

Private and Confidential

Jill Thompson
Planning and Development Manager
Ryedale District Council
Ryedale House
Old Malton Road
Malton
YO17 7HH

15 October 2021

Dear Ms Thompson

RE: THE WHITE SWAN, LOW STREET, THORNTON LE CLAY YO60 7TG

I write with reference to the letters to you from Mr S Barker of Prism Planning dated 3rd September 2021 and Mr P Scholes of Fleurets dated 9th September 2021. Both letters relate to planning application 21/00861/FUL on the above property, and comment on my report on the same dated 6th August 2021.

Many of the same comments that relate to my report are in each letter.

Mr Barker of Prism Planning makes uninformed opinions and assumptions throughout his letter. In the third paragraph he comments on my position as an expert witness for the Council as '*...somewhat surprisingparticularly when his report is putting forward the same principles and arguments that he used unsuccessfully to oppose the closure of the Royal Oak (Nunnington).*' The inspector in the case for the Royal Oak at Nunnington commented as follows in paragraph 14.

14. Turning to whether the Royal Oak could be an economically viable business, I have some concerns over the assumptions made in the Fleurets report and how they impact on the potential profitability of a well-run business.....

The inspector obviously took account of my concerns with the Fleurets viability report in the case of the Royal Oak. Therefore, it may be somewhat surprising for Fleurets to have been used again to assess the viability of the White Swan.

Mr Barker then goes on to discuss Policy SP11, and comments that I miss '*..the point that the wide range of alternative facilities satisfy the key strand of Policy SP11.*' Mr Barker has obviously not read my report thoroughly. Throughout my report I commented on the Scholes/Fleurets report point by point analysing each comment. Mr Scholes comments that I agree with his assumptions that the White Swan satisfies Policy SP11. This is clearly not correct, and I lay out my reasoning for this at paragraph 8.5 of my report.

8.5 of my report shows that the other facilities mentioned in the Scholes/Fleurets report do not provide the needs of the community. The White Swan has proven it meets these needs. My comments relating to other facilities are further expanded upon in the letter to you dated 26th September 2021 from members of the local community, 'Save our Swan.' My work takes me all over the country and I see rural pubs like the White Swan serving their local communities. The White Swan meets the needs of the community that alternative public houses do not.

The letter then returns to the economic viability of the property. Rather than commenting on an analysis of my report Mr Barker uses what is available to justify his instruction for change of use and disregards any information that does not fit his purpose. Whilst I agree with turnover, costs, gross profit and sales mix outlined in the Scholes/Fleurets report this is where this agreement finishes. A business at the property could achieve these figures but the additional costs put forward in the Scholes/Fleurets report are based upon an anachronistic methodology aimed at achieving viability for a corporate entity. The letter to you from Mr Crux from Barry Crux & Company dated 24th September 2021 backs up my methodology by commenting that *'...the outlet could be operated by a partnership of two people, both working full time.'* He later comments *'This is normal for such public houses.'*

Mr Barker assumes that I suggest certain costs associated with the property should be disregarded. This is incorrect and is fully explained in my report. In short, any return on investment must be reasonable, and the level of investment into the property and business should not exceed the level of return that can be justified by the business. The cost of the initial purchase by the current owner was too high and this should be disregarded. The same methodology of investment against return should also be used when assessing work undertaken to the fabric of the building, and fixtures, fittings and equipment. This is fully outlined at paragraphs 8.13, 8.14, and 8.15 of my report.

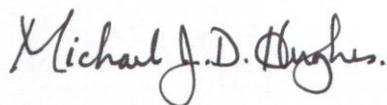
There is an attempt to argue that Fleurets provides relevant case law and refers to established industry business models and assessment criteria. The cited case law is not relevant to this business as I outline at 8.7 of my report and the assessment criteria is based upon a corporate model that can only be justified by the corporate entities that it was created for. This methodology does not relate to a private owner/operator of a business such as the White Swan. Also, it disregards the property and assesses viability based upon the need of the property owner rather than the viability of the property to sustain a viable business. Furthermore, neither letter mentions the incorrect suppositions related to covid-19 that the Fleurets report relies heavily upon.

Mr Scholes, in his letter has taken my comments relating to the value of the property at £250,000 and chosen to disregard relevant information. I comment at paragraph 8.21

With an assumed operating profit of £42,000 and a multiple of 6 the market value of the White Swan as a fully equipped operational entity having regard to trading potential would be about £250,000. As the White Swan did not have any fixtures, fittings or equipment to trade the cost of these items would need to be deducted from this figure as I have explained at 8.13.

It is clear my report has not been read thoroughly by either Mr Barker or Mr Scholes. They have picked out points from the report and adjusted their reasoning so that they fit the needs of their client, the applicant. In my professional opinion The White Swan is a viable business. The comments from Mr Crux (letter 24th September) and the local community (letter 26th September) back up the conclusions of my report. This letter provides an explanation of those issues raised by Mr Barker and Mr Scholes which were aimed at discrediting my report.

Yours sincerely,



Michael Hughes MRICS FNAEA FNAEA (Comms) DipCPA FAVLP FBII