

**Briefing note from the Save the Cabinet Action Group**

**MAIN POINTS**

**The aim of the Save the Cabinet Action Group is simple: to save the last pub in our village.**



The report prepared by the planning officer for the Committee is highly misleading and gives a decidedly one-sided picture. The Action Group has submitted a comprehensive objection, prepared by a planning and heritage expert, based on viability, planning and heritage grounds, all of which are glossed over in the report. On the other hand, the report describes uncritically and at some length the material submitted by the applicant. It is clear that the planning officers have had insufficient time to take proper account of the evidence submitted by the Action Group.

The linked applications for listed building consent are not on the agenda alongside the application for the change of use. This is irregular and poor practice, and it is unsatisfactory that the Committee should not have an opportunity to consider the case in its entirety. The original application was flawed: among other things, no proper consideration was given to the heritage of the building (the required heritage statement is absent). A new, additional, listed building application has just been submitted. We understand this relates to works not covered in the original application, to which the Action Group has drawn attention; it has yet to appear on the NHDC web site.

**Viability**

- The report submitted by the applicant, drafted by Mr Culverhouse, and the Trinity Solutions document, are poorly argued and deeply flawed, and their conclusions are mistaken, for the following main reasons:
  - They examine only two possible trading models: the “gastropub/fine dining” approach, and the “wet only” model. Most rural pubs combine wet trade and casual dining – a much more appropriate model for The Cabinet – yet this is not even considered
  - The Trinity Solutions report reaches its conclusions on the basis that a future owner would be saddled with servicing interest and repayments on a substantial mortgage. It is far more likely that The Cabinet would be acquired by a cash buyer, without a mortgage, or by the community with or without Public Works Loan Board funding. When the mortgage element is stripped out, Trinity Solutions’ own figures and methodology demonstrate that The Cabinet is viable. (See below for further explanation)
  - The suggestion in the reports that The Cabinet’s position on Reed High Street renders it unviable is plainly wrong, given the undisputed fact that The Cabinet has been popular and viable in the past
- The Action Group’s report, prepared by a leading expert surveyor in the licensed leisure sector bound by the relevant codes of professional conduct, offers a business plan demonstrating how The Cabinet is viable. None of this is mentioned in the committee report.
- Evidence has been submitted (statement of the last tenant) demonstrating that the reason the Cabinet closed was unconnected with viability – in fact substantial funds were misappropriated, leading to the tenant’s bankruptcy. Were it not for this, the statement says that The Cabinet would probably still be trading. This is not even referred to in the committee report.

- The campaign has attracted huge community support, demonstrating the genuine affection in which 400-year-old Cabinet is held. The least that can be said is that lack of viability has not been proved.
- Contrary to what is said in the committee report, the Action Group's viability study is not on the NHDC web site. It can be read here: <https://tinyurl.com/cabinet-objections>.

### **Sale of The Cabinet**

- The evidence we have submitted shows that, following its closure, attempts over an extended period by suitably-funded local landowners and others to buy or rent the property to run as a pub were rebuffed by the then owners, until they were able to sell at a high price to the present applicant – who clearly intended to convert it for residential use. None of this is referred to in the committee report.
- The Trinity Solutions report confirms that the price of £375,000 paid by the applicant for The Cabinet “appears high”, against their own valuation of between £150,000 and £250,000. Seen alongside the evidence of offers made and refused, it is clear that the test, “all reasonable attempts to sell or let the premises for a similar use in the time period have failed” has not been met.
- The committee report states that the community has lost its chance to make a community bid on an asset of community value.
  - This is a misreading of the relevant legislation. The lack of a bid is not a reason for disregarding arguments based on possible future ownership models for the pub, nor can it be evidence arguing that the applications should be approved
  - The reason the community did not come up with a bid was because they were aware that there were offers from others, committed to the continuance of The Cabinet as a pub, with ready money to make a purchase. Consequently, there did not appear to be any reason for the community to carry out the necessary fundraising
  - The evidence of what happened to the private bids suggests strongly that any community bid would also have been rebuffed.
- The applicant states that he originally intended to run The Cabinet as a pub, and only changed his mind when he realised how much work on it was needed. The evidence is that he told a witness at the auction that he intended to turn it into a house, so it seems he had made his decision by then. The idea that an experienced developer would buy a property at above the guide price without being aware of its condition, if that is what this statement means, is to the say the least surprising.

### **REASONS FOR REFUSING THE APPLICATIONS**

- The applications do not comprise sustainable development
- Permanent closure of The Cabinet would be deeply damaging to the planning objective of promoting healthy, interactive communities
- The loss of the public house, which is of sufficient value to the community to be designated an asset of community value, represents harm to the social dimension; moreover, the loss of employment possibilities represents harm to the economic dimension of sustainability
- Lack of viability has not been proved; on the contrary, the best evidence demonstrates the pub remains viable

- Neither the application for change of use nor the works already undertaken preserve or enhance the conservation area, as required under s.72 of the Listed Buildings and Conservation Areas Act 1990, and so should be refused
- The application does not contain an adequate heritage statement as required both by national and local planning policy. Many appeals against the refusal of consent have been dismissed on this basis alone.

## **HOW THE TRINITY SOLUTIONS REPORT PROVES THE CABINET IS VIABLE**

The report values The Cabinet, as is, at between £150,000 and £250,000, and comments that the applicant's purchase price of £375,000 appears high. The author nonetheless assumes in Appendix A an investment of £525,000 and arrives at a loss after interest charges on a £375,000 mortgage and £150,000 loan of £29,791 at the end of Year 2.

In Appendix B the author reduces the investment figure to £390,000 (based on a purchase price of £240,000) and arrives at a loss of £17,145 at the end of Year 2 after interest charges on a £240,000 Mortgage and £150,000 Loan. In both cases this is based on a rate of interest of 8%.

In both cases, Trinity Solutions assumes a turnover of £283,071.

Acquisition of The Cabinet under a mortgage is an unlikely scenario. A far more likely outcome is that a cash buyer would come forward (and one party interested in such a purchase recently made an offer to the applicant), or some form of community purchase – whether under the Public Works Loan Board scheme or otherwise.

- The interest rate on a Public Works Loan (under which the building could be bought by the Parish Council) is currently 2.8%, fixed over 50 years. Were this route followed, using the Trinity Solutions figures and methodology under Appendix A, there would be no interest payable in the first year, and the annual interest payable in the second year would drop from £57,483 to £14,700. This translates into a profit of c. £23,750 in the first year and c. £13,000 in Year 2.
- If The Cabinet were acquired by a cash buyer without a loan, the same figures and methodology produce a profit in Years 1 and 2 of £23,750.

It is likely that the turnover and profit would increase further in Year 3, by which time the business would be approaching maturity.

## **RESPONSES TO OTHER ARGUMENTS**

### **1. "The applicant was the only bidder at the auction."**

Not true. The Action Group has submitted evidence demonstrating that another party made a telephone bid directly to the auctioneers.

### **2. "Reed is too small to support a pub."**

Not true. Plenty of smaller villages have pubs – e.g. the recently reopened (and popular) Black Horse at Brent Pelham (pop. 181). The Cabinet would be well placed to draw in visitors from other villages and from the expanding towns of Royston and Buntingford.

3. **“The Cabinet would struggle after an extended period of closure.”**

Unlikely. The viability study by Anthony Miller demonstrates a clear business plan. Evidence from elsewhere shows that community pubs and “rescue” pubs benefit from enhanced public support.

4. **“Rural pubs are struggling because of changing habits, the smoking ban, etc”**

The downturn in the late 2000s has passed, and one need look only to villages neighbouring Reed, such as Therfield and Barkway, to see examples of well-managed, successful pubs exemplifying a healthy pub culture which The Cabinet is well-placed to exploit.

5. **“The fact that the applications are retrospective is not on its own a reason to refuse.”**

The Council has a duty to maintain public confidence in the planning system. In this case, concerns about development at The Cabinet were expressed to NHDC on several occasions by neighbours and by the Parish Council during 2016, without any action being taken, notwithstanding that no application for planning or listed building consent had at that time been made. No explanation has been forthcoming as to why the applicant carried out these works without first applying for permission, and one can only conclude that he intended to avoid public scrutiny and to give NHDC a difficult enforcement decision. **The Council needs to be aware of the potential precedent a case of this sort might set. If the present applicant is allowed to achieve his objectives despite having flouted the law, it would provide developers wanting to profiteer, whether by closing country pubs, compromising heritage buildings, or in other ways, with every incentive to ignore the planning rules, knowing that the system is too weak to provide proper democratic control.**

## CONCLUSION

The beautiful, 400-year-old Cabinet pub is part of the heritage not just of Reed Village but of this part of Hertfordshire and, indeed, Britain.

This application, if approved, would

- lead to the loss of a much-loved Asset of Community Value, contrary to national and local policy,
- be harmful to the special character of the designated Reed Village Conservation Area, and
- harm the heritage asset that The Cabinet itself constitutes.

There is ample evidence of commercial interest in The Cabinet to be run on traditional rural pub lines. Contrary to the arguments advanced by the applicant and rehearsed at length in the planning officer’s report, the best evidence is that The Cabinet is viable as a pub.

The campaign to save The Cabinet has generated widespread community support. Reed needs its pub, and the community is extremely keen to see it restored to its proper place at the heart of the village.

**This can only happen if you refuse the application. There is ample evidence to support a refusal, and our experts have provided your officers with ample material to defend such a decision in the event of an appeal. We urge the committee to refuse the application.**

## CONTACTS FOR FURTHER INFORMATION