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## CAIRNGORMS NATIONAL PARK AUTHORITY

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**Title: REPORT ON CALLED-IN PLANNING APPLICATION**

**Prepared by: NEIL STEWART, PLANNING OFFICER (DEVELOPMENT MANAGEMENT)**

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**DEVELOPMENT PROPOSED:** FULL PLANNING PERMISSION FOR CHANGE OF USE FROM CLASS 7 (HOTELS AND HOSTELS) TO CLASS 9 (HOUSES) & FULL PLANNING PERMISSION FOR VARIATION OF CONDITION NO. 2 (OCCUPANCY CONDITION) OF PLANNING PERMISSION REFERENCE APP/2004/1854, AT BALGONIE COUNTRY HOUSE HOTEL, BALLATER

**REFERENCE:** 07/401/CP & 07/402/CP

**APPLICANT:** JG & PR FINNIE, THE GARDEN HOUSE, BALGONIE, BALLATER

**DATE CALLED-IN:** 2 NOVEMBER 2007

**RECOMMENDATION:** 07/401/CP - GRANT, SUBJECT TO CONDITION  
07/402/CP – GRANT, SUBJECT TO CONDITION



**Fig. 1 - Location Plan**

## SITE DESCRIPTION AND PROPOSAL

1. The Balgonie Country House is a 4 star, 9 bedroom hotel which is a former house converted into a hotel in 1991 by the current applicants and owners, Mr. & Mrs Finnie. The property, which dates from the early 1900s, is located on the south west edge of Ballater, but within the Ballater Conservation Area. It is sited within its own grounds which are characterised by mature trees to the south west side, with open garden and parking areas elsewhere. Access is by a private road leading from Braemar Place. Within the grounds, there are several other buildings, two of which include the applicant's own detached house, and a separate residential unit which is restricted, by planning condition, to occupation by staff of the Balgonie Hotel ie. it is ancillary to the hotel.
2. This report covers two related applications. The first is to change the use of the Balgonie Hotel back to its original use as a private house (07/401/CP). The second is to vary the condition of the 2004 planning permission for the ancillary residential unit, which restricted its use and occupancy to staff and linked it to the hotel (07/402/CP). There will be some internal alterations to the hotel to accommodate the private house use but there are no external changes to this or the ancillary building.



**Fig. 2. Balgonie Country House Hotel**



**Fig. 3. Applicants existing house within the grounds**

3. The applicants have submitted a supporting statement. They wish to retire from the business of hotel-keeping and live in the Balgonie as their sole private residence. However, they do not wish to move out of the tourism business completely. It is their intention to offer both their existing house and the ancillary unit as self-catering and “temporary stay” accommodation. They have also intimated that they may offer some limited Bed and Breakfast facilities in the Balgonie itself.



**Fig. 4. Existing ancillary residential unit for staff**

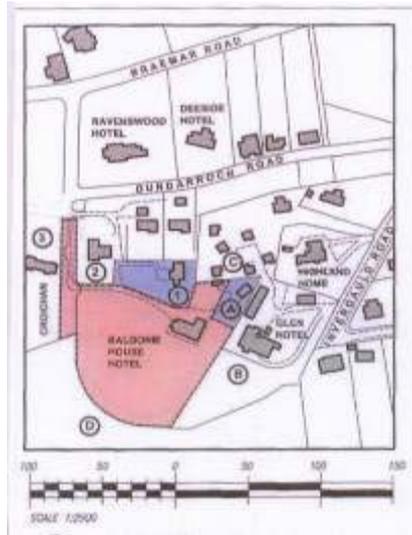


Fig. 5. Plan for 07/401/CP

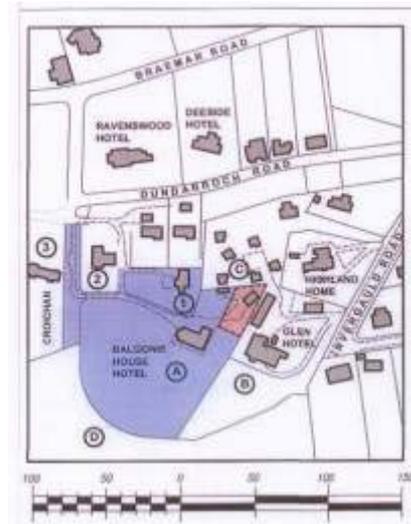


Fig. 6. Plan for 07/402/CP

## DEVELOPMENT PLAN CONTEXT

### Cairngorms National Park Plan 2007

4. Strategic objectives for Living and Working in the Park under **5.2.2 Sustainable Communities** include; promotion of provision of local services that meet the needs of communities through community planning and other community development initiatives. The background to this objective notes that the provision of services should contribute to thriving communities that have the appropriate facilities to meet their needs. Access to services, including schools, health care and social infrastructure such as shops, post offices, pubs and phone boxes are key to the long term sustainability of communities. New development should seek to reinforce the sustainability of communities and support the provision of services in settlements. Under **5.2.3 Economy and Employment** strategic objectives include; creating conditions that are conducive to business growth; and promoting opportunities for economic diversification across all areas of the Park. Under **5.3.2 Sustainable Tourism**, a range of strategic objectives include; improving and maintaining the quality of experience in the Park for all visitors, communities and those working in the tourism industry; and strengthening and maintaining the viability of the tourism industry in the Park and the contribution that it makes to the local and regional economy.

### National Planning Guidance

5. At the National level **SPP3 Planning for Housing** encourages the re-use of existing buildings for residential development. Para 32 under the efficient use of land and buildings, tends to relate to larger settlements but notes that the conversion of commercial premises

offers opportunities to create new residential environments with a distinctive character while retaining buildings of architectural or historical interest. Para 49 of SPP3 notes that traditionally, planning policy has sought to restrict new housing in the countryside, to maintain rural character and amenity and safeguard agricultural production. Where possible, most new housing requirements should be met within or adjacent to settlements.

6. **SPP2 Economic Development** includes a range of advice promoting new economic development but says little about protection of existing facilities. **SPP15 Planning for Rural Development** again emphasises promotion of rural economic development in the right places but pays no specific attention to the role of existing facilities.

#### **Aberdeen and Aberdeenshire Structure Plan (NEST) 2001-1016**

7. **Policy 6 Tourism**, encourages tourism and related developments where they are compatible with policies to safeguard and enhance the built and natural environment. There are no specific references to the protection or role of existing facilities. **Policy 20 Built Heritage and Archaeology**, seeks to protect and enhance conservation areas.

#### **Aberdeenshire Local Plan 2006**

8. **Policy Env/17 Conservation Areas** protects against any development, including change of use, that would have a detrimental effect on their special character or setting. **Policy Emp/1 Allocated and Existing Employment Land** states a presumption in favour of retaining existing sites (greenfield and brownfield) for industry and business use. **Policy Emp/9 Tourist Facilities and Accommodation** states that new or improved facilities and accommodation will be approved in principle, if certain criteria are met. There are no specific policies protecting existing tourist accommodation facilities.

### **CONSULTATIONS**

9. **The CNPA's Sustainable Tourism Officer**, has advised that Balgonie is a 9 bedroom hotel. According to the CNPA tourism database it is one of 10 hotels in Ballater, along with 11 B&Bs, 6 guest houses, 2 hostels, and 1 restaurant with rooms.
10. She accepts the proprietors' submission that the market for local accommodation is changing with a preference for self-catering rather than catered accommodation, and she welcomes their plans to develop 2 self-catering units from existing properties in the grounds, accommodating a total of up to 14 guests. Visitors who self-cater are likely to spend longer in the area than those in catered accommodation, and are likely to spend with local food retailers and other catering businesses.

11. In general she would be wary of allowing change of use from visitor accommodation to residential accommodation due to the adverse impacts on the local economy. However in this case, due to the relatively large base of catered accommodation locally, and the plans to develop new self-catering units, she doesn't feel that the proposal would have a large impact on the local economy.
12. **Aberdeenshire Council's Senior Business Executive** has stated that the Balgonie House Hotel is graded as a 4-star Country House Hotel by VisitScotland and is one of two hotels graded as 4-star in Ballater. The potential loss of a business of this standard is to be regretted, therefore. The reason given for the applications is the retirement of the owners from active hotel management rather than the trading performance, although an alternative management arrangement seems to have been examined but is not considered sustainable. It is not possible to comment on the viability of the business from the information given. The annual average hotel room occupancy rate quoted looks quite low at 44%, compared to an average rate for Aberdeen & Grampian of 66% and covering all grades of hotels (VisitScotland/ SAO Survey - 2006). The reasons are unclear and there may be a number of factors involved, for example some businesses on Deeside have been able to benefit by tapping into the buoyant business market flowing from the Aberdeen area.
13. The aim is to replace the hotel with self-catering accommodation by using adjacent properties rather than expose the existing business for sale as a going concern. This should help to offset the loss of the hotel bed capacity in the area, if not other associated services e.g. functions and restaurant. Hopefully, self-catering guests will make use of other local facilities and services in the village instead. It is proposed to provide two self-catering properties with a total capacity of 14 beds. The equivalent annual average occupancy rate for all grades of self-catering units in 2006 is given as 49% (VisitScotland/SAO Survey - 2006), which is slightly better than reported for the hotel currently. Overall, it would appear that there will be some modest loss of bed capacity due to fewer beds being available. There may be an opportunity to achieve higher occupancy rates (and income) if both self-catering properties are presented to a high standard e.g. 4-star and above. In addition to the retirement of the owners, it appears that two full time posts will be lost plus some seasonal employment. Again this is regrettable, although the impact may be mitigated by the relative strength of Aberdeenshire's labour market and the indirect support for employment that self-catering can provide.
14. At the time of writing, no response has been received from the **Ballater & Crathie Community Council**.

## REPRESENTATIONS

15. The applications have been advertised as Development Affecting the Character or Setting of a Conservation Area. No representations have been received.
16. The applicant has though submitted a supporting statement. A copy is attached to this report. In summary it advises of their long standing attachment to businesses in Ballater, and provides information, reasons and justification for their proposals.

## APPRAISAL

17. These applications relate to a change of use of an existing hotel to a private house and a variation of a condition imposed on a related planning permission for an ancillary residential unit within the grounds. The applications should be considered together but it is logical to assess the change of use proposal first.

### Change of Use (07/401/CP)

18. The site lies within the Ballater Conservation Area. However, the proposal to revert back to a private house use does not involve any external changes to the hotel building. There may be some internal alterations but these do not require planning permission. The property was originally built as a house. The change of use proposal will not therefore result in any change to the character of the building or its setting within the Conservation Area. There are no issues in relation to planning policy or the aims of the Park in this respect.
19. Taking account of the above, the change of use application therefore turns on a single issue. This is the acceptability, or otherwise, of losing an existing tourist accommodation business in one of the main tourist areas of the National Park. The starting off point is existing planning policy and Park Plan objectives. National and local planning policy generally encourages the re-use of existing buildings within settlements for residential use. However, national policies for economic and rural development, both emphasise the importance of securing economic development in the right places. The spirit of local plan policy, as contained in Policies EMP\1 (Allocated and Employment Land) and EMP\9 (Tourist Facilities and Accommodation), seeks to generally retain and encourage business and tourist uses. There is however, no specific policies which fundamentally protect against the loss of tourist accommodation. There is though, in the Park Plan, specific objectives about the provision of services contributing towards thriving communities so that they appropriate facilities to meet their needs.

20. From this, in this instance, the assessment hinges on the nature of the existing business, the importance of it in relation to the provision of facilities in Ballater, the applicants proposals for the future, and how any loss could be off-set.
21. The applicants propose to retire from the business of hotel keeping and move into the existing hotel building as their private residence. The business remains a viable one at present but this may be because of the particular way that it is run ie. Mr. & Mrs. Finnie are directly involved in the daily operation of the business. My view is that, this is not an application which is based on the ongoing unviability of the Balgonie Country House Hotel business. It is about the applicant's desire to retire from the daily hotel keeping operations but at the same time diversify. It should be noted that there would be nothing to stop the applicants from just ceasing the hotel business, but this is not what is proposed. They have indicated that they would wish to offer self-catering accommodation in their existing house (although planning permission to do this at present would not be required) and self-catering or "temporary stay" accommodation, in the ancillary residential unit both of which are situated within the grounds. They would also consider offering, on occasion, bed and breakfast rooms in the Balgonie House, where its existing layout would not hinder this option. While there is no justifiable planning mechanism to enforce the use of the applicant's existing house for self-catering purposes, the loss of the hotel bedspace (9 bedrooms), if the applicant's follow through their proposals, would be off-set by the addition of self-catering or "temporary stay" accommodation for up to 14 people. From survey information, the average occupancy for self-catering properties is greater than what is reported for the hotel at present.
22. In addition, the nature of the business at present is essentially a "private one". It is possible to book functions and use of the restaurant facilities, but there is no public bar. The services provided are primarily for resident guest use. The loss of the function and high quality restaurant option is unfortunate but, as confirmed by the CNPA's Sustainable Tourism Officer, Ballater offers alternative function, catering and tourism accommodation facilities in the form of 10 other hotels, 11 bed and breakfasts, 6 guest houses, 2 hostels and 1 restaurant. There are also public bars offering food. While certainly not diminishing the valued and high quality contribution of the Balgonie Country House Hotel to the local tourism market, the fact that there are several alternatives in Ballater, which serve the community and visitors alike, must also carry some weight. It should also be noted that until 1991, the property was a house, and it was the applicants who followed through their ambitions to create the hotel business.

23. Taking all of the above into account, I take the view, like the consultees, that there is no significant or justifiable planning reason for resisting the change of use proposal in this instance. I therefore recommend approval of this part of the proposal. In stating this, this assessment is particular to this case, and does not act as a precedent for accepting the loss of hotel accommodation elsewhere in the National Park, in the future. It is also related to the assessment below.

### **Variation of Condition**

24. The above assessment leads to the second proposal. In 2004, Aberdeenshire Council granted permission for the erection of a new building within the grounds of the hotel. It was proposed and subsequently conditioned, to be used by staff associated with the hotel. As such, it is ancillary to the main hotel use. By accepting that the hotel use will cease, there is a need, and the applicants have applied, to vary the terms of the restrictive condition. There can be no argument in practical terms, that with the hotel use ceasing, the reference "*shall remain ancillary to Balgonie Country House Hotel*" should be varied.
25. Notwithstanding the applicant's proposals to turn their existing house into self-catering accommodation, as stated above, there is no planning control to enforce this. Indeed planning permission is not required to do this at present. In the context of the aims of the National Park, there is still therefore the issue of the potential complete loss of bedspaces to the local tourism market. How can we ensure through planning control, that there is a degree of mitigation?
26. I have had significant but fruitful discussions with the applicants on this issue. The building itself does not easily lend itself to separate private use from the Balgonie. It is accessed from the same drive which passes the Balgonie and it is served by the same metered water and electricity supply. There is also a lack of private individual garden space. The applicants have advised that it is their intention to offer it as self-catering accommodation but also as a property that can be used by the police when they need to reside for work purposes, for temporary periods of time, in the area. This can equate to approximately 5 month stays maximum. However, this does not mean that individuals would necessarily reside for that length of time.
27. Taking account of this, the loss of tourist accommodation facilities in the hotel, and the fact that there is justification in the form of the objectives of the Park Plan and the aims of the Park, I consider that a revised restrictive condition is required. In this respect, I also consider that people staying for temporary work purposes will contribute to the local economy as much as tourists. The proposed condition will restrict the use of the unit to ancillary purposes to the main house (former Balgonie Hotel), which shall include self-catering holiday accommodation, or temporary accommodation for people wishing to

reside in the area for work purposes (5 months maximum) or ancillary family accommodation. The property shall not be sold separately from the main house.

28. The applicants have agreed to this variance to the original condition. With this in place, I can also recommend in favour of this application.

## **IMPLICATIONS FOR THE AIMS OF THE PARK**

### **Conserve and Enhance the Natural and Cultural Heritage of the Area**

29. There are no implications for this aim.

### **Promote Sustainable Use of Natural Resources**

30. There are no implications for this aim.

### **Promote Understanding and Enjoyment**

31. The development will involve the loss of some tourist accommodation facilities but this should be off set to a degree by the introduction of alternative temporary and self-catering accommodation.

### **Promote Sustainable Economic and Social Development**

32. There is a potential negative impact on this aim. However, there are existing alternative tourist accommodation facilities in Ballater and the applicant's propose to off set any impacts to the local economy by introducing self-catering, "temporary stay" and potentially B & B type accommodation, elsewhere on their property.

## **RECOMMENDATION**

33. **That the Committee agree to:**
- a. **Grant Full Planning Permission for Change of Use of Class 7 (Hotels and Hostels) to Class 9 (Houses), at the Balgonie Country House Hotel, Ballater (07/401/CP), subject to the following condition;**
    1. The development to which this permission relates must be begun within five years from the date of this permission.

**b. Grant Full Planning Permission for Variation of Condition No. 2 (Occupancy Condition) of Planning Permission Reference APP/2004/1854, at the Balgonie Country House Hotel, Ballater (07/402/CP), subject to the following condition;**

1. The development hereby approved shall remain ancillary to the main house (former Balgonie Country House Hotel), which shall include, use for self-catering holiday accommodation, temporary accommodation for persons requiring to stay in the area for work purposes (unless otherwise agreed in writing with the CNPA acting as Planning Authority, maximum stay for any one person or group of 5 months), or ancillary family accommodation. For the avoidance of doubt, the property shall not be disposed separately as a private house for permanent occupation, without the express permission of the Planning Authority.

**Neil Stewart**  
**29 January 2008**

[planning@cairngorms.co.uk](mailto:planning@cairngorms.co.uk)

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