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Ref: LO1kp_23/0217/OUT

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By E-mail – planningadmin@hart.gov.uk

FAO Kathryn Pearson
Planning Department
Hart District Council
Harlington Way
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Dear Kathryn

23/02171/OUT - Hybrid planning application to redevelop the existing 27 hole golf course into a 12 hole golf course Outline Planning Permission for the erection of eco-cabins and a solar array with associated access, landscaping, supporting infrastructure and associated works (approval sought for access only) Full Planning Permission for the demolition of four existing outbuildings associated with Gazing's Farm and driving range, erection of a short game centre of excellence, starters hut, putting course and racquet area and retention and alteration of cabana, club house and greenkeepers shed to include the erection of a welfare building and associated parking, access and landscaping, supporting infrastructure and associated works at Oak Park Golf Course, Heath Lane, Farnham, GU10 5PB

As stated in our previous correspondence, whilst Crondall Parish Council (CPC) supports, *in principle*, proposals that will retain a golf course at Oak Park a number of significant concerns remained, not least of which was lack of transparency on the viability of the proposals.

Further to your letter of 12th January furnishing us with a copy of the Viability Report, CPC has now had the opportunity to consider the background provided therein. It is the opinion of the parish council that the information provided is not pertinent to and does not support the high-level claims being made. Many sections are redacted, and the remaining information appears arbitrary and unjustified, specifically:

1. Executive Summary

- 1.1. Bracketed references herein are to sections and clauses in the Report.
- 1.2. Fundamental data on income and operating costs on which the Report's conclusions rely have been redacted. No justification for or explanation of such secrecy has been provided.
- 1.3. Those data have been provided by the Applicant. There is nothing in the report to indicate that the data have been reviewed, questioned or tested against any relevant benchmarks – on the contrary, it is clear that such data have been relied upon by the Report's author (2.10 and 5.1).
- 1.4. The same applies to capital costs, provided by the Applicant and accepted by the Report's author without question (6.1).

- 1.5. In particular, the proposed 54 'eco cabins' are costed at £6,750,000 (£125,000 each) (6.1): no explanation or breakdown of this very substantial sum is provided.
- 1.6. The choice of precisely 54 'eco cabins' is not explained, despite that number, according to the Report, not actually generating a target 'market level' of return (1.10, 9.2).
- 1.7. The Report makes reference to the Eco cabins incorporating "*green technologies, green roofs and solar panels*" (3.8) but omits such fundamental details such as number of beds per cabin, services, utilities, etc., all of which must be known for the Applicant as the source of the assumed cost per cabin of £125,000.
- 1.8. The Report lacks any reference at all to any assumed occupancy levels for the 54 'eco cabins' but – importantly - does appear to assume unreasonably high levels of income from them (see **Clause 2.4** below).
- 1.9. The Report's author "*understands that the Applicant would commit to a legal agreement that ensures the proposed accommodation cannot be let in the unlikely event that the golf course use ceases*" (1.8). Such an undertaking, though welcome if sufficiently broadly worded, does not preclude other outcomes.
- 1.10. The Report's conclusion, that viability of the overall project requires the presence of 54 'eco cabins', given that this conclusion depends fundamentally on unquestioned data provided by the Applicant, is a cause for some concern.

2. Revenue and Costs (section 5)

- 2.1. This section sets out totals of assumed annual income, total assumed associated costs and resultant EBITDA for two scenarios: without 'eco-cabins' and with 'eco-cabins', referred to simply as 'without' and 'with' hereafter.
- 2.2. However, all the detailed elements making up these totals have been redacted (without explanation), so it is impossible to comment on the component costs from which these totals have been derived.
- 2.3. Where necessary, therefore, any analysis has to be based, if only in part, on reasonable estimates. Such secrecy

2.4. Income:

- 2.4.1. The author states "*The annual revenue for the scheme is identified below and has been provided by the Applicant*" (5.1)
- 2.4.2. Although not stated in the Report, it is presumably reasonable to assume that the associated annual costs have also been provided by the Applicant.
- 2.4.3. There is no indication that the author has tested any of the redacted figures – they have simply been provided by the Applicant and plugged into the Report, effectively as the starting point of the subsequent analysis. Some comparison with industry norms or rules of thumb might have been expected.
- 2.4.4. Of particular interest is the assertion that annual 'with' revenue will be some £4.8m more than 'without'. Again, because of the redactions, it is impossible to know how much of this substantial increase (~240% higher than the 'without' scenario) is explained by the assumed income from the 'eco-cabins' themselves and how much from the assumed 'extra' income (golf fees, club house facilities etc.) generated from 'eco-cabin' occupiers.

- 2.4.5. But even if, for the sake of argument, this 'extra' income accounts for, say, 50% of that increase, that still leaves some £2.4m for income from the 54 'eco-cabins' themselves. Even if every single one of them were to be occupied for 365 days a year, that equates to a rate of ~£120 per night. But of course, in reality, once any reasonable level of occupancy (to which there is no reference at all in the Report) is assumed, the resultant *per diem* figure would be much higher: for example, even assuming an average 75% occupancy for 70% (250 days) of the year, the *per diem* rate would be ~£220. And if either or both the assumptions referred to above are generous, then the *per diem* figure would be higher still.
- 2.4.6. To put it another way, if, for example, there *was* an average occupancy level of 75% for 250 days a year at a *per diem* rate of £120, that would equate to an annual 'eco lodge' income of approx. £1.2m – half the apparent assumption in the EVAR.
- 2.4.7. *Per diem* rates at this sort of level seem an unreasonable assumption when assessed against those available at reasonably comparable local hotels, especially given that the occupiers of the 'eco-cabins' are presumably expected to generate additional income by patronising the "*Refurbished and extended former clubhouse building, to provide dining and bar space*" (3.8).
- 2.4.8. In short, the difference between the 'with' and 'without' revenue figures do not seem to stack up, nor is there any indication that the author of the report has queried their assumptions.

2.5. Costs:

- 2.5.1. Unlike for Revenue, 'with' costs are assumed to be only a little over double the 'without' costs, (5.5 and 5.9) but as with Revenue, the wholesale redaction of the detailed figures makes analysis difficult.
- 2.5.2. Suffice to say that, as with Revenue above, there is no indication that the author has 'tested' any of the figures provided by the Applicant, but has simply taken them 'as read' and as the basis for subsequent calculations.
- 2.5.3. This interpretation is borne out by the extraordinary precision with which the un-redacted totals are presented – for example, a £3m sum presented to the nearest pound, despite that most – probably all - the redacted components of the un-redacted total must surely be estimates.

3. Development Cost Assumptions (Section 6)

3.1. Capital Costs

- 3.1.1. Although the Report only states that "We have been advised" of the following capital costs, it is reasonable to assume that that advice has come from the Applicant – in other words, once again, the Report's conclusions are based substantially on data provided by the Applicant and not tested by the Report's author.
- 3.1.2. Otherwise it is difficult to comment on the figures provided, save to suggest that none of them appear to err on the low side.
- 3.1.3. It is noted that the 'eco cabins' are stated to cost £125,000 each, a very substantial sum. The Report provides no details of this unquestioned figure – in particular, whether it includes the cost of services/utilities(and, if so, which ones) – an important

omission given that the cost of the 'eco cabins' alone represent 60% of the total capital costs (6.1).

3.2. Other Costs (6.2)

3.2.1. The Land costs, at £261K, are the same for 'with' and 'without' .

3.2.2. The 'with' and 'without' 'Disposal' costs, on the other hand, differ substantially (£504K and £69K respectively), but appear to have been incorrectly headed (6.2), assuming that the higher figure applies to 'with' and not 'without, not *vice versa*.

4. Land Value (section 7)

4.1. It would be unrealistic to challenge Carter Jonas valuations, save to point out that, if they do indeed publish a Market Update on a quarterly basis and given that the Report was written in August 2023 and we are now in Q1 2024, it is strange that the author hasn't taken the opportunity to update "the most recent being Q4 2022" (7.4)

4.2. But given that Carter Jonas' valuation is already qualified by being for the South East of England and further qualified by being for "Lifestyle use" (7.4) , it seems surprising that the actual valuation is so broad (£3,707K +/-36%), and there seems to be no justification for qualifying it even further (7.6).

4.3. If, as appears to be the case, Gazings Farm is owned by the Applicant (3.6) it seems strange that the Report assesses its value by reference to tenanted income (7.8)

5. Conclusion (section 9)

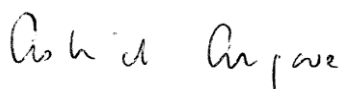
5.1. The EBITDA figures, from which the 'with' and 'without' annual returns on investment are calculated, are based almost entirely on data provided by the Applicant. There is no indication anywhere in the Report that its author has reviewed, queried or tested any of that data.

5.2. In particular, and as set out at **Clause 2** above, the benefit of having 'eco-cabins' does appear to be exaggerated.

5.3. The Report's conclusion, that viability of the overall project requires the presence of 54 'eco cabins', given that this conclusion depends fundamentally on unquestioned data provided by the Applicant, is a cause for some concern.

In summary, it would seem that the report in its current form, raises more questions than it answers. Based on this, CPC reiterates their OBJECTION to this planning application as outlined in both this letter and our previous letter of 1st November and urge HDC to refuse it.

Yours sincerely



Astrid Angove
Parish Clerk – Crondall Parish Council