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11 January 2019

Dear Flo,

## **WA/2018/0408 | GEORGIAN HOTEL, HASLEMERE**

Further to your email regarding the progress with the determination of the application for the development at the Georgian Hotel in Haslemere, we are writing to confirm a. that we are pleased to hear that the report is nearing completion, b. to respond to the technical matters raised and c. to express our grave concerns at the approach taken by Members regarding the matter of viability. We take each matter in turn below:

### **A. Progress with the Officer Report**

We are pleased to hear the good progress has been made and you are hoping to complete the report this week. We would strongly support this as the application has been before the Council for some considerable time and we have demonstrated through submissions that the proposals as a whole accord with the policies of the Development Plan. As a consequence, the requirements of NPPF paragraph 11 are engaged.

Where necessary, robust and defensible evidence has been provided to justify the proposals – most notably in justifying the approach to affordable housing provision in the context of viability. Indeed, we have sought to go significantly beyond what is required to determine the application in the matter of the viability evidence to answer matters raised by the Town Council, the Haslemere Society and to reflect our discussions on the matter. As such, we are shocked to hear that Members have raised the concerns they have given the clear and unambiguous evidence that has been provided and we return to this later. What is clear to us is that the applicant has sought to respond to all matters raised by consultees in an expedient and helpful manner.

As such, we see no impediment to the completion of your report to committee. As discussed prior to the Christmas break, it is critical that the application is determined in short order not least to allow the submission of the detailed proposals for the internal renovation, refurbishment and reconfiguration of the hotel and restaurant to be submitted.

Additionally, we see no reason why the recommendation should not be to approve the application without any further delay (per NPPF paras 11 and 47). However, we recognise that we will need to await your recommendation in order to confirm this.

### **B. Technical matters**

We have sought clarification from the Design Team to the matters raised regarding bins and cycle storage and provide the detailed response below. In the event that there are any further questions or clarifications required

in response to the below, which we hope there will not be, then we would be grateful if you were to direct these questions directly to Martin Bates. However, for clarity, having provided the response below which addresses each aspect of the queries raised, we are of the view that this matter has been adequately addressed. Should any further details be required these could be provided in response to conditions, albeit for the avoidance of doubt we do not consider that any further conditions should be necessary.

In response to the request that we demonstrate how the required domestic bins will fit into the proposed bin store, we can confirm that:

*The 3 No. mews cottages with gardens all have 3No. 240 litre bins stored on each individual plot. The 3 bins make provision for 1 No. recycling / 1 No. landfill / 1 No. Garden Waste. In addition each individual property will have a kitchen caddy for food waste.*

*The 16 apartments have a designated bin store designed to provide 6,600 litres of capacity.*

*This is currently configured as 6 No. 1,100 litre bins.*

*Recycling guidance suggests:*

*1 bed apartments = 100 litres x 2 No. apartments = 200 litres*

*2 bed apartments = 170 litres x 12 No. apartments = 2,040 litres*

*3 bed apartments = 240 litres x 2 No. apartments = 480 litres*

*Total recycling capacity = 2,720 litres*

*Landfill guidance suggests:*

*Each apartment = 240 litres x 16 No. apartments = 3,840 litres*

*Total landfill and recycling requirements = 6,560 litres.*

*Food waste guidance suggests that 23 litre kerbside caddies are acceptable.*

With regard to the plans for cycle storage, we can confirm that:

*The 3 No. mews cottages with gardens all have provision for garden sheds with capacity for individual cycle storage.*

*Cycle storage guidance for apartments suggests:*

*1 bed apartments = 1 space x 2 No. apartments = 2 spaces*

*2 bed apartments = 1 space x 12 No. apartments = 12 spaces*

*3 bed apartments = 2 spaces x 2 No. apartments = 4 spaces*

*Total minimum cycle storage = 18 spaces.*

*The designated cycle storage space is approximately 5m long and 4m wide and provides an area of approximately 20 sqm.*

*We propose to install the 'Amazon Eco Shelter' – Information sheet attached.*

*The standard shelter is 4.1m long and 2.1m wide and contains 5 No. hoops, designed to accommodate 10 cycles. The shelter meets the guidance which calls for covered and lockable storage. The proposal is to install*

2 No. 'Amazon Eco Shelters' back to back to provide capacity for 20 cycle spaces, exceeding the minimum standard guidance.

The area required to make provision for the 2 No. shelters is  $2 \times 4.1 \times 2.1 = 17.22$  sqm.

### C. Viability matters raised by Members

We come finally to the matter of greatest concern to us. The reason for our concern is:

- The Council was provided with detailed viability evidence in the form of two separate reports from our consultant team (Savills and Fleurets – two recognised industry experts in the matter of viability and the hotel industry) on 1<sup>st</sup> March and 15<sup>th</sup> August 2018 respectively;
- The evidence was subject to independent audit by Adams Integra, who were appointed by the Council sometime later on 2<sup>nd</sup> October 2018. The independent audit supported the conclusions of the submissions made by our consultant team. Whilst a number of matters were raised within the audit, these matters did not affect the overall and unambiguous conclusion from the Council's expert that the findings of our submissions were sound and supporting the case for the proposals; and
- The matters that you report as being raised by Members are without sound basis and clearly step outside the parameters of what is necessary and reasonable to request in the circumstances. Whilst we have taken the time to address them below, we must raise our significant concern that they have been raised both in the manner that they have and at this very late stage in the determination of the application. This is a matter we will talk to in our presentation to the planning committee when the application is considered. Put simply, the evidence submitted by the applicant, and independently verified by professionals with considerable expertise in these matters, ought to be on any reasonable basis more than sufficient to answer the question that it is necessary for you to pose in the consideration of the proposals. No further justification is required.

Turning therefore to the questions raised, we can confirm that:

- In response to the question regarding the potential viability of the current 43-bed operation, we have submitted sufficient evidence to answer any such questions posed. This is the precise purpose of the Fleurets report and it answers the questions as to whether the current use is viable. As such, this request is considered to be preposterous and without merit and Members should be pointed to both the Fleurets report itself and the conclusions of the Councils' independent audit of the report to ensure that they have properly recognised the detailed content of both reports
- In response to the queries relating to the Hollybourne Hotels group, we are not aware of any such evidence that is purported to have been established, but for the record:
  - The application must deal with the matters arising now. The circumstances arising under the Hollybourne Hotels operation are irrelevant in the context of RICS guidance on viability and the changes in circumstances that have arisen since then including, but not limited to the continued degradation of the building and the changing economic climate in which businesses are being run;
  - It is not possible for the applicant to provide any meaningful assessment of the circumstances of the Hollybourne Hotels operation, as it had no ownership in it, nor any oversight of it. Furthermore, the company was dissolved nearly 5 years ago;
  - The applicant is not aware of any accounts being available for the Georgian as a standalone asset available during the Hollybourne Hotels operation;
- In response to the question regarding the hotel going into administration in its own right, we can confirm that a company either is rescued through a CVA, goes into administration to be managed by a licensed insolvency practitioner or is liquidated where it is shut down and assets sold. It is unclear what is meant by the hotel going into administration 'in its own right' but an administrator is appointed to manage a company by the courts, a company's creditors or a company's directors. The Administrators were appointed following the acquisition of the Hollybourne Hotels operation debts by Promontoria from Lloyds

in December 2013. The deal included a bilateral loan facility together with overdraft facility to assist trading and relieve cash flow pressures on Hollybourne. The management of Hollybourne were subsequently advised by Promontoria that credit facilities would not be extended beyond March 2014, as a result and in the absence of alternative funding arrangements Administrators were appointed; and

- In response to the question regarding the sale of the hotel and the obligations of the administrator, Members will be aware that the Administrator of a company **is obligated by Statute to be** perform his or her functions with a view to achieving one of the following statutory objectives:
  - Objective 1: rescuing the company as a going concern;
  - Objective 2: achieving a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in administration); or
  - Objective 3: realising property in order to make a distribution to one or more secured or preferential creditors.

The consortium initially offered on the basis of Objective 1 via a CVA as Mr McVeigh was a significant creditor of the business. However, through Lannister House it became increasingly difficult to perform a CVA and thus Lannister House (1782) Ltd was formed to acquire The Georgian as an asset purchase and Mr McVeigh was provided with shares (a non-majority shareholding) in return for forgoing his creditor position to the Administrator, this resulted in Objective 2 being achieved by the Administrator. As such, it is clear that the functions of the Administrator have been performed in accordance with the obligations placed upon it. Whilst not a relevant consideration, we can also confirm that the company was not bought by the previous operator (which was Lionhouse Hotels Ltd, of which Mr McVeigh was a shareholder but which is an entirely separate legal entity).

We should note that the above information is provided in response to the concerns raised by Members and is done in good faith. None of these matters are material to the determination of the application.

As such, we look forward to receipt of your officer report shortly.

Yours sincerely,



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