

<b>Item No</b>	<b>Application No. and Parish</b>	<b>Proposal, Location and Applicant</b>
(2)	10/00727/FUL	Change of use of Public House to a four bedroomed house Thatchers Arms North Street Theale Reading Berkshire RG7 5EX Mr M Postles

**Recommendation Summary:**      **The Head of Planning and Countryside be authorised to GRANT conditional planning permission.**

**Ward Member(s):**                      Mr K. L.D Chopping

**Reason for Committee determination:**      Over 10 objections

**Committee Site Visit:**                      No

**Contact Officer Details**

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## 1. Site History

113187 Internal Alterations to bars and kitchen, new internal toilets and cellar block.

Approved 23/6/1980

09/02190FULD – change of use of public house to a four bedroomed house – Withdrawn

24/12/2010

## 2. Publicity of Application

Neighbour notification expired 25/5/2010

Site Notice expired: 28/5/2010

## 3. Consultations and Representations

**Parish Council:** Objects: village focal point and should not disappear; Commercial summary ignores the fact that in experienced hands the pub has made profits.

**Highways:** No objections subject to conditions and informatives

### **CAMRA**

1. The pub is the only one in North Street and forms the only community facility in the village. To allow its loss would be to remove the only thing that prevents North Street becoming just a commuter dormitory. This would be contrary to the principle of social inclusion and lock the residents of North Street into a position of car dependency for their leisure activities.

2. The pub does not appear to have been marketed at a realistic price for a sufficiently long period to properly test viability, as required by the Council's "Public Houses" SPG. The agent has submitted a detailed account of why, in his opinion, a pub use in this location would not be viable. I acknowledge that his analysis is well thought-through and sets out a case that appears to be convincing. It remains, however, a theoretical analysis and has not been objectively tested for a realistic period under current market conditions.

**Commercial valuers (Cookseys DMP)** Consultants were asked to review the evidence presented by the applicants and report on the likely viability of the premises as a public house. Their report is summarised below.

**Correspondence:** 5 letters of support have been received and 11 letters of objection. The points raised are:

Support:

Not viable and hasn't been for some time

Empty building becoming an eyesore

Car park not big enough

Not fit for purpose

Narrow access road

Objections:

Loss of focal point

Gives village character

Could be profitable with more food sales/ right management

Could work as a free house

Not isolated

Loss of nice pub/community facility/ place to eat

A further detailed submission was received on 9<sup>th</sup> July objecting to the proposal and stating that he represents the residents of North Street. This is discussed below.

#### **4. Policy Considerations**

Planning Policy Statement 1: 'Delivering Sustainable Development'

Planning Policy Statement 7: 'Sustainable Development in Rural Areas'

Planning Policy Statement 4 'Economic Development'

South East Plan Regional Spatial Strategy, May 2009 – CC1, CC6, BE5, C3

West Berkshire District Local Plan 1991-2006 – Policies OVS1, OVS2, ENV1, ENV.18, ENV19.

Supplementary Planning Guidance 19 – Public Houses

#### **5. Description of Development**

5.1 The application is for the change of use of the public house in North Street known as the Thatchers Arms to a four bedroomed house. The site lies in the small hamlet of North Street and about 1 mile to the north of Theale High Street. It appears to have ceased trading early in 2009 when it was put on the market.

5.2 The site lies outside the identified settlement boundary on the West Berkshire District Local Plan 1991-2006 Saved Policies 2007. The building is a traditionally built property built in the early 19<sup>th</sup> century with later additions. It consists of a two bar public house and kitchen on the ground floor with a self contained 3 bedroom flat above. Outside there is a small garden area at the front and a car park at the front and side of the building. There is no garden at the rear. The building is not listed. The site lies outside the AONB.

## **6. Consideration of the Proposal**

The main issues to be considered in relation to this proposal are

### **6.1 The principle of the development**

### **6.2 The assessment of the proposal under SPG.19**

### **6.3 The impact of the proposal on the character of the area and neighbouring properties.**

### **6.4 Other issues**

## **6.1 The principle of the development**

6.1.1 Planning Policy Statement 4- Planning for Sustainable Economic Development provides national guidance in relation to economic development. This states that when assessing planning applications which affect facilities such as public houses, local authorities should take account of the importance of the service to the local community and refuse planning applications which fail to protect existing facilities which provide for people's day to day needs (policy EC13.1).

6.1.2 It could be argued that this pub is a vital service to the community. However, there is no evidence that the pub was extensively used by the local community. Furthermore there are a number of other public houses and other community facilities and shops in Theale which is less than one mile from North Street.

6.1.3 The site lies outside any identified settlement boundary and therefore needs to be considered under Policies ENV.18 and ENV.19 of the West Berkshire District Local Plan 1991-2006 Saved Policies 2007, which relate to the control of development in the countryside and the circumstances under which the re-use of buildings in the countryside will be permitted.

6.1.4. Policy ENV.18 states that development outside settlements will only be permitted where it will benefit the rural economy in accordance with Policy ENV.19. Policy ENV.19 states that proposals for the re-use or adaptation of existing buildings in the countryside will be permitted subject to a number of criteria which need to be met. As there is no change to the appearance of the building proposed, the first five criteria of this policy are met as these relate to the impact of the alterations to the building which in this case are only internal.

6.1.5 Criterion (f) of ENV.19 relates to traffic generation. As the use of the building as a private house is unlikely to generate more traffic than its use as a public house, this criterion is also met.

6.1.6 Criteria (g) and (h) relate to the impact on the local environment and the possible presence of bats. Again, since there is no physical change proposed to the building it is considered that these are also met.

6.1.7 Supplementary Planning Guidance No 19. 'Public Houses' (adopted 25 September 2000 following extensive consultation) sets out the guidance against which to assess an application which seeks the loss of a public house. The guidance recognises that "Public houses serve important social, community and economic functions in maintaining the viability of rural villages". The aim of the guidance is to "safeguard the public house as a focus of community life" and as such the loss of a pub/restaurant must be fully justified.

The guidance sets out in paragraph 6.1 the criteria against which to assess such an application as a means to determine if the loss of such a use is justified.

6.1.8 The criteria established within SPG19 relate to whether the proposal would have an adverse effect on the local character, diversity and amenity of the area; whether it can be demonstrated there is alternative acceptable public house provision in the local area; whether there is evidence that the loss of the public house would result in an unacceptable decline in the standard of community services for locals and visitors; and whether it can be demonstrated that the public house is no longer economically viable and has been successfully marketed for a minimum period of 6 months

6.1.9 The following section will discuss in detail whether this proposal meets the criteria in SPG.19.

## **6.2 The Assessment of the proposal under SPG.19 'Public Houses'**

6.2.1. It is recognised in SPG19 that public houses serve important social, community and economic functions in maintaining the viability of rural villages and the vitality of larger urban areas.

6.2.2. SPG19 sets out a number of criteria to be used in the assessment of applications for development resulting in the loss of a public house as follows:

'(i) whether it would have an adverse effect on the local character, diversity and amenity of the area;  
(ii) whether it can be demonstrated that alternative acceptable public house provision exists (defined in terms of location, size, range of facilities and quality of provision) or can be made available in the local area/community;  
(iii) evidence exists that the loss of the public house would comprise an unacceptable decline in the standard of community services for locals and visitors;  
(iv) whether it can be demonstrated that the public house is no longer economically viable and that all reasonable attempts have been made to sell or let the building as a public house at a realistic price for no less than 6 months. Any attempts to sell the business at a price which reflects its current use should relate to the business in its entirety and not to parts of it. Evidence to demonstrate a sale has been unsuccessful would need to include estate agents literature, schedules of potential purchasers and trading figures'.

6.2.3 The SPG goes on to say that a commercial viability study should accompany any application for redevelopment or change of use. Evidence should also be produced to show what measures have been taken in an attempt to return the pub to a viable business.

6.2.4 The applicants have produced a report by Dunster and Morton, Chartered Surveyors which comments on the viability of the public house, trading potential, suitability and local competition.

6.2.5 This report concludes that the property is not viable and based on an optimistic turnover of £105,000 per annum, the profit available to the operator would be in the region of £18,500 per annum (or £28,800 without a mortgage). This should be compared to an employee who does not have the responsibility and input required in running an operation of this type. The report states that the Thatchers Arms is demonstrably unsuitable for continued use as a public house for the following reasons:

1. Isolated location with restricted accommodation and a small site with limited car parking
  2. Poor trading history over long period even in better economic conditions
  3. Lack of interest or offers from public house operators when being marketed in 2009. (It was marketed from February 2009 until August 2009 when contracts were exchanged with current applicant.)
  4. Nature of licensed industry and public house market over past 5 years– smaller houses frequently closing.
- 6.2.6 In response to this report the Local Planning Authority commissioned an independent valuation by Cookseys DMP, Chartered Surveyors. They report that the Thatchers Arms is not a viable business. Their report estimates an even lower potential income for any licensee of £8,219 or £23,119 without the mortgage. With the likely hours for a couple working at the public house (estimated 120 hours a week) this equates to £4.28 per hour which is less than the minimum wage.
- 6.2.7 Cookseys report notes that it could be argued that not enough time was given to marketing the property to potential publicans, however they go on to say that the pub had changed hands on many occasions recently within a short period of time and that they had been twice associated with licensees facing financial problems as the property was generating insufficient profit. The reasons for non-viability are principally the changes which have occurred in the licensing trade, changes to drinking patterns, the recession and poor return in income.
- 6.2.8 Both reports discuss the competition in the local area. Although the Thatchers Arms is the only public house in North Street, this is a small hamlet of approximately 20 houses. North Street is less than a mile from Theale and according to Cookseys report there are 7 other public houses within 1 mile of the Thatchers Arms. Using the public footpath to Theale there are public houses within 0.7miles of North Street.
- 6.2.9 The Thatchers Arms was marketed for six months as a public house with no interest shown, the only interest being from those wishing to use it for residential use. The most recent landlords have left and the public house has now been closed for over a year.
- 6.2.10 A response has been received from CAMRA who object to the proposal. They feel that the loss of the pub would remove the only community facility in the village. They are also concerned that the pub was not marketed at a realistic price for a sufficiently long period to properly test viability as required by SGP.19. Cookseys report states that the sale price did reflect the value of the property as a public house and was below the market value for a residential property.
- 6.2.11 There are 11 objections from local residents regarding the loss of the pub and the social/community facility it provides. These cover a variety of points including loss of the only local social or community facility and many people were of the opinion that the pub could be viable with the right management.
- 6.2.12 There were also 5 letters of support for the proposal. Some local residents felt that the pub had not be viable for some time and it would improve the appearance of the village to have the building brought back into use.

6.2.13 A further submission has been received from a local resident Mr Alston who states that he represents the residents of North Street. He notes that the public house was placed on the market at the height of the financial crisis which was a challenging period for public houses. He notes that the agents Christie and Co have reported a 27% rise in the number of completed transactions in the first quarter of 2010 and that there is still significant interest in this sector. However, Cookseys report that the demand for public houses is at an all time low.

6.2.14 In the same submission by Mr Alston it is noted that the amount of sales for food may have been underestimated. A previous tenant reported that food sales were far higher than estimated in the Dunster and Morton report and that the business may be capable of generating around £45,300 a year rather than the £28,800 estimated by Dunster and Morton. Cookseys' report does not distinguish between food and drink sales but the overall figure is lower than that provided by Dunster and Morton. Both of these figures are estimates and therefore the actual amount of food sales can clearly vary considerably and may depend on the interest or ability of the owners.

6.2.15 Your officer recognises that the loss of the pub is not desirable and would result in the loss of a local facility. However SPG.19 states (para 6.3) that it must be accepted that planning authorities cannot control the closure of businesses which are not economically viable. Two separate reports have confirmed that the Thatchers Arms is not economically viable as a public house although a further submission states that it may be capable of producing a higher income. However the majority opinion is that the public house is not viable. It must therefore be accepted that the closure of the public house seems inevitable and therefore an alternative use for the premises needs to be considered.

### **6.3 The impact of the proposal on the character of the area and neighbouring properties**

6.3.1 No changes to the building are proposed apart from fencing off the car park and adding a gate. The building would be altered internally but there are no proposals for any extensions. Some local residents have noted that it would be an improvement to have the property in use again as empty pubs can become an eyesore.

6.3.2. It is therefore considered that the proposal would not have an adverse impact on the character of the area or neighbouring properties.

### **6.4 Other issues**

No developer contributions have been requested as there is an existing residential flat above the public house and therefore no increase in numbers of dwellings.

## **7.00 Conclusion**

7.1 There are strong arguments for retaining the Thatchers Arms as a pub as there appears to be local support and its loss would result in the loss of a community facility. However, there are two main reasons which militate against this.

7.2 Firstly, two independent reports from professional chartered surveyors have concluded that the pub is not economically viable and is unlikely to be able to produce sufficient income to support the investment.

7.3 Secondly, whilst the Thatchers Arms is the only public house in North Street, there are several public houses in Theale which is less than 1 mile away and therefore effectively within walking distance of North Street.

7.4 The scheme is not considered detrimental to the appearance of the area or the environment and does not have an adverse impact on any adjoining properties. The proposal meets the criteria in Policy ENV.18 and ENV.19 as well as Policy OVS.2 of the West Berkshire District Local Plan 1991-2006 Saved Policies 2007.

7.5 In these circumstances it is considered that the balance of the evidence submitted supports the applicant and therefore it is recommended that the application is approved.

## **8. Full Recommendation**

**8.1 DELEGATE** to the Head of Planning and Trading Standards to **GRANT PLANNING PERMISSION** subject to the following conditions:

- 1) The development shall be started within three years from the date of this permission and implemented strictly in accordance with the approved plans.

Reason: To enable the Local Planning Authority to review the desirability of the development against Policy OVS2 of the West Berkshire District Local Plan 1991-2006, Saved Policies 2007 should it not be started within a reasonable time.

- 2) Any gates to be provided at the access where vehicles will enter or leave the site shall open away from the adjoining highway and be set back a distance of at least 5 meters from the edge of the highway.

Reason: To ensure that vehicles can be driven off the highway before the gates are opened, in the interest of road safety in accordance with Policy OVS 2 of the West Berkshire District Local Plan 1991-2006 Saved Policies 2007

- 3) The surfacing arrangements for the vehicular access to the highway shall ensure that a bonded material is used across the entire width of the access for a distance of 3 meters measured back from the carriageway edge.

Reason: To avoid migration of loose material onto the highway in the interest of road safety in accordance with Policy T4 of the Berkshire Structure Plan 2001-2016 and Policy OVS 2 of the West Berkshire District Local Plan 1991-2006.

- 4) The development shall not be brought into use until the visibility splays at the access have been provided in accordance with the approved drawing. The land within these visibility splays shall thereafter be kept free of all obstructions to visibility over a height of 0.6 meters above carriageway level.



Reason: In the interest of road safety in accordance with Policy OVS 2 of the West Berkshire District Local Plan 1991-2006 Saved Policies 2007.

- 5) The development shall not be brought into use until the vehicle parking and turning space has been provided in accordance with the approved plan. The parking and turning space shall thereafter be kept available for parking (of private motor cars and/or light goods vehicles) at all times.

Reason: To ensure the development is provided for adequate parking facilities in order to reduce the likelihood of roadside parking which would be a danger to other road users in accordance with Policy TRANS 1 of the West Berkshire District Local Plan 1991-2006 Saved Policies 2007.