



Review Statement

On behalf of

The Wemyss & March Estate

Application Reference: 12/00810/P

"Change of use of hotel/guest house and land (Class 7) to form one house with ancillary residential accommodation & domestic garden ground"

Green Craig, Aberlady, East Lothian, EH32 0PY

April 2013

apt planning &
development

6 High Street, East Linton
East Lothian
EH40 3AB

t. 01620 870 371

m. 07747 780 852

e. tony@apt-plandevlop.co.uk

w. www.apt-plandevlop.co.uk



Introduction

1. **apt planning & development** has prepared this Review Statement on behalf of the **Wemyss & March Estate** with regards to application 12/00810/P seeking the change of use of their Green Craig property from its current hotel/guest house use to residential. The application was refused via delegated powers on 11th January 2013.
2. Wemyss and March feels strongly that the reason for refusal (and Officers Report) takes a very inflexible and overly restrictive approach to policy TOUR4 of the adopted Local Plan and that when put in its correct context, the application should have been granted planning permission. Consequently, we are lodging this Notice of Review and supporting statement seeking a Local Review of the merits of the application and initial decision reached.
3. In lodging their application Wemyss & March submitted a supporting statement (**Document WM01**), providing a detailed history of the property and justification for the proposed change of use. Whilst not wishing to repeat this justification, it is important to note and build on the pertinent points in this Review Statement.

Background

4. Green Craig was built as a house 89 years ago in 1924 and remained in residential use for 24 years until 1948. It was a hotel for 4 years (1948-1952) before a home once more until 1981 (a further 29 years). It has since been in hotel type use since 1981 and as an exclusive single user property since 2005. In its 89 year history it has been occupied as a private dwelling for 53 years (60%). Wemyss & March simply want to have the flexibility to make best use of the property, and in this instance return it to the use for which it was initially intended.
5. The property was designed as a private house by the architect Sir Frank Mears. Part of the reason that the hotel use has consistently struggled to work is down to this design. Sir Frank sought to ensure that the house sat comfortably in its surroundings. The roof height and first floor design is compromised by this design ethos, creating what is effectively a one-and-a-half storey house, the result of which is a number of first floor bedrooms are compromised as they are built into the sloping roof (coomed).
6. This is perfectly acceptable as a private dwelling, but not suitable when asking customers to pay significant amounts to stay in these rooms. The location and overall quality of the property does, of course, go some way to offsetting other compromises, but not sufficiently that Green Craig can compete with other high-end accommodation alternatives elsewhere in East Lothian or Edinburgh.



Application re: 12/00810/P
Wemyss & March Estate, Green Craig, Aberlady, East Lothian, EH32 0PY
Local Review Statement

7. There have been two previous attempts to revert the property to residential use, in 2003 and 2004/5. Both applications were refused as they were deemed contrary to Local Plan Policy TOUR2, a policy that was very similar to TOUR4, promoting the provision of bed spaces in East Lothian and seeking to prevent the loss of existing hotels and guest houses.
8. There have also been previous attempts (1997 & 1998) to erect a permanent marquee and extend the building (an indication that in its form the building did not work as a hotel). One of these applications was withdrawn and the second is still technically undetermined.

Application 12/00810/P

9. Wemyss & March lodged application 12/00810/P in October 2012 and it was validated on 13th November. The two month statutory target determination period ended in January 2013. The application was refused through delegated powers with the decision dated 11th January 2013. There is one reason for refusal (see below) and it is our intention to challenge this reason in seeking to overturn the refusal of planning permission at Green Craig.

*"It has not been clearly demonstrated to the Council, as planning authority, that **all reasonable efforts have been made to retain the property in use as a hotel and guest house** and thus the proposed change of use is contrary to Policy TOUR4 of the adopted East Lothian Local Plan 2008."*

10. It is our opinion that the section of text set out in bold is the crux of this Local Review, in that Wemyss & March is convinced that in the specific context of Green Craig, they have undertaken all reasonable measures to continue the current use of the building.
11. Policy TOUR4 of the Local Plan is the key consideration and I have included an extract from the Local Plan that gives the commentary that accompanies the policy. Again we have highlighted sections in bold.

*"6.12 A range of hotel accommodation attracts visitors and encourages them to stay longer, and therefore spend more, within East Lothian. There is a particular need to encourage high quality hotel accommodation. Proposals that will result in the loss of hotel accommodation will be resisted **unless it can be clearly demonstrated that the continued use of the building as a hotel is not practical.**"*

POLICY TOUR 4: HOTELS

*Proposals for the change of use of hotels will be resisted unless it can be **clearly demonstrated that all reasonable efforts have been made to retain the property in use as a hotel, including evidence that it has been marketed as such and no reasonable offers received.**"*



Application re: 12/00810/P
Wemyss & March Estate, Green Craig, Aberlady, East Lothian, EH32 0PY
Local Review Statement

12. In principle, Wemyss & March continues to be a strong supporter of this policy and its objectives (as well as wider economic development initiatives benefitting East Lothian), to the degree that they are currently very close to completing a new development at **Craigielaw Golf Club** that will see the provision of 25 high quality rooms to service both the golf and wider tourist market for the county.
13. In addition, Wemyss & March has a long history of tourist and job creating initiatives within the land holding of the Estate, and will continue to promote East Lothian for many years to come. The Estate has invested over £4 million in recent years, specifically towards tourist related activities, all of which have knock-on economic and business related benefits to the wider East Lothian economy.
14. Wemyss & March are a significant contributor to the aims and objectives of the tourism and economic development policies but the situation at Green Craig cannot continue. In its current use, it has continually lost significant amounts of money since it was returned to hotel use in 1981, and more pertinently since it was changed to the 'single user' arrangement seen today.

Financial Performance

15. As a hotel, guest house or in its current guise as an exclusive-use hotel, Green Craig has always struggled. **Appendix 1** provides a more detailed summary of the financial performance of the hotel in the period 2005-2012 which demonstrates that with the exception of a small profit in 2010 the property has consistently made significant year-on-year losses, totalling over £570,000 and averaging over £70,000 per annum.
16. Unfortunately, 2010 proved the exception to the rule as there was a higher than normal number of smaller sized wedding celebrations suited to a smaller venue leading to Green Craig's best year in income generation (£159,000). This revenue was £25,000 greater than 2009 and £53,000 more than 2011. Further savings of £60,000 in terms of bank interest and charges also helped significantly in ensuring a profitable year.
17. These savings are also in evidence in 2011, but revenue falls to such an extent that Green Craig again lost money, though at a more modest level of £27,500. It is also noticeable that the costs of repairs has increased in the last two years of the accounts, common as the property will need to be improved/refurbished to ensure it retains a certain level of luxury to enable it to charge premium rates. Bringing the situation up-to-date, Green Craig suffered a poor year in 2012, losing over £50,000, with revenue down to just under £90,000. The property has lost money in seven of its eight years as an exclusive-use hotel.



18. In total, Green Craig has lost The Wemyss and March Estate over £570,000 since 2005. Given its size, both literally and in terms of its role in the wider East Lothian provision of bed spaces, **we would contend that this is neither practical nor a reasonable expectation that an operator could possibly continue.**

Marketing of Green Craig

19. In the final paragraph of his report (**Document WM02**), the case officer states that, as the property has not been marketed for sale as a hotel, application 12/00810/P cannot satisfy the provisions of Policy TOUR4. In this instance and given that the property forms a part of the Wemyss and March wider East Lothian land holding, a wider context needs to be introduced.
20. It would be an unreasonable interpretation of Policy TOUR4 to suggest that the only way that the application would accord with policy would be if the Estate marketed the site for sale, and therefore sought to sever the property from the rest of the Wemyss and March land holding.
21. Wemyss and March has no wish to sell the property. The application was not lodged as a means to an end of selling Green Craig on the open market, despite its obvious qualities and value. The change of use will enable the Estate to let the property on a medium-long term basis as an alternative to the current loss making hotel/guest house use. Again referring to paragraph 15 above, Green Craig has lost in excess of £570,000 in the 7 years to 2011.
22. As noted at the outset of this statement, Policy TOUR4 seeks to protect the existing hotel bed spaces in East Lothian. The combination of the Craighielaw development and the proposed Green Craig change-of-use will ensure a net increase of 19 bed spaces, whilst hopefully bringing a more economically viable use to Green Craig.
23. The policy has not been drafted to ensure loss making hotels continue to operate and indeed the preceding commentary as quoted above states ***“unless it can be clearly demonstrated that the continued use of the building as a hotel is not practical”***. We would clearly argue that such a loss making business is no longer practical to be kept as a hotel. The alternative, should Wemyss and March not be able to use the property more flexibly, is simply that the doors are shut and the building performs no beneficial use to Wemyss and March or East Lothian Council.

East Lothian Hotel Provision

24. Beyond the Craighielaw development, there are plans for new hotels at both Whitekirk Golf and Country Club and Dunbar Golf Club, leading to a significant increase in bed spaces across the County (potentially as many as an additional 150 beds as well as the 25 nearing completion at Craighielaw).



25. The loss of 6 loss-making rooms will make no material difference to the overall provision and availability of hotel beds in the area and especially in the context of the additional 175 bed proposed for the County (and there may be more in the pipeline).

Quality of Hotel Accommodation

26. As with any assessment, there is a qualitative as well as quantitative aspect to any argument. Comment has been made that Green Craig provides for a very specific type of tourist. It is exclusive both in terms of its small its size and also the high rates to stay there. East Lothian are concerned that there will be a lack of higher-end bed spaces should Green Craig close.
27. Visitors to East Lothian have a choice of a number of high-end, expensive and luxurious options, the conclusion of which is that again, the loss of these 6 bed spaces will have no impact on the competitiveness and attractiveness of East Lothian as a tourist destination. Alternative options include the following, each of which provides for those visitors willing and/or expecting to stay in more luxurious surroundings:
- a. The Marine Hotel - <http://www.macdonaldhotels.co.uk/our-hotels/scotland/north-berwick/>;
 - b. Archerfield - <http://archerfieldgolfclub.com/accommodation/>
 - i. Archerfield House;
 - ii. The Lodges;
 - iii. The Pavillion Rooms;
 - iv. The Boat House;
 - v. The Cottage; and
 - vi. Marine Lodge.
 - c. Greywalls Hotel - <http://www.greywalls.co.uk/> ;
 - d. Garleton Lodge - <http://www.garletonlodge.com/>
 - e. Letham House (Haddington) - <http://www.lethamhouse.com/> ; and
 - f. Carberry Tower - <http://www.carberrytower.com/>

Alternatives

28. Wemyss & March looked into the practicality of running the property as a small hotel (on a bed-by-bed, night-by-night basis). However the size of the hotel and the infrastructure and staffing that would be required to run such a small venture would make the prospect unviable.



Summary

29. Wemyss and March, through application 12/00810/P sought to bring a loss making property back into a revenue generating use. Through what we consider to be an overly restrictive and narrow interpretation of Local Plan Policy TOUR4, the application was refused on 11th January 2013, and we are seeking a Local review of this decision.
30. Green Craig was built as a private house 90 years ago. Whilst it has a mixed history as a private house and hotel, for 60% of its existence, it has been a home. It is a common thread that the best use for any building is that for which it was originally intended, and in the case of Green Craig this would be as a home. Indeed, its' very design is more suited to that of a private residence than a hotel, given that the first floor rooms are compromised given the coombed ceilings.
31. There have been two previous attempts to revert the building to its original and intended use. Despite being unsuccessful, these previous applications demonstrate that the use of the property as a hotel has long being considered a less than satisfactory option. In dealing with this problem, Wemyss and March tried something different in 2005, changing the property to an exclusive-use venue of the highest quality. Despite substantial losses, Wemyss and March has operated the hotel between 2005 and the present day.
32. In continuing to try and improve the situation and maintain Green Craig as a going concern, Wemyss and March has clearly demonstrated more than reasonable effort in maintaining the property as a hotel. The property is part of the wider Wemyss and March land holding in East Lothian and it is not a reasonable expectation that they should have sought to sell the property to prove or otherwise its viability as a hotel, especially when there is a perfectly practical solution in permitting it to revert to the use for which the building was originally intended.
33. In suffering losses in excess of £570,000 (averaging over £70,000 per annum), Wemyss and March has demonstrated that Green Craig operating as a hotel is not a practical solution.
34. Wemyss and March has a long and extensive history of supporting East Lothian Council's tourism and economic development initiatives. These have included the creation of Craigielaw Golf Club, the opening of the Gosford Farm Shop and Café and the opening of access to the Gosford Estate to the general public. Overall Wemyss and March has invested over £4 million in East Lothian in recent years.
35. This support for tourism has culminated in the development of a 25 bedroom hotel within the grounds of Craigielaw Golf Club which is due to open imminently. In seeking to change the use of Green Craig, Wemyss and March is still providing an additional 19 bed spaces (to accommodate up to 38 persons) in 2013.



Application re: 12/00810/P
Wemyss & March Estate, Green Craig, Aberlady, East Lothian, EH32 0PY
Local Review Statement

36. There is wider hotel development planned in East Lothian, at Whitekirk and Dunbar, potentially adding up to 150 further bedrooms. This further undermines the potential impact the removal of 6 bedrooms could possibly have on ability of East Lothian to meet the demand for hoe bed spaces (most notably in the summer months).
37. Furthermore, higher-end alternatives are available at several locations throughout the County including the Marine Hotel and a variety of choices on the Archerfield Estate to name but two.
38. Taking all of the above into consideration, Wemyss and March feels strongly that the loss of 6 bedrooms at Green Craig will have no impact on the overall competitiveness of East Lothian as a tourist destination., and that Wemyss and March themselves are providing a net increase of 19 bed spaces in 2013 with their development at Craigiellaw.
39. They have demonstrated clearly that they have made all reasonable efforts to maintain Green Craig as a hotel, and with losses of over £570,000, it is simply not practical to continue. Sadly, the alternative to reverting the property back to a private house, will be its closure, benefitting no one.
40. With regard to the above, we respectfully ask that this application is placed in its true context, and through this Local Review process, granted permission to revert to residential use.



Application re: 12/00810/P
Wemyss & March Estate, Green Craig, Aberlady, East Lothian, EH32 0PY
Local Review Statement

Appendix 1

- Green Craig – Summary Accounts 2005-2012

Appendix 2

Document List

- WM01 – Wemyss & March Supporting Statement – November 2011
- WM02 – Application 12/00810/P - Case Officer Report – 11th January 2013