

SUPPORTING STATEMENT (REV A - 11.11.24)

This supporting statement is submitted by Adrian Phillips of AP Architecture and Planning Ltd on behalf of the applicant The Butchers Arms (Alltwen) LLP who is the owner of the application site.

The Application Site

The application site is The Butchers Arms, Alltwen Hill, Alltwen, Pontardawe. SA8 3BP. Please refer to the site location plan on submitted drawing 10.94.102.

The Proposal

The proposal is for the change of use from an existing public house (use class A3) with residential flat above to a residential dwelling (use class C3) and other alterations, which include the demolition of the poorly designed and constructed rear and side flat roof extensions together with the delapidated store out building to the side. A bat report is submitted with the application to support the proposed demolition works.

Relevant Planning Policy

Neath Port Talbot County Borough Council Local Development Plan Policy SC2 (Protection of Existing Community Facilities) is relevant to the proposal, where an application is to be made to change the use from an existing community facility. This policy states:

“Any proposals which would result in the loss of an important existing community facility will only be permitted where it can be demonstrated that:

- 1. The facility is surplus to requirements; or**
- 2. The existing use is no longer viable.”**

The existing public house is considered to be both surplus to local requirements under criterion (1) of Neath Port Talbot County Borough Council Local Development Plan Policy SC2 (Protection of Existing Community Facilities), and no longer viable under criterion 2. For clarity, the policy only requires one of the two criteria to be satisfied, not both.

Supporting paragraph 3.0.22 to Policy SC2 states that “the type of evidence required will **vary** depending on the type of facility under consideration, but **may** include details of why the building is no longer in use, what alternative provision there is locally, what other community options have been considered for the building and evidence to show that reasonable efforts have been made to market the facility for sale or lease for its existing use”.

The use of the words ‘**vary**’ and ‘**may**’ in paragraph 3.0.22 allows the applicant flexibility in how to evidence against the policy. We do not interpret LDP Policy SC2 or the content of its supporting text with the submission of a ‘marketing campaign’ as being a pre-requisite.

In accordance with Paragraph 3.0.22 the evidence submitted with this application under criterion 1 focuses on what alternative provision there is locally to demonstrate that the facility is surplus to requirements in order to satisfy criterion 1 of Policy SC2. Appendix 1 identifies other similar facilities in the area and provides an easy to read map and schedule, identifying the specific venue, its location and walking distance from the application site.

Criterion 1, by demonstrating that 'the facility is surplus to requirements' is therefore the part of the policy which this application seeks to demonstrate compliance, although evidence is also provided as part of this report to demonstrate that the existing use is also no longer viable.

Similar Local Facilities

The context appraisal indicates that Alltwen already has three other similar facilities all of which are within only a 130 metre walk from the application site. These facilities being the Gwyn Arms, Alltwen Rugby Club and The New Lodge. In addition to this there are numerous other similar facilities in Pontardawe all within a reasonable walking distance. This serves to demonstrate that the facility is therefore surplus to local requirements.

The context appraisal focuses on Public Houses with Restaurant offering however, additionally the availability of Restaurant facilities should be taken into consideration whether serving the immediate local population within 750 meters or as a short distance destination of within 5 Kilometres.

Besides the list on the attached documents there are a further twenty plus restaurants with table service.

The availability and competing demand is clearly considerably prejudicial to viability.

Evidence Demonstrating Un-Sustainability of the Business

Whilst the facility is still open and operating as a pub and restaurant, it is unprofitable resulting in a number of tenancies all of which have failed. Since the property was acquired by the applicant on 28/01/2014 there have been Four leases:

Schedule of Business Failures

- Lease 1 > from 2014. In early 2017 the Company became insolvent subsequently being struck off the companies house register.
- Lease 2 > from 2017. In early 2020 (prior to the pandemic) the Company became insolvent subsequently being struck off the companies house register.
- Lease 3 > from 2020 . Initially supported through the various grants and soft loans available during the pandemic after a period of trading in 2023 the Company became insolvent subsequently being struck off the companies house register.
- Lease 4 > from 2023. After a very short period of trading suffering a significant accelerated decline the Company became insolvent.

The last operator commenced from 2023 that the company has become insolvent. However at the time of writing the lease has not been surrendered. There is a new short term lease in place established in order to avoid empty property cost and to protect against degradation of the building. And in this respect the current grant of lease has been on terms which are wholly uncommercial and significantly loss sustaining. It is inconceivable to contemplate that following a series of failures in quick succession that a re-emerged failed Tennant shall now succeed.

Financial Losses Incurred

The losses over the period of ownership have been substantial. The debt accrued from lease 3 stands at [REDACTED] and lease 4 of [REDACTED]. Previous losses can be provided if required.

Lack of Commercial Prospects

The applicant has been asked to grant another lease however they are concerned over suffering further losses and if they proceed will limit the length of lease by way of periodic tenancy of between six months and one year. They are now considering granting a lease simply in order to avoid having to face unaffordable vacant premises costs.

Evidence Validation

Please refer to attached marketing report prepared by Dawsons Estate Agents (Appendix 2), and accountants letter by Bevan and Buckland (Appendix 3).

Additional Challenges

All the above tenancies were granted under full repairing lease however the tenants subject to the lease as listed above have proved unable to fund essential maintenance and the Landlord has been forced to undertake such work and is now in a position where this is no longer possible. The cosmetic standard of the premises is reasonable however there are underlying structural issues that would prove too costly to rectify.

Historically the style of offering has been to distinguish itself from other more traditional public houses but in doing so is more exposed to a higher cost base and running costs.

There is ample evidence to demonstrate that that the traditional pub is under huge threat nationally. There are significant challenges and the state of the market in relation to licensed premises is facing a vast number of closures throughout the UK and more especially Wales. This property does not meet the criteria set by national corporate operators or small local multi site independents.

It does not fulfil lending requirements in terms of loan to value nor can historic accounts support viability and fixed overheads of business rates and indirect costs such as utilities.

The location is not near to road links for passing traffic nor does present as a destination of area interest and the local population and demographics has not proved sufficient to sustain a satisfactory level of trade.

The number of similar venues located close by are no doubt not helpful to the situation, which has forced the applicant to consider an alternative and more sustainable long term use for the site.

Supporting data in relation to local competition and available Market in the demographic context is set out below.

Conclusion on Commerciality

The applicant believes that if the business hasn't worked by now it never will. There is indisputable evidence that the business is unsustainable.

Market Population and Demographics

In assessing the market, population and demographics is a critical key component. It is important to contrast the data on a national level.

Source Parliament UK Commons Library Briefing Paper 2021

The information relates to pre pandemic market pressure and the extract does not show the impact of the coronavirus pandemic nor the residual aftereffects.

48% of Public Houses were independent. 52% were either Multi Unit Pub Companies (30%) or brewery owned (22%). The divergence is growing significantly and rapidly away from independents. It is notable that the Butchers was acquired from one of the largest pub ownership companies in the UK indicating that this premises is not considered future proof in terms of industry expectations. The 22% decrease in number of pubs between 2001 and 2019 has accelerated greatly in the early 2020's.

There are now around 40 pubs per 100,000 population. This drills down to 1 pub per 2,500 population. There is little variability in terms of regional differences.

A market to sustain a pub by any reasonable assessment must rely on a number of factors including population, frequency of customer visits, and importantly area affluence and spending habits. The butchers is not in an affluent area where there is a realistic expectation of regular attendance. Therefore the market population pool needs to be above average accordingly.

With due regard to the availability of venues in the immediate locality one must assess geographic populations.

The Alltwen Council Ward has a population of approximately 2,327. On this basis the Pub number could arguably be just one. Allowing for the possibility of market idiosyncrasies there is clearly an existing over provision. Indeed the continued existence of the Butchers is itself prejudicial to all other local provision and creates cross sector weakness. The removal of one outlet will in some measurable degree offer a bolster to the remaining supply.

The Pontardawe Ward has a population of 7,938. On this basis the Pub number could arguably be three.

If combining these immediate neighbours the pub numbers to support the aggregate population would be four and as can be seen the actual is considerably more.

When adding in the various other populations of the remaining Wards it further strengthens the argument.

Another contributory factor is that the consumption of alcohol by the under 24 age group is decreasing. This surprising, to many, as an ongoing trend, does not bode well for the future potential revenue of Pubs.

Alternative Uses

The applicant has also considered alternative community based uses for the building. However; as the building currently benefits from an A3 use any other community based use would additionally require a change of use planning consent.

The sites geographical location on top of Alltwen Hill also makes it more challenging for people arriving on foot, particularly people with disabilities and that of the aging population. There is no pavement on the hill assent beyond. The site itself has its own topographical challenges with a significant change of level in excess of 3 metres from the access road to the rear of the site, effectively rendering the external areas incapable from being used for community based uses.

Moreover, the buildings restricted internal configuration/construction which is effectively a series of small rooms, severely limits the opportunity for the consideration of general community based uses that would be better suited to more open plan type buildings that offer a larger hall type space and facility.

The site therefore not being the most accessible or suitable for community based uses.

Notwithstanding the above the local area already has a community centre, a local premier shop on Alltwen Hill and a wealth of community based facilities located close by such as Tesco's supermarket and fuel station, Lidl, Home Bargains, Poundstretcher, Farmfoods, Pontardawe leisure centre and multiple sports/recreational facilities. Alltwen primary school, Godre Graig primary school, and Cwmtawe community school support community facilities. There are also several church halls in the local area which provide shared community opportunities and due to their level access and open plan layout are far better suited to this type of use than the application site.

Whilst technically an A3 use could be changed to an A1 use or A2 use lawfully, invariably a prospective purchaser/occupier would require some form of confirmation of this such as through a Certificate of Proposed Lawful Development before committing to such purchase or lease. In addition, it is also highly likely that an alternative use would also require some level of alteration to the property which would require a full planning application. Therefore it is not straightforward to market a property for an alternative use, without consideration of the above.

We have demonstrated that there is already a surplus of A3, A1 and other community uses in the local and wider area. The site is not considered to be in an appropriate location for consideration of an A2 use (banks, building societies, estate agents, employment agencies etc) for the site, as it is located within a predominantly residential area, with no other A2 uses nearby. A2 uses typically do not want to locate in a small villages, when a much more appropriate town location for such uses exists close by in Pontardawe.

Conclusion

This supporting statement together with the letters from Dawsons Estate Agents (Appendix 2) and Bevan and Buckland Chartered Accountants (Appendix 3) demonstrates that the existing use of the site is unsustainable as a pub/restaurant by virtue of the four failed tenancies and the historic financial losses made.

It has also been demonstrated through demographics that a village, the size of Alltwen cannot sustain the level of facility that currently exists which has no doubt contributed to the difficulties experienced.

The facility is clearly surplus to local requirements as evidenced through Appendix 1.

Alternative community based uses have been considered, however due to the sites difficult to access location on top of Alltwen Hill, lack of continuous footways, together with its steep topography and restricted room sizes/construction, it does not present a practical or realistic option for such a use, particularly where other and better suited facilities already exist nearby.

In addition, certain community type uses would require a change of use planning application together with any alterations proposed requiring full planning permission. Therefore it would be unreasonable for the council to expect the applicant to market a property for a use which is not currently lawful at the site.

Of the lawful uses the building could be contemplated for, It is considered that the location is not suitable for an A2 type use and there are already ample other A1 uses close by.

The wording of paragraph 3.0.22 which is suggestive in its approach by the use of the words '**vary**' and '**may**' allows applicants the flexibility to submit varying evidence in support of their particular application.

Therefore, in this case, there is no benefit in a marketing exercise as we have already demonstrated that the existing lawful facility is surplus to local requirements in full accordance with criterion 1 of Policy SC2, and that marketing does not satisfy the criteria of viability. The site does not present a fundable proposition to lenders as evidenced.

It is therefore requested that the application for the change of use to C3 and other alterations on the site is supported.