



To: Executive Councillor for Planning and Sustainable Transport
Report by: Head of Planning Services
Relevant scrutiny committee: Development Plan Scrutiny Sub Committee 12/6/2012
Wards affected: All Wards

DRAFT CAMBRIDGE PUBLIC HOUSE STUDY & DRAFT INTERIM PLANNING POLICY GUIDANCE ON THE PROTECTION OF PUBLIC HOUSES IN THE CITY OF CAMBRIDGE FOR CONSULTATION

Not a Key Decision

1. Executive summary

- 1.1 There are 86 public houses in Cambridge still trading or under refurbishment in Cambridge. In recent years more than 20 pubs in Cambridge have been lost to alternative uses, most for residential development, some converting fully to restaurants and some simply closing.
- 1.2 The Council, in order to assist with this issue, commissioned consultants to produce a Cambridge Public House Study (Appendix A). This work included an audit of public houses in Cambridge, to advise the council on the national and local market.
- 1.3 Alongside the Cambridge Public House Study, an Interim Planning Policy Guidance (IPPG) (Appendix B) has been produced in order to set out the principles for development affecting public house sites in Cambridge until the adoption of the new Local Plan (scheduled for April 2014). The IPPG recommends guidance for proposals affecting the loss of a public house (listed in the Section 5 of Appendix B) and has been prepared to take account of the following development management principles:
 - a) The need to preserve the important social/community function of the public house;
 - b) The need to preserve the important economic function of the public house; and
 - c) The need to allow flexibility in terms of responding to economic change.
- 1.4 The first step in developing the Interim Planning Policy Guidance is to prepare a report (Appendix B) for public consultation prior to adopting the guidance. The IPPG sets out the principles for development affecting public house sites in Cambridge and how applicants should justify their proposals for change of use/conversion/redevelopment (where planning permission is required) against the principles and criteria in this section.
- 1.5 A six week public consultation is proposed from Friday 15th June to Monday 27th July 2012.

2. Recommendations

- 2.1 This report is being submitted to the Development Plan Scrutiny Sub-Committee for prior consideration and comment before decision by the Executive Councillor for Planning and Sustainable Transport
- 2.2 The Executive Councillor is recommended:
 - a) To consider the findings of the draft Cambridge Public House Study by GVA Humberts Leisure (Appendix A);
 - b) To approve the draft Interim Planning Policy Guidance on The Protection of Public Houses in the City of Cambridge (Appendix B) for public consultation;
 - c) To approve the consultation arrangements as set out in Paragraphs 3.24 to 3.26 including the Schedule of Consultees in Appendix C.

3. Background

The National Pub Market

- 3.1 Nationally, the pub industry is facing difficult times with a deep recession, rising unemployment, pay cuts and restraint and reduction in real wages and salaries all leading to a reduction in disposable incomes. At the same time beer prices have increased due to increases in the cost of raw materials, transport costs, an increase in VAT and the excise tax duty escalator. This has compounded earlier difficulties made by the smoking ban, supermarket discounting of alcohol, and changing drinking habits.
- 3.2 Brewing and pubs are still key contributors to the national economy with a Gross Value Added of £19.4 billion, generating tax revenue of more than £11 billion. Furthermore, whilst the level of employment is falling, the sector still supports some 950,000 jobs, highlighting the value of the pubs sector nationally, and its importance to the economy locally.

The Local Pub Market

- 3.3 The number of public house closures in Cambridge has become a local issue with many being converted for residential use or restaurants while others have simply closed.
- 3.4 As an attractive and prosperous city, there is strong demand for housing sites in Cambridge. Therefore, at the same time as the city's pubs are faced by declining demand, there appears to be strong pressure to convert pub sites into housing. However, despite these pressures, some entrepreneurs have been able to successfully reopen pubs, with the Milton Brewery successfully reopening the Devonshire Arms.
- 3.5 Pubs can play an important role in supporting the local economy and community in Cambridge. The Council, in order to assist with this issue, commissioned consultants to provide advice on determining the future viability of pubs and on planning policy to protect them from higher value residential development when the pub itself may still have a viable future in pub use.

The National Planning Policy Framework (NPPF)

- 3.6 The NPPF sets the achievement of sustainable development as its key focus. Sustainable development encompasses economic, social and environmental factors. Public houses contribute to and support all three of these factors and as such they have an essential role to play in the building and maintaining of a strong, responsive and competitive local economy. Without its pubs, Cambridge would be less able to attract the students, academics, entrepreneurs, young workers and tourists that its economy and future growth depend upon. Moreover, pubs help to support social and cultural well being by providing a place for social interaction within a community. Many pubs are also integral to the physical and cultural heritage of the city. A thriving local pub sector is therefore important to achieving sustainable development.
- 3.7 The NPPF provides support for economic development, development that promotes social inclusion & cohesion and community facilities. In particular, paragraph 70 deals with community facilities and services including public houses. It recommends that 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.”
- 3.8 National planning policy advises that community facilities including public houses enhance the sustainability of local communities and should be safeguarded and retained for the benefit of the community while allowing them to develop and modernise in a sustainable way.
- 3.9 In addition, paragraph 28 whilst targeted at rural areas is relevant to the outlying areas of Cambridge such as Trumpington and Cherry Hinton. It states that:
- “Planning policies should support economic growth in rural areas in order to create jobs and prosperity by taking a positive approach to sustainable new development. To promote a strong rural economy, local and neighbourhood plans should:
(criteria 4) 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.”
- 3.10 With regard to maintaining flexibility to respond to changes in economic circumstances, paragraph 21 of the NPPF states that:
- “Investment in business should not be over-burdened by the combined requirements of planning policy expectations. Planning policies should recognise and seek to address potential barriers to investment, including a poor environment or any lack of infrastructure, services or housing. In drawing

up Local Plans, local planning authorities should: (3) support existing business sectors, taking account of whether they are expanding or contracting and, where possible, identify and plan for new or emerging sectors likely to locate in their area. Policies should be flexible enough to accommodate needs not anticipated in the plan and to allow a rapid response to changes in economic circumstances”.

- 3.11 Notwithstanding the terms of the IPPG, public houses will retain a significant degree of economic flexibility with their ability to change to any of Use Classes A1 (shops), A2 (financial and professional services) or A3 (restaurants and cafés) without planning consent.

Local Planning Policy Framework

- 3.12 The current policy framework relating to pubs and community facilities is set out in the Cambridge Local Plan (2006) (policies saved in July 2009) - Saved Policy 6/6 (Change of Use in the City Centre), Saved Policy 6/7 (Shopping Development and Change of Use in District and Local Centre's), Saved Policy 6/10 (Food & Drink Outlets) and Saved Policy 5/11 (Community Facilities: Protection of Existing Facilities). None of the first three policies seek to prevent the redevelopment or change of use of public houses. Furthermore, Policy 5/11 relates only to traditionally defined community facilities and does not include public houses within its remit. At the time of the previous Local Plan Review the loss of public houses was not an issue for local residents.

Cambridge Public House Study

- 3.13 The Public House Study's (Appendix A) findings of the research are as follows:

National & Regional

- It is increasingly difficult for public houses to increase prices to fully cover duty rises on alcohol;
- Supermarkets account for approximately 70% of all alcohol sales & 30% bought in on-licensed premises;
- The number of microbreweries has increased. There are now an estimated 900 brewers (including microbreweries) in the UK;
- Public house food sales have grown from 24% of total public house revenue in 2004 to 33% in 2009;
- All 4 major regional brewers have increased food sales as a proportion of total sales; and
- The number of 'gastro' public houses in the UK is increasing, reflecting national trend moving towards a restaurant business model and away from a traditional drinking establishment.

Cambridge

- Cambridge has 824 working age adults per public house comparatively higher than those of other historic university locations of Norwich (752), York (672), Brighton & Hove (672) and Bath (569) but lower than that of Oxford & Abington (874);
- The study audit visited 111 public house sites and confirmed that there were 86 public houses that continued to trade (of which 3 were being refurbished).

Tied, Managed & Freehouse

- An estimated 15 out of the 22 public house site closures are from the tenanted¹ estate;
- Managed public houses² have been more successful than tenanted public houses during the current recession; and
- The freehouse³ sector is small with only 9 sites. Two of these are closed. Most freehold public houses cost between £200,000 and £350,000.

Pubs by Population Catchment

- There is a reasonable measure public house deficiency, especially for suburban community public houses. These tend to draw from a smaller catchment than the edge of centre community, city taverns or bars;
- For town centre public houses there is normally an alternative within 400 meters however these public houses are often serving a wider than local community market and support the local economy;
- Successful cities often have an attractive eating and drinking offer which appeals to students, academics, entrepreneurs and tourists. This means city centre public houses tend to specialise and that although there may be four very close together, three may address different city wide markets and only the fourth serves a local community.

Local Market Assessment

- Suburban community public houses require a larger market catchment including a higher socio-economic grouping to support diversification of an improved food/drink offer; and
- The closure of a disproportionate number of suburban community public houses has increased the deficiency in provision for a number of suburban communities.

3.14 The Cambridge Public House Study includes a number of policy options and recommendations to help inform the IPPG and the Local Plan Review. The recommendations include:

- A flexible policy that allows for the change of use of a public house when it can be proved that it is no longer needed as a commercial community facility;
- In parallel with a specific public house policy, an additional retail policy that prevents residential use on A4 (public houses) and A3 (restaurants) within shopping areas, to protect the vibrancy and vitality of these areas;
- The current Local Plan is under review and should strategic sites for new housing development come forward in the next plan period, there could be opportunities to provide public houses to satisfy local demand and create vibrant and sustainable communities. Consideration for an indicative ratio of 1 public house/2-3,000 homes in new urban extensions brought forward through the Local Plan Review;
- Allow the re-location of struggling, older public houses in areas of major change for redevelopment in return for the provision of a replacement public house (pub-restaurant) nearby.

¹ A tenanted public house is owned by a public house company or a brewery but managed by landlords. The company makes its money charging rent and supplying the beer, while the landlord will run the pub as their own business

² These are generally owned by a public house company or a brewery and operate them with their own staff.

³ A public house that is not controlled by a brewery and so is free to sell different brands of beer and ale.

The Interim Planning Policy Framework

- 3.15 The aim of the interim planning policy guidance on the protection of public houses is to provide guidance on how to determine planning application relating to the loss of a current or former public house to alternative uses. Once adopted, the IPPG will be a material consideration in determining planning applications to do with public houses in the City of Cambridge district. The issues relating to the loss of public houses is also being taken forward in the review of the Local Plan.
- 3.16 The report's research explains how public houses are an important part of the Cambridge economy, not just for the direct and indirect jobs they provide in the pub, supplier, food and brewing industries, but in supporting the City's main industries by attracting and providing a meeting place for students, academics, scientists and entrepreneurs, and in attracting young office workers, shoppers and tourists.
- 3.17 The IPPG recommends the following framework prior to adoption of the new Local Plan to clarify the circumstances when it is acceptable for a public house to be lost to alternative uses and when it is not acceptable. The guidance is based on the following Development Management Principles:
- The need to preserve the important social/community function of the public house;
 - The need to preserve the important economic function of the public house; and
 - The need to allow flexibility in terms of responding to economic change.
- 3.18 The guidance recommends the following guidance for proposals affecting the loss of a public house (listed in the Section 5 of Appendix B).

Development will only be permitted when evidence has been provided to satisfy the following criteria:

- a) The public house has been marketed for 12 months as a public house free of tie and restrictive covenant and for alternative local commercial or community facility, at a price agreed with the Council following an independent professional valuation (paid for by the developer) and there has been no interest in either the free- or lease-hold either as a public house, restaurant or other use falling within the 'A' use classes or as a community facility falling with 'D1' use class; and
 - b) All reasonable efforts have been made to preserve the facility (including all diversification options explored – and evidence supplied to illustrate this) but it has been proven that it would not be economically viable to retain the building or site for its existing or any other 'A' or 'D1' class use; and
 - c) Adequate alternative pub provision exists, or replacement provision is made available, in an equally or more accessible location within 400 metres walking distance to provide one pub per 750 working age adults; and
 - d) It has been otherwise demonstrated that the local community no longer needs the public house or any alternative 'A' or 'D1' class use and its loss would not damage the availability of local commercial or community facilities that provide day-to-day needs in the local area.
- 3.19 Detailed guidance concerning criteria (a), (b) & (d) listed in paragraph 3.18 include:

- Detailed marketing strategies to satisfy criteria (a). These include the omission of restrictive covenants of the site's use as a public house and local community consultation;
 - Detailed viability appraisals to satisfy criteria (b);
 - Community engagement details to satisfy criteria (d). The benefits of this requirement include the opportunity for local communities to comment on the marketing strategy and ensure the community are aware of an existing or former public house site being put up for sale.
- 3.20 The guidance, listed in paragraph 3.18 will allow for the flexibility in the re-use of public houses for alternative commercial community leisure, retail and business uses falling within 'A' use classes as market circumstances dictate or as a community facility.
- 3.21 It is important to allow the flexibility for pubs to pass in and out of pub use according to market conditions; although, no permission is required to change use from a pub to a restaurant, A2 office or shop, permission is still required to change back to a public house. The City Council will consider applications on their merits for the reinstatement of a former public house use from an A1, A2, A3, A5, or D1 use (subject to highway and amenity considerations and normal conditions).
- 3.22 Any proposals to convert or redevelop a former public house (listed in the Section 5 of Appendix B) since converted to a different 'A' use to a non-A use, will still be subject to the above development management principles.
- 3.23 Any proposals for a former public house (not listed in the Section 5 of Appendix B) that is subject to a planning application for conversion to a non-A use will also be subject to the above development management principles where the vitality and, or vibrancy of the local neighbourhood would be adversely affected.

Consultation Arrangements

- 3.24 As explained earlier, it is considered that public consultation on the IPPG is important before progressing any further. This will ensure that the views of the public are taken into consideration before a firm approach is agreed.
- 3.25 It is proposed that a public consultation takes place on the draft IPPG and the background report following a meeting of the Development Plan Scrutiny Sub-Committee on the 12 June. A six week period of consultation is proposed, running from Friday 15th June to Monday 27th July 2012.
- 3.26 In line with the Council's adopted Statements of Community Involvement, the proposed consultation arrangements are as follows:
- Letters / e-mails including consultation details to be sent to statutory and general consultees.
 - The IPPG and Cambridge Public House Study to be made available to view at the following locations:
 - The Councils' Websites – www.cambridge.gov.uk
 - Cambridge City Council's Customer Service Centre, Mandela House, St Andrew's Street, Cambridge.
 - Public Libraries in Cambridge.

- An on-line consultation system will be available on the Councils' websites in order for people to respond directly via the internet. Hard copies will be made available to those who do not have access to the internet.

Next Steps

- 3.27 The representations received will then be used to help guide the development of the IPPG and will be reported along with the final version of the IPPG to the Environment Scrutiny Committee Council Meeting on 9 October 2012.

4. Implications

Financial Implications

- 4.1 There are no significant direct staffing or procurement issues arising from this report. Staffing resources are already committed through the budget and service plan process. Funding may be necessary for consultation purposes but this can be found in existing consultation budgets.

Staffing Implications

- 4.2 There are no direct staffing implications arising from this report. The review of the Local Plan is already included in existing work plans.

Equal Opportunities Implications

- 4.3 The development of new public houses will need to bear in mind the needs of the disabled.

Environmental Implications

- 4.4 The guidance contained within the IPPG follows the principles of sustainable development as set out in the NPPF.

Consultation

- 4.5 Consultation arrangements are set in paragraphs 3.24 to 3.26 and are consistent with the Councils Code of best practice on consultation and community engagement.

Community Safety

- 4.6 There are no direct community safety implications arising from this report.

5. Background papers

- 5.1 These background papers were used in the preparation of this report:
- Cambridge Local Plan

6. Appendices

- Appendix A Cambridge Public House Study
- Appendix B Interim Planning Policy Guidance
- Appendix C Schedule of Consultees

7. Inspection of papers

To inspect the background papers or if you have a query on the report please contact:

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