

<b>MEETING:</b>	<b>PLANNING COMMITTEE</b>
<b>DATE:</b>	<b>9 OCTOBER 2013</b>
<b>TITLE OF REPORT:</b>	<p><b>131732/F - CHANGE OF USE FROM PUBLIC HOUSE ON GROUND FLOOR AND RESIDENTIAL UNIT ON FIRST FLOOR TO A SINGLE 6 BEDROOM DETACHED DWELLING AT THE SLIP TAVERN, MUCH MARCLE, LEDBURY, HR8 2NG</b></p> <p><b>For: Mr Thomas per Mr Russell Ranford, 22 Thatcham Avenue, Kingsway, Gloucester, GL2 2BJ</b></p>
<b>WEBSITE LINK:</b>	<a href="http://news.herefordshire.gov.uk/housing/planning/58286.aspx?ID=131732&amp;NoSearch=True">http://news.herefordshire.gov.uk/housing/planning/58286.aspx?ID=131732&amp;NoSearch=True</a>

**Date Received: 21 June 2013**

**Ward: Old Gore**

**Grid Ref: 365096,233266**

**Expiry Date: 19 August 2013**

Local Member: Councillor BA Durkin

## **1. Site Description and Proposal**

- 1.1 This application relates to the Slip Tavern Public House which is located on the west side of Watery Lane within the Parish of Much Marcle. Much Marcle is a "smaller settlement" as defined in the Herefordshire Unitary Plan 2007. The Slip Tavern is located some 600 metres west of the settlement.
- 1.2 Within the settlement of Much Marcle is a public house known as the 'Walwyn Arms' whilst some 1km to the north-east is another public house known as 'The Royal Oak Inn'.
- 1.3 The existing accommodation within the Slip Tavern comprises a bar, dining areas (including conservatory), kitchen, utility areas, cellar and store on the ground floor. There is also a garage. The first floor accommodation comprises a lounge / kitchen dining area, four bedrooms and two bathrooms.
- 1.4 The existing public house has a generous and attractive garden area and generous parking provision.
- 1.5 The proposal is to change the use of the premises to six bedroomed dwelling. There would be no new building works.

## **2. Policies**

### **2.1 National Planning Policy Framework**

Paras. 28 & 70

## 2.2 Herefordshire Unitary Development Plan 2007

S11	-	Community Facilities and Services
CF6	-	Retention of existing facilities
TCR14	-	Village Commercial facilities

## 2.3 Herefordshire Local Plan – Core Strategy 2011-2031

SC1	-	Social and community facilities
RA6	-	Rural Economy

2.4 The Unitary Development Plan policies together with any relevant supplementary planning documentation can be viewed on the Council's website by using the following link:-

<http://www.herefordshire.gov.uk/housing/planning/29815.aspp>

## 3. **Planning History**

3.1 None relevant to consideration of this application.

## 4. **Consultation Summary**

### Internal Consultees

4.1 Transportation - No objection.

### External Consultees

4.2 None.

## 5. **Representations**

5.1 Much Marcle Parish Council object to the proposed development on the following grounds:

They object to this application for the following reasons.

That the applicants have not met all the criteria for the marketing of the business, very low key and not marketed through a specialist agent or in the business journals.

Have rejected a market value offer for the business.

The Slip Tavern is a viable sustainable business and a important facility for the community. The community wish to keep the Slip as it is the Locals preferred public house and a social meeting place for the community.

The application does not consider Section 3.28 or 70 of the

National Planning Policy Framework

3.28 Supporting a prosperous rural economy

Promote the retention and development of local services and community facilities in villages, such as local shops, meeting places, sports venues, cultural buildings, public houses and places of worship.

70. To deliver the social, recreational and cultural facilities and services the community needs, planning policies and decisions should:

- plan positively for the provision and use of shared space, community facilities (such as local shops, meeting places, sports venues, cultural buildings, public

houses and places of worship) and other local services to enhance the sustainability of communities and residential environments;

- guard against the unnecessary loss of valued facilities and services, particularly where this would reduce the community's ability to meet its day-to-day needs;
- ensure that established shops, facilities and services are able to develop and modernise in a way that is sustainable, and retained for the benefit of the community; and
- ensure an integrated approach to considering the location of housing, economic uses and community facilities and services.

or 7.6.2-4 of the UDP.

This Public House is very important to the community and should be retained.

5.2 Thirty-six letters / e-mails of objection have been received on the following summarised grounds:-

- A realistic offer of £275,000 has been made for the public house that has been rejected;
- The public house has been poorly managed - turnover figures show a near consistent fall year after year;;
- The Slip Tavern could be a genuine village public house of a different nature to the 'Walwyn Arms' and the 'Royal Oak Inn';
- Loss of a valuable local amenity;
- The Slip Tavern is well located being within 30 minutes of Gloucester, Hereford and Worcester and being within 15 minutes of Ledbury and Ross-On-Wye;
- The site is well located to tourist attractions such as Westons Cider, 'Hellens' and 'Homme House';
- National Marketing has been limited;
- The current marketing price is unrealistic especially in the light of the trading figures;
- The public house has not been marketed via national trade magazines;
- The Slip Tavern is particularly valuable to those who live on the west side of the A449;
- There are many successful public houses in supposedly "disadvantageous locations";
- The Slip Tavern is a community asset;
- The public house has not been supported by good food and great service.

5.3 One person has sent e-mails/letters of support expressing the view that Mr Thomas is an excellent chef and did everything possible to make the public house viable but unfortunately not enough people visited the public house frequently enough to make it viable. It is stated that many people enjoyed the Slip Tavern under the management of Mr & Mrs Thomas.

5.4 A petition with 150 signatures has been received objecting to the loss of the Slip Tavern which they regard as a community asset.

5.5 CAMRA object to the proposal on the following summarised grounds:-

- Social and economic impact
  - a successful public house brings investment and employment into local communities;
  - the Slip Tavern is regarded as the "village inn" of the local community; and
  - has the potential to be attractive to tourists;
- Commercial non-viability not proven - the catchment population beyond the village itself is large with approximately 450,000 people living in towns and cities within a twenty mile radius. The free-of-tie freehouse and any owner are free to buy drinks and food from any

supplier at competitive prices. There are many freehold pubs in Herefordshire that are making a healthy profit. Evidence in objector's letters suggests poor management.

- Inadequate marketing of the premises - the premises has not been marketed for 12 months. There has been no advertising in the industry media. The asking price is not a true reflection of the market value. In this respect CAMRA provide evidence of the price of other public houses in Herefordshire sold over the last two years (i.e. Bell Inn, Bosbury, Boughton Arms, Peterschurch, Maesllwch Arms Hotel, Glasbury on Wye). In this respect they specifically state that their analysis of market value is based upon sold prices rather than marketing prices.

5.6 The consultation responses can be viewed on the Council's website by using the following link:-

<http://news.herefordshire.gov.uk/housing/planning/searchplanningapplications.aspx>

Internet access is available at the Council's Customer Service Centres:-

[www.herefordshire.gov.uk/government-citizens-and-rights/complaints-and-compliments/contact-details/?q=contact%20centre&type=suggestedpage](http://www.herefordshire.gov.uk/government-citizens-and-rights/complaints-and-compliments/contact-details/?q=contact%20centre&type=suggestedpage)

## **6. Officer's Appraisal**

6.1 Central Government advice within the National Planning Policy Framework (NPPF) promotes the retention of community facilities in rural areas, including public houses.

6.2 This approach is reflected in policies contained within the Development Plan for the area (i.e. the Herefordshire Unitary Development Plan 2007), namely policies TCR14, S11 and CF6. Minimal weight is afforded to the relevant policies of the Core Strategy at present (i.e. policies SC1 and RA6).

6.3 Firstly, it is recognised that the settlement / village of Much Marcle has an existing public house at its centre known as the 'Walwyn Arms'. It is also recognised that there is another public house in close proximity known as the 'Royal Oak Inn' some 1km to the north-east of the village. However, that in itself does not mean that the 'Slip Tavern' is no longer a community facility that should be retained.

6.4 It is evident from the level of objection received to this application that the 'Slip Tavern' is a facility valued by the local community.

6.5 Having inspected the floor plans of the existing building and the exterior of the site, it is not considered that the Public House building itself has any real physical constraints associated with it. In fact, it is considered that the site does not have any physical constraints that would prevent its further extension or even further development within its grounds, say for the provision of tourism accommodation.

### Period of Marketing

6.6 Turning to the issue of marketing, the first point to make is that the Local Planning Authority normally requires an appropriate marketing time to be 12 months. In this case the premises has not been marketed for twelve months, it has only been marketed since January of this year.

### "The Offer" & Value

- 6.7 The premises have been marketed for a price of £350,000. There is clear evidence that the applicant received an offer of £275,000 and rejected that offer. It is understood that it was a “cash offer” from persons who “...are well established licensed trade operators and who currently own other public houses”. It is understood that that offer still stands. The marketing agent for the applicant considered that offer to be too low. He also readily accepts that “his brief is to sell at the best possible price in an attempt to recoup a proportion of the cost of the property to the present vendors”. It is understood that they purchased the property in December 2003 for £345,000.
- 6.8 However, all property prices rise and fall over time according to the economic climate and specific market at that time. In addition, when purchasing a business such as a public house the price would be influenced by the success or otherwise of the existing enterprise. It is accepted that the turnover relating to the ‘Slip Tavern’ has been particularly poor since 2012. It is considered that the most appropriate way of determining what is an appropriate value for the Slip Tavern is to analyse the price secured for similar public houses that have been sold in the recent past. This is materially different to comparing the marketing price of public houses.
- 6.9 CAMRA have usefully provided evidence of similar properties that have been sold. The Bell Inn at Bosbury was marketed for £245,000 but sold for £225,000 in 2011, the Boughton Arms at Peterschurch was marketed at £230,000 but sold at £210,000 in 2012 and the Maesllwch Arms Hotel at Glasbury-On-Wye was marketed at £270,000 but sold at £265,000 in 2012. In my view, it is the sold prices that accurately reflect the true market value rather than the asking / marketing\_prices. Both CAMRA and the agent for the applicant have provided a variety of evidence of similar sized premises that are on the market and their asking prices. However, it is considered that these provide little in terms of the genuine market values as it is the sold prices that are of more relevance.
- 6.10 It is therefore considered that the offer of £275,000 was a reasonable offer.

#### Marketing Regime/Strategy

- 6.11 As is apparent from the above, it is considered that the premises is probably overvalued. As the marketing agent readily admits “his brief is to sell at the best possible price in an attempt to recoup a proportion of the cost of the property to the present vendors”. During the marketing period the asking price has not been reduced.
- 6.12 The marketing agent is a very well respected agent. He concedes that his firm does not specialise in public houses but he makes the valid point that his firm has a specialist commercial department that deals with a wide range of businesses. However, the one area where it is considered that the marketing strategy appears to have been lacking is that there is no evidence that marketing has taken place through the national industry media / trade journal, such as the Morning Advertiser or Dalton’s Weekly - as is normal for licensed premises.

#### Viability

- 6.13 The trading figures set out in the Viability Statement accompanying the application summarise the annual turnover for the last 5 years:-

2008 - £155,527  
2009 - £144,563  
2010 - £124,809  
2011 - £135,663  
2012 - £71,061  
2013 - £4,499 (quarter 1 only - closed March 2013)

- 6.14 These turnover figures show a severe drop in turnover between 2011 and 2012 by almost 50%. It is acknowledged that the industry has been in decline for several years, but it has certainly not halved in just 12 months. Turnover was healthy before the Walwyn closed for refurbishment (from around February/March 2011 to May 2011) but when the Walwyn re-opened after refurbishment the Slip's turnover dropped by 50%. The agent for the applicant appears to attribute this to the re-opening of the Walwyn Arms. However, it is considered that it is unlikely that this was the reason for the lack of trade because the locals who frequented the Slip over many years would not have just moved to another pub. A more credible explanation may be poor management.
- 6.15 Whilst appreciating the applicants' situation, it is difficult to ignore the numerous letters / e-mails of objectors which suggest that poor management has been the major factor contributing to the drop in turnover. The objection / letters e-mails received have not been of a "standard format" and give some detailed evidence of what they regard as evidence of poor management.
- 6.16 Whilst it is appreciated that there is already another public house in Much Marcle (i.e. Walwyn Arms) and another in close proximity (Royal Oak Inn), there is no reason why the 'Slip Tavern' could not attract significant numbers of visitors from beyond the village itself. There are some significant population centres within say 25 miles. In addition, Much Marcle is well located in terms of being an attractive location for tourists.

#### Other Matters

- 6.17 It has been suggested that CAMRA as an interest group will seek to preserve as many public houses as possible. It is considered that having looked at their previous representations and lack of responses upon other cases they do not object to all planning applications that involve the loss of a public house. It is considered that they are indeed quite even handed and are thorough at analysing the evidence. So there are examples of cases involving a loss of a public house where they have not objected (e.g. Swan Inn at Letton, Black Horse at Leominster and Prancing Pony at Cradley).

#### Conclusions

- 6.18 In conclusion, whilst understanding the applicants situation the planning policy position is clear and in this instance it is considered that:-
- The length of the marketing period has been inadequate;
  - The marketing strategy has not been targeted at trade publications or national industry media;
  - The price does not reflect the true market value of the premises that reflects its recent turnover. In this regard it is considered that the true market value is best ascertained by comparing the sold prices of similar public houses not the asking prices;
  - There is no reason to suggest that the 'Slip Tavern' does not have the potential to be viable given its location and physical characteristics; and
  - A reasonable offer for the 'Slip Tavern' has been rejected.

## RECOMMENDATION

**That planning permission be refused for the following reasons:**

- 1. The Central Government advice contained within paragraphs 28 and 70 of the National Planning Policy Framework, policies S11, CF6 and TCR14 of the Herefordshire Unitary Development Plan 2007 and policies SC1 and RA6 of the Core Strategy effectively seek to retain public houses as their value to rural communities unless it can be demonstrated that they are no longer viable. In this instance it is considered that:-**

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Further information on the subject of this report is available from Mr R Close on 01432 261803

- the length of the marketing period has been inadequate;
- the marketing strategy has been somewhat lacking due to the failure to market through the national industry media / trade journals;
- the marketing price of £350,000 does not reflect the true market value of the premises taking account of its recent turnover. In this regard it is considered that the true market value is best ascertained by comparing the sold prices of similar public houses not the asking prices;
- there is no reason to suggest that the 'Slip Tavern' does not have the potential to be viable given its location and physical characteristics; and
- a reasonable offer for the 'Slip Tavern' has been rejected.

As such, the proposal is considered to be contrary to the Central Government advice contained within paragraphs 28 and 70 of the National Planning Policy Framework, policies S11, CF6 and TCR14 of the Herefordshire Unitary Development Plan 2007 and Policies SC1 and RA6 of the Core Strategy.

Decision: .....

Notes: .....

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**Background Papers**

Internal departmental consultation replies.

