

BENJAMIN READ MRTPI
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APPENDICES

Land at

**KNOLL HOUSE HOTEL, FERRY ROAD, STUDLAND
BH19 3AH**

Prepared on behalf of

KINGFISHER RESORTS (STUDLAND) LTD

NOVEMBER 2024

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Appendix 1:

Report of Mr James Greenslade, Savills

Knoll House Hotel, Ferry Road, Studland, Swanage BH19 3AH

Viability Assessment

Prepared for Kingfisher Resorts Limited

04 November 2024



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1. Instructions

- 1.1. Client** Kingfisher Resorts Limited
- 1.2. Property** Knoll House Hotel, Ferry Road, Studland, Swanage BH19 3AH
- 1.3. Background and Instructions**
- Savills have been engaged by Kingfisher Resorts Limited to produce a viability report to assess the viability of the Knoll House Hotel in its current form versus proposed additional development on site.
- We have been provided with historic trading and year to date trading performance.
- We have assessed the viability of the business by reference to the Net Operating Income produced along with considering its value in the market versus the cost of remediation of a range of accrued capital expenditure liabilities at the asset resulting from the age of the property.
- We have also considered the current offering and its guest appeal versus the likely guest profile of the proposed redevelopment in the context of considering the changing impact on the local area and natural assets.
- Savills assessments, assumptions and insight is derived from extensive experience and familiarity with trading hotel assets across Cornwall and the wider South West: over the course of 2022 and 2023 Savills have been involved in the sale or valuation of over £160 million of hotel assets.

2. Executive Summary

2.1. Schemes under consideration

We have considered Knoll House Hotel in its current form, as a trading going concern with 106 letting keys plus restaurant, bar and associated lounges.

In addition, we have considered Knoll House Hotel, as a redeveloped and high-quality resort comprising 30 hotel rooms and supporting facilities, 18 apartments, 26 villas, spa and outdoor pool, to consider the impact on the viability of the business.

2.2. Assessment of viability

Assessments of viability have been made with reference to the trading NOI delivered. NOI is an industry standard metric and refers to Net Operating Income.

Our assessment of viability has been made based on the long-term ability of a business to deliver a positive NOI but also in the context of the accruing capital liability at the hotel and the cost of remedying these deficiencies when considered against the underlying value of the trading asset.

2.3. Conclusions as to viability

Recent trading performance has shown that the current business, although profitable in its existing form, requires significant short-term defensive capital expenditure to extend its economic life. The quantum of the capital expenditure exceeds the likely value of the existing property and operation. There is therefore no financial or economic rationale to make this investment and we therefore consider that the existing operation in its current form is not viable.

We have considered the proposed redevelopment in the context of the current offering at Knoll House. In our view, the redevelopment of the site will attract a different guest profile who are more likely to stay on-site in the proposed redevelopment, reducing pressure on the nearby natural assets and assisting in underpinning the long-term viability of the trading entity in the proposed redevelopment.

3. Market Background

3.1. Dorset Market Background

3.1.1. Location

Knoll House Hotel is situated on the southern coast in the former Purbeck District. Knoll House occupies a prominent position above Studland Bay. The property is 2.4 miles south of Sandbanks Chain Ferry, 5 miles Southwest of Poole and 0.5 miles north of Studland village.

The property is accessed via local roads from the A351 at Corfe Castle, which links to the A35 and A31, connecting to the M3 and M27. These roads link London, Southampton, Exeter and the Southwest.

Public transport is limited in Studland. The nearest mainline train stations are Parkstone and Branksome in Poole and Wareham.

The nearest airport is Bournemouth, approximately 27.8 miles from the property, providing direct domestic and international flights within Europe.

3.1.2. Situation

Knoll House Hotel is situated above Studland Bay. The hotel is surrounded by National Trust owned land and beaches. The site of the property is irregular in shape and by reference to Savills Maps, we calculate that the property has an area of approximately 4.34 acres.

3.2. Tourism in Dorset

The Southwest was the UK's most popular region in England in 2023 with Dorset attracting approximately 5.27 million overnight holiday trips in 2023.

Nearby Bournemouth, Christchurch and Poole attract 11.5 million day visitors and 1.65 million staying visitors annually. In 2019, local tourism generated over £1 billion visitor spend across Bournemouth, Christchurch and Poole. In 2022, the retail and hospitality sector supported 24% of jobs in Dorset (Great British Tourism Survey - All domestic overnight trips).

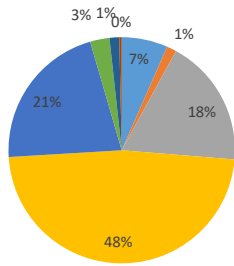
3.2.1. Dorset Hotel Market

From informal enquiries and our previous experience and knowledge of the Dorset market area we would make the following comments in relation to the nature of demand for hotel accommodation in Dorset.

The Dorset hotel market is extremely leisure orientated. The market is characterised by a seasonality which sees very strong occupancy in the summer, with weaker demand in the winter period and off season.

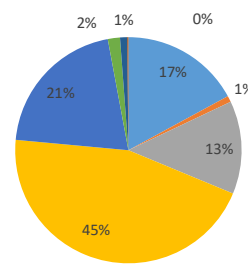
The Dorset hotel market contains 10,122 bedrooms spread across 289 properties. There is relatively limited brand penetration into the Dorset market with 211 of these hotels (73%) and 5,860 rooms (58%) being independent. Of the total market, 138 hotels (48%) and 4,576 (45%) bedrooms are in the 3-star sector. A breakdown of the hotel and bedroom market by grade is provided below:

Market Breakdown by Hotels



■ Budget ■ Hostel ■ 2 star ■ 3 star ■ 4 star ■ 5 star ■ Apts ■ Other

Market Breakdown by Bedrooms



■ Budget ■ Hostel ■ 2 star ■ 3 star ■ 4 star ■ 5 star ■ Apts ■ Other

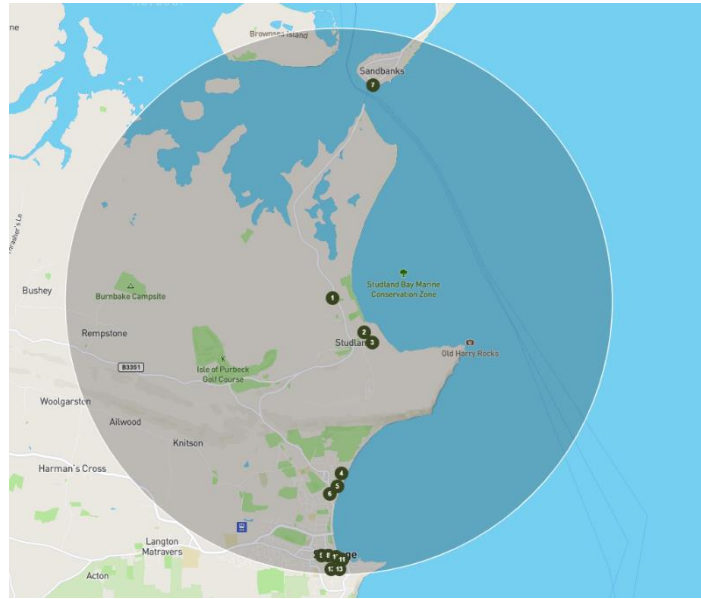
Source: AMPM Hotels

3.2.2. Existing Local Supply

A summary of the hotel's primary competition within a 3-mile radius is highlighted below. Some of this information has been provided by third parties and we cannot guarantee its accuracy.

| Marker | City | Hotel Name | Property type | Brand | Grade | Bedrooms |
|--------|-----------------|-------------------------|--------------------|-------------|--------|----------|
| 2 | Swanage | The Pig on the Beach | Hotel | The Pig | 3 Star | 28 |
| 3 | Swanage | Bankes Arms Country Inn | Pub | Independent | 3 Star | 10 |
| 4 | Swanage | Pines Hotel | Hotel | Independent | 3 Star | 43 |
| 5 | Swanage | The Grand Hotel | Hotel | Independent | 5 Star | 30 |
| 6 | Swanage | The Castleton | B&B | Independent | 3 Star | 10 |
| 7 | Poole | FJB Hotel Haven | Hotel | Independent | 4 Star | 84 |
| 8 | Swanage | Red Lion | Pub | Independent | 3 Star | 4 |
| 9 | Swanage | Purbeck House Hotel | Hotel | Independent | 3 Star | 38 |
| 10 | Swanage | White Swan | Pub | Independent | 2 Star | 5 |
| 11 | Swanage | White Horse Inn | Pub | Independent | 2 Star | 6 |
| 12 | Dorset Regional | YHA Swanage | Hostel | YHA | Hostel | 22 |
| 13 | Swanage | The Limes | Room only business | Independent | 4 Star | 12 |
| Total | | | | | | 292 |

Source: AMPM Hotels



Source: AMPM Hotels

3.2.3. Potential Increases to Supply

There are currently no hotels in the pipeline within a 3-mile radius of the hotel, highlighting the lack of any new significant confirmed proposals or any significant extensions in the local market which would increase the existing level of supply in the medium to near term.

3.3. Competitive Set

The primary competition for Knoll House Hotel, is drawn from a wider catchment area and is based on a similar quality of offering and location. This is set out in the table below.

We have been provided the below comparable set for both entry level and premium rooms by the management team at Knoll House based on their analysis of their guest profile and the other sites that they may book.

| Hotel | Location | Peak season - Entry Level | Peak season - Premium |
|---------------------|------------------|---------------------------|-----------------------|
| Knoll House | Studland | £149 | £484 |
| The Cliff Hotel | Gorleston on Sea | £124 | £155 |
| The Brunswick Hotel | Isle of Wight | £208 | £280 |
| The Grand Hotel | Swanage | £206 | £309 |
| The Haven Hotel | Sandbanks | £150 | £400 |
| The Atlantic Hotel | Newquay | £286 | £366 |

Source: Hotel Management

As seen from the table above, Knoll House, despite its current condition, performs in line with its competitive set and is not significantly discounting rooms at this point in time to maintain its occupancy.

It is therefore reasonable to assume that there is little scope to significantly grow room rates to increase revenue further with the current offer at the property.

4. Property Overview

4.1. Overview

Knoll House Hotel was acquired by Kingfisher Resorts Limited in 2017. Prior to this, the hotel was owned and operated by the same family for 58 years. The building dates to the early 20th Century where it was originally constructed as a private residence. The property was converted into a hotel in 1931.

The hotel currently comprises 106 bedrooms, some of which benefit from balconies. There are an additional 57 staff bedrooms on site. The hotel also comprises a restaurant, which is open to both guests and non-resident diners. The hotel offers limited function space provided within the Wardroom for up to 12 guests and the Garden Room.

Leisure facilities include an indoor plunge pool, sauna, steam room, and jacuzzi. There is also a games room.

Externally, there is a heated swimming pool, two tennis courts and a 9-hole pitch-and-putt golf course. There is a car park with 88 spaces and helipad.

4.2. Condition

We have been provided with an assumed cost schedule by Kingfisher Resorts, which concludes that the existing fabric of the hotel is in 'poor and declining condition' following years of a lack of investment and limited maintenance. The hotel appears 'tired' and is underused. Some of the infrastructure has been in operation since the first opening of the hotel in the 1930's.

The quality of the existing building is impacting the business. The quality of the hotel product limits the rate that can be achieved. Operational inefficiencies and higher than usual maintenance expenditure due to the deteriorating condition of the buildings adversely impact upon the ongoing running costs and essential investment.

We have summarised the report below, including the associated costs which are stated therein.

4.2.1. Asbestos Removal and Demolition

The asbestos surveys commissioned by the client identifies surface and exposed asbestos. The budget for the removal of this is currently £600,000. Once work progresses, this could be significantly higher as this does not address asbestos embedded in the structure of the building which has not yet been identified.

4.2.2. Structural Building Repair

The brick work is single skin and non-insulated, resulting in damp issues and subsidence. It is anticipated that remedial works will be in the region of £1 million to address this and provide adequate insulation. This is also causing higher than anticipated utility costs in respect of the inefficiency of the building in terms of heating and insulation.

4.2.3. Front of House

The current public areas are dated and of poor quality. It is anticipated that remedial works will be in the region of £1 million. This addresses a key part of the guest arrival experience which sets the tone for a stay. This encompasses public areas, restaurant, lounges and corridors. This would cover the necessary redecoration as well as new fixture fittings and equipment (carpets, furniture, soft furnishings etc).

4.2.4. Back of House

The kitchen suffers from major water ingress from above and below. The extraction/ventilation is below current regulations standards and the gas supply is insufficient and needs replacement. Many back of house areas only just meet minimum standards and statutory compliance requirements and any further deterioration would risk closure of the business. Furthermore, store rooms

are scattered throughout the hotel exacerbating the operational inefficiencies discussed earlier in this report. It is anticipated that works in the region of £1 million are required to address these shortcomings. This would include refitting the commercial kitchens and back of house areas to provide industry standard floor and wall coverings, provide modern fit for purpose kitchen equipment, update ventilation and extractions, provide new walk-in cold store and fridge freezers.

4.2.5. Bedrooms

The hotel bedrooms were originally built without adequate soundproofing, resulting in poor guest experience. In addition, the rooms were built with the intention of being seasonal with long winter closures. This will need to be addressed through double glazed windows and measures to reduce heat loss. It is anticipated that bedroom refurbishment costs will be in the region of £15,000 per room.

4.2.6. Basement

The basement suffers from water ingress. Works to resolve this are estimated to be in the region of £100,000.

4.2.7. Electrics

The 5-year electrical testing in 2023 stated that the electrical installation was approaching the end of its life and is in need of replacement. By the next certification renewal in 2028, the installation will no longer meet statutory regulations and will therefore have to be replaced. Works are estimated to be in the region of £800,000.

4.2.8. Plumbing and Boilers

All main plumbing that feeds through the hotel and staffing areas are suffering regular splits and pin hole leaks. This is causing regular water leaks and water damage within the building, resulting in ceiling collapses, room closures and potential injury to staff and guests.

A productive solution would be a full replacement and an upgrade to the current inefficient oil heating system. Works are estimated to be in the region of £550,000. Once the heating system is replaced with a more energy efficient solution, all heating solutions through the hotel will need to be replaced as well.

4.2.9. Bathroom Replacements

21 bathrooms are not suitable for modern guest stays due to being too small. These will need to be made larger which require structural changes. Most of the bedrooms are too small to be made en suite as the majority of the bedrooms were not built to include the space required for en suite facilities in their original design.

4.2.10. Mains Drainage / Foul

Feedback from the hotel's drainage company is that the current foul drainage system within the hotel is at end of life and requires full replacement.

4.2.11. Flat Roof Replacement

Current flat roofs are at end of life with ongoing leaks. Replacement costs are expected to be in the region of £650,000.

4.2.12. Tile Roof Replacement

There are multiple leaks and damaged areas that require professional repair in addition to the flat roof.

4.2.13. External Render Repair

The external render and cladding of the hotel is at the end of life and currently the asset presents poorly in terms of guest reviews. Replacement costs are in the region of £800,000.

4.2.14. Pool and Gym

The current facilities are below guest expectations. The mechanical and electrical installation was developed with a winter closure strategy in mind and will need to be replaced with an all year round energy efficient solution. The building structure is also failing and needs to be addressed. Rectification of these issue is expected to cost in the region of £1.5 million.

4.2.15. External Pool

The outdoor pool is approaching the end of its useful economic life along with the associated mechanical and electrical installation.

4.2.16. Lift Requirements

Currently there is no lift within the hotel and the majority of bedrooms are on the first floor.

4.2.17. Fire Stopping

Much of the building is inadequate in respect of fire regulation standards due to the age of the building. All changes required would trigger these regulations to be brought up to date, including fire rated windows, ceilings and floors. These works are key to a property meeting its statutory obligations and these are increasingly onerous as regulations and materials improve and develop.

4.2.18. Function Room

The hotel is no longer able to accept wedding bookings as the function room does not meet modern guest expectations / standards for a wedding.

4.2.19. Formalise Car Park

The current car park is poorly landscaped and hazardous. Landscaping and groundworks are required to lay out the car parking design for the most efficient use of the space.

4.2.20. Staff Accommodation

The current staff rooms are of a very poor standard and not to the standard required by staff. There are 57 rooms, currently some of which are unused due to the presence of asbestos.

4.2.21. Golf Course

The current course is of a very poor standard with no functioning sprinkler system. The greens and fairways need replacement.

4.2.22. Landscaping

The gardens have been in decline for many years and roughly £50,000 of capital expenditure is required to bring them back to standard.

Conclusions

In total, Kingfisher Resorts expect the above building works required to keep the hotel open and operational to cost in the region of £15.3 million (allowing for 5% contingency on costs assumed). This does not allow for professional costs.

We would consider this capital expenditure to be defensive, and necessary simply to maintain the current offering and its operational abilities, rather than offensive, which would be investment to deliver operational improvements in terms of rate, occupancy and the addition or growth of other revenue streams such as food and beverage and/or leisure facilities.

4.3. Guest Feedback

On Tripadvisor, Knoll House Hotel has a score of 4/5 stars. Guests generally praise the hotel's picturesque location, noting its proximity to the beach, coastal walks and stunning views, however, there is a common theme among visitors that the condition is poor and stays are "very overpriced for a run-down hotel".

Guests have commented on the noise from other bedrooms, which is likely due to the lack of sufficient sound proofing. In addition, in the summer months, guests have intimated that rooms are "very hot", relating to the lack of air conditioning and air flow. There are multiple complaints in relation to mould in bedrooms which is likely caused by failures within the single skin brickwork. Guests have commented that bathrooms are too small, having been retrospectively converted to create en suite facilities. Common feedback from guests notes that the building is tired and appears as though it "hasn't had any improvements since it was built in the 1930's". Feedback in respect of the spa is that it is "in need of updating as [it] is very tired".

Guests have submitted specific comments, noting areas of the building where there has been evidence of water ingress: "During our stay the main hallway was even leaking with a bucket in the gangway".

4.4. Historic Trading performance

We have been provided with historic trading performance for the period since Kingfisher Resort's acquisition of the Hotel in 2017. The years 2018-2023 inclusive comprise full year historic trading.

The following definitions are relevant for the following section:

- Occupancy – percentage of bedrooms sold within any given period
- Average Daily Rate – bedroom revenue divided by the number of bedrooms sold
- RevPAR – Revenue Per Available Room – bedroom revenue divided by the number of bedrooms available
- TrevPAR – Total revenue Per Available Room – total revenue divided by the number of bedrooms available
- F&B Revenue – Food and Beverage revenue
- GOP – Gross Operating Profit
- GOPAR – Gross Operating Profit Per Available Room
- NOI – Net Operating Income

| YE - December | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|----------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Occupancy % | 58.6% | 56.8% | 59.4% | 73.9% | 69.9% | 68.7% |
| Average Daily Rate (£) | £84.31 | £85.42 | £116.83 | £139.08 | £111.04 | £109.12 |
| RevPAR (£) | £49.39 | £48.53 | £69.36 | £102.74 | £77.56 | £74.96 |
| TrevPAR (£) | £108.88 | £102.55 | £131.26 | £187.44 | £146.35 | £142.69 |
| Rooms Revenue (£'s) | £1.206m | £1.258m | £1.118m | £1.762m | £1.976m | £1.910m |
| F&B Revenue (£'s) | £1.255m | £1.280m | £0.917m | £1.318m | £1.557m | £1.510m |
| Other Revenue (£'s) | £0.199m | £0.120m | £0.081m | £0.134m | £0.195m | £0.216m |
| Total Revenue (£'s) | £2.659m | £2.658m | £2.116m | £3.215m | £3.729m | £3.636m |
| GOP (£'s) | £0.504m | £0.425m | £0.573m | £1.227m | £0.835m | £0.931m |
| GOP (% of Revenue) | 19.0% | 16.0% | 27.1% | 38.2% | 22.4% | 25.6% |
| GOPAR (£'s) | £20.63 | £16.41 | £35.53 | £71.56 | £32.76 | £36.56 |
| NOI (£'s) | £0.380m | £0.294m | £0.506m | £1.180m | £0.734m | £0.834m |
| NOI (% of Revenue) | 14.3% | 11.1% | 23.9% | 36.7% | 19.7% | 22.9% |
| NOI (£ per Key) | £5,435 | £4,204 | £7,234 | £16,879 | £10,507 | £11,927 |

Source: Kingfisher Resorts

The historic trading analysis shows the performance of Key Performance Indicators (KPIs) including Average Daily Rate (ADR) and bedroom occupancy (Occupancy).

The business has seen significant growth post Covid in 2020 and 2021, largely due to levels of consumer demand outweighing the levels of supply during these years.

Following the rebalance of demand in the UK's staycation markets, coupled with the decline in the quality of the hotel offering, both ADR and Occupancy have declined year on year by 21.5% and 7.0% respectively from 2021 to 2023.

Given the level of negative feedback on the quality of the hotel bedrooms and bathrooms and the continuing deterioration of the bedroom stock, we would expect to see the ADR continuing to decline. To protect revenue the business will therefore be forced to pursue an occupancy led strategy, offering cheaper rooms with a lower level of service standard. This will see the guest demographic move towards a more value led consumer who is likely to be travelling either for a specific price point or for a specific location. Those travelling for a specific price point will likely be towards the coaching market whilst those travelling to the area will specifically be travelling to make the most of the beach, heathland and coast path, i.e. outdoor pursuits or walking.

4.5. Pricing Approach

4.5.1. Comparable Evidence

The sale of Forest Park, Brockenhurst, offers a good comparable to Knoll House. Forest Park, located 27.9 miles from the subject property, comprised 40 bedrooms with large restaurant and bar at the time of sale in July 2022. The property transacted for £7.75 million from private owner operators to a national coaching inn group. The business generated a large proportion of its revenue through F&B (42% of total revenue), similar to Knoll House. The business generated circa £700,000 of Earnings before interest, depreciation and amortisation (EBITDA), representing a yield of 9.0% on the sale price. Likewise, the sale price represents a price per key of £193,750.

The sale of the Falmouth Hotel, South Cornwall, also offers a good comparable for Knoll House. Despite the Falmouth Hotel being located some distance from Knoll in Cornwall, the hotel commands a similarly prominent seafront position to Knoll House. At the time of sale in May 2024, the Falmouth Hotel comprised a 71 bedroom hotel with restaurant, bar, function space and limited wet leisure facilities. Similar to Knoll House, the Falmouth Hotel was dated and in need of refurbishment at the time of sale. The hotel transacted for £5.125 million, representing £72,183 per key. The sale price equated to a yield of 8.5% based on YE Mar 2023 EBITDA of £435,170. It is worth noting that the Falmouth Hotel was underperforming at the time of sale and struggling to maintain ADR and Occupancy given the hotel's condition.

4.5.2. The Subject Property

Taking into consideration the comparable evidence above, the historic trading performance which, along with the condition of the hotel, is declining, we would anticipate Knoll House to attract a yield of between 10% and 12%. This yield also considers that an incoming purchaser would have to take on significant risk in relation to the latent capital expenditure requirement at the property and subsequently having to restabilise the business post the completion of the defensive refurbishment program to safeguard the existing asset. Such essential expenditure won't necessarily be accretive to ADR and Occupancy improvements as it is not a program targeted at improving the bedroom and bathroom product to a higher quality.

Applying a yield of between 10% and 12% to YE December 2023 net operating income derives a value range of £6.95 million and £8.34 million, representing £65,566 and £78,679 per key respectively.

An incoming purchaser would therefore be looking at an 'all-in' investment (excluding purchaser's costs and stamp duty) of between £22.18 million and £23.57 million once the defensive capital expenditure costs are added to the acquisition price.

4.6. Conclusions

Given that the refurbishment cost of £15.3 million is in relation to latent capital liability, as opposed to the enhancement of the hotel product, without significant improvements to the hotel bedrooms, bathrooms and public areas, there is no clear route to an improvement in ADR and Occupancy. Therefore such essential costs would not improve performance at net operating income level to drive pricing beyond current levels. In addition, given the performance of the hotel versus its competitive set, at this point in time it is not significantly underperforming from an ADR perspective versus its competition.

Were the existing asset to be refurbished there may be rationale for the yield applied to be improved. This might perhaps see an improvement of 150 – 200 basis points but the effect of this on value outturn when compared with the scale of the capital liability is minimal. The differential in value uplift remains far lower than the level of latent capital expenditure required to ensure the future trading of the property in its current form.

There is therefore no economic rationale in spending the required £15.3 million on Knoll House as in simple terms, there is no financial incentive to do so. If either the current owner or another owner were to do so, their investment would be in excess of what the hotel would subsequently be worth in the market.

We therefore do not see any scenario in which a refurbishment of the asset is viable and without redevelopment of the site we would anticipate further deterioration and the accrual of additional liability. Whilst the location will retain appeal, the declining quality of the asset and other leisure offerings on site (such as indoor and outdoor pool) due to this accruing liability would give rise to a guest profile almost entirely attracted by the natural assets of the local area reducing dwell time at the asset to a minimal level and at its most extreme leading to a B&B / hostel type model.

5. Proposed redevelopment and changing guest profile

This section will explore the effect of the proposed development on the natural assets of the surrounding area in terms of guest behaviours versus the current operation.

5.1. Existing Property

The existing asset is a hotel which largely trades off the back of its location in terms of its proximity to the coast and the beauty of the surrounding area. This is corroborated in many of the guest reviews which reference the beach, coast path and walking in the local area.

Current management characterises their guest profile as being off-site in the day, predominantly either on the beach, walking the coast path or walking in the nearby countryside.

Their view is that these guests use Knoll as a base in a convenient location rather than travelling to Knoll House specifically. Their guests are generally on site to 'make the most of the great outdoors'.

Knoll House does not currently offer any form of spa break. The current facilities on site are not conducive to the hotel being a destination in its own right. The hotel offers

- Indoor plunge pool
- Sauna, steam room and jacuzzi
- Outdoor swimming pool (available only in the summer months)
- Games room
- 2x tennis courts
- 9-hole pitch and putt

Notably, there are no spa treatment rooms and no treatments or beauty treatments offered.

In addition, there is only one restaurant on site. For a hotel of this scale, we would generally expect to see a level of differentiated dining experience across the site, even if this were simply a la carte dining in the restaurant and brasserie style dining in a bar or lounge area.

For a leisure hotel of this scale, the current leisure and food and beverage provision is limited and the bare minimum that we would expect to see for an asset of this size (with all but the indoor pool being weather and season dependent). In our view, were the asset not so well located in terms of the natural assets on the hotel's doorstep, then the ability of the hotel to trade successfully would be severely impaired by this lack of facilities.

5.2. Condition of the existing facilities

The existing facilities on site need significant investment, as discussed in section 4.2 of this report.

The inadequacy of the mechanical and electrical installation is particularly challenging which means that the external pool is only available on a seasonal basis.

When this is not in use the guest experience is entirely dependent on the very limited indoor leisure facilities or alternatively, hotel guests visiting the local area to take advantage of the local natural assets via walking, day trips etc.

In addition to the mechanical and electrical systems, the current facilities are in poor decorative condition and compare unfavourably versus competitors and against guest expectations generally. The indoor pool is at the end of its useful economic life, having been installed as we understand it in the mid 1980's. Internally the pool lining, surrounds, lighting as well as guest changing areas are dated and in need of refurbishment. Externally, the pool lining and its surround is also dated. These points are often referenced in guest feedback.

The current facilities are outdated in terms of their operational capability, for example the external pool has no automatic dosing facilities necessitating manual management, increasing the risk of an issue developing and also taking additional staff manpower and wage costs.

Finally, the scale of the existing facilities is such that the indoor facilities are easily overcrowded. The indoor pool is a plunge pool rather than a full-size pool. This diminishes the guest experience and means guests are more likely to leave the hotel in order to spend time in the local area.

We have included an overview of guest comments below which provide some insight into the current condition:

- “Staff very friendly, facilities all need updating swimming pool etc” – Dec 2023
- “I’m not going to even write about the indoor pool...it’s too awful” – May 2023
- “Indoor pool and sauna were out of action throughout our stay” – Jun 2023
- “The most disappointing part were the indoor pool and jacuzzi” – Jan 2023
- “A postage stamp sized indoor pool” – Oct 2021

5.3. Conclusions on the existing offering

The existing facilities on site are in poor condition, at the end of their economic life and generate negative reviews amongst guests staying on site who use these facilities.

The hotel is therefore not attracting guests by virtue of the quality of the facilities on offer but is attracting guests by virtue of its location and the nearby natural assets.

This is further amplified in the winter when the current condition and set-up of the leisure facilities means there are seasonal closures of the external facilities.

Guests are therefore choosing the hotel as a base to take advantage of the beach, coast path, heathland and wider Purbeck area rather than booking the hotel for its facilities and remaining on site.

5.4. The addressable market for Spa and Wellness tourism

Health and Wellness is a growing global market, worth £4.5tr as of 2022 and has seen compound annual growth of 5% between 2019 and 2022 even despite the headwinds posed by Covid-19. This has been driven largely by experiential led demand and a growing consumer prioritisation of wellbeing (both in the leisure and corporate space).

Wellness tourism has been one of the fastest growing market subsectors in UK hospitality post Covid-19 with exceptionally strong domestic demand with 23.6 million wellness tourism trips tracked in the UK in 2022. The sector experienced compound annual growth of circa 36% between 2020 and 2022 with the estimated value of the UK wellness market placed at £12.4bn annually.

The bulk of wellness tourism is categorised as ‘secondary wellness travel’ where travellers seek out wellness experiences whilst taking trips they had already intended to take. These guests seek experience led, high quality offerings with a range of facilities. The current facilities at Knoll House are at present inadequate to attract this type of guest.

The dwell time and on-spend of this type of traveller reflects the fact that they tend to travel for a site’s facilities rather than for the surrounding area’s natural assets. This is evidenced in the data which shows that these guests typically spend 175% more on site than than a non-wellness focussed traveller.

5.5. Proposed Redevelopment

The proposed development seeks to deliver a luxury resort which will significantly improve and increase the scale of the leisure offering on site, aligning the offering to the type of guest outlined above.

The spa offering will be improved to offer treatment rooms as well as indoor and outdoor swimming pools. In addition, there will be wet leisure facilities including steam room and sauna. To provide additional facilities aligned with a wellness focus, there will also be a gym.

This leisure offering will be complimented by an upgraded food and beverage experience which will provide a casual dining outlet aligned to the broader wellness concept across the site (with Juice bar) as well as a fine dining restaurant for a more luxurious experience and a separate bar.

In addition, there will be an increase and improvement in the volume and quality of public space on site for guests to enjoy relaxing in as part of a resort break experience increasing the on-site dwell time and offering further opportunity to capture on-site guest spend.

This is in stark contrast to the current hotel offering which does not have sufficient facilities to attract this type of guest or offer this type of experience.

5.6. Conclusions

The current facilities offered at Knoll House are inadequate in both their scope and their quality to attract wellness led travellers whose decisions on destinations are driven by the range of facilities offered on site.

Currently the guests of Knoll House use it as a base to explore the local area, utilising the bedrooms and day tripping to take advantage of the local natural assets including the coastline and coast path and the surrounding heath and countryside. The management team characterise their guest base as either families, staying to access the beach, or walkers and comment that during the day, almost all guests are offsite.

The discussion of the addressable market for spa and wellness tourism offers some insight into the strength of this market segment but also the different behavioural tendencies of this guest base.

The suggested redevelopment would see the provision of a spa product with the requisite range of facilities and experiences to attract both primary and secondary wellness tourists. These guests would travel to utilise the facilities on offer at the property and would therefore remain on site rather than using it as a base for walking or the beach.

In addition to assisting in reducing pressure on the local natural assets, this is also beneficial for the operating business, with the redeveloped offering at Knoll benefitting from the additional dwell time and associated on-spend of this type of tourist, allowing a higher level of service provision to be provided on site whilst ensuring the trading business remains profitable in the long term.

6. Conclusions as to Viability

6.1. Conclusion on refurbishment of the existing asset

The current asset is approaching the end of its economic life. A significant capital liability has accrued in order to address the deficiencies at the property. These deficiencies impact upon the guest experience, the back of house and operational performance of the business. This essential repairs/refurbishment cost is estimated at approximately £15.3 million.

We have reviewed the trading performance of the business. We have compared the asset's key performance indicators with its competitive set. Knoll House performs well versus its competitive set although the declining ADR is evidence of the challenges being posed by the current condition of the property.

Based on comparable evidence in the marketplace and Savills knowledge of the sector, we have considered the likely market value for the asset to be in the range of £6.95m to £8.34m. This is significantly below that latent capital liability of £15.3 million which has accrued.

It is therefore clear that there is no economic rationale in spending the required £15.3 million essential repairs/refurbishment cost on Knoll House.

Without the site being redeveloped we would anticipate further deterioration in the physical property and the accrual of additional capital expenditure liability. This will continue to impact the trading performance of the business to the point where ADR will further decline and move towards a higher volume, lower cost business model (akin to a B&B or hostel type operation) whereby the guest profile is attracted more by the local natural assets, consequently using the hotel as a base whilst spending minimal time at the property.

6.2. Conclusions on redevelopment and changing guest profile.

Currently guests of Knoll House use it as a base to explore the local area, to take advantage of the local natural assets including the coastline and coast path and the surrounding heath and countryside.

As discussed, the current facilities offered at Knoll House are inadequate in both their scope and their quality to attract wellness led travellers. This is a strong and growing market whose travellers base their decisions on destinations by the range of facilities offered on site.

Redevelopment would see the provision of a spa product with the requisite range of facilities and experiences to attract both primary and secondary wellness tourists. These guests would travel to utilise the facilities on offer at the property and would therefore be more likely to remain on site rather than using it solely as a base for walking or the beach.

This would assist in reducing pressure on the local natural assets as well as being of benefit to the operating business, safeguarding its profitability in the future and its long-term success.

Appendix 2:

First Application CGI



Existing Viewpoint A



Proposed Viewpoint A



Existing Viewpoint B



Proposed Viewpoint B





Appendix 3:

BBP Letter, 11th May 2020 (also at CD1.063 Annex 4)

11th May 2020

BR/ref



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Dear Andrew,

Application Reference: 6/2018/0566 KNOLL HOUSE HOTEL, FERRY ROAD, STUDLAND

Further to our recent discussion regarding the letter received from Natural England (NE), dated 17th February 2020, I write to provide further clarification and to respond directly to some of the points raised.

This letter should also be read alongside the applicant's response in respect of the comments raised by the Dorset AONB Partnership, dated 18th October 2019, particularly in respect of whether the proposal constitutes major development in the AONB. As discussed, it is the applicant's view that it does not but, even if a contrary view is reached by the LPA, that there are exceptional circumstances in this case which point to the grant of planning permission having regard to the provisions of paragraph 172 of the National Planning Policy Framework (NPPF).

We wish to highlight that the applicant has always sought to engage with the LPA and other key stakeholders during the course of preparing and assessing this planning application. I am very conscious of the time which has now elapsed between the Local Planning Authority (LPA) consulting NE in September 2019 and their response received in February 2020, some six months later. Given this protracted timeframe there is now a desire, understandably, to progress matters in an expedient and productive manner towards resolution.

The key concerns raised by NE are underpinned by assumptions about the proposed occupancy of the resort. As such, I have firstly addressed the comments at Annexe 1 of the NE letter in this regard. The remainder of the points set out below follow the order in which they appear within the NE letter.

1. Annexe 1 - Consideration of capacity and occupancy across the submitted documents

NE comment: *The documents enclosed have a number of inconsistencies in considering current and proposed capacity. Natural England have reviewed the evidence and conclude the following:*

- *Current staff numbers of between 57 and 65 are unlikely to have any significant effect on the nearby sites as the staff are working. There is no clear evidence that residential staff access the designated sites outside working hours. Residential staff numbers are up to 57 and are discounted.*
- *The current hotel has up to 273 guests with an occupancy of 2.6 per room.*
- *The proposed development will have between 324 and 342 visitors on site*
- *This is an increase of between 51 and 69 visitors*

- *The economic impact report gives an increase of between 87 and 95 staff working at the site*
- *Currently there are 79 vehicle spaces this will increase to 87 and 36 cycle spaces*
- *The applicant applies an occupancy of 60% over a year, this must equally apply to the current use so there remains an increase in visitors as well as different use patterns expected.*

Applicant Response: Under the existing hotel operation there are a significant number of temporary staff who reside on the site. Typically, these tend to be young, seasonal workers, many who come from overseas. They do not have access to the leisure facilities at the hotel and we have been informed by hotel management that the staff do make use of the local sites in their recreation time. As stated, they are often from overseas and access the local area in the same way as a tourist may. They also have only basic accommodation with little ancillary space other than bedrooms. The local environs provide the only free resource for exercise and it is, generally, well utilised by the cohorts. Staff work irregular shift patterns, which often relate to meal times, for example, early start and early finish (breakfast and lunch) or late start and late finish (lunch to dinner and beyond), which gives them opportunity for local exploration and recreation. In addition, they do not have personal cars on site and therefore travel is restricted to public transport, this also has an impact on localising their leisure and recreation options.

Our view is that changing the model of the hotel from one where staff live on site to one where staff are employed on a more permanent basis from the local area should be considered a benefit in terms of reducing risk of recreational impacts on designated sites. It seems likely that if we were seeking to increase the numbers of staff living on site (rather than decrease them) then NE would want to include these people in any residential impact assessment rather than discount this element of impact altogether. We therefore consider their approach in this case to be at odds with their overall policy position.

Following redevelopment, staff will be recruited locally on a permanent basis and will therefore already be accounted for in the local community.

Revised DAS 13 Sept 2019

This gives two figures on p38, 162 beds and 324 bed spaces. The capacity of the apartments is perhaps 278 bed spaces. But the hotel occupancy (2) is not consistent with the current hotel which is 2.6. If this is used then total occupancy is 342. The report lists 79 current car park spaces to rise to 87 with additional 36 cycle spaces.

Applicant Response: The difference between the number of 'beds' and number of 'bed spaces' is because each bed has two bed spaces (i.e. a double bed). It is likely that not all beds will be occupied by two people and therefore the bed spaces figure is a maximum. For example, a visitor will have to book a room in the hotel with a double bed or an apartment with at least two bedrooms, which would result in under occupation. This approach was set out in the Capacity Note (August 2019) appended to the ES Addendum.

The occupancy figure of 2.6 people (on average) per room for the existing hotel is an actual figure taken from the inventory, which is made up of: 63no family rooms (30no with a capacity of two adults and two children and 33no with a capacity of 2 adults and 1 child), 11no standard doubles and 32no single rooms.

The ratio of 2 people per bedroom that has been applied to the proposed hotel because all of the rooms within the new hotel are proposed to have a maximum of 2 bed spaces (i.e. they are all double rooms)

The existing hotel is of a very different design and layout to that proposed and includes a mix of bedroom sizes including some family rooms that contain more than 2 bed spaces. The number of bed spaces in the existing hotel has been counted up and there is an average number of 2.6 bed spaces available per room.

We are unclear why NE are suggesting that we apply a ratio of 2.6 bed spaces per room to the proposed hotel which would only have a maximum of 2 bed spaces per room. This would be inaccurate. Comparing the existing and proposed hotels is not 'like for like' and whilst this has been set out in submissions previously, NE do not provide a rationale or reasoning for their position.

Notwithstanding the above, the Capacity Note was provided to compare existing and proposed people on site using a methodology which adopts a realistic approach to under occupancy (derived in conjunction with the Hotel Management based on real world experience). This is because the proposal is based completely on two occupants per room and, inevitably, not all rooms will be fully occupied (for example where families are an uneven number and for single visitors). However, Table 6 sets out a comparison between the two with no adjustment and therefore provides a worst-case scenario where every bed space is occupied.

NE have failed to have any appreciation for the difference between the management of the hotel currently and the proposed resort's model of accommodation. The existing hotel, given its standard of accommodation, format and quality, is operated as a high-density budget destination (this is essentially a model of filling the hotel with as many people as possible) at relatively low rates. However, the proposal is for a high-quality luxury destination where space is a premium and rates are higher. Therefore, whilst there is more space and more facilities relative to the number of people on site, the guests will pay more for those services in a high-quality luxury five-star environment.

Appendix 5.2 Economic Impact

- *152 jobs in the operation of the hotel up from the current 65 (there are 57 staff rooms currently and 106 hotel rooms)*
- *At 1.31 the report gives a figure of 273 guests at full occupancy in the current hotel, occupancy in 106 rooms of 2.6 per room.*
- *After development the complex will have 30 hotel rooms and 63 apartments with a capacity of 328 visitors*
- *The capacity of the current hotel and staff is 273 plus 57 staff rooms = 269*

Applicant Response: It is not clear what inconsistency is being identified with these figures. The stated figure of 273 for full occupancy of the existing hotel (based on 2.6 bed spaces per room) is consistent with what is stated within the ES Addendum and other documents.

Whilst it is not clear, the maths in the final bullet point also appears to be incorrect. If NE are assuming only a single employee per room (some of the rooms are twin or double), the calculation set out would be 330 people on site and not 269 as set out.

To clarify, the Economic Impact report (Appendix 5.2 of the ES Addendum) was prepared in March 2019. There were some further revisions made to the detailed design in response to the consultees comments that took place leading up to the revised application submission in September 2019. We took the view that these revisions did not have a material effect on the overall findings of the Economic Impact report and as such it was not updated for the September 2019 submission. In response to consultee requests for a further level of detail on occupancy rates, a stand-alone document entitled 'Knoll House Hotel – Assessment of Occupancy Rates' (Appendix 5.1 of ES

Addendum) was submitted in September 2019. This was prepared following further dialogue with the resort management regarding current hotel arrangements compared with the proposed development. If there are any minor discrepancies between figures in various documents, such as existing staff numbers etc, it is this more detailed, more recent document which should be referred to. However, the documents are all broadly consistent when assessing the same accommodation mix (it has already been noted that the mix in the Economic Impact Report is slightly different, albeit not materially).

Framework travel Plan Sept 2019

- *It will establish 67 FTE jobs with up to 150 employees*
- *Onsite staff vary from 2 to 54*
- *No employees will be able to use the car park facilities*
- *36 cycle spaces will be provided on site*
- *Highest demand on a shuttle bus is 22*

Whilst these figures are apparently comparable to the current staffing levels there are some areas of concern such as the lack of capacity on site and in the provided bus both in the case of bus failure and also in the case of inclement weather leading to modal shift.

Applicant Response: Again, it is not clear what the consistency concerns are with these figures from these comments. The Economic Impact Report stated an estimated maximum of 152 jobs being generated and the Framework Travel Plan quotes 150 jobs. Clearly these are very similar forecast figures.

As detailed within the application, the way in which the existing hotel has been operating is not typical within the hotel industry in providing a large amount of residential accommodation on-site for staff, in a hostel style fashion. This is due to the seasonal nature of the historic trade, which is a correlation with the quality of accommodation and dining experiences but a lack of all weather facilities on site. It also directly relates to the budget for staffing and training (i.e predominantly temporary contract staff with limited training). It is not expected that a new hotel should provide dedicated bedroom capacity for staff. The new resort will offer a five-star luxury experience with a cohort of staff who are better trained and paid, and therefore able to afford and live off site. Given that hotels rarely operate at full capacity, in an emergency scenario, a staff member could utilise a spare room. This is an operational consideration which would be dealt with as an when such an issue arose. It seems unlikely that regular bus failures would occur and Framework Travel Plans are not typically expected to account for such scenarios. This has not been raised by the Highway Authority as a potential risk or concern.

Appendix 5.1 Capacity Note - August 2019

- *There is no definition of what the acronyms relating to apartment actually mean in the document. It is assumed that eg. 2B4P = 2 beds and 4 persons?*

Applicant Response: Yes, this is correct.

- *The documentation provided adds in a new figure of staff on site of 66 at full capacity but only 59 at peak season?*

Applicant Response: The Capacity Report (Appendix 5.1) provides a more in-depth analysis of the likely staffing levels at different points of the year, based on dialogue with the Hotel Management and actual occupancy figures. As stated on p3 of this report, a hotel or resort is unlikely to operate at 100%

full capacity even during peak periods. This is reflected in the predicted staff numbers required during the different seasons.

- *Hotel room occupancy of 2 is not accepted based on the evidence provided for the current hotel*

Applicant Response: As above, the design of the existing hotel and the proposed hotel are different and offer different numbers of bed spaces per room. Therefore, the ratio used in each case is different. This is the more accurate approach.

In addition, as set out above, the commercial approach and management of the existing hotel and the proposed redeveloped resort are different. The existing hotel is a high density relatively low-cost operation. Whereas the proposal will be operated as a high-quality luxury resort (five star) where a premium is paid for space and level of facilities. It should be noted that such a premium is only possible with the extent of services and facilities proposed. A reduction in high quality leisure facilities and dining options would have an implication for the delivery of a high-end product. There is a lack of appreciation of this in NE's response, which may explain some of the comments raised. It is not a like for like redevelopment (although in market position terms the Knoll House Hotel of its hey day did occupy a similar position within the then market, but the market has now moved on as social trends and expectations have evolved).

- *The tables do not take into account the 67 FTE staff to be employed in the people numbers on site (FTP)*
- *If it is assumed that there are 328 visitors on site and a further 67 FTE this gives a total of 395 people on site compared to 273 visitors and 57 staff at total of 330.*
- *As explained previously the actual number of visitors as opposed to staff does show a significant increase in the region of 51 to 69.*

Applicant Response: The purpose of Tables 5 and 6 in the Capacity Report (Appendix 5.1 of the ES Addendum) is to provide a forecast of how many people are likely to be residing on the site at any one time and with the potential to access designated sites for recreational purposes. The aim is to provide a baseline of figures with which to underpin the recreational impact assessment.

In the existing scenario, staff are living on site and therefore able to access designated sites within their non-work time (they have limited opportunity for alternative recreational activity, without travel on public transport). However, in the proposed scenario, staff will not be living on site and therefore will not be in a position to access designated sites from the resort (they will principally be reliant on the staff bus to travel to and from work and will live within the wider local area so will already be accounted for). Future staff numbers for the redeveloped resort have therefore not been included in the number of people residing on site as they won't be living there. It is not fully understood why NE would consider that staff who do not live on site should be included within a net residential increase figure for the purposes of assessing recreational impact. If these people are already living locally, they would not be contributing a net increase to recreational impact from working at the resort. If they choose to visit sites on the weekends, they would already part of the existing baseline impact.

We would welcome examples from yourself within the Council's area of other methodologies where non-residential employment numbers have been included in similar assessments in this way.

The tables show that when comparing the existing occupancy rates (including the staff residential on site) with the proposed occupancy (guests only), there will be a decrease throughout the year in the

number of people residing on site. Given this decrease, our ecologists do not consider that there will be a net additional adverse impact on the designated sites.

If the existing residential staff numbers were to be excluded completely as NE suggest; the additional guest numbers range from an estimated 27 in the low reason to 55 at full capacity. In the context of all of the additional ecological enhancement proposed to be embedded within the redeveloped resort, it is still considered that the increased recreational impacts at these levels would be negligible.

Kingfisher's intention is that with all of the ecological enhancements proposed (summarised on the plan at Appendix 4.1) put in place, there will be net benefits through an overall improved understanding of the ecology of the area both for staff and guests.

2. Occupancy Type in the application

NE comment:

Natural England advise that the proposed change from a Hotel use to a mixture of hotel and C3 uses is contrary to Local Plan policy in the Local Plan as well as the Dorset Heathlands Planning Framework 2015 - 2020 SPD advice within 400m of specially protected heathland sites.

Information provided in the CIL liability form dated 11/10/2018 and email correspondence dated 3/12/2018 confirm the applicant and authorities view that the development constitutes 8023 sqm of market housing/additional dwellings. It is now Natural England's understanding that the proposal represents additional dwellings in use class C3 compared to a current hotel which falls into use class C1. The additional dwellings total some 63 residential units. This application is therefore contrary to the adopted Local Plan policy DH as well as the guidance set out in the Dorset Heathlands Planning Framework 2015 - 2020 SPD.

The SPD does not set out a need for generic mitigation measures for new Hotels, individual applications are considered on a case by case basis with particular scrutiny focussed on any proposals within 400m. Beyond 400m hotels are not generally required to secure mitigation relating to the Dorset Heathlands because the SPD advice focusses on residential developments or tourist developments which are self-catered. This application therefore falls into the type involving self-catered facilities where impacts are directly equivalent in effects generated to C3 development.

Applicant Response: The first part of this comment implies that the NE thinks that the applicant is seeking a permission for primary residence housing under C3. However, the second part of the comment describes the application involving self-catering facilities. Therefore, the objection that is being made here is rather unclear.

As you will be aware, self-catering holiday accommodation is typically considered to fall within planning use class C3 with restrictive conditions and covenants subsequently applied. This is a long-standing accepted planning approach for tourist accommodation supported by case law. The applicant has made it abundantly clear within the ES Addendum that the units are not intended to be used as primary residence market housing. In addition, the application submission also makes it clear that the C3 accommodation will remain managed by Kingfisher as part of the resort. Whilst residents will have some self-catering facilities, they will be encouraged to use the two forms of dining (and other casual dining options) within the proposal. The provision of a 'self-catering' element is to provide flexibility to families. However, it is not envisaged that guests staying in a high-quality resort will want to cook for themselves on anything other than a very infrequent basis. However, they may well want to take advantage of a private dining experience in their own villa or apartment. These assumptions are based

upon the applicant's experiences in similar resorts they have developed and operated in the UK and Europe.

Paragraphs 2.10-2.12 (p12) of the ES Addendum specifically addresses this point as this comment was previously raised on the first round of consultee comments. It states as follows:

2.10 The villas and apartments will be rented as holiday accommodation and will not be able to be used as market housing for principal residence. The apartments and villas will remain under the control and operation of Kingfisher. The cost of renting out the self-catering apartments per night/week and the nature of the accommodation means that it is considered highly unlikely that guests would seek to retain the accommodation on a long-term basis in the form of a second home.

2.11 A condition will be placed on the planning permission by the Local Planning Authority to prevent the accommodation units from being used as a primary residence in perpetuity (i.e. permanently). This is a common planning approach for self-catering holiday accommodation.

2.12 The villas and apartments will have kitchens or kitchenettes. However, these units will function as part of the resort. Guests will 'check-in' and the use of the resort facilities will be promoted, including the catering options. The villas and apartments will not function in the same way as a standalone self-catering cottage or house, they will form part of a holiday resort.

We note that the same approach was proposed as part of the "Silverlake" quarry redevelopment (ref. 1/D/13/001112) within Dorset Council area. However, in this case concerns were not raised by NE in relation to the C3 use class. It is a recognised approach to delivering resorts with a range of accommodation types.

The Officer's report for this application stated the following in relation to this matter (paragraph 14.1) (my underlining):

This application is explicitly being proposed as holiday accommodation; dwellings to be occupied for holiday purposes only and not as a person's sole, or main place of residence. This is a legitimate and well-established distinction in planning policy, and both Circular 11/95 - Use of conditions in planning permission - and the DCLG's Good Practice Guide on Planning for Tourism (2006) make clear that occupancy restrictions can be enforced through the use of conditions. Therefore, although it is understandable to be anxious about the potential for holiday accommodation to insidiously transmute into permanent accommodation that would not be a sound basis for refusing planning permission. If we are content that holiday accommodation is acceptable in all other respects then we are really obliged to rely on occupancy restrictions to enforce the distinction.

In relation to the CIL forms, as you may be aware there is not a box on the standard form that specifies 'holiday accommodation'. By offering a CIL contribution the applicant was simply following the Council's own advice. As per the Silverlake development we were advised by the Council that proposals for holiday homes normally attract a developer contribution equal to that required under C3 residential use class. It is misleading for NE to imply that by filling in a generic CIL form somehow this constitutes a backdoor way of seeking permission for market housing when this is clearly not the case.

3. Parking

NE comment:

The application also leads to an increase in both cycle storage and car parking on site. This raises concerns about increased recreational pressure both from off road cycling and also from visitors to other facilities combining access to the heathland etc with dogs. Natural England advise there should not be a net increase in car parking from the current level of 79.

Applicant Response: The number of parking spaces is proposed to increase from 79 to 87 spaces. It is considered this increase is *de minimis* and unlikely to give rise to significant additional recreational impacts as a result. The Highway Authority have already approved the Transport Statement, describing it as 'robust'. Nevertheless, the car parking spaces can be reduced down to 79 if that was required by the LPA. Alternatively, it can also be reduced to 83 as originally proposed with no objection from the Highway Authority.

The cycle storage provision is to bring the resort up to modern standard in promoting sustainable means of transport, for example for staff to cycle to work (amongst other sustainable travel choices, such as the staff bus), in line with Local Plan policy. In their response, the Highway Authority have described the proposed Travel Plan as 'commendable'. The provision is a response to transport policy, rather than an indication of recreational cycle storage. It is likely that the resort will offer some cycle hire, as they do now, but this is not a matter which can be controlled by planning policy.

Notwithstanding the above, the number of people residing on site remains the principal consideration in assessing impacts on the designated sites. There is no control over how existing people access the site and, therefore, if there is a net reduction in people residing on site with better access to sustainable transport modes this indicates opportunity to reduce impacts. In addition, the proposal was subject to an EIA Screening and Scoping exercise and there was no request from NE to consider air quality or eutrophication impacts and potential effects from vehicular movements. It is recognised that eutrophication is raised by NE in the context of drainage and this is considered further below.

4. Cats

NE comment:

The applicant has proposed a covenant to restrict the keeping of cats (Proposed Ecological Enhancement Plan, App 4.1), this has been reviewed during Appeal Hearings and it does not provide sufficient certainty. There are no monitoring or enforcement mechanisms which would allow the authority to take action should an infraction of a covenant occur. This is therefore an ineffective mitigation mechanism and must be discounted

Applicant Response: This comment is noted about enforceability however it seems perverse for this measure to be discouraged when clearly there are likely to be net biodiversity benefits from the applicant implementing it. The applicant still intends to include this within their ecological enhancement plan and can control this through site operations as is common practice for holiday resorts.

5. Woodland Walk

NE comment:

The applicant has proposed a woodland walk as a mitigation measure, the length of route provided and specification is not set out, however it is unlikely to deter access to the extensive countryside

Studland Heath and beach or Godlingston which has a direct path from the west side. This measure is considered to be ineffective in this location.

Applicant Response: It was anticipated that the details of an improved circular woodland walk would be included as part of a Woodland Management Plan to be secured via condition. However, if required, these details could be provided up front.

It is not understood exactly why this measure is considered by NE to be ineffective when similar types of measures have been encouraged in many other locations within the Council area and also when the full specification of the route is not available to comment on. Appendix A within the Dorset Heathlands SPD (2015-2020) provides a long list of locations where new and upgraded routes and circular walks have been proposed as mitigation measures.

It is contended that providing a guided woodland walking route, on the doorstep of the resort will provide an alternative route for walkers, particularly those with young families.

6. LVIA Dorset AONB

NE comment: *Given the previously unexpected appearance of the glass box feature Natural England seeks clarification that there will be no access onto the green roof of building D which is a flat roof? The impacts of seating, perimeter fencing, awnings etc may need to be considered. The landscape masterplan shows features present.*

Applicant Response: The glass roof feature has been removed from the proposals as stated within the revised submission. There is no intention of providing visitor access to the green roof. The intention of the green roof is to provide biodiversity and landscape benefits. It is unclear why this measure is not welcomed as a benefit in this context.

Refer to separate response letter regarding AONB comments.

7. Land Ownership Considerations

NE comment: *Natural England understand from the National Trust that land outside of the redline application area is leased to the applicant but that the lease terminates in September 2020.*

Applicant Response: Kingfisher Resorts are in the process of agreeing their lease extension beyond September 2020 and have a statutory right to renew it. It is incorrect and inappropriate of NE to imply the lease will not be renewed and that that should be a planning consideration.

The delivery of mitigation measures can be secured through planning conditions (potentially Grampian conditions where required) and legal agreement in the usual way. In the eventuality that the proposed measures could not be delivered than the development would not proceed.

8. Proposed Ecological Enhancement Plan (App 4.1)

NE comment: *The removal of non-native invasive species from the woodland is welcomed as is the creation of glades. Natural England advises that the area of SAC and SPA performs no function essential to the application and it should be relinquished to the National Trust who are the owner.*

The same general comments apply for the Ecological enhancements outside of the application site, these are unlikely to be within the control of the applicant after 2020 because the lease expires. Hence neither the woodland management of dog exercise/training area may be considered as secure measures.

Applicant Response: As above, the applicant has a statutory right to renew their lease and are in the process of doing so. Agreed mitigations can be secured via condition/legal agreement in the usual way. It is not clear from this comment whether the principle of a dog exercise area is welcomed or not by NE. Within Policy SE of the PLP1 areas where dogs can run freely off the lead are promoted as part of SANG mitigation.

9. Woodland Management Plan App 4.4

NE comment: *The general objectives for the two compartments are acceptable to Natural England however the area lies outside of the applicant's ownership. Natural England advise the authority that the preferred option for the woodland in Compartment 1 would be to establish a mixture of broadleaved woodland and heathland through the removal of non-native shrubby and tree species as well as gradual removal of pine trees which is in line with the owners intentions.*

If this matter is resolved a planning condition securing the production of a costed Woodland Management Plan covering 25 years should be required.

Applicant Response: As above, the applicants have a statutory right to renew their lease and are in the process of doing so. The applicants agree to the provision of a costed Woodland Management Plan via condition.

10. Planting Schedule Overview 4/9/2019

NE comment: *Natural England object to the proposed planting of EM6, chalk meadow mix. This part of Dorset is dominated by acidic low nutrient conditions, any habitats created should tie in with the local biodiversity rather than introduce a typical plant mixes. It should be noted that the soil type present will need substantial modification to achieve such species in the long term. In addition, Natural England object to the use of *Amelanchier lamarckii* in the formal planting areas, this species is known to be locally invasive into heathland soils where it is difficult to eradicate.*

Applicant Response: These matters can be easily resolved through adjustment of the proposed planting schedule which can either be updated now or submitted via condition as required.

11. Surface Water - Knoll House Hotel Drainage Strategy (260799-KHH-REP-DR-0002) 14/11/2019

NE comment: *The current drainage strategy shows attenuation of flows to 2L/sec and 21 L/sec (1:30 yr) straight into a pond which is within the designated sites. Whilst it states that the flows have been calibrated for 1:100 year + 40% for Climate Change there are no details of what a 1:100 year event flow might be or where excess water might go.*

Applicant Response: Section 5.2 of the Drainage Strategy summarises the details of a 1:100 yr event flow. We are proposing to discharge off site at greenfield runoff rates for a 1 in 100-year event including 40% for climate change. This meets current legislation and if this surcharges it will be retained in low points on the site and not flow off site (as detailed within Section 5.4). The Lead Local Flood Authority have expressed their satisfaction with these rates and do not offer an objection to the proposals.

NE comment: *Natural England advise that simply discharging 21l/sec down a piped gradient will cause significant effects such as silt release/scour etc if there are no control structures at the discharge point. There is no silt or oil interception, no maintenance regime proposed for all elements and no consideration of the potential adverse effects of enriched water with a higher pH on the acidic communities in the designated sites. In the absence of such details it is clear that there could be accidental pollution which is not capable of being managed or controlled but simply runs off the applicant's site into the designated sites.*

Applicant Response: Detailed design can mitigate the flows at the outfall edge but discharging into a pond at greenfield runoff rates is unlikely to cause any scour when designed correctly. Oil interception, siltation and water pollution are all dealt with within the SuDs on site and these aspects will all be dealt with at the detailed design stage in the usual way (refer to Section 5.5 of Drainage Strategy).

In practice the discharge will not have any greater impact than the existing site. However, the drainage system and associated attenuation will be designed to modern standards having greater control over discharge rates, delivering betterment.

NE comment: *It is noted that the report states that "Resilience and redundancy of this system should be considered in greater detail at the next stage in consultation with Wessex Water." Natural England advise the authority that on the basis of the available information and the noted pollution events (over 36 per year on occasion) that this matter needs to be resolved now so that the authority may take a view. The pumping station lies between the designated sites and land in the ownership of the National Trust so options for a larger facility are very limited.*

Applicant Response: Wessex water have already confirmed they have capacity to accommodate the proposed development. NE would need to discuss with Wessex Water directly if they have concerns with the current operation of this pumping station as this is a third-party asset and not within the applicant's control.

NE comment: *The layout plan 0163_451 shows the use of permeable paving to encourage infiltration. This is welcome however Natural England advise that this measure for avoiding polluted surface water run off does need a maintenance regime for the duration of the project, eg in perpetuity or 80 years.*

Applicant Response: The proposed maintenance regime is detailed in section 7 of the Drainage Strategy. Full maintenance and management details for the surface water sustainable drainage scheme would be submitted via condition in the usual way as per the Lead Local Flood Authority's response.

12. Flood Risk assessment 14/11/2019 4.2.4

NE comment: *Natural England is aware of the overflow of sewage from the pumping station to the west directly into the designated sites. With an increase in occupancy from the development it is difficult to see how current discharges will not increase due to increased volumes.*

Applicant Response: Wessex water have already confirmed that they have capacity to accommodate the proposed development. NE would need to discuss with Wessex Water directly if they have concerns with the current operation of this pumping station as this is a third-party asset and not within the applicant's control.

NE comment: *It is proposed to discharge surface water directly into a watercourse which flows through and into designated sites, this is not acceptable as there will be enrichment and pollutants from the surface water.*

The plan SK-FW-0001 shows all foul water drainage to the nearby Wadmore Lane Pump House. This regularly overflows into the designated sites and watercourse. Natural England has advised the authority and applicant that a remediation/avoidance plan should be drawn up. At this time there is no information about additional expected flow rates in-relation to the capacity at the station.

Natural England advise that issues around surface and foul water management may be addressed but require a more proactive approach with the National Trust and Wessex Water. At this time Natural England conclude that there is a likely significant effect on the designated sites which is not shown to be avoided or mitigated.

Applicant Response: As set out above, Wessex water have confirmed that they have capacity for the proposed development.

With regard to the management and maintenance of the drainage system proposed, this is set out at Section 7 of the Drainage Strategy.

The Drainage Strategy also sets out measures for pollutant control from surface water runoff through the SuDS strategy. This will include provision of a 'treatment train' to aid removal of any pollutants (such as from possible hydrocarbons from roads). In addition, the system will be designed to enable testing of discharge quality. This is not controlled currently and no measures are in place to treat runoff. The proposed strategy will offer betterment in terms of both discharge rates and water quality.

13. Appropriate Assessment

NE comment: *Natural England advise your authority to undertake an Appropriate Assessment of the application as is required under Reg 63. At this time however Natural England advise the authority that the lack of information alone would be sufficient to determine the application in accordance with the regulations.*

Applicant Response: Whilst acknowledging this is a well documented ecological matter in this area, our ecologists have advised that given the proposals involve a similar or slightly decreased number of people residing on site at any one time, any net impacts on designated sites would be *negligible*. As set out within Focus Ecology's updated HRA Screening Opinion (September 2019), they consider it unlikely that the proposals will cause any significant effects on protected sites and as such an Appropriate Assessment is not required.

However, as discussed, if the Council consider that an Appropriate Assessment is required we would be willing to provide a factual evidence report to inform this process and will continue to engage positively with all parties to develop an appropriate package of mitigations. In advance of this we suggest that common ground is reached with the Council in terms of comparisons between existing and proposed visitor numbers to ensure an agreed baseline is used.

It would have been helpful if NE could have listed the specific items of additional information they require as part of this comment.

14. Biodiversity Mitigation Plan

NE comment:

The applicant has submitted a BMEP, the authority should ensure that this is up to date and that the NET has issued a certificate prior to any approval. Natural England note that a number of measures proposed fall in the area currently leased by the National Trust which runs out at the end of 2020, these cannot be secured at this time.

Applicant Response: The revised BMEP was submitted to the Natural Environment Team as part of the revised application submission. As detailed above, the lease is in the process of being renewed therefore it should not be assumed that the measures cannot be secured.

It also considered important that the LPA recognise that the proposal affords the LPA and Natural England a major opportunity to bring about significant ecological benefits through secure management of the site and wider landscape as well as a wealth of integrated and targeted biodiversity benefits associated with redevelopment. These ecological gains align strongly with the requirements of the current NPPF (including paragraphs 170 and 175) as well as the ambition of the emerging Environment Bill 2020. There are no guarantees that these benefits would be realised other than through the development management process.

In order to move forward, in response to this letter it is respectfully requested that the planning authority now provide the applicant with the LPA's view on these matters.

We look forward to discussing further with you.

Yours sincerely



Ben Read MRTPI
Director

Appendix 4:

**Natural England Meeting Note, 21st April 2021 (also at
CD1.062 Annex 6)**

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9405: KNOLL HOUSE HOTEL, STUDLAND

MEETING NOTE – NATURAL ENGLAND (DISCRETIONARY ADVICE SERVICE)

Attendees:

John Stobart (Natural England) **JS**
Andrew Nicholson (Natural England) **AN**
Ben Read (Black Box Planning) **BR**
Jane Fuller (Black Box Planning) **JF**
Dominic Farmer (Ecology Solutions) **DF**
Robbie MacKenzie (Ecology Solutions) **RM**

Date of meeting: 6th April 2021 (via MS Teams)

Purpose of meeting

1. The purpose of the meeting was to discuss:
 - The consultation response letter received from Natural England (NE) dated 22nd January 2021 in relation to Dorset Council (formerly Purbeck District) planning application ref **6/2018/0566**, redevelopment of Knoll House Hotel, Studland and to consider opportunities to resolve outstanding matters.
2. This note sets out NE's consultation response (as stated in the 22nd Jan letter) in bold and italics below, with the advisory meeting discussion set out below.

Extract from NE letter:

Summary:

- ***“Natural England cannot conclude that there will not be an adverse effect on the integrity of the designated heathland sites, SPA, SAC and Ramsar which surround the application site arising because of increased recreational related pressures which may not be readily avoided or mitigated because of the proximity of the designated sites.***
- ***Natural England advises that the adverse effects from predominantly C3***

apartments with self-catering facilities will be greater per group of visitors than for the current Hotel use, the applicant confirms that the level of visitor occupancy will be higher throughout the year.

- **The applicant has not confirmed how they will provide mitigation for increased nutrients entering Poole Harbour SPA, Ramsar, information relating to the additional nutrients arising should be supplied.**
 - **The applicant will need to confirm how the proposal will avoid harm to Poole Harbour SPA Ramsar in the light of the Poole Harbour Recreation SPD.**
 - **The applicants evidence concerning the proposal is becoming clearer, there are increases in basic levels of tourist occupancy as well as capacity for other visitors who will use enhanced facilities. These basic figures need to be confirmed with the authority and applicant to inform the authority about levels of mitigation related to occupancy levels which may be needed.**
 - **The veracity of the Visitor Survey evidence is called into question, both in the professional competence of those carrying it out and in the methodology used.**
 - **The C3 use proposed is contrary to Local Plan Policy.**
 - **Both Natural England and the AONB Team advise there are significant adverse effects on the Dorset AONB in both the short and long term, the application may be considered by the Council as a major development which can affect how the application is assessed under the NPPF.”**
3. **DF** introduced the meeting by raising the central issue of disagreement with NE with regard to hotel occupancy figures pre and post development and the need to agree common ground on occupancy numbers in order to move the determination of the application forward.
 4. **JS** expressed concerns with regard to the policy principle of the conversion of a C2 use class hotel to a resort that in NE’s view would include a net gain in C3 units and pointed to the Dorset Council SPD with reference to development ‘not permitted’ within 400m of heathland areas. **JS** stated that guests are likely to stay longer in C3 accommodation, compared with C2 and subsequently explore the local area more. While the provision of C3 accommodation is also considered more likely to lead to the provision of permanent open market apartments in the future if the hotel were to fail.
 5. **BR** referred to the Operations Report that has recently been prepared and sets out that the C3 units will function as part of the resort, rather than independent units. This will be controlled by planning conditions which are commonplace. Further provisions to control this were considered later in the meeting (see below).
 6. **DF** raised the fact that on-site staff should be included as part of the baseline occupancy numbers of the hotel and that this should be accounted for within

the C2 to C3 proposed use change. Overall, fewer people will be residing on site in total in the redeveloped resort scenario.

7. **JF** directed NE to the latest Purbeck Local Plan position (Proposed Main Modifications following examination – Dec 2020) that does not explicitly prevent the principle of a change of C2 use to C3 use within 400m of heathland. As a general principle, under Policy E8, net increases will not be permitted however the policy allows for exceptions in circumstances whereby it can be demonstrated that the type and occupier is restricted in perpetuity to those who would not have an adverse effect. The Local Plan policy states that (Inspector's proposed modification in bold):

“residential development involving a net increase in dwellings or other uses such as tourist accommodation and equestrian-related development:

- *will not be permitted within 400 metres of heathland, as shown on the policies map, unless, as an exception, the type and occupier of residential development **is restricted in perpetuity to those who would not have an adverse effect upon the sites' integrity (e.g. nursing homes such as those limited to advanced dementia and physical nursing needs) with the exception of Corfe Common;** and*

8. **BR** brought up the policy using the screen sharing facility. **AN** stated that he considered the term 'exception' to equate to development built with 400m that does not have an effect upon the heathland and does not consider a hotel refurbishment to qualify as 'exceptional'. However, **JS** later commented that National Trust ownership of the land, given their alignment of values with Natural England, as well as the legal covenant within the National Trust lease over the land (that would prevent the land reverting from tourism to primary residential) could form part of an argument that this case could be considered as an exception.
9. With regard to occupancy rates, **JS** stated that his concern was principally around the self-catering element as opposed to the overall numbers. If the proposal was all for C2 use then it wouldn't be perceived as a net increase when compared within the existing site, taking in to account the residential staff numbers. **JS** stated that the occupancy rates are really something that the Local Planning Authority (LPA) as the competent authority, should be assessing rather than NE and that he will therefore encourage them to do so (i.e. if the LPA is content then NE are content on the occupancy figures).
10. There was discussion around the challenges in trying to compare existing staff and visitor recreational behaviours with the new visitor demographic following the redevelopment. **BR** explained the increased self-containment model proposed, in terms of the proposed new luxury facilities and services that would retain visitors more on site than in the current scenario. **JS** said that the NE would go back and review the initial visitor survey undertaken and advised that a further visitor survey would be problematic given the pandemic and unpredictability of current behaviour.
11. **JS** advised that a new survey of the existing on-site residential staff behaviours in term of their usage of the heathland would be a useful data collection exercise and suggested that as a minimum the following information would be useful:

- Which circular walks were used;
 - What the staff know about the heaths and which areas to avoid;
 - How often the staff visited the heaths;
 - How much time spent on the heaths; and
 - Which points of access were used.
12. **DF** agreed that he would provide a draft of the staff questionnaire to **NE** for comment, to prevent being criticised on methodology as had occurred with the previous visitor survey.
 13. **JS** questioned why a figure of 2 persons per room was used in the occupancy figures as opposed to 2.6 for the existing hotel. **BR** explained that the existing and proposed bed spaces had been counted up and compared. The new hotel will only provide a maximum of 2 bed spaces per room. **NE** accepted this approach.
 14. **JS** questioned how many parking spaces were proposed and stated that it would be preferable to offer the same amount of parking as existing rather than increase parking provision. **BR** explained that it had already been offered to **NE** that parking space provision could remain at 79 spaces as existing and highways had accepted this.
 15. **JS** asked about whether the on-site staff are permanent or temporary and stated that detailing an average staff occupancy over the year would be helpful. **JS** said it was an interesting point that on-site staff did not have access to cars and would therefore be likely to seeking local leisure activities.
 16. There was discussion about proposed controls over pets in the redeveloped resort. **BR** explained that cats would not be allowed but dogs would continue to be allowed. **AN** raised concerns about dog walking on the heaths and perceived that generally guests are more likely to bring a dog while staying in C3 accommodation, as opposed to C2. **AN** highlighted that the current on-site staff were not likely to be allowed dogs and that dogs would have a greater impact upon the statutory site than people alone. It would be helpful to provide an estimate of existing and proposed dog occupancy. **DF** suggested asking if staff kept dogs as part of the staff questionnaire to check if **AN**'s assumption of their not keeping dogs were correct.
 17. Discussion around what environmental betterments could be included. **DF** explained that 9ha of land around the hotel were included under the lease whereby improvements could be delivered such as boundaries, education info, promoting alternative walks, designated dog walking area, woodland management etc.
 18. **AN** outlined proposed restoration works to a mire located within the Dorset Heaths SPA/SAC to the northwest of the site. It was highlighted that there is a direct access point to this part of the SAC/SPA from within the adjacent woodland to the hotel (within the blue line) and it would be preferable if this access point is removed to make accessing the heathland at this point more difficult. **AN** also commented that it would be helpful for the client to infill the ditches within the woodland which would aid the restoration of the mire and could be done at a relatively low cost, using onsite spoil to fill the ditches. **AN**

agreed to share information and location plan of the proposed mire restoration works and its location.

19. **AN** commented that the area within the blue line to the east of the site, currently used as a small golf course, has developed into a more heath-like habitat over time. As such, it could be used as a potential foraging ground for birds such as Nightjar. **AN** recommend that an appropriate management regime of this area is implemented and see it as a great opportunity to restore priority habitat for species such as Sand Lizards.
20. Discussion around the implications for the Poole Harbour SPA/SAC with regards to nutrients and potential for contributions in accordance with the SPD. **JS** stated that new guidance is soon to be released for phosphorus and nitrate calculations, which can be used if a net increase in nutrients is expected to arise as a result of the development. **DF** explained that given we are not proposing a net occupancy increase we considered that we would be nutrient neutral.
21. In relation to recreational pressure on Poole Harbour SPA/SAC, **AN** highlighted that a net increase in recreational pressure is likely, given that the current on-site staff do not have vehicles so are unlikely to have an impact, in comparison to a proposed increase in guest numbers. Therefore, effects upon this SAC/SPA should be calculated separately to Dorset Heaths SAC/SPA. **AN** confirmed any increase in nutrients and/or recreational impacts to Poole Harbour SAC/SPA can be offset through financial contributions.
22. The following were agreed as actions and next steps:
 - **JS** to communicate to the LPA about occupancy rates being for the competent authority to assess
 - **JS** to review existing Visitor Survey already submitted
 - **DF** to provide NE with a draft of a staff survey for comment
 - **AN** to provide plan and background information in relation to proposed mire restoration project
 - **BR** to discuss with Kingfisher potential for Golf Course area ecological management strategy and potential for controls over dogs

ANNEX 7

Black Box Planning Response 8th November 2021

Appendix 5:

BBP Letter to Dorset Council, 12th January 2022

12th January 2022
BR/ref



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Dear Andrew,

Application Reference: 6/2018/0566 KNOLL HOUSE HOTEL, FERRY ROAD, STUDLAND

I write further to recent discussion regarding the above planning application and receipt of a the response from Natural England, dated 14th December 2021. Generally, these latest comments have advanced the issue relating to the potential for significant effects on the designated sites in proximity to the application site. This progress is welcomed.

However, there continues to be disagreement between Natural England and the applicant in respect of the occupancy numbers relating to existing and redeveloped scenarios, which has the effect of 'triggering' whether there is potential for a likely effect on the designated sites in proximity. In practice, this directs whether the nature conservation measures being proposed by the applicant as part of the development are considered to be 'enhancements' or 'mitigations'. It is the applicant's position that this differentiation is of little consequence given that they are measures being proposed in any event. Similarly, in the context of the Habitat Regulations, it is recognised that Natural England consider that the mitigation measures proposed, which are also consistent with those they sought in their email, dated 29th October 2021, can address the potential effects, albeit that they do not consider that the measures can be secured. This recognition is considered to be a step forward and enables the issue of contention, which is the potential for adverse effects on the designated sites protected by the provisions of the Habitat Regulations, to be addressed.

The applicant has proposed Heads of Terms to incorporate the mitigation/enhancement measures within a bilateral s106 Agreement. In doing so, it will be necessary for all those who have an interest in the land (including both the applicant and the National Trust) as well as the Local Planning Authority to be signatories. Natural England, helpfully, acknowledge this approach at pages 4 and 5 of their Response. I would welcome comments from the Local Planning Authority on this matter and also the Heads of Terms previously sent. I attach the same at Appendix 1 of this Letter for your assistance. I also request that the LPA provide comment on any further planning obligations which they consider appropriate in the context

of the proposed development generally. The applicant is content that such obligations be secured where they satisfy the statutory tests set out at CIL Regulation 122.

In light of the above, Natural England's updated comments are welcomed in principle. However, there continue to be a number of assertions which are unclear, seemingly conflate issues and are inconsistent with previous advice, or not derived from balanced or objective assessment. In the first instance, the applicant would welcome confirmation that their submissions (aside from the main application submissions) have previously been sent to Natural England and whether they have been acknowledged as read, the approach to the response indicates that there has been little regard to them, including:

- Knoll House – a Five Star Resort – Operations Report (also referred to as the Accommodation Report) prepared by Kingfisher, dated March 2021;
- Black Box Planning letter, dated May 2020; and
- Black Box Planning Letter, dated 8th November 2021.

These submissions also direct the reader to other documents previously submitted, which are also of relevance. I do appreciate that there is a large quantity of information submitted alongside the planning application and it would be understandable if Natural England had not read all of it or have misinterpreted certain elements. To this end, we have offered open dialogue with them, and continue to do so, in order to clarify matters. This has not been taken up in recent months and I have not received any response to two recent requests to meet in order to discuss matters. It is also recognised, and Natural England have previously acknowledged, that hotel occupancy is not a matter they have experience of and have sought input from the LPA accordingly. This would also account for the vague assertions made.

Notwithstanding the above, for assistance, please find attached, at Appendix 2, a table setting out the comments raised by Mr Squirrel in the most recent Natural England response, the applicant's response and also a blank column for the LPA to provide input on their position/view on these matters. I would be grateful to the LPA for completing this table. In doing so, it would help to establish common ground or identify matters which remain in dispute.

Alternatively, and in advance of presenting the application to planning committee, should the LPA recognise that the impacts identified by Natural England are capable of being mitigated by the measures included in the Heads of Terms at Appendix 1 and consistent with those recommended by Natural England, I would welcome confirmation. It is recognised that any confirmation would be contingent on the completion of a S106 Agreement to secure them, to be executed in advance of any planning permission being issued, as is common practice. This would include negatively worded clauses that would require provision prior to any development being commenced (or suitable alternative triggers to be agreed). Similarly, the provision of such an Agreement and securing the measures may also be relevant to the completion of an Appropriate Assessment, also required before any planning permission be granted. To this end, the applicant, alongside their Ecological Consultants (Ecology Solutions) have previously offered to assist by way of preparing a shadow HRA. This offer remains.

Finally, I think it also pertinent to re-iterate that the proposed development provides an opportunity to regularise and control the occupancy of the proposal moving forward. The applicant has been agreeable to the inclusion of measures to do so. This should be considered in the context of the existing, unregulated, situation whereby the site is operated on a high intensity basis utilising aging and inefficient building stock. If redevelopment is not secured this situation will continue unchecked. This is a lawful fallback position which has seemingly not been acknowledged by Natural England in their assessment. This issue is also relevant to the merits of the proposal, which are substantial at a time when investment in local jobs opportunities is critically important.

I hope that the information set out above is of assistance and I would welcome the opportunity to discuss matters further once you have had a chance to consider.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ben Read', enclosed in a thin black rectangular border.

Ben Read MRTPI
Director

Appendix 1:
S106 Heads of Terms, in respect of nature conservation
measures only

Knoll House Hotel – Heads of Terms



November 2021

App Ref: 6/2018/0566

Introduction

These Heads of Terms have been prepared in conjunction with the planning application which seeks the redevelopment of Knoll House Hotel to provide:

- A 30 bedroom hotel;
- 41no holiday apartments;
- 6no holiday villas;
- 16no holiday maisonettes; and
- Associated facilities.

The proposed holiday units will be delivered in conjunction with a proposed planning condition restricting their use to holiday accommodation.

In all cases planning obligations should satisfy the three tests set out in CIL Regulation 122 and National Planning Policy Guidance, in that they must be:

- necessary to make the development acceptable in planning terms;
- directly related to the development; and
- fairly and reasonably related in scale and kind to the development.

In this case the planning obligations proposed are consistent with the three tests. However, the reasoning relating to the test of necessity differs between the applicant and Natural England. The applicant has proposed a number of the planning obligations, given the sensitivity of the local area, in the context of matters relating to nature conservation, to deliver net gains. This is entirely appropriate and a matter which is weighed in the planning balance as part of the proposal. Accordingly, it would be necessary to secure the provisions by way of a planning obligation. Conversely, Natural England have sought the obligations to mitigate effects they consider arise by way of additional recreational pressure in the area. In such a circumstance, it would also be necessary to secure the obligations.

Planning Obligations

- The delivery of a scheme to secure and implement the provision of new open space for guests and visitors designed to cater for dog walking.
- The production of a Recreational and Habitat Enhancement Plan and to be delivered in accordance with the plan. This should include new circular walks from the new facility, along with designated dog walking areas along with heathland / acid grassland

habitat restoration management on the existing golf course. It should also include for the restoration of the mire and wetland habitat to the north west of the hotel.

- The preparation of a scheme for direct informal access from the hotel site to the adjacent heaths to be restricted through appropriate fencing. This should also be consistent with the Habitat Enhancement Plan, which includes for the mire restoration in this area.

Other Obligations to be secured if considered necessary:

- Appropriate SAMM contribution in line with the Heathlands SPD.
- Appropriate mitigation secured relative to the Recreation and Nutrients SPDs.

Additional measures also proposed by the applicant, to be secured by condition or obligation:

- Implementation of Woodland Management Plan;
- Informative signage in key locations, to be included on the Recreation and Habitat Enhancement Plan;
- Staff and Skills Strategy to include education about the surrounding area to form part of staff training;
- All rooms to be provided with Visitor Information Packs in relation to designated sites;
- Construction Environmental Management Plan;
- Not more than 30% of the rooms shall be made available to guests with dogs; and
- Not to permit the keeping of cats on site.

Appendix 2:
Response Tracker – Natural England (Letter dated 14th
December 2021)

Response Tracker – Natural England (Letter dated 14th Dec 2021)

| Ref. | Topic | Comment | Applicant Response | LPA Response (to be completed) |
|------|-------------|--|--|--------------------------------|
| 1 | Plan Policy | <p>Natural England object to the application which:</p> <ul style="list-style-type: none"> • Is contrary to Local Plan policy and would result in an increase of 63 C3 units within 400m of the designated heathland sites which will lead to a net increase in recreational pressure | <p>Disagree. The proposals are for the redevelopment of existing tourist accommodation on previously developed land. The proposals will not lead to a net increase in recreational pressure. Notwithstanding the dispute relating to the occupancy figures – and the extent to which staff are taken into account, NE have recognised that the impacts can be mitigated. The applicant considers that these measures, which are set out in the accompanying Heads of Terms (Appendix 1).</p> <p>Given the land is owned by the National Trust, the type and occupier of this site can be restricted in perpetuity (in accordance with Policy E8). A package of enhancement measures has been largely agreed that can be secured by S106 agreement which will run with the land to further prevent the risk of adverse impacts (and secure environmental betterments). The proposals clearly accord with other aspects of Local Plan policy in particular Policy EE4: Supporting Vibrant and attractive tourism.</p> <p>Such an approach is also consistent with emerging Policy E8 of the Local Plan Review.</p> | |
| 2 | Lease | <p>The applicant has not demonstrated that they can secure land necessary for mitigation in perpetuity because it is leased from the National Trust and thus is due to be renegotiated in March 2022.</p> | <p>Incorrect: As previously stated in applicant's letter of 11th May 2020:</p> <ul style="list-style-type: none"> • The applicant has a statutory right to renew their lease for a minimum of 15 years • The current lease has been rolled over - the only reason a new lease has not yet been agreed is due to the delays in determining this planning application. The new lease will reflect the terms of the planning approval. | |

| Ref. | Topic | Comment | Applicant Response | LPA Response (to be completed) |
|------|------------------------|--|---|--------------------------------|
| | | | <ul style="list-style-type: none"> • The mitigation can be secured in perpetuity via a Section 106 agreement which runs with the land as is the usual planning procedure. • National Trust will be signatory to both the S106 and the lease and can therefore ensure enhancements package is secured in perpetuity. • Given the provisions of the planning obligation in the s106 will be bound to the land in perpetuity, the provisions of a lease are of secondary importance in any event. • The NE response indicates that it is not the principle of securing the mitigation by way of a s106 which is of issue, but rather that the s106 will not be signed by the National Trust. The Agreement will need to be signed prior to the issue of any decision notice in any event and therefore there is no prospect of the scheme progressing without it in any event. • The comments from NE in respect of the lease are conjecture. This is a process being discussed with the NT and whilst not directly relevant to executing the s106, is a confidential matter. | |
| 3 | Occupancy rates | <ul style="list-style-type: none"> • Evidence provided is not suitable to establish a conclusive baseline of guests and staff use of the designated sites | <p>A Visitor Survey was submitted with the original application. NE was asked to confirm the methodology but unfortunately did not respond at the time.</p> <p>Following an NE meeting, a second Staff Survey was undertaken with questions agreed with NE in advance.</p> <p>Can NE/LPA specify exactly what further information is required ?</p> | |

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| | | | The baseline occupancy figures presented are based on existing (real) figures and, similarly, the proposed figures are based on bed spaces. | |
| 4 | Surface Water | <ul style="list-style-type: none"> • Surface water currently drains into the designated sites eg Littlesea | Noted. The redeveloped drainage strategy will provide a betterment. Not sure why this is listed as a reason for objection ? | |
| 5 | Securing measures | <ul style="list-style-type: none"> • Some mitigation measures are proposed and welcomed by Natural England however in many other areas potentially mitigating factors are simply asserted rather than secured | <p>A comprehensive package of environmental enhancements has been proposed and agreed in principle with both the NE, LPA and National Trust in a series of meetings.</p> <p>The mitigations cannot be formally secured until such time as there is a resolution to grant permission and a section 106 is signed as is the normal process. If they are not, the planning permission will not be granted.</p> | |
| 6 | AONB | Natural England concur with the views of the Dorset AONB Team that the visual impacts of the proposal, a major development, cannot be moderated and that far from enhancing the AONB the proposal will have adverse impacts. | Disagree – as set out within applicant’s Planning Statement Addendum (AONB Major Development), dated April 2020. | |
| 7 | Staff Survey | The applicant has provided a report surveying staff use, Knoll House Hotel Ferry Road, Studland : Staff Questionnaire Survey Report Aug 2021. Natural England provided advice relating to the content of the questionnaire in advance of it being carried out. Whilst the survey provides some useful information it has not allowed Natural England to adequately assess the adverse | Despite extensive consultation with NE and seeking to agree survey questions, it is still unclear precisely what further information would be required to address this point. | |

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| | | effects which are likely to arise from the proposal because of the previous surveys inadequacy. | | |
| 8 | Staff Survey | The data reported has not been presented in either a fully comprehensive eg raw data is omitted or appropriate manner eg use of % rather than actual numerical responses | <p>A Survey Report was submitted (August 2021). The report clearly states that 26 responses were completed therefore deriving numbers from the percentages is straightforward.</p> <p>Please clarify which 'raw data' has been omitted ?</p> | |
| 9 | Occupancy Rates | <p>Knoll House Hotel – Assessment of Occupancy Rates, Natural England has reviewed this information and is unable to reach a firm conclusion about current and proposed occupancy rates which have altered during the application process. There are gaps in the data presented for annual occupancy rates for example.</p> <p>What is clear is that the business model presented is just that and that the business objective will be to maximise occupancy as far as possible.</p> <p>This cannot be reasonably controlled or regulated by the authority to a no net increase were it currently possible to agree a seasonal level of occupancy.</p> | <p>Data on existing and proposed bed spaces was provided with the original submission in 2018. When the submission was revised in 2019 in response to the consultation comments, the scale of the development was reduced therefore the proposed number of bed spaces was also reduced. This is the reason why the rates were 'altered'.</p> <p>A Capacity Note (August 2019) was submitted providing a detailed breakdown of figures from the hotel's actual inventory. This was intended to show both maximum potential numbers but also the real world fluctuations in guest numbers staying over the year in the different seasons and also typical under-occupancy rates. Further clarifications were also provided within the applicant's letters dated 11th May 2020 and 8th November 2021. The assessment is based on a like for like basis.</p> <p>It is agreed that for precautionary purposes for the assessment of the planning application it is most appropriate to use maximum figures to show the highest number of people that could stay on the site at any one time in both the existing and proposed</p> | |

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| | | | <p>scenarios. This is a simple exercise of counting up the existing and proposed bed spaces which is repeated again below.</p> <p>Existing Hotel: 30 x family rooms (4 person capacity)=120 33 x family rooms (3 person capacity)= 99 11 x standard doubles (2 person capacity)= 22 32 x single rooms (1 person capacity)= 32 Residential Staff bedspaces = 66 Total existing bedspaces= 339</p> <p>Proposed Resort: 30 x standard double hotel rooms (2 person capacity) = 60 39 x two bed apartments (4 person capacity)= 156 2 x three bed apartments (6 person capacity)= 12 16 x two bed (4 person capacity) maisonettes)= 64 2 x two bed (4 person capacity) villas)= 8 4 x three bed (6 person capacity) villas=24 Total proposed bedspaces=324</p> <p>As shown above, the total number of bedspaces is set to reduce.</p> <p>It is important to note that there are no restrictions on the number of bedspaces or numbers of guests staying in the <i>existing</i> scenario. Therefore, in the fallback no-development scenario the <i>existing</i> hotel numbers could be even greater than those above.</p> <p>If consented, a maximum number of people staying on site could be controlled by way of a S106 obligation with the hotel required to retain a monitoring inventory of numbers staying, which they do as a matter of course anyway.</p> | |

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| | | | <p>The applicant wishes to make it clear that their business model is not set out simply to maximise numbers, it is to provide a high-end, high-quality experience. In reality due to under-occupancy and low-seasons the numbers of people staying will be less than the potential maximum at any point in time. However, this is proportionate with the existing fluctuations.</p> | |
| 10 | Use of facilities | <p>Knoll House Accommodation Report: the report provides some insights as to how the applicant anticipates the residents will make use of the facilities, however these represent expectations on users rather than behaviours which are evidenced and could be relied upon by the authority in relation to the tests under the Habitats Regulations. Whilst facilities are provided, it is for residents to determine how they make use of these or not. The report emphasises the need to retain expenditure within the resort, however at this location, with access to very high quality and iconic natural resources such as Godlingston Heath, Studland heath and beach adjoining and which have open access it is difficult to see how recreational use of these areas will not occur. The proposal sets out how residents at its other facilities make use of these on site activities with a clear intention of keeping residents on site. Information provided details use of onsite facilities such as dining alone. Natural England advise that residents are in no way constrained in accessing other nearby countryside and thus is not possible to</p> | <p>As detailed at comment 9 above, it is the applicant's contention that the overall number of people staying on site will be less than at present therefore there will be no net increased impact on designated sites.</p> <p>The improved facilities on-site will help even further to contain guests on-site compared with present. It is agreed that it is not possible to precisely regulate future behaviours however it appears a reasonable assertion based on the applicant's experience from other resorts. This is also asserted in the context of the existing scenario where there are fewer facilities and a business model which encourages people to explore the local area, including the heathlands.</p> <p>The new facilities are not presented as mitigation measures as such, merely described as an explanation of the difference between the format of the existing hotel (which also has no way of regulating behaviours) and that proposed.</p> <p>On balance, in this regard the new format is considered to provide a betterment than the fallback no-development scenario.</p> | |

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| | | reasonably control or regulate activities outside the application site to demonstrate no net increase in recreational pressure. | | |
| 11 | Staff use of designated sites | <p>The survey indicates a level of recreational usage by the staff which includes the nearby designated sites.</p> <p>A different scenario is proposed with staff living nearby but not at the site, there is no reason to anticipate that these staff would behave in a way differently to the current staff and some may travel to and from work across designated sites regularly.</p> | <p>As fully explained in the applicant's letter dated 11th May 2020, an entirely different staffing strategy is proposed. This is why the staff would behave differently.</p> <p>Currently staff come mainly from overseas and live at the hotel on a seasonal basis. Therefore, they are additional to the baseline users of local sites already living within the local area.</p> <p>Clearly staff that live on site are more likely to access designated sites using the hotel as their base and starting point in the same way as guests (i.e on days off or weekends) as opposed to staff that live elsewhere. This assertion is evidenced by the staff survey and the hotel management's own observations of current staff behaviours.</p> <p>There is to be an electric bus for staff provided. Given the location of the hotel, it seems rather unlikely that staff would choose to walk through the designated sites to get to work and back. NE have also previously indicated that staff living off site should be discounted from having an impact on the designated sites – why are they suggesting re-introducing this now? Similarly, existing staff living off site have been discounted.</p> | |
| 12 | Use of sites by guests | Natural England has no evidence to confirm that the type and level of use, hence impacts, on the designated sites by current hotel residents could be equated on a one | For the purposes of comparison, it would seem sensible to equate one existing guest with one proposed guest. Clearly in reality guest behaviours will vary. | |

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| | | for one basis to that of residents in apartments or villas. The SPD refers to self-catering units as a proxy for family occupancy and associated family recreational uses such as walking and off-road cycling. The applicant aspires to retain residents on site but cannot demonstrate this as a matter of certainty. | As set out at comment 10 above, the facilities on-site are not being presented as mitigation measures. However, clearly it is reasonable to assume that the presence of a range of high-quality facilities on-site will help to retain guests on site. This can be seen from simply observing any other holiday resort where good quality dining and leisure facilities are provided. | |
| 13 | Containment on site | The report provided by the applicant indicated that they consider the apartment guests will have minimal kitchenette facilities and hence the apartments and guests are not comparable in their holiday behaviour to visitors who are mainly self-catering with provisions from local outlets. In part the provision of fine dining and other services are argued as factors which tie guests to the application site. These assertions are not evidenced and certainly not secured by restrictions either on apartment modifications or on guests accessing the adjoining designated sites. | The layout and facilities within the self-catering apartments can be controlled by way of planning conditions in the usual way. Refer to responses at 10 and 12 above. | |
| 14 | Local Plan Policy/C3 use class | The information provided by the applicant confirms that the villas and apartments will fall under the C3 use class and therefore the application is contrary to the Local Plan policy of no additional C3 use within 400m of designated heathland sites | This is an incorrect reference to the policy wording. Refer to precise wording of Policy E8: Dorset Heathlands (latest proposed main modifications version). Conflict with policy is derived by virtue of adverse impacts, which does not distinguish between residential development and other tourism accommodation. | |
| 15 | Recreational effects | The applicant has not provided evidence to show that the current hotel use will not give rise to increased and additional recreational effects. | Refer to response 9 above. It is understood that NE only reach this conclusion because they consider that the mitigation, they | |

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| | | | recognise as acceptable, cannot be secured. See pages 4 and 5 of NE response – Securing mitigation and moderation measures. | |
| 16 | Initial visitor survey | The initial visitor survey is wholly deficient in both methodology and reliability and does not represent the best available information which should inform decisions under the regulations. | Disagree. Notwithstanding this, the comment is extremely frustrating given the attempts made to engage with NE, but they declined to respond. Unfortunately due to the pandemic the hotel has not been in a position to undertake further guest surveys given the periods of closure. | |
| 17 | C3 use class | As set out above Natural England is very concerned about the proposed change of use from C2 to C2/C3 in the form of 63 units all within 400m of the designated sites. | <p>Please clarify whether NE mean C1 or C2? A hotel falls within a C1 use. C2 uses relate to residential institutions.</p> <p>The applicant has repeatedly stated that the proposal is for tourism accommodation as stated within the description of development. This point was addressed in detail within the applicant's letter dated 11th May 2020.</p> <p>It is commonplace within planning for self-catering tourism accommodation to be controlled by use of occupancy restrictions.</p> <p>The Accommodation Report provides a number of Resort Case Studies. These set out that there is no tangible difference in layout or operation, in some cases, between C1 and C3 uses. Please can NE and LPA confirm that this document has been considered/read?</p> <p>Do NE recognise that self catering accommodation can be delivered as a C1 use?</p> | |

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| 18 | Occupancy rates | <p>Natural England has sought to understand with the Council the baseline of people (staff and guests) present at the current Hotel and the likely level of people who would be present on site if the application was operating.</p> <p>As a result of the evidence so far made available it has not been possible to reach a definitive conclusion about these potentially differing rates of overall occupancy either as maxima or on a seasonal basis. A consideration is provided below.</p> | <p>Refer to response 9 above.</p> <p>This data has been provided by way of a simple count of existing maximum bedspaces (albeit these are unrestricted in practice) and proposed maximum bedspaces.</p> <p>It is considered the most robust approach to assessing existing and proposed occupancy. It appears NE may have conflated some of the submissions which has led to an assessment which is not like for like. They have also adapted some of the figures without any justification, for example the seasonal variation which may have also added to the confusion.</p> | |
| 19 | Self-catering use | <p>Natural England's advise on the difference between hotel residents and those in self-catering units (even if limited to a kitchenette as proposed) is that the likely effects from the latter will be greater with guests in apartments having a more active, family orientated range of countryside activities eg walking, cycling and dog walking than Hotel guests.</p> | <p>In the case of this particular redevelopment proposal this is not considered likely to be the case.</p> <p>Please see the Case Studies set out in the Accommodation Report. The Resort format, which will be controlled by planning controls and property conveyance, differs, in operational terms, to a self-catering holiday cottage. It would be unrealistic (and in appropriate) to compare the proposal with an isolated self-catering cottage.</p> | |
| 20 | Occupancy restrictions | <p>In setting out this advice Natural England has taken into account that the apartment accommodation will be occupied at different rates through the seasons eg 40% winter and close to 100% high season and the letting arrangements for the apartments will result in multiple short term lets rather than for weeks or months at a time. This would increase the risk of occupiers seeking direct access into the designated sites from the facility.</p> | <p>As per response to comment 17 above. This point seems to accept the fact that there are mechanisms available which can control primary occupancy as applicant has previously stated.</p> <p>NE have also failed to recognise that seasonal variation in occupancy is relevant to the existing (no development) scenario. It is proportionate.</p> | |

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| | | <p>In addition Natural England advises the applicant will need to demonstrate that there are very strong safeguards such that apartments may not be occupied on a residential basis. The authority will need to be fully satisfied that a suitable legally binding agreement is in place which restricts both the current owner and future operators of the site from establishing residential use. Natural England is aware that in other approved schemes a Primary Residence Restriction has been secured on all self-contained units, this may be applicable.</p> | | |
| 21 | Occupancy rates | <p>The applicant has indicated that occupancy in the hotel will be 2 per room however there is no certainty that over time the managing company would not bring in additional capacity through single beds, sofa beds etc. the authority needs to be certain that it can monitor and take the necessary enforcement action to secure the stated level of occupancy. The applicant needs to address this concern to the authority.</p> | <p>The applicant has already offered to maintain a ledger of guests staying on site that could be checked by the authority at any time to ensure maximum numbers were not exceeded. This is common practice.</p> | |
| 22 | Staff numbers | <p>Natural England has provided some previous guidance on how the authority may consider the effects due to staff numbers under the current and proposed regime. The applicant has however provided a number of differing values of current staff numbers in different submissions. Natural England advise that it would be appropriate for the authority to use an annualised figure of 39 for the current hotel use based on the level</p> | <p>As detailed at comment 9 above, there are currently 66 bedspaces (in 57 rooms) available for staff that reside on site. Therefore this is the number that has been applied.</p> <p>It is not clear why NE wishes to apply an annualised staff rate for this figure whereas for guest bedspaces a maximum occupancy figure is to be used.</p> | |

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| | | of staff being up to 57 as is set out in a number of submissions. | <p>It appears most sensible for a precautionary approach to consider the maximum number of bedspaces (staff and guests) that could be occupied at any point in time.</p> <p>In the redeveloped resort, no staff will be living on site therefore future staff figures should be discounted from the recreational impact assessment. This is because whilst at work they will be working and not wandering on the designated sites.</p> | |
| 23 | Staff use of sites | The proposed development will alter arrangements so that there are no residential staff on site but there will be staff on site who will have opportunities for breaks etc. It is considered that a reasonable rate of heath use would be the 14.3% figure provided in the staff survey for staff using the area for up to 1 hour. Whilst the applicant states that staff will be brought in by bus this is not certain, its use cannot be secured hence staff could use other transport means, allowing time to access the designated sites. | <p>Disagree with this approach – refer to response 22 above, clearly staff that come from overseas and live at the hotel would use the hotel as their base to access the heaths unlike those that are employed from the local area.</p> <p>It is considered unlikely that the new staff would be accessing designed sites as part of their commute to and from work, given the location of the hotel.</p> <p>It was previously agreed that staff (that do not live on site) would be discounted from a recreational impact assessment associated with the redeveloped hotel. There are a small number of existing staff who do not live on site, who have been discounted from the assessment on that basis.</p> <p>It is rather surprising that the betterment of staff no longer living on site in the redeveloped scenario is not being acknowledged.</p> <p>Please also see the applicant's comments in respect of Point 4 of the letter, dated 8th November. It is</p> | |

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| | | | wholly unrealistic to consider that staff will be using the designated sites during their shift. | |
| 24 | Occupancy and staff levels | The applicant's approach has been to provide some information on proposed occupancy and staff levels across the different seasons of the year. It has not been possible to make use of this information because of the lack of detail. | Please specify exactly what further detail is required. | |
| 25 | Occupancy | Further the applicant will naturally seek to maximise occupancy and it would be both unreasonable and unenforceable for the authority to attempt to restrict this through binding agreements in order to justify an approval. There is already evidence that the figures provided are highly variable. | Refer to response to comment 21 above. | |
| 26 | Using Maximum Numbers | <p>Natural England conclude that there is considerable uncertainty about the numbers of guests and staff and that it would be appropriate, rather than making assumptions about the available evidence, to use maximum numbers.</p> <p>This indicates the following:</p> <ul style="list-style-type: none"> • Current hotel: 273 guests plus 39 staff resident (annualised) = 312 • Proposal: 324 plus residual effects from the 150 FTE staff predicted to be on site (with 14.3 % of staff likely to access the designated sites in up to 1 hour visits) <p>A difference in maximum capacity of 51 guests.</p> | <p>Disagree with this conclusion for the reasons already stated.</p> <p>NE state that 'maximum' numbers should be used as already agreed as a worst-case approach therefore unclear of the logic of using an annualised staff rate (unverified by the hotel management) as applied here. The maximum staff residing on site should be 66 as previously stated.</p> <p>As noted at 23 above, staff (not living in the hotel) should be discounted from a recreational impact assessment as they are there to work not go for walks. On their days off and weekends, they will not be at the resort.</p> | |

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| | | <p>This represents a net increase in recreation related effects on the designated sites particularly when consideration is given to the combined Visitor Survey figure of 80% visiting the designated sites at Studland Beach and dunes and Studland and Godlingston Heath.</p> <p>As previously noted it is difficult to draw definitive advice together from the evidence available but with larger guest numbers and a greater proportion of facilities for families and groups with some self-catering facilities available on balance it is advised that there will be likely to be greater recreational impacts on the designated sites without mitigation.</p> | <p>In summary, NE have artificially suppressed the staffing levels in the existing situation. This is not a proportionate life for like approach. There isn't any basis for doing so.</p> | |
| 27 | Car Parking | <p>The applicant has indicated 6 April 2021 that they will restrict car parking at the Hotel to the current level of 79 spaces. This should be secured by the Council through a legally binding agreement which will be enforceable over the long term eg S106. This will avoid additional recreational pressure on the designated sites through an increase in other visitors enabled by access to more parking.</p> | <p>This matter has already been agreed.</p> | |
| 28 | Dogs | <p>Natural England notes that it is proposed that the new facility will limit the number of units where dogs may stay so as to ensure there is no increase in dogs on site. In the absence of clearer information than 30%, Natural England interpret this to mean that</p> | <p>To clarify, the applicant has offered to limit guests bringing dogs to 30% of the proposed keys. This a significant reduction.</p> <p>This could be made enforceable through the maintaining of a ledger as previously stated.</p> | |

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| | | <p>the nature of the boutique hotel would be such that this would only apply to the apartments eg 30% of 63 or 19 apartments, confirmation would be welcomed.</p> <p>Natural England advises that this aspect of the proposals is in principle acceptable on the basis of equivalency of related activities. However, your authority will need to be satisfied that the restriction can be suitably monitored and enforced (a requirement which is problematical in respect of the requirement for certainty in the Regulations) and further information may be needed from the applicant's in this regard. The applicant has also indicated that under new arrangements staff will be restricted from bringing dogs to work, whilst this is welcome the comments relating to cats would apply eg certainty and enforcement.</p> | | |
| 29 | Cats | <p>It is appropriate to ensure that residents are restricted from bringing cats to the site, however Natural England is not aware how the authority can be certain that this measure will be adequately monitored and enforced against the managing company such that it meets the certainty required by the Habitats Regulations. The proposed boundary fence will also act to reduce the risk but not fully. Further information is required to clarify this matter.</p> | <p>This restriction would be enforceable through the usual planning mechanisms as per the many other sites where this restriction applies.</p> <p>Furthermore, it is not a common expectation for guests to be able to bring cats to a resort of this nature.</p> | |
| 30 | Lease | <p>Natural England has previously discussed the issue of land currently leased to the applicant which surrounds the application</p> | <p>This is incorrect. Refer to comment 2 above.</p> | |

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| | | <p>site with the land owner and applicant. Control of this land is essential to provide certainty that the applicant could deliver both AONB moderation measures and heathland recreational pressure mitigation measures</p> <p>The land necessary is not currently under a lease from the National Trust, it having expired recently. It appears that the duration over which this land might be available and the extent of land available will be resolved in spring 2022 after the authority has determined this application. Therefore Natural England advise that the authority may not rely on any agreed mitigation or AONB moderation measures being secured for the necessary duration. It is understood that the Trust is seeking to secure an option to take back areas of land which might otherwise be available for mitigation for use a offsetting car parking for example. In the case of agreement between the applicant and the Trust an agreement as short as 15 years only may be secured, far short of perpetuity.</p> | <p>A section 106 agreement would run with the permission and the land (as opposed to a lease) enabling mitigations to be secured in perpetuity. It would also be required to be executed prior to the Decision being issued. Please confirm that NE are aware of the procedure?</p> | |
| 31 | Section 106 agreement | <p>The authority may take a view that, if both parties can be shown to have fully understood and agreed in principle to the advice provided, it would be reasonable to expect a S106 to be signed by both parties and therefore for the applicant to be bound by a Grampian condition requiring the S106 to be agreed prior to any commencement authorised by a permission. To this end Natural England has attempted to provide a</p> | <p>Agreed - this is the standard approach and has already been agreed to. A Section 106 cannot be signed until there is a resolution to grant permission.</p> | |

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| | | level of detail such that the landowner and applicant may be clear of the expected measures which the authority may require. | | |
| 32 | Heads of Terms | The authority has also been provided with a draft Heads of Terms for a planning agreement that would secure a number of mitigation measures proposed by the applicant. Whilst the document is generally acceptable and comments on the requirements of specific parts are provided in this letter, as set out above the authority will need a reasonable level of consensus between the parties that it will be agreed. This is not evidenced and represents uncertainty that the measures can be delivered in an acceptable way. | The consensus between parties would be achieved through the signing of a Section 106 document in the normal way. This process will not be entered into in detail until there is a resolution to grant permission. If the S106 is not signed, then the development cannot lawfully proceed. This is the normal process. | |
| 33 | National Trust | Fig 27 This sets out the landowners preferred option for relocating facilities lost due to sea level rise. It is acceptable in principle to Natural England as it is outside of designated sites and would not result in an increase in car spaces. It does impact on land which would otherwise have public access under the applicants proposal reducing the area available, however this is this time a suggestion rather than a formal proposal with a delivery timescale. Natural England advise that the loss of open habitats at this location should be addressed by minimising the area of pine woodland surrounding and so providing ready access around the car park. The proposed mitigation area would not be compromised to an extent that it would not be functional. | This comment appears to be related to a future National Trust proposal rather than this application. NE have not explained why it is relevant in this case? Notwithstanding this, the applicant has a positive working relationship with the National Trust and are aware of their future parking proposals and are actively working with the Trust to ensure that they can come forward alongside the proposed development. This approach is being considered alongside the lease renewal and adds weight to the prospect of the Trust executing a s106 as proposed. | |

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| 34 | Recreation and Habitat Enhancement Plan | Plan 9405 ECO3 Natural England understands up to 9ha of land may be available within the leased area, including the mini golf course. A recreational and habitat enhancement plan for these areas will need to be secured by a legally binding agreement (S.106) with any permission offered and maintained for the duration of the application (eg in perpetuity). This should include circular walks from the new facility, with designated fenced dog exercise areas, along with heathland / acid grassland habitat restoration management on the existing golf course. | Agreed – this is what the applicant has proposed. | |
| 35 | Layout of green space | This plan is generally acceptable as a layout for the natural greenspace, Natural England advise that the modified version indicating the exercise area in the woodland is not preferred to a location east of the Ferry Road B3351. This is because it is intended that the area should also be readily accessible to other residents and visitors to the area with dogs. The size set out is significantly larger than that at other facilities which are more typically 30m by 60m which would be acceptable here, a dog bin should be provided outside. In principle Natural England would have no objection to an exercise area being provided by the applicant in the woodland as shown in the revised plan at some point in the future should they deem it a valuable option. | Noted. | |

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| 36 | Health and acid grassland | A large area of heathland restoration is proposed south of the tennis courts, however this is not consistent with public pressure. A focus on more discrete areas of heath and acid grassland should be secured through a planning condition relating to the production of a CEMP in advance of commencement. | Noted. | |
| 37 | Access to grassland | The applicant should engage with the National Trust concerning the general principle of access to the grassland to the south of the Hotel to reach an understanding that users need not be constrained within the area of any future tenancy agreement. | Noted. | |
| 38 | View points | Natural England advise the applicant that the current mini golf course, should it become accessible natural greenspace should be enhanced by the provision of two more formal view points along the eastern edge close to the break of slope to facilitate user access. The precise design should be the subject of agreement with the landowner as part of the CEMP. | Noted. | |
| 39 | Signage for guests | The applicant should provide guests with a plan/sign board indicating the Rights of Way available to access the beach and surrounding heathland and dunes as well for the surrounding facilities such as dog exercise area and circular walks and advice about appropriate | Agreed. This type of information pack has already been proposed within the 2019 revised submission. | |
| 40 | Tennis Courts | If areas required for recreational mitigation are required for other uses eg parking then | Noted. | |

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| | | removal of the tennis courts may offset the reduction in available area. | | |
| 41 | Boundary Fencing | <p>Direct informal access from the hotel site to the adjacent heaths should be restricted through appropriate fencing and the restoration of mire habitats to the northwest of the site, which in itself will help prevent access. A plan is provided at Annexe 2 indicating a suitable fencing route and it is advised that the authority should consider whether a 2m high green coated weld mesh with a grid size to be agreed might be acceptable. This may form the basis of an obligation in a S106 agreement as it would need to be maintained in perpetuity. It is further suggested that a mechanism is agreed whereby the authority or landowner can draw down a suitable sum from an escrow account to carry out repairs should panels be vandalised or otherwise damaged if the managing body does not carry out prompt repairs. The reason for this arrangement is that the boundary is consistent with the Godlingston Heath management unit and grazing animals could escape into the application site grounds and road.</p> <p>This measure is proposed by the applicant on the Heads of Terms as well as at ECO3 which also includes a proposal to close an access to the designated sites. This is considered an appropriate measure both to avoid direct access to the designated sites and also in providing a level of security for</p> | Noted. Agreed. Happy to discuss details. | |

| Ref. | Topic | Comment | Applicant Response | LPA Response (to be completed) |
|------|---|---|---|--------------------------------|
| | | <p>residents. Natural England have provided an indicative plan (Annexe 2) for the authority to consider both the route and specification. I have also indicated locations for gates for residents which could be key pad operated. This is not an indication that this measure is accepted but rather that if acceptable to the authority, applicant and landowner in principle it could form the basis for a detailed proposal to be secured through a planning condition.</p> | | |
| 42 | <p>Designated land within the previous tenancy agreement</p> | <p>Natural England has previously raised the issue of land falling within the agreement which is part of the SPA, SAC and Ramsar site, this wet woodland is not a priority habitat but requires restoration to mire/fen. This area does not form part of the operational land used by the Hotel and should be surrendered to the National Trust so that restoration works can be carried out and long term management secured by the trust.</p> | <p>Noted however this is not a matter for this application, albeit that the mire restoration does form part of the proposed enhancements.</p> | |
| 43 | <p>Pumping Station</p> | <p>At the meeting on 26 April 2021 it was reiterated by Natural England that the adjacent pumping station facility causes harmful overflows into the designated sites. The application will result in additional loading and hence increased frequency of nutrient enriched water to the designated sites. A package of works including scrub clearance, ditch blocking and some surface water flow management is required to avoid harm to the designated sites. The Council should secure this mitigation measure</p> | <p>This matter has already been responded to within letter of 11th May 2020.</p> <p>Details of the proposed foul and surface water strategies have been submitted and no objection raised. It is considered that further details will be agreed by way of pre-commencement condition.</p> <p>It is not considered that the proposal will result in any nutrient enrichment.</p> | |

| Ref. | Topic | Comment | Applicant Response | LPA Response (to be completed) |
|------|-------------------------------|--|--|--------------------------------|
| | | through a planning condition/S106 requiring the agreed measures to be implemented prior to commencement of construction. This involves land in the control of the applicant and the National Trust and the applicant will need to provide evidence | | |
| 44 | Surface Water drainage | It is understood that the applicant will need to secure a route discharging surface water eastwards across National Trust owned land to avoid a western route into the designated sites. There is no evidence that this avoidance measure is agreed with the landowner and at this time this measure to avoid harm cannot be considered and hence there is a risk of harm to the designated sites from inappropriate surface water drainage. | <p>This matter has already been responded to in detail within letter of 11th May 2020.</p> <p>The proposed drainage strategy will result in betterment in terms of water quality and discharge rates, which are currently uncontrolled. This is a material enhancement.</p> <p>It is expected that the surface water drainage details will be secured as part of a planning condition.</p> | |
| 45 | Other designated sites | The authority will need to secure the appropriate level of mitigation in relation to Poole Harbour SPA, Ramsar nutrient neutrality and also recreational impacts on Poole Harbour as well as SAMM contribution in line with the Heathlands SPD in advance of occupation of the development. At present there is no agreement about net changes in site occupancy on which to base such mitigation contributions. | The applicant is happy to discuss contributions as appropriate on request. Details of the such obligations have previously been sought by the applicant. | |
| 46 | Appropriate Assessment | At this time Natural England is not able to advise the authority that the proposal will not have a likely significant effect on the European and internationally designated sites. In the light of the recent ECJ ruling (People Over Wind & Sweetman v Coillte | The applicant has previously offered to provide the authority with a shadow HRA if this was required, however this has not been formally requested. | |

| Ref. | Topic | Comment | Applicant Response | LPA Response <i>(to be completed)</i> |
|------|-------|--|--|---------------------------------------|
| | | <p>Teoranta (Case C-323/17)) which concluded that the avoidance/mitigation, e.g. as set out in the Dorset Heathlands Planning Framework (2015 – 2020) SPD, Nitrogen Reduction in Poole Harbour (SPD 2017) and Poole Harbour Recreation Supplementary Planning Document (SPD), cannot be taken into consideration when considering the Likely Significant Effects of proposals on European wildlife sites (and Ramsar sites as a matter of Government policy). Natural England advise your authority to undertake an Appropriate Assessment of the application under Reg 63.</p> | | |
| 47 | AONB | <p>The proposal forms a significant and perhaps major development in terms of visual impacts height and massing within the Dorset coast and we support the assessments made by the Area of Outstanding Natural Beauty team on its impacts. These comments should be given great weight when determining this application.</p> <p>As noted above moderation close to the application site is proposed in areas which the applicant does not currently have long term control over. Further they rely on a screening stand of pine woodland which is coming to the end of its life span and will no longer perform this function. Its replacement is uncertain lying between the owner and applicant for agreement at present.</p> | <p>The applicant has provided extensive detail in respect of the issue of whether the proposal constitutes major development in the AONB, having regard to the NPPF. It does not. This is a matter for the decision maker, but it will be necessary to consider the context of the existing site. The application site is already a large area of previously developed land and the proposal will result in a reduction in the developed area of the site.</p> <p>The proposed planting on land surrounding the hotel will be secured in the same way as the proposed nature conservation enhancement. Whilst components of this fall on leasehold land, their inclusion within the s106 will ensure that they are secured in perpetuity. It is also helpful that the proposed Woodland Management Plan and planting align with the nature conservation interests of the National Trust.</p> | |

| Ref. | Topic | Comment | Applicant Response | LPA Response <i>(to be completed)</i> |
|------|--------------------|---|--------------------|---------------------------------------|
| 48 | Landscape measures | Opportunities for the applicant to demonstrate landscape compensatory and enhancement measures might be realised through the provision of an agreed AONB landscape enhancement fund which may be used to deliver landscape and biodiversity benefits within the zone of theoretical visibility of the scheme within the AONB. Any landscape fund should be agreed and administered by the Dorset AONB Team. | Noted. | |

Appendix 6:

Meeting Note, 1st February 2022

Meeting Note

Issued: 01/02/2022

| | | | |
|-------------------------------|---|--|----------|
| Site | Knoll House Hotel (planning application ref. 6/2018/0566) | | |
| Meeting Date | 1 st February 2022 | Meeting Time: | 10.00 am |
| Location | Via MS Teams | | |
| PRESENT / Via MS Teams | | Company/Organisation | |
| Andrew Collins (AC) | | Case Officer, Dorset Council | |
| Oliver Rendle (OR) | | Environmental Assessment Officer, Dorset Council | |
| John Stobart (JS) | | Natural England | |
| Nick Squirrell (NS) | | Natural England | |
| Ben Read (BR) | | Black Box Planning (agent) | |
| Jane Fuller (JF) | | Black Box Planning (agent) | |

| Ref | Item | Actions |
|-----|--|---------|
| 1. | Intro and Update | |
| | <p>BR provided an update of current position following NE's latest letter of objection to the application (dated 14th Dec 2021)</p> <p>Purpose of meeting to discuss key issues raised in letter and seek to find areas of common ground – in particular the question over whether mitigations/enhancements (to be referred to 'mitigations' for meeting purpose) could be secured in perpetuity and whether the principles set out within the mitigation package were agreed with the National Trust, as landowner.</p> | |
| 2. | Securing Mitigations in Perpetuity | |
| | <p>NS expressed concerns that he has not seen evidence in writing from the National Trust that they would agree to the Draft Heads of Terms submitted and mitigations package. Needs greater certainty.</p> <p>BR explained that ongoing meetings have been held with National Trust and they have expressed satisfaction with the ecological measures proposed, despite maintain their objection of scale and mass. BR explained the mechanisms by which the measures would be secured in perpetuity – via a Section 106 agreement that runs with the land and also the renewed lease and various covenants/clauses within it. Any planning permission would not be issued or an HRA completed without these measures in place (and secured) first.</p> | |
| 3. | C3 Use | |
| | <p>NS explained his concerns that a C3 use was being applied for and expressed concern as to whether people would be able to live there on a permanent basis and implications if the site was sold on in the future.</p> | |

| | | |
|-----------|---|---|
| | <p>AC explained that in planning terms a C3 use could also cover a holiday accommodation and controls should be placed within the Section 106 to prevent the use being able to revert to primary residential in the future.</p> <p>Following the discussion, NS said that he now understood that even though the use class may be C3, this would not automatically mean that it would operate as C3 residential and that mechanisms could be used to enforce holiday accommodation restrictions.</p> <p>JS agreed that the covenants on the land controlled by the National Trust provided an additional level of protection and control over the future use of the land.</p> <p>JS agreed that the set of circumstances applying to this site are rather unique and accepted that it would be considered ‘an exception’ under the terms of the new Purbeck Local Plan Policy E8 (not yet adopted).</p> <p>Discussed the potential use of a monitoring ledger of how many people are residing on the site that could be submitted to the LPA once a year – rather than relying on Council’s enforcement to undertake random spot checks. BR confirmed that the applicants would be agreeable to this.</p> | |
| 4. | Dogs | |
| | <p>NS/JS expressed that a key concern was guests bringing dogs to the self-catering element of the accommodation. Strongly suggested that one of the mitigations should be preventing any guests from bringing dogs. Preventing dogs would be a significant betterment over the existing unregulated situation.</p> <p>BR to discuss with applicant over making the new resort no dogs allowed.</p> <p>NS/JS to discuss whether they consider the dog walking area should be retained in the proposals for the benefit of non-hotel users in the future. To be left in for now and to be further discussed.</p> | NB Post meeting note: Applicant has agreed to ‘no dogs’ restriction |
| 5. | Car Parking | |
| | <p>NS – important to ensure that people staying at the hotel did not use any of the new relocated National Trust parking area as spill over thereby creating additional parking areas at the hotel beyond those agreed within the permission.</p> <p>BR noted this and agreed that this would not be the case. There has also been some discussion with the NT and Parish on this issue. However, BR also noted that the relocated car parking was a ‘bigger picture’ issue and would not progress in that location if the hotel proposals were not to proceed.</p> | |
| 6. | Guest Capacity Figures | |
| | <p>BR led discussion as to how the capacity figures had been calculated in the submission – counting up the existing number of maximum bed spaces at the existing hotel and comparing this with the future maximum number of bed spaces in the redeveloped hotel. On a like for like basis.</p> <p>NS raised a number of concerns and queries around how the behaviour of existing and future staff should be assessed in terms of recreational impact. He explained that his calculation of increased occupancy (set out in the Dec letter) was based on the recent staff survey of 26 staff and had applied the proportions of how often people used the heaths to the future development scenario.</p> | |

| | | |
|---|---|--|
| | <p>JF/BR explained that this staff survey had been undertaken during lockdown conditions when the hotel was partially closed so although it provides a snapshot of behaviours it should not necessarily be used as a robust basis for numerical evidence. It was also important to apply assessments and ‘discount figures’ on a like for like basis, in order to maintain consistency.</p> <p>AC explained that given that in future staff would not be living on site overall they would have a reduced recreational impact on the heaths than the existing staff that live permanently on site, often from overseas.</p> <p>NS welcomed the electric bus proposal and could see this fitting with a wider move to promote sustainable transport measures in the area.</p> <p>BR discussed how the current situation was unregulated in terms of the number of staff and guests that potentially could stay within the hotel and as such the proposals provide a way of putting in place a series of controls and enhancements that would be a betterment on the fallback position.</p> | |
| <p>7. Next Steps and Committee</p> | | |
| | <p>AC explained that Natural England’s objection would be listed as a secondary reason for refusal within the committee report and explain that discussions over the detail of mitigations are ongoing. Subject to agreement over the detail of Section 106 agreement this reason could be removed.</p> <p>AC finalising committee report today and will send across a copy for review.</p> <p>Committee will be held virtually next week and applicant able to watch but not attend/interact.</p> | <p>AC to send committee report to BR</p> |

Appendix 7:

Pre-app Letter, 12th August 2022

1st August 2022

BR/ref



Mr Huw Williams
Dorset Council
Corporate Projects
Economic Growth and Infrastructure
Westport House
Worget Road
Wareham
Dorset BH20 4PP

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Dear Huw,

KNOLL HOUSE HOTEL, FERRY ROAD, STUDLAND – REVISED SCHEME - PRE-APPLICATION

Further to recent discussions, I am pleased to submit with this letter the emerging proposals for a revised redevelopment scheme at Knoll House Hotel. We would very much welcome the Council's feedback on these proposals at this pre-application stage.

Please find attached with this letter the following:

- *Knoll House – Pre-Application Presentation (Rev 06, July 2022)*
- *Site Location Plan*

A summary of the revised scheme is set out in detail within the accompanying presentation pack, prepared to address the reasons identified for refusing App Ref: 6/2018/0566 in February 2022. The proposals represent a reduction in scale compared with the previous scheme and include:

- 30 hotel rooms
- 22 apartments
- 26 villas
- 79 parking spaces
- 36 cycle spaces
- Restaurant and spa including indoor/outdoor pool
- Associated landscaping, public realm, biodiversity enhancements, drainage, access and servicing infrastructure.

Background and Context

A full planning application (ref. 6/2018/0566) was submitted on behalf of our client, Kingfisher Resorts Studland Ltd. ('the applicant') in November 2018 for the redevelopment of the hotel. The application was subject to Environmental Impact Assessment (EIA). In response to consultation feedback an amended application with an Environmental Statement (ES) Addendum was submitted in September 2019. This application was refused at committee on the 9th of February 2022 for the following reasons:

- 1. The proposal has been assessed as being major development within the Dorset Area of Outstanding Natural Beauty (AONB). As such there is a requirement to assess the impact upon the local economy, any scope for developing outside of the AONB and ensuring that there is no detrimental effect on the environment and landscaping. The proposal by reason of its scale, form and massing fails to ensure that there would be no detrimental effect upon the environment and natural landscape and fails to be compatible to the special character of the Heritage Coast. This impact has been considered against the substantial local economic benefits. The proposal however is contrary to Policies D, TA, CO and LHH of the Purbeck Local Plan Part 1, the aims and objectives of the NPPF, especially paragraph 177 and 178 and Policies C1 a, c and f, C2 d, e, and f and C4 a, c, d, e, f and g of the Dorset AONB Management Plan 2019 - 2024.*
- 2. The application site is located within 400m of protected heathlands and C3 use is proposed. Mitigation measures have been identified but do not address all matters and have not currently been secured in perpetuity. In this instance there is no overriding public interest and as such it cannot be certain, on the evidence presented, that the proposal would not adversely affect the integrity of the Dorset Heathlands European sites and international sites. Or, for that matter the Poole Harbour due to increase recreation in the harbour. The proposals are therefore contrary to Policies DH (Dorset Heathlands) and PH (Poole Harbour) of the Purbeck Local Plan Part 1 and Dorset Heathlands Planning Framework (2020 – 2025) SPD, Nitrogen Reduction in Poole Harbour (SPD 2017) and Poole Harbour Recreation Supplementary Planning Document (SPD) and the aims and objectives of the NPPF especially paragraphs 180 and 182.*

Revised Scheme

Following the refusal of the previous application and the extensive dialogue with key stakeholders (during the course of the determination), in particular Natural England, the National Trust and the Council, the applicant is seeking to address the matters of concern by way of a revised proposal. A landscape-led concept has been developed and a new team of architects has prepared a fresh architectural design approach.

The ways in which the revised scheme addresses the previous key areas of concern are as follows:

Major development within the AONB

The previous application was considered by the previous Case Officer to be ‘major development’ within the AONB due to its size, scale and impacts and was assessed not to pass the three tests for acceptability at paragraph 177 of the NPPF. The Case Officer concluded that the proposal would compromise the special qualities that underpin the AONB’s designation, albeit did recognise the need for the scheme and that it could not be accommodate outside of the designated area.

In response, the revised design has taken a strongly landscape-led approach to the form and layout, focussing on low density site coverage and integration into local context. A central open green space is proposed with the accommodation designed around it, interwoven with planting and landscaped pedestrian routes. Semi-extensive green roofs are proposed to most of the buildings to promote biodiversity and reduce visual effects of the development. As previously the site would be surrounded by the retained trees with the adjacent woodland to be enhanced via a woodland management plan.

In terms of heights, responding to the topography, the majority of the buildings are proposed at 1-3 storeys with lower heights at 1-2 storeys to the south of the site in order to retain key distant views to the site and coastline. The overall quantum of development proposed has been reduced and the mix of accommodation types altered to enable lower density of massing across the site:

| Previous scheme: | Revised Scheme: |
|------------------|-----------------|
| 30 bed hotel | 30 bed hotel |
| 41 apartments | 22 apartments |
| 6 villas | 26 Villas |
| 16 maisonettes | 0 maisonettes |

This has resulted in a reduction of 15 units, and a proportionate reduction in communal and leisure space accordingly.

As shown on the viewpoint analysis the proposals are not considered to give rise to adverse effects within the AONB and the landscape-led design upholds the special qualities of the AONB's designation.

Impacts on Designated Sites

The second key area of concern with the previous scheme was the opinion that the scheme would have the potential to give rise to significant adverse effects on nearby European and Internationally designated sites. In particular, the Dorset Heathlands Special Protection Area (SPA) / Ramsar site (also designated as Studland & Godlingston Heath Site of Special Scientific Interest (SSSI), Dorset Heath and Studland Dunes Special Area of Conservation (SAC) and Poole Harbour SPA / Ramsar / Site of Special Scientific Interest (SSSI).

The contention was that under the previous application, the scale of development proposed would lead to a net increase in guests and people residing on site and therefore there would be additional recreational impacts on designated sites. Under the revised scheme there is predicted to be 296 people residing on site compared with the current potential occupancy of 339 under the existing hotel arrangement. A reduction of 43 people.

The existing staff accommodation (capacity of 66) would be removed as part of the redevelopment and the scheme prepared alongside a detailed staffing strategy, including sustainable transport strategy.

Whilst agreement was not previously reached with Natural England regarding the extent to which staff could be accommodated within the assessment, it was recognised that some could be. Discussion is ongoing, with the aim of reaching agreement on the issue prior to submission of a planning application.

The proposed reduction in capacity of the site will also aid the assessment of nutrient impacts on Poole Harbour. If agreement can be reached with Natural England in respect of recreational impacts derived from the capacity of the proposals, the same conclusion will be reached in respect of a nutrient budget. Again, discussion will continue directly with NE on this issue.

The inclusion of some C3 accommodation remains, as before. This is a matter which the applicant has provided a number of submissions on previously. It is commonplace within planning for C3 tourism accommodation to be controlled by use of occupancy restrictions. The proposed layout provides family accommodation that is set out in a way which is intrinsically linked with the hotel and leisure

in terms of access arrangements and servicing. As such it would not be appropriate to being used as private residential dwellings which was previously raised as a concern. It is integrated within the proposed resort.

Natural England have previously referred to the C3 units as self-catering accommodation. However, in practice, they will not function as such. They will form part of a luxury resort where guests demand space and flexibility. The C3 units will continue to be operated, including servicing, in the same way as the hotel accommodation and guests will book them on a half or full board basis, with flexibility to dine (on a private or informal basis) in their own villa or apartment.

Socio-economic Benefits

The substantial social and economic benefits of the redevelopment of this site were acknowledged through the determination of the previous application. An initial construction investment of approximately £40m (£15m GVA) and a year-on-year boost of £8.5m GVA of direct and indirect spending locally. 152 direct and 81 indirect jobs created. The revised scheme will continue to offer these significant benefits for the local area and sub-region which would be realised in the short-term. Work is ongoing to understand how the changes to the proposals and the time elapsed will have affected the social and economic benefits of the proposal. Whilst the scale of development may have reduced, the sums referred to will have been subject to inflationary pressure which may result in some change, but not significantly so. It remains, that the proposals will result in major investment in the local area, including job creation.

The full package of enhancement measures offered by the scheme can be secured in the usual way via a combination of planning conditions and S106 agreement.

Emerging Policy

The Purbeck Local Plan was originally submitted for examination in January 2019. Following further rounds of modifications, hearing sessions are currently ongoing.

The draft policy of particular relevance to this application remains Policy E8 which states that tourist accommodation developments that involve a net increase in dwellings “will not be permitted within 400 metres of heathland, as shown on the policies map, unless, as an exception, the type and occupier of residential development would not have an adverse effect upon the sites' integrity (e.g. nursing homes such as those limited to advanced dementia and physical nursing needs)”.

It is our contention that the regeneration of the Knoll House Hotel should be considered as an exception under this policy given that it is a brownfield site with ageing building stock urgently in need of replacement to bring it up to modern standards. As set out above, the quantum of development proposed would not result in a net increase of visitors compared with existing and the environmental enhancements package proposed will deliver an overall betterment particularly when combined with far more energy efficient building stock.

The use of the proposal, as a principle, was not previously contested by officers and the use of planning conditions was suggested to ensure that there was not departure from the use of the site as a tourism destination, rather than a location for principal residences. The applicant has, and continues, to support this approach.

Conclusion

In summary, we welcome our continued dialogue with the Council and stakeholders on the redevelopment opportunity of this site and look forward to receiving your feedback on this pre-application submission. We would also welcome the opportunity to talk through the scheme with Officers and answer any questions. We also continue to engage with key stakeholders, such as Natural England and the National Trust, directly. However, we would welcome the assistance of the Council in arranging a meeting with the AONB Management Board to discuss matters relating to landscape impact. Similarly, it may also be considered productive to have joint meetings with other stakeholders.

I would also welcome an indication of the fees you consider to be appropriate in facilitating proportionate and effective pre-application engagement with officers.

I look forward to hearing from you once you have had a chance to consider matters. In the meantime, please let me know if you would like to discuss any of the issues raised in more detail.

Yours sincerely

A rectangular box containing a handwritten signature in black ink. The signature is cursive and appears to read 'Ben Read'.

Ben Read MRTPI
Director

Appendix 8:

Natural England email, 4th August 2022

Ben Read

From: Ben Read
Sent: 15 July 2024 17:20
To: Elisabeth Lucas
Subject: FW: Knoll House Hotel - Revised Scheme (our ref 9405)

From: Dominic Farmer <Dominic.Farmer@ecologysolutions.co.uk>
Sent: 04 August 2022 13:02
To: Squirrell, Nick <Nick.Squirrell@naturalengland.org.uk>; Stobart, John <John.Stobart@naturalengland.org.uk>
Cc: Robbie Mackenzie <Robbie.Mackenzie@ecologysolutions.co.uk>; Jodie Dixon <Jodie.Dixon@ecologysolutions.co.uk>; Ben Read <ben.read@blackboxplanning.co.uk>
Subject: RE: Knoll House Hotel - Revised Scheme (our ref 9405)

Hi Nick

Many thanks for the below. I appreciate you don't have time to go through the questionnaire and agree this in detail. However, I would be very grateful if you could just confirm the following queries:

1. How many days questioning within summer holidays and outwith summer holidays would you expect – just one or more?
2. Are there any specific days of the week you want questioning to occur or do you want one (or more) in the week and one (or more) at a weekend?
3. You suggest the survey occur around breakfast – do you mean surveyors are there half an hour before breakfast is scheduled until one hour after breakfast outside the dining area (i.e. if breakfast were 7am-10am you would want 6.30am – 11am covered)? Would it just be this period of time?
4. Are you suggesting that guests are collared during and on way to/from breakfast and taken through a questionnaire by a surveyor or left to fill out a questionnaire and return it?
5. How many surveyors at one time would you expect to be addressing guests?

Clearly, we would need to assess if operationally the hotel deemed this too intrusive or not for guests over breakfast. I assume an alternate is to be present in the reception for the whole day and ask people as they come in/out (as some could relay their plans of what they have done)?

Kind regards

Dominic Farmer BSc (Hons) MSc MCIEEM CEnv | Director



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From: Squirrell, Nick <Nick.Squirrell@naturalengland.org.uk>
Sent: 04 August 2022 11:51
To: Dominic Farmer <Dominic.Farmer@ecologysolutions.co.uk>; Stobart, John <John.Stobart@naturalengland.org.uk>
Cc: Robbie Mackenzie <Robbie.Mackenzie@ecologysolutions.co.uk>; Jodie Dixon <Jodie.Dixon@ecologysolutions.co.uk>; Ben Read <ben.read@blackboxplanning.co.uk>
Subject: RE: Knoll House Hotel - Revised Scheme (our ref 9405)

Dear Dominic,

Of course, the table provided and comments following should be treated as informal advice without prejudice to our advice with the benefit of a full application and accompanying information.

It is my view that the table provides a reasonable basis upon which you can advise the client to take forward a new application in respect of the bare numerical information.

It is my strong view that the client should carry out a new survey of the guests. The previous one cannot be considered in any way reliable information or good practice.

I would suggest that the survey should follow the staff survey and aim to cover two periods, a summer holiday period and a period when the school holidays are finished. I do not have time at this moment to review the questionnaire to see if additional information might be sought. However the fact that guests are all on site is a real benefit in terms of effort, you might feel that focussing a survey period during and after breakfast in the morning would capture guests planned activities for example.

This set of information is important to help characterise the guest activity against staff and also the varying guest activities when family use is more restricted eg outside school holidays.

As I commented previously the staff survey report could be improved (use of % and actual number etc) and a full submission of the results of the questionnaire should be provided but no additional survey is needed.

I trust this will be of assistance.

Nick Squirrell
Conservation and Planning Senior Advisor
Dorset Team
Wessex Area Team
Natural England

Mob :07766133697

Please note: Natural England is continuing to provide advice on new and current planning applications and development plans. Advice through our Discretionary Advice Service (DAS) is still available.



www.gov.uk/natural-england

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From: Dominic Farmer <Dominic.Farmer@ecologysolutions.co.uk>
Sent: 02 August 2022 15:26
To: Stobart, John <John.Stobart@naturalengland.org.uk>; Squirrell, Nick <Nick.Squirrell@naturalengland.org.uk>
Cc: Robbie Mackenzie <Robbie.Mackenzie@ecologysolutions.co.uk>; Jodie Dixon <Jodie.Dixon@ecologysolutions.co.uk>; Ben Read <ben.read@blackboxplanning.co.uk>
Subject: RE: Knoll House Hotel - Revised Scheme (our ref 9405)

Hi John / Nick

Further to the below we were wondering if you were able to come back to us with your thoughts?

Kind regards

Dominic Farmer BSc (Hons) MSc MCIEEM CEnv | Director



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From: Dominic Farmer
Sent: 18 July 2022 15:28
To: Stobart, John <John.Stobart@naturalengland.org.uk>; Squirrell, Nick <Nick.Squirrell@naturalengland.org.uk>
Cc: Robbie Mackenzie <Robbie.Mackenzie@ecologysolutions.co.uk>; Jodie Dixon <Jodie.Dixon@ecologysolutions.co.uk>
Subject: Knoll House Hotel - Revised Scheme (our ref 9405)

Hi John / Nick

Further to our recent meeting in relation to this site I can confirm the occupancy figures for the revised scheme. You relayed that you wanted 'bottom line' (maximum occupancy) figures rather than the like for like consideration during the various seasons. As such see table below that shows figures based on the current accommodation schedule for the emerging revised scheme and also the refused scheme (for ease of reference) vs the existing situation.

| | Existing | Refused Scheme | Revised Proposal |
|------------------------------------|------------------------------|---|--|
| No. of keys | 163 (106 Guest and 57 Staff) | 93 (30no in hotel and 63 no. villas/apartments) | 78 (30no hotel and 48no villas/apartments) |
| No. of staff living on site | 66 | 0 | 0 |
| No. of guests | 273 | 324 | 296 |
| Total | 339 | 324 | 296 |
| Difference vs existing | | -15 | -43 |

As discussed the total number of people reduces on the basis that staff are counted as part of the baseline. As 'guest' numbers increase by 23 people and there are 66 existing staff, in theory even if the existing staff counted as the equivalent of around 'a third of a guest' the numbers would, in effect, be neutral.

I hope this is helpful to your thinking.

As discussed, you also wanted us to formally write to ask the question as to whether any new visitor surveys would be warranted for the revised application given the staff questionnaires completed and the prior visitor surveys (completed by others) presented as part of the application (albeit it is acknowledged you had some criticism of the visitor surveys done by others). If further visitor survey were merited we would be seeking an agreement on the scope and methods of any such surveys. To help your decision I attached the prior surveys for ease of reference.

We look forward to hearing from you.

Kind regards

Dominic Farmer BSc (Hons) MSc MCIEEM CEnv | Director



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Appendix 9:

Ms Fitzpatrick email, 1st November 2024

Ben Read

From: Gemma Fitzpatrick <gemma.fitzpatrick@talk21.com>
Sent: 01 November 2024 13:55
To: Ben Read
Cc: Elisabeth Lucas; yvonne.lester@dorsetcouncil.gov.uk; sam.gibbs-jones@dorsetcouncil.gov.uk; kim.cowell@dorsetcouncil.gov.uk; sam.williams@dorsetcouncil.gov.uk
Subject: Re: RE: Re: RE: APP/D1265/W/24/3348224 - Knoll House Hotel, Ferry Road, Studland

Dear Ben,

I can confirm that the Council is content with the drainage scheme now proposed save for the introduction of the headwall.

The concern relates to the creation of a headwall within the ditch, rather than use of the ditch for drainage in itself, because the presence of protected species is unknown. As far as I'm aware the drainage strategy put forward at the time that the application was considered did not propose to use this ditch.. If your ecologist is able to state that protected species that might be present (primarily Otter and Water Volve) will not be impacted by the creation of the headwall the issue would be considered resolved.

I am aware that the respective ecologists are due to meet next week so perhaps this can be sorted then.

Regards,
Gemma

----- Original Message -----

From: ben.read@blackboxplanning.co.uk
To: gemma.fitzpatrick@talk21.com **Cc:** Elisabeth.Lucas@blackboxplanning.co.uk; yvonne.lester@dorsetcouncil.gov.uk; sam.gibbs-jones@dorsetcouncil.gov.uk; kim.cowell@dorsetcouncil.gov.uk; sam.williams@dorsetcouncil.gov.uk
Sent: Thursday, October 31st 2024, 12:27
Subject: RE: Re: RE: APP/D1265/W/24/3348224 - Knoll House Hotel, Ferry Road, Studland

Dear Gemma,

Yes, we are comfortable that the surface water drainage outfall can be achieved. The headwall would be delivered under licence which is common for all surface water drainage discharge into an ordinary watercourse.

With regard to your email, dated 23rd October, I would like to be absolutely clear what the Council's position is with regard to the drainage. Are the Council now raising a ecology related concern with using the existing drainage ditch for drainage? I would be grateful if you can clarify so we can ensure

we can assist the Inspector and make best use of Inquiry time, rather than dealing with new issues in rebuttal or at the Inquiry itself.

I look forward to hearing from you soon. I would also be grateful for your comments on the SoCG.

Kind regards

Ben

From: Gemma Fitzpatrick <gemma.fitzpatrick@talk21.com>
Sent: 25 October 2024 14:20
To: Ben Read <ben.read@blackboxplanning.co.uk>
Cc: Elisabeth Lucas <Elisabeth.Lucas@blackboxplanning.co.uk>;
yvonne.lester@dorsetcouncil.gov.uk; sam.gibbs-jones@dorsetcouncil.gov.uk;
kim.cowell@dorsetcouncil.gov.uk; sam.williams@dorsetcouncil.gov.uk
Subject: Re: Re: RE: APP/D1265/W/24/3348224 - Knoll House Hotel, Ferry Road, Studland

Dear Ben,

Further to my email below please can you provide details to confirm that the drainage details now proposed are within the red line area of the appeal site or, if not, that the appellant has the necessary ability to implement the drainage proposals?

Regards,

Gemma

----- Original Message -----

From: gemma.fitzpatrick@talk21.com
To: ben.read@blackboxplanning.co.uk Cc: Elisabeth.Lucas@blackboxplanning.co.uk;
yvonne.lester@dorsetcouncil.gov.uk; sam.gibbs-jones@dorsetcouncil.gov.uk;
kim.cowell@dorsetcouncil.gov.uk; sam.williams@dorsetcouncil.gov.uk
Sent: Wednesday, October 23rd 2024, 17:25
Subject: Re: RE: APP/D1265/W/24/3348224 - Knoll House Hotel, Ferry Road,
Studland

Dear Ben,

With regard to drainage matters, although the LLFA are not raising an objection to the proposed scheme, the main area of concern with regards to the proposed drainage strategy is the use of the existing off-site ditch. All other aspects of the foul water and surface strategies appear to make use of existing infrastructure, or be confined the developed areas of the proposed development. However, it is proposed that “all surface water runoff from the site will be discharged to the existing surface water ditch adjacent to the south of the site” and that a “new small headwall will be constructed within the ditch, either concrete or built from vegetated walls.” The use of the ditch and adjacent habitats by protected species, and the likely impacts on these ecological receptors, is unknown because these habitats were not subject to ecological surveys undertaken to support the planning application, and the proposed drainage strategy lacks detail about the methods for construction of the headwall, and the maintenance plan for this structure. The only reference to ditches in the Appendix 7.1 to the ES relate to pollution controls, which would be secured within a CEMP, and is unclear which ditch is referred to as they are not shown on a plan.

It would usually be expected that the presence or otherwise of protected species, and the extent that they may be affected by the proposed development, to be established prior to an application being determined. In the current circumstances I would suggest that your ecologist carries out a survey of these areas to establish what, if any, species, may be affected, in consultation with the Council's ecologist. It may be possible to resolve this issue through suitable conditions. It will also be necessary to demonstrate that the surface water management scheme can be provided within land in your client's control.

Regards,

Gemma

----- Original Message -----

From: ben.read@blackboxplanning.co.uk

To: gemma.fitzpatrick@talk21.com Cc:

Elisabeth.Lucas@blackboxplanning.co.uk;

yvonne.lester@dorsetcouncil.gov.uk; sam.gibbs-jones@dorsetcouncil.gov.uk

Sent: Wednesday, October 23rd 2024, 09:30

Subject: RE: APP/D1265/W/24/3348224 - Knoll House Hotel, Ferry Road, Studland

Dear Gemma,

This is really a matter for the Inspector. The CMC Note sets the topic order for the Inquiry, the appellant witnesses have been briefed on that basis. The advocates are to agree timeframes, so length of time

will be largely down to that engagement. I would expect that landscape evidence could be heard in 1.5 days. That said, I had also understood that the landscape witness appointment had not been finalised at the time of the CMC and would have thought the ability to attend the Inquiry was a requisite of the instruction.

With regard to matters of drainage, I would also be grateful if the Council can confirm their position? The LLFA have removed their objection, but the LPA SoC restates that they maintain an objection. The chronology of the two documents suggests that the LLFA may have 're-opened' their objection but the appellant is unclear as to why.

Kind regards

Ben

From: Gemma Fitzpatrick <gemma.fitzpatrick@talk21.com>
Sent: 22 October 2024 19:39
To: Ben Read <ben.read@blackboxplanning.co.uk>
Cc: Elisabeth Lucas <Elisabeth.Lucas@blackboxplanning.co.uk>;
yvonne.lester@dorsetcouncil.gov.uk; sam.gibbs-jones@dorsetcouncil.gov.uk
Subject: APP/D1265/W/24/3348224 - Knoll House Hotel, Ferry Road, Studland

Dear Ben,

I write further to the CMC Note from the Inspector and the Council having now appointed a landscape expert witness. However, the Council's landscape witness is required to attend a public inquiry in the Isle of Man which is scheduled in the two weeks in which the Knoll House Appeal is taking place. However, she is only required for 1 of the 2 weeks of the other inquiry (the timetable has not been confirmed in that appeal yet either).

She is therefore available for either Week 1 of the Knoll House appeal or Week 2, but will not be able to attend on both weeks.

The Council considers that it would make sense for the landscape evidence to be heard in the first week of the inquiry, but we note that the inquiry is currently due to sit only 11 – 12

December that week. The Council is concerned that there is a risk that the landscape evidence (given that it is the most critical part of the appeal) may not be complete by the end of the 12 December (and without knowing before proofs are exchanged it is hard to be sure) as it slightly depends on other factors not least on procedural matters at the start of the inquiry.

Whilst our counsel is reasonably confident 1.5 days is enough for the landscape evidence to be heard immediately after opening submissions, we think it may be helpful to just flag this up with the Inspector and enquire if there is any possibility of Friday 13th (morning) being set aside as a reserve day in case (for whatever reason) the landscape evidence cannot be concluded on Thursday 12th December. The timetable is already very tight and having a reserve / "float" morning would create some float in the programme ensure the the remaining 3 days the following week could be heard for the planning and arboricultural evidence and other matters.

We intend to write to the Inspector to ask for this but before doing so it would be helpful if you could indicate whether:

1. The Appellant agrees to the landscape evidence being heard in Week 1 of the appeal;
2. The Appellant agrees that it would be helpful if Friday 13th (morning) could be set aside as a reserve morning, subject of course to the Inspector's availability.

Please can you let us know as soon as possible so that our landscape witness can make the appropriate arrangements.

Regards,

Gemma

**Gemma Fitzpatrick BA (Hons) MRUP MRTPI
Lisenair Ltd.**

Appendix 10:

Mr Rendle email, 29th October 2024

Ben Read

From: Oliver Rendle <oliver.rendle@dorsetcouncil.gov.uk>
Sent: 29 October 2024 09:57
To: Katie Cammack; Sam Williams; Rebecca Brookbank; Squirrell, Nick
Cc: Ben Read; Elisabeth Lucas
Subject: RE: Knoll House Hotel Inquiry - Ecology SoCG meeting

Hello Katie and Rebecca,

Thank you for your email - I would be happy to meet to discuss the HRA issues, and I am available to meet on the afternoon of 7th November.

My understanding is that a Statement of Common Ground is being drafted to address the ecological issues prior to the meeting. I would also welcome a draft Statement of Common Ground on HRA matters before we meet, would this be possible?

I believe that there is currently a dispute about what exactly the application is for (C3 residential or C1 tourist accommodation) and the Council is still awaiting a response from the Appellant on that. This is a key issue for the outstanding matters relating to the HRA. If what is being sought (particularly the villa element of the proposal) were to be amended to holiday/tourist accommodation and such an amendment is allowed by the Inspector, and subject to appropriate controls being proposed on that use – for example including restricting the letting of the villas to a certain number of days etc - which would be legally effective and enforceable, then from my perspective it is likely that we can come to an agreement on the HRA issue and this matter may be resolved.

However, I should emphasise that new C3 development within 400m of the Dorset Heaths would be unacceptable, and any tourist/holiday accommodation would also need in any event to be subject to appropriate controls. Therefore, I would need to see clear information on how you propose to clarify that the application is actually for holiday accommodation and the precise wording which describes that, and what controls you propose and how you suggest those controls will be imposed (eg condition or planning obligation). If you set your position out clearly in the draft Statement of Common Ground (which as I understand it was what your advocate proposed at the CMC) this would allow us to work towards resolving this issue.

I look forward to hearing from you,

Best wishes,
Oliver

Oliver Rendle
Senior Environmental Assessment Officer
Economic Growth and Infrastructure
Dorset Council

[01305 252528](tel:01305252528)
dorsetcouncil.gov.uk



From: Katie Cammack <katiecammack@epr.uk.com>

Sent: 28 October 2024 10:43

To: Sam Williams <sam.williams@dorsetcouncil.gov.uk>; Rebecca Brookbank <rebeccabrookbank@epr.uk.com>; Oliver Rendle <oliver.rendle@dorsetcouncil.gov.uk>; Squirrell, Nick <Nick.Squirrell@naturalengland.org.uk>

Cc: Ben Read <ben.read@blackboxplanning.co.uk>; Elisabeth Lucas <Elisabeth.Lucas@blackboxplanning.co.uk>

Subject: RE: Knoll House Hotel Inquiry - Ecology SoCG meeting

Hi Sam,

Thanks for sending through your availability.

@Oliver Rendle, @Squirrell, Nick if you could please let me know your availability for the morning of the 6th or afternoon of the 7th it would be much appreciated.

Kind regards

Katie

Katie Cammack BSc (Hons) MSc MCIEEM

Consultant Senior Ecologist

Ecological Planning & Research Ltd



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From: Sam Williams <sam.williams@dorsetcouncil.gov.uk>

Sent: 28 October 2024 10:23

To: Rebecca Brookbank <rebeccabrookbank@epr.uk.com>

Cc: Katie Cammack <katiecammack@epr.uk.com>; Ben Read <ben.read@blackboxplanning.co.uk>; Elisabeth Lucas <Elisabeth.Lucas@blackboxplanning.co.uk>; Oliver Rendle <oliver.rendle@dorsetcouncil.gov.uk>; Squirrell, Nick <Nick.Squirrell@naturalengland.org.uk>

Subject: RE: Knoll House Hotel Inquiry - Ecology SoCG meeting

Dear Rebecca,

I thought it might help first of all to clarify the differing interests of myself, Oliver and Nick in the appeal. I am solely dealing with the fourth reason for refusal relating to biodiversity whereas Oliver and Nick are concerned with the matters related to Habitats Sites and the Habitats Regulations which from the second reason for refusal.

I would be grateful if you could please draft the Statement of Common Ground related to the fourth reason for refusal. The outstanding matter for this reason for refusal is the lighting strategy. In January I was working with Ecology Solutions in the Biodiversity Plan (BP) (attached) which had been submitted for review under the Dorset Biodiversity Appraisal Protocol (DBAP). Within this BP is a plan showing dark corridors applied within the site and surrounding habitats to mitigate impacts on foraging and commuting bats, and Nightjar. However, the nature of these dark corridors is not described in any detail to say what the acceptable light levels are, or how this would be achieved in terms of the specifications, locations etc of any lighting fixtures. I requested that Ecology Solutions amend the BP accordingly however this was not received prior to the application being determined, and has not been received since. Upon review of the BP I also have concerns about whether any lighting strategy is achievable, within the framework of the dark corridors as they are shown in the BP, because it seems unlikely that lighting is unlikely to be brought under a level considered acceptable in certain areas for example where the dark corridor is applied across the entrance to the site.

To summarise I would suggest there are three strands to this outstanding matter: a lack of information about the proposed lighting; a lack of detail in how the lighting mitigation/lighting strategy is described; question marks over the achievability of any lighting strategy within the framework put forward by Ecology Solutions.

There is an overlap here with the HRA matters, because of the need to avoid light spill on supporting habitats, so Oliver and Nick will need to be satisfied with any strategy put forward.

I would welcome a meeting to discuss this further. My current availability for w/c 4/11 is 4/11, 6/11 and PM 7/11.

Kind regards
Sam

Sam Williams
Lead Senior Ecologist
Place Services
Dorset Council

[01305 224225](tel:01305224225)
dorsetcouncil.gov.uk



From: Rebecca Brookbank <rebeccabrookbank@epr.uk.com>

Sent: 18 October 2024 13:35

To: Oliver Rendle <oliver.rendle@dorsetcouncil.gov.uk>; Sam Williams <sam.williams@dorsetcouncil.gov.uk>; Squirrell, Nick <Nick.Squirrell@naturalengland.org.uk>

Cc: Katie Cammack <katiecammack@epr.uk.com>; Ben Read <ben.read@blackboxplanning.co.uk>; Elisabeth Lucas <Elisabeth.Lucas@blackboxplanning.co.uk>

Subject: Knoll House Hotel Inquiry - Ecology SoCG meeting

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Dear Oliver, Sam and Nick

I'm reaching out to you as I've recently been brought into the Knoll House Hotel Inquiry as the ecology witness. I'm still getting up to speed with matters, and (in)conveniently am going on annual leave tomorrow, returning on the 1st Nov. I'm therefore trying to plan ahead.

The Inspector has requested topic-specific Statements of Common Ground. I can look to draft something when I'm back, or I'm happy if you would prefer the Council to lead on this. Either way, I think it would be helpful to try to get a date in the diary (after the 4th Nov) to discuss matters that could be agreed and to agree those that remain outstanding. We can review a draft document if one is available by then.

Could I therefore please ask you to respond with your availability, and I have asked my colleague Katie to find the most convenient date and time for all and to get that pencilled into diaries.

I look forward to hopefully speaking in a couple of weeks.

Kind regards
Becky



Rebecca Brookbank BSc (Hons) PhD MCIEEM

Technical Director

Ecological Planning & Research Ltd



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Appendix 11:

Ms Fitzpatrick email, 29th October 2024

Ben Read

From: gemma.fitzpatrick@talk21.com
Sent: 29 October 2024 12:58
To: Ben Read
Subject: Re: RE: Knoll House Hotel appeal

Hi James,

So we have our answer. C1 it is!!

My only question is why did you complete your application for for C3 market housing??

We need to agree a position so that we can move forward with SoCGs.

Regards
Gemma

Sent via BT Email App

From: Ben Read <ben.read@blackboxplanning.co.uk>
Sent: 29 October 2024 12:33:26 GMT
To: gemma.fitzpatrick@talk21.com <gemma.fitzpatrick@talk21.com>
Cc: Elisabeth Lucas <Elisabeth.Lucas@blackboxplanning.co.uk>, kim.cowell@dorsetcouncil.gov.uk <kim.cowell@dorsetcouncil.gov.uk>, yvonne.lester@dorsetcouncil.gov.uk <yvonne.lester@dorsetcouncil.gov.uk>, sam.gibbs-jones@dorsetcouncil.gov.uk <sam.gibbs-jones@dorsetcouncil.gov.uk>, Dan Trundle <Dan.Trundle@blackboxplanning.co.uk>
Subject: RE: Knoll House Hotel appeal

Dear Gemma,

The proposal is and always has been described as a proposal for the redevelopment of the existing hotel to provide tourist accommodation. The starting point is the agreed description of development, which is:

‘Redevelopment of existing hotel to provide new tourist accommodation including: 30 hotel bedrooms, apartment and villa accommodation and associated leisure and dining facilities.’

This description is similar to the agreed description for the first application for redevelopment of Knoll House (ref: 6/2018/0566) submitted in November 2018 and determined in February 2022.

The proposal has been designed in a single resort format, with a number of features to support its integration as a single operational entity. These include: shared servicing corridors, shared parking, a

shared heating network, combined energy provisions, shared access and delivery areas, and shared gardens. This was also set out in the supporting documents submitted alongside the planning application, including the Environmental Statement and Operations Report. The relevant use class considerations have also been subject to detailed discussion over many years. Details of this will be set out in evidence.

As you know, there is no requirement whatsoever for a description of development to reference use classes. The purpose of the use classes order is to specify the operations or uses which are not taken to comprise 'development' for the purposes of the Town and Country Planning Act and therefore do not require planning permission. There is no suggestion that the Appellant will seek to make use of the Use Class Order in order to use the units flexibly.

Any form of development which comes forward will have to accord with the description of development. The language of C1 and C3 has only been used to assist the LPA precisely how the development is to be operated as informed by the operational delivery and development economics.

It is incorrect to say that such discussion on this matter was confined to January 2024. The engagement on this issue with Ms Fay and other officers during December 2023 was also clear and, prior to that, over the previous six years, there were a number of meetings relating to the proposal and the proposed use. During this period the Appellant adopted a consistent approach to the proposal comprising tourism accommodation. It is also incorrect to say that the application form expressly refers to C3 accommodation, it does not. In any event, there is no box to tick for tourism accommodation on the planning application form. The relevant question refers to market housing rather than a specific use class.

The Appellant has been clear that this is intended to operate as 'tourism accommodation' and that the condition/obligation restriction was intended to properly reflect the ambit of what otherwise might be confused as unconstrained. Given that what is proposed does not fall neatly into either category C1 or C3 it appears that some confusion has arisen. However, this does not overcome the fact that the resort can only be used as 'tourist accommodation' in accordance with the agreed description of development proposed. Use outside of that agreed description (for example as a permanent residence) would not be permitted and subject to enforcement processes.

Applying established principles does not change what the appellant has applied for in this case – tourist accommodation. The imposition of controls over the use of development for tourism accommodation has been discussed with the LPA and Natural England over many years. It is only due to the failure of the LPA to disclose or engage with the Appellant at any level prior to their Appropriate Assessment that the alleged implications were only crystallised in the run up to the Committee. It is the application of a rigid interpretation of policy and the Dorset Heathlands SPD, rather than the assessment of impact as required by the provisions of Regulation 63 of the Habitat Regulations, which appears to underlie their circumspect around any reference to C1/C3 as part of the proposal.

There would be no change to the physical appearance, operation or demand on infrastructure irrespective of whether the development were to be limited by obligation/condition to a C1 or part C1/C3 with appropriate controls. No party would be prejudiced by such an approach and it would not fall foul of either the *Wheatcroft* and/or *Holborn* principles, so far as they are relevant. There is no change to the development, and the development for which permission is now sought is the same as that which has been applied for throughout the process.

With regard to third party consultation, similarly, the proposal has been well documented and there has been extensive engagement with local residents and other key stakeholders. Having been actively involved in the majority of third party engagement, I consider it to have been absolutely clear for what the Appellant is seeking planning permission, namely redevelopment of the existing hotel to provide tourism accommodation as part of a new resort. There is no need to reconsult because no change is sought.

It is also unclear why the LPA has only raised issue with the villas, referencing explicitly that it is the proposed use of the '*villas in particular*'. The issue, as a principle, based on the LPA's position, must relate to the villas and apartments collectively or neither. Refinement to the villas only makes the LPA's assessment incoherent and irrational.

With regard to the suggestions relating to controls within the s106/Condition, it is the appellant's intention to include provision within the s106 to control the use of the villas and apartments to either aligned to a C1 use or holiday accommodation more aligned to a controlled C3 use – as set out in the Operations Report. The provisions, will be presented in the alternative, and will incorporate 'blue line' clauses to enable the Inspector to strike out if he considers necessary to make the proposal acceptable in planning terms.

If, however, on a without prejudice basis, if the Council were agreeable to working towards a C1 use, in its entirety, the appellant would commit to this on the basis that it could substantially advance the areas of agreement between parties and could be set out in the SoCG. This could include common ground in respect of the Habitat Regulations and the Council's approach to impacts on the Dorset Heathlands.

I hope this provides clarification of the Appellant's position.

Kind regards

Ben

From: gemma.fitzpatrick@talk21.com <gemma.fitzpatrick@talk21.com>
Sent: 16 October 2024 17:54
To: Ben Read <ben.read@blackboxplanning.co.uk>
Cc: Elisabeth Lucas <Elisabeth.Lucas@blackboxplanning.co.uk>;
kim.cowell@dorsetcouncil.gov.uk; yvonne.lester@dorsetcouncil.gov.uk; sam.gibbs-
jones@dorsetcouncil.gov.uk
Subject: Knoll House Hotel appeal

Dear Ben,

Regarding your query in relation to occupancy controls, we wanted first to clarify the Council's position regarding the precise nature of the proposed use of the villas in particular.

We do not think, as things stand, that a condition (restricting the use of the villas to C1) would be lawful, for the reasons set out below.

Currently, the application form refers expressly to a C3 use in respect of the villas.

We have reviewed the correspondence at the time between you and the Council's officer in January 2024 and note that you proposed a restriction to Use Class C1 in January 2024 before the application was determined. We assume you still agree that such a restriction (in whatever form) is necessary.

The only way such a restriction can be imposed to Use Class C1 is if your client applies now to the Inspector to amend the application to remove reference to C3 and replace it with C1, otherwise the imposition of a condition would offend the Newbury tests for the imposition of a condition. A condition cannot be lawfully imposed which is inconsistent with what is stated on the application.

You will be aware from our Statement of Case that amending the application to a C1 use in respect of these villas would fall foul of the *Wheatcroft* principle (see the summary of the relevant principles in *R (Holborn Studios Limited) v LB Hackney [2017] EWHC 2823 (Admin)*). Our position is that changing the villas to a C1 use would mean that, in substance, what is being sought is different from the application initially made. We also consider that there are procedural issues with taking such an approach now, as it would require re-consultation.

The content of a planning obligation

-

Without prejudice to our position above that such an amendment would be unlawful, even if such an amendment were allowed by the Inspector, we think that a condition would be necessary restricting the use of the villas in

particular to Use Class C1. However, we also think that a planning obligation making it clear how long the lengths of stay would be, restrictions on dogs etc, would also be necessary and that this detail is easier dealt with via a section 106 agreement.

It would greatly assist the process of trying to reduce the number of issues in dispute, as well as assisting in the negotiations over the section 106, if you could confirm:

1. whether or not you agree that an application to amend the application along the lines set out above is necessary;

1. That you agree that either a condition or a planning obligation (or both) to control the nature of occupation to short term holiday let accommodation is necessary (and if so please specify what is the maximum length of stay you are proposing).

You will understand why we need absolute clarity in relation to this issue because the reference to C3 use in the application is one of the key reasons underlying Reason for Refusal 2 in particular, and is also relevant to the principle of development in this location.

Regards,

Gemma

Appendix 12:

Mr Williams email, 15th January 2024

Ben Read

Subject: FW: P/FUL/2022/06840 Knoll House Hotel Biodiversity Plan (our ref 9405)

From: Biodiversity Protocol <biodiversityprotocol@dorsetcouncil.gov.uk>
Sent: Monday, January 15, 2024 2:54 PM
To: Robbie Mackenzie <Robbie.Mackenzie@ecologysolutions.co.uk>
Cc: Ben Read <ben.read@blackboxplanning.co.uk>; Dominic Farmer <Dominic.Farmer@ecologysolutions.co.uk>; Jodie Dixon <Jodie.Dixon@ecologysolutions.co.uk>; Ursula Fay <Ursula.Fay@dorsetcouncil.gov.uk>
Subject: RE: P/FUL/2022/06840 Knoll House Hotel Biodiversity Plan (our ref 9405)

Hi Robbie,

Many thanks for making those changes to the Biodiversity Plan.

I take your point about securing the deliverability of new trees through the LEMP, and I will suggest that such a condition is applied should permission be granted.

Likewise I take the point about the grassland losses being temporary, as far as the Metric is concerned, and that the protection/reinstatement of this habitat will be set out within a CEMP/LEMP. As above I will suggest that a CEMP condition is applied should permission be granted.

The provision of additional enhancements for bats and birds, and the plan showing these and the dark corridors, is welcome. The only addition I'd ask you to be make is to link the dark corridors to the lighting strategy, which would be secured by condition, and set out the principles and parameters for how impacts on the dark corridors will be mitigated through this strategy i.e. maximum lux level in the dark corridor, reference to ILP guidance note 08/23 etc. We will then be in a position to provide a certificate of approval.

Kind regards
Sam

**Ecology Unit
Natural Environment Team
Place Services
Dorset Council**

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From: Robbie Mackenzie <Robbie.Mackenzie@ecologysolutions.co.uk>
Sent: Tuesday, January 9, 2024 9:17 AM
To: Biodiversity Protocol <biodiversityprotocol@dorsetcouncil.gov.uk>
Cc: Ben Read <ben.read@blackboxplanning.co.uk>; Dominic Farmer <Dominic.Farmer@ecologysolutions.co.uk>; Jodie Dixon <Jodie.Dixon@ecologysolutions.co.uk>; Ursula Fay <Ursula.Fay@dorsetcouncil.gov.uk>
Subject: RE: P/FUL/2022/06840 Knoll House Hotel Biodiversity Plan (our ref 9405)

Hi Sam,

Many thanks for such a fast response on this and thank you for your time on the phone yesterday to clarify issues relating to the biodiversity plan. We have now produced an updated Biodiversity Plan which now includes measures for Badgers and also proposes an additional 7 bat boxes onsite and 10 offsite; an additional 10 bird boxes onsite and 10 offsite; and two log piles onsite – these measures are shown on our updated biodiversity plan figure which I have included at the end of the Biodiversity Plan PDF. The remaining concerns are addressed below.

With regard to concerns regarding the new tree provision, detailed planting, management and remedial measures would be detailed within a LEMP, which could be secured by way of a planning condition. This is a standard approach used to secure the deliverability of landscape measures and the subsequent BNG value calculated at this stage.

We have now provided indicative dark corridors on our updated figure within the Biodiversity Plan and as mentioned previously, our client is happy to agree to the provision of a lighting, which could be secured via a planning condition. We have removed the appropriate assessment enhancement measures from the plan such as mire and heathland restoration, circular walk etc., as suggested. Please also note that the proposed dog walking area has since been removed from the proposals and it has also now been confirmed that there will be no dogs permitted on the premises as part of the new hotel complex.

With regard to your final query relating to the acid grassland in the southernmost area of the site, I have spoken with our client and they advise that it is likely that small areas of acid grassland will be temporarily damaged through reprofiling/regrading works, adjacent to the proposed hardstanding within the vicinity of the habitat, the majority of this habitat would not be impacted and would be fenced off during construction. Minor impacts to the habitat through reprofiling works would be temporary and short-lived and a detailed strategy regarding the protection/reinstatement of this habitat would be set out within a CEMP/LEMP which could be secured via a planning condition. Given the minor and temporary impacts to this habitat, it is not considered that this would materially alter any conclusions of the Environmental Statement. With regard to the treatment of this habitat within the BNG calculation, given that such impacts would be short-lived and temporary, the extent of the grassland in the south of the site has been inputted into the metric as retained, in line with the DEFRA Biodiversity Metric 4.0 User Guide, which states:

“7.3.6. A temporary loss is where there is restoration of a habitat, to its baseline type and condition within 2 years of the date of initial habitat loss, delivered in the same location. Where this applies, the habitat may be entered into the metric as ‘retained’.”

I hope this is useful and please do let me know if you have any further queries at all.

Kind regards,
Robbie

Robbie MacKenzie BSc (Hons) | Associate



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From: Biodiversity Protocol <biodiversityprotocol@dorsetcouncil.gov.uk>
Sent: Friday, January 5, 2024 12:45 PM
To: Robbie Mackenzie <Robbie.Mackenzie@ecologysolutions.co.uk>
Cc: Ben Read <ben.read@blackboxplanning.co.uk>; Dominic Farmer <Dominic.Farmer@ecologysolutions.co.uk>; Jodie Dixon <Jodie.Dixon@ecologysolutions.co.uk>; Ursula Fay <Ursula.Fay@dorsetcouncil.gov.uk>
Subject: RE: P/FUL/2022/06840 Knoll House Hotel Biodiversity Plan (our ref 9405)

Dear Robbie,

Many thanks for submitting these documents. We've also separately received an email, with revised BNG Metric attached, which provides a response to our comments from 28th December. I can see that the Metric has been amended to split out the small area of acid grassland in the south of the site, which is outside of the curtilage of the hotel complex but within the site boundary, and which is retained at the same condition. Despite this change I still do not feel able to alter my advice to the case officer, that the percentage biodiversity gain through the Metric should not be given substantial weight in decision making, because the application relies heavily on planting of trees in order to achieve the approx. 32% gain, and I can see that the Tree Officer has raised concerns regarding the damage and premature decline of these trees, due to "the less than ideal growing conditions, and variable resilience to change".

Notwithstanding the above, unfortunately the Biodiversity Plan does not contain a sufficient level of detail, or certainty, to allow us to provide approval. It is evident that a number of recommendations for mitigation have not been carried across from the ES, and that some of the mitigation in the ES is itself vague or lacking in detail. In addition, it appears that much of the off-site mitigation/enhancements are not secured in a way that would allow them to be relied upon. Nb the BP may benefit from removing reference to any enhancements whose primary purpose is to mitigate impacts on habitats sites. Previous comments provided below for ease:

- *Generally speaking **much of the mitigation in Chapter 7 of the ES is not described in the level of detail sufficient to provide the authority with confidence that it is appropriate and achievable.** For example it refers, in 7.181 to 'dark corridors' to mitigate impacts on foraging and commuting bats however the nature of these dark corridors is not described, nor are their locations shown on any plans. The lighting mitigation described in this section, and construction phase mitigation for replied, are also too vague to be relied upon.*
- *In addition, much of the mitigation and enhancement measured described in the ES ecology chapter are off-site, within the 'wider study area', with no information given as to how this will be secured, or managed, long term. Due to this uncertainty **we advise that these measures, which include creation of heathland to the southeast, should not be relied upon for decision making.** Further, provision of a dog-walking area within the proposed heathland creation areas is inappropriate.*

We also raised a point previously regarding protection of the grassland in the south of the site. This habitat is near to structures which will be demolished, and some documents seems to suggest reprofiling/raising ground levels in the south of the site either where the grassland is located, or adjacent to this area, though there is a lack of clarity here. Please clarify how the grassland will be retained and protected during demolition/construction otherwise it may need to be described in the Metric as being lost.

- *Lowland dry acid grassland (which includes UKHab community g1a6 'Other lowland dry acid grassland) is a priority habitat/habitat of principle importance, which are a material consideration under national and local planning policy. Due to the absence of this habitat from the baseline, arising from the deviation from the previous NVC survey, we advise that **the potential effects of the development on lowland dry acid grassland priority habitat are unknown.** Protection of this area of grassland during construction is not described so it appears that at least temporary effects are likely.*

Kind regards

Sam

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From: Robbie Mackenzie <Robbie.Mackenzie@ecologysolutions.co.uk>
Sent: Friday, January 5, 2024 9:38 AM
To: Biodiversity Protocol <biodiversityprotocol@dorsetcouncil.gov.uk>; Natural Environment Team <naturalenvironmentteam@dorsetcouncil.gov.uk>
Cc: Ben Read <ben.read@blackboxplanning.co.uk>; Dominic Farmer <Dominic.Farmer@ecologysolutions.co.uk>; Jodie Dixon <Jodie.Dixon@ecologysolutions.co.uk>
Subject: P/FUL/2022/06840 Knoll House Hotel Biodiversity Plan (our ref 9405)
Importance: High

To whom it may concern,

Following submission of a planning application in November 2022 for the proposed development at Knoll House Hotel (P/FUL/2022/06840), it has just been brought to our attention that a biodiversity plan has not been approved as part of the application.

We have promptly completed the biodiversity plan (please see attached) as requested, which is consistent with the mitigation set out within Chapter 7 Ecology of the Environmental Statement and we are seeking your approval of this document. I also attach the enhancement plan (Figure 7.5) that is referenced within the biodiversity plan for ease. The application is due to go to committee on 10th January, therefore I would really appreciate your urgent assistance with this.

I look forward to hearing from you.

Kind regards,
Robbie

Robbie MacKenzie BSc (Hons) | Associate



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