part of the site of the proposed flats.

The woodland is of moderate to high ecological value and in terms of protected or notable species, there is evidence of bats occupying parts of the hotel building for non-maternity summer roosts and using the wooded corridor along the northern and eastern part of the site for foraging and navigation. The purpose of the study is to determine the degree of impact on wildlife and whether there is mitigation that can overcome any identified impact.

A number of suggestions are made about how the site can be developed to reduce direct impact and how it can be managed in the future to improve biodiversity and enhance the wildlife potential of the site. These can either take the form of planning conditions or long term management strategies. The EIA includes suggested conditions and a LEMP (Landscape and Environmental Management Plan) is recommended for future management of the woodland outside the SSSI. Natural England have confirmed that they have no objection to the scheme subject to these measures being secured.

The scheme thus accords with policies NCS, NC2, NC3, NC4 and NC5 of the Adopted Local Plan and the relevant provisions of the NPPF.

7. The Impact on Highways

The adequacy of onsite parking provision and the threat of overspill parking onto nearby streets is the main issue of concern to local residents.

The proposed flats are provided with 205 spaces and each flat will have an allocated space with a bank of 68 spaces that will be shared. This equates to a ratio of around 1.5 space per unit which is compliant with the Local Plan and is considered acceptable given the character of the site, its proximity to local services such as shops and schools and the convenience of public transport links.

The hotel is set to increase its number of bedrooms from 141 to 170 and to increase the range and attractiveness of the onsite facilities.

The current proposal provides for 145 spaces on the frontage of the site and in the redeveloped garage block to serve the hotel. According to data in the TA, there are currently 136 spaces, spread across the 2 sites to serve the hotel. This represents a slight increase in the number of spaces available to meet the needs of future customers arising from this scheme.

Whilst policy T25 of the Local Plan suggests a parking ratio of 1 space per letting bedroom, the guidance confirms that the LPA will have 'regard to the location of the hotel and its setting'. Roadside car parking along Babbacombe Road is freely available to cater for busier times. The hotel is also convenient for local services and well served by public transport which should mitigate the need for additional onsite car parking

A Travel Plan has been submitted which will explore the use of other more sustainable means of accessing the site by foot, cycle and public transport. Money derived from the S106 will be spent on upgrading local footpaths, improving cycling and bus provision which will further enhance more sustainable movement and help overcome a reliance on car parking.

In terms of junction capacity, the TA confirms that, based on its trip surveys, the junction is able to deal with the proposed traffic flows.

In terms of servicing, concerns have been raised by local residents about how practical the access arrangements for the flats are for larger vehicles such as removal vans and refuse vehicles. The Traffic Consultants have supplied tracking information to confirm that the site can be properly serviced.

Highways have not raised any objection to the scheme and have only asked for additional detail in relation to junction design and access to the Public Highway.

As such the scheme complies with Local Plan policies T1, as it is conveniently located for public transport and local services and as such encourages access by other modes of transport, T2 as it promotes a hierarchy of more sustainable means of accessing the site, T25 in that sufficient car parking is provided and T26 in that the access from the site to the highway is acceptable.

8. The benefits to the local area

There are clear economic benefits arising from the enhancements to the tourism offer, increase in jobs and increased tourist spend.

There are also tangible local benefits in terms of S106 requirements.

The SPD 'Planning Contributions and Affordable Housing' suggests that a scheme of this scale should deliver 30% on site Affordable Housing contributions and community infrastructure contributions amounting to £820,092 as illustrated below. Mitigation for job creation reduces this sum to around £700,000.

Waste Management (Site Acceptability)	£ 6,850.00	£ 6,507.50
Sustainable Transport (Sustainable Development)	£349,301.67	£331,836.58
Stronger Communities (Sustainable Development)	£ 0.00	£ 0.00
Lifelong Learning (Sustainable Development)	£ 15,031.67	£ 14,280.08
Greenspace & Recreation (Sustainable Development)	£270,561.67	£257,033.58
South Devon Link Road	£139,295.00	£132,330.25
Total	£781,040.00	£741,988.00
Administration charge (5%)	£ 39,052.00	£ 37,099.40
Total with Admin Charge	£820,092.00	£779,087.40

An IVA has been submitted which offers, based on the viability of the scheme, a £1.37 million 'off site' AH contribution and £411,000 community infrastructure contributions.

The AH Manager has commented that there is currently no justification for offsite provision and that the offer represents the equivalent of a 10% AH contribution. In terms of the community infrastructure contributions there is a shortfall of £283,000.

This needs to be justified but it must also be borne in mind that the residential accommodation is 'enabling development' to secure the future of the hotel and any shortfall should be balanced against the economic benefits that will arise from a substantially upgraded hotel.

Negotiation is needed to establish an acceptable level of contribution and progress will be reported verbally. Deferred contributions could be considered to provide some additional benefit to the area in the event that the scheme is more profitable than anticipated.

A tentative Master Plan has been submitted with the scheme which shows in broad terms how the agreed level of S106 investment might be spent in the local area.

There is a need for investment in the important coastal paths that surround the hotel site, in improving Ansteys Cove and Redgate Beach.

The reopening of access to Redgate Beach is a clear possibility subject to geological surveys. There is also a need for a range of works to improve Walls Hill SSSI. Various cycling, bus and public footpath improvements are also suggested by Highways.

Similar improvements were secured in relation to the earlier holiday flat scheme. This application will allow more substantial improvements to be carried out and the Wellswood and Community Partnership are interested in being involved in decisions about how this money might best be invested in the local area.

The Master Plan also explores how future investment in the hotel might lead to lodge development within the grounds which may be of further benefit to the local economy.

9. The deliverability of the complete package of development

It is vital that the S106 is structured to ensure delivery of the improvements to the hotel. The applicants have stated that their priority is to move the hotel restoration forward. Whilst there may be a possibility of external funding which would allow the works to the hotel to be carried out 'up front' it is necessary to agree a fall back mechanism in the S106 to ensure that the hotel restoration is tied to key stages in the construction/ or occupation of the flats.

Based on the calculated investment of £16 million to restore the hotel, it is proposed to allow the construction of the car park deck along with 35 flats. This will comprise the most southerly block. The sales receipts from this will be invested in restoring a third of the hotel.

A second tranche of 35 flats will then be constructed and sold and the receipts invested in delivering the second third of the hotel. A further 35 flats will then be constructed and sold to fund the final part of the hotel restoration.

This will leave 30 flats in the fourth block which cannot be occupied until the hotel works are fully complete.

Safeguards such as the use of bonds, or not allowing any works to proceed on any subsequent block of flats until contracts are let for the hotel works are being explored. Progress on this will be reported verbally.

The programme of works is likely to be spread over several years if it relies on sufficient sales being achieved before works to the hotel can be carried out. However, it is difficult to see how this can be avoided if the funding has to be generated from onsite sales. However, this is a worst case scenario and there is a likelihood of funding being achieved to accelerate the process.

Conclusions

The existing hotel has seen better days. It is in need of substantial investment if it is to be fit for purpose and provide a high end tourist destination which it has the potential to do. The benefits to the local economy in terms of jobs and spin off spend are significant.

The quality of the scheme and the enhanced range of facilities, including improved restaurant facilities, new spa and leisure facilities, conference and entertainment facilities will be a pull for tourists and locals alike.

Failure to achieve investment will result in this building becoming more dilapidated, less able to compete and further its slide to the bottom of the rankings.

The key to revitalising the hotel is the development of the tennis court site for private residential flats. It is not considered that this will undermine the function of the site for holiday purposes.

The design of the scheme is well considered and appropriate and has much improved through ongoing negotiation and input from the DRP.

The site is of value for its wildlife and landscape qualities. These are protected and through Woodland Management Plans, Garden Restoration Proposals and a LEMP that will offer full mitigation and secure a more robust future for the ecological and landscape aspects of the site.

The setting of the adjacent SAM is unaffected and a Conservation and Ecology Management Plan will be secured to ensure that this 'at risk' archaeological resource is properly protected. The SSSI will be improved in terms of management of the calcareous grassland and the impact of walkers mitigated.

There are some matters still to be resolved in relation to the level of AH and Community Infrastructure Contribution and the detail of the S106 mechanism to ensure delivery of the finished hotel.

Subject to a satisfactory response on these matters it is recommended that approval be granted subject to:

- A. Site visit.
- B. Conclusion of a S106 agreement, at the applicant's expense within 3 months of the date of this decision to secure i) Details of a mechanism to ensure a staged relationship between the construction of the proposed flats and the delivery of the hotel refurbishment including safeguards in relation to letting of contracts, bonds, etc (as appropriate) and restrictions on occupation of the final tranche of 30 flats until hotel restoration fully complete. ii) Payment of the agreed AH and community infrastructure contributions and iii) improvements to the Walls Hill SAM/ SSSI via a Conservation and Ecological Management Plan.

Condition(s)/Reason(s)

- Large Scale details of both buildings and including vehicular access to car park and junction design.
- Materials.
- Tree Protection/supervision.
- Additional details regarding landscape proposals/replacement tree planting .

- Woodland Management Plan.
- Landscape and Ecological Management Plan (LEMP).
- Conservation Management Plan.
- Construction Management Plan.
- Ecological Method Statement re mitigation during construction and post construction enhancements to ensure that EIA recommendations secured.
- Implementation and Review of Travel Plan
- Detail of Land Contamination and survey of buildings proposed for demolition.
- Details of surface water disposal to accord with FRA.
- Implementation of energy efficiency measures.
- Waste Audit
- Waste strategy for domestic and commercial uses.