

## Project Experience

### Milford Lodge Hotel - Selby District Council



#### Outline Planning Application

AspinallVerdi was commissioned by Selby District Council to review the case for 'Very Special Circumstances' in terms of the economic viability of an outline proposal to extend the existing hotel to develop 36 additional bedrooms and conference and leisure facilities in the Green Belt at The Milford Lodge Hotel, Nr South Milford, Selby.

#### Very Special Circumstances

Our review of the evidence base for very special circumstances, included:

- The impact on the business of the relocation of the A1 trunk road from the front of the hotel with direct access, to the new motorway to the rear from which the hotel no longer enjoys direct access.
- Is the proposed extension the minimum required to rectify the harm caused by the road scheme and make a sustainable business – i.e. will the development of the extension contribute to the viability of the existing hotel as a single entity.



#### Value Added

Our review included a detailed analysis of:

- the proposed development – including the site acquisition and outline planning application strategy;
- the hotel's trading performance – to isolate the impact of the M1 motorway and / or the recession;
- market analysis of the competition - in order to benchmark trading performance; and
- a detailed viability appraisal.

The Applicants contended that the proposed development was the minimum required to rectify the harm caused by the road scheme and make a sustainable business. For this to be the case, the development of the extension had to contribute to the viability of the existing hotel as a single entity. We completed an economic viability assessment of the scheme using a bespoke monthly cashflow in order to calculate the net present value (NPV) and Internal Rate of Return (IRR) of the scheme.