

North York Moors National Park Authority

Town and Country Planning Act 1990

Appeal by: HOLF Leisure

Against: Refusal of planning permission for conversion of and extensions to former public house and outbuildings to form 2 no. local occupancy letting units and 4 no. holiday letting units with associated access, parking, bin/bike stores, amenity spaces and landscaping works (revised scheme following withdrawal of NYM/2018/0194/FL)

Location: Plough Inn, Boonhill Road, Fadmoor, nr Kirkbymoorside, North Yorkshire

Statement by Local Planning Authority For Planning Appeal - Hearing

Contents

- 1.0 Introduction
- 2.0 Appeal Site and the Surrounding Area
- 3.0 Relevant Site History
- 4.0 Proposed Development and the Decision
- 5.0 Planning Policy and Guidance
- 6.0 Matters of Common Ground
- 7.0 Local Planning Authority's Case
- 8.0 Conclusion

Appendices

- A – Suggested Conditions
- B – Viability Assessment

1.0 Introduction

- 1.1 This Statement refers to the non-determination of a planning application for conversion of and extensions to the former public house and its outbuildings to form two local occupancy letting units and four holiday letting units with associated access, parking, bin/bike stores, amenity spaces and landscaping works.
- 1.2 Subsequent to the lodging of the Appeal against non-determination, the Planning Committee again considered the application at its Committee Meeting on 14 January 2021, and indicated that the Authority's putative position on the development was one of Refusal based on the following reasons:-
1. that the pub has not been recently marketed as required by Strategic Policy L (Community Facilities) of the North York Moors National Park Authority Local Plan (July 2020);
 2. the Authority recognises the impact the loss of the pub, which is an Asset of Community Value and community facility, has caused to the local community and as such stands behind and supports the local community as required by the duty placed upon National Park Authorities to seek to foster the economic and social well-being of the local communities;
 3. that the viability report commissioned by the North York Moors National Park Authority did not rule out that the business could not be viable and that the community's continued interest in saving the pub over a ten year period including the drafting of a business plan may be showing strong leadership and wider community engagement;
 4. and that of all the pubs across the country, community run pubs have been the most successful and to the Authority's knowledge very few, if any, have failed therefore are a resilient business model.

Members delegated the detailed wording of the refusal reasons to the Director of Planning.

2.0 Appeal Site and the Surrounding Area

- 2.1 The village of Fadmoor is located approximately 2 miles to the north west of the small town of Kirkbymoorside, and approximately 5 miles to the north east of the town of Helmsley. Approximately 0.6 miles mile to the north east of Fadmoor is the adjoining village of Gillamoore.
- 2.2 These two villages share facilities, with the village hall and former Plough Inn being located in Fadmoor and the school, church, chapel, cricket field and Royal Oak pub being located in Gillamoore. The population of Fadmoor is approximately 184 and Gillamoore approximately 156 (2011 census).
- 2.3 Within a one mile radius of Fadmoor there is one operating pub (not including during Covid-19 Lockdowns) and within a five mile radius, there are approximately 10.

- 2.4 The Plough Inn has been a long standing village pub for over 200 years, and the building is located centrally within the village of Fadmoor, fronting out onto the village green which is surrounded on all sides by residential development. The building is considered to contribute to the architectural and historic character of the village and the wider National Park landscape forming an important group of historic buildings at the entrance to the village. The building is believed to date from the 18th century, originally constituting a row of single-cell cottages. The relationship between the principal building and its ancillary outbuildings, most of which are also 18th century, remains evident and the variety of roof heights provides views through the site to the Listed farm and farm buildings of Westfield Farm. As such, whilst not listed, the building is considered to be of architectural merit as to warrant identification as a non-designated heritage asset.

3.0 Relevant Site History

- 3.1 The pub was closed by the current owner in 2011 and for a period from October 2014 until around 2017, was used as an Estate office for the Pennyholme Estate, without the benefit of planning permission.
- 3.2 In 2013, the residents of the village registered the premises as an Asset of Community Value (ACV) with Ryedale District Council and have actively tried to find either a purchaser for the pub or buy it themselves to run as a community pub. This ACV was renewed in 2019.
- 3.3 The premises were put on the market in January 2011 and taken off the market in April 2012 (15 months). The pub was marketed through the agents "Fleurets" who specialise in the leisure and hospitality sector with an asking price of £495,000. Fadmoor Parish Meeting formed a group to find a new owner and put together a plan to reopen it as a Community Enterprise and put together a proposal to purchase the Freehold based on an independent valuation and to lease the premises in the short term whilst the funds were raised. However, this offer was not accepted and the pub was subsequently taken off the market.
- 3.4 A planning application was submitted in 2016 which sought planning permission for a permanent change of use of the ground floor premises, from a pub to B1 offices to serve as an Estate office for the Pennyholme Estate, which owns and manages 7,690 hectares immediately to the north of the village of Fadmoor. It was proposed to retain the first floor as a residential flat.

The application was recommended for approval by Officers, but refused at Planning Committee for the following reasons:-

1. In the opinion of the Local Planning Authority, the change of use of the public house, which is listed as an Asset of Community Value, to another use would result in the loss of a community facility and reduce choice when seeking to use a drinking establishment or pub restaurant facility within the locality. Although there is a public

house in the adjacent village which is in walking distance, it is accessed along an unlit footpath and does not cater for the specific needs of the local community of Fadmoor, in terms of providing a base for social functions, activities and facilities. This is partly due to the different room arrangements and also due to the different focus of the public house in Gillamoore towards holiday letting rooms and tourism. It is therefore considered that irrespective of the existence of a competitor PH, the loss of a valued facility and community asset such as this would have a detrimental effect upon the long-term wellbeing of the community. The proposal is therefore contrary to Core Policy I of the North York Moors Local Development Plan which seeks to resist the loss of such community facilities unless it can be demonstrated that it is no longer suitable for a community use.

2. The information submitted does not demonstrate, to the satisfaction of the Local Planning Authority, that the commercial proposition is no longer viable or that no licensee could reasonably be expected to make a living from the enterprise. The proposal is therefore considered to be contrary to Core Policy I of the NYM Local Development Plan which resists the loss of such facilities unless it can be demonstrated that it is no longer viable for a community use.

No appeal was made against this decision.

4.0 Proposed Development and the Decision

- 4.1 The application to which this appeal relates was validated on 27 March 2020 and sought consent for a change of use of the site to provide two local occupancy letting units and four residential holiday letting units. The proposals comprised the conversion and modest rear extension to the frontage pub building to provide two local occupancy letting dwellings with one holiday letting unit at the rear. It was also proposed to extend and convert three existing stone outbuildings to the rear of the site to provide three further holiday lets. The two local occupancy units would provide two bed dwellings and the holiday lets would comprise two 2-bed units and two 1-bed units. The area to the rear of the frontage building would provide communal and private courtyard garden/amenity spaces, with 8 no. car parking spaces to side and rear and associated waste bin stores at the front of the site and bike stores to the rear.
- 4.2 The application was first considered by the Planning Committee at its meeting in July 2020 but Members deferred making a decision at that time in order to seek more information regarding whether the community request for Compulsory Purchase by Ryedale District Council had formal Council agreement together with associated resourcing and also for a Viability Assessment to be undertaken to provide information regarding the likelihood of the building successfully being brought back into business as a pub.
- 4.3 The application was then considered again by Members at a Virtual Planning Committee on 14 January 2021, following the lodging of this Appeal against non-determination. The Viability Assessment had been commissioned and undertaken at that time and concluded that the costs of bringing The Plough back into use as a pub

would be extremely high, due to extensive works required to the fabric of the building, along with complete internal refurbishment programme to all trading rooms and living accommodation. The survey and viability report can be found at Appendix B. However, this will be sent separately as a confidential report due to the sensitive information it contains).

4.4 Following consideration of the details of the proposal, Members indicated that the Authority's putative position on the development was that of refusal for the following reasons:-

1. The change of use of the public house which is listed as an Asset of Community Value to another use would result in the loss of the only public house in the village of Fadmoor with no other similar establishment available within convenient walking distance. The strong local community support for establishing the Plough Inn as a community owned public house demonstrates that the facility is still greatly needed. An independent valuation and viability assessment commissioned by the local planning authority concludes that the Plough Inn has the potential to be run as a viable business either as a high quality owner run food and drink establishment or a community run public house. The proposal is therefore contrary to Strategic Policy L of the North York Moors Local Plan which states that the loss of such facilities will only be permitted where it can be demonstrated that the facility is no longer suitable or viable in that location or it is no longer needed.
2. The change of use has not been justified by a demonstrable lack of viability as no recent marketing exercise has been undertaken to establish whether there is business interest in purchasing the Plough Inn which is a requirement of Strategic Policy L before development resulting in the loss of a community facility will be permitted.

5.0 Planning Policy and Guidance

- 5.1 This section covers both the statutory Development Plan and the general implications of the location of the appeal site within a National Park.
- 5.2 At the time of decision (putative), the Development Plan for the area formally consisted of the **North York Moors Local Plan (NYMLP)** which was adopted by the National Park Authority on 27 July 2020.

The most relevant policies in the determination of this appeal are considered to be:

Policy UE1 - Location of Tourism and Recreation Development.

This policy sets out the NYMLP's approach to the location of new tourism and recreation development within the National Park. It directs new tourism and recreation development to Helmsley and villages named in the settlement hierarchy, which includes the village of Fadmoor.

Strategic Policy L - Community Facilities.

This Policy seeks to resist development that would result in the loss of a community facility unless it can be demonstrated that the facility is no longer suitable or viable in that location.

However, it also states that the Authority does accept that there may be some cases where the loss of a community facility is justified because it is no longer suitable to meet a need or is no longer economically viable. Strategic Policy L aims to strike a balance between the retention of community facilities and the need to accept their loss if there are genuine and demonstrable reasons why the use cannot continue.

Permission resulting in the loss of facilities will only be granted if it can be demonstrated robustly that the facility is no longer suitable or viable for its community use. This must be demonstrated through the application of the viability and marketing tests set out at Appendix 2

Appendix 2 – Viability Tests - sets out that applications must be supported by evidence that the current use is economically unviable and that it has been subject to a robust marketing exercise to find a new owner.

Applicants must provide evidence that a comprehensive marketing exercise to dispose of the existing enterprise has been carried out. In most cases applicants will need to carry out a minimum of 12 to 24 months active marketing depending on the circumstances of the case, which should include the use of an established commercial agent; advertising in the local and regional press as follows (usually a minimum of one advert per month or online for 12-24 months), a minimum of two adverts or one online advert over the marketing period in a relevant national publication and where appropriate, registration of the availability of the property on the relevant Local Authority Commercial Property Database.

Policy CO8 - Housing in smaller villages.

This Policy seeks to permit local occupancy housing in smaller villages, either as new build on smaller sites or as a conversion of an existing building which lies within the main built up area and makes a positive contribution to the character of the settlement.

- 5.3 The National Planning Policy Framework** - Planning law requires that applications for planning permission must be determined in accordance with the Development Plan unless material considerations indicate otherwise. The **National Planning Policy Framework** (NPPF) does not change the statutory status of the Development Plan as the starting point for decision making but is an important material consideration in the determination of an application. Development that accords with an up-to-date Local Plan should be approved, and conversely development that conflicts should be refused unless other material considerations indicate otherwise. The North York Moors Local Plan (NYMLP) was adopted on 27 July 2020 under the provisions of the Town and Country Planning (Local Planning)(England) Regulations 2012 and is considered not to conflict with national policies in the NPPF. It is therefore up-to-date and should be the starting point for any decision making in the North York Moors National Park.

The Government's commitment to the protection of community facilities is clearly set out in the NPPF (February 2019).

Paragraph 83 seeks to enable the sustainable growth and expansion of all types of business in rural areas, including sustainable rural tourism and leisure developments which respect the character of the countryside; and the retention and development of accessible local services and community facilities, such as local shops, meeting places, sports venues, open space, cultural buildings, **public houses** and places of worship.

Paragraph 91 says planning policies and decisions should aim to achieve healthy, inclusive and safe places which promote social interaction.

Furthermore, **Paragraph 92** requires Local Planning Authorities to plan positively for the provision and use of shared spaces, community facilities (such as local shops, meeting places, sports venues, open space, cultural buildings, **public houses** and places of worship) and other local services to enhance the sustainability of communities and residential environments. It goes on to say that Local Planning Authority's should 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; and ensure that established facilities are able to develop and modernise, and are retained for the benefit of the community.

However, with regards to rural housing, **Paragraph 78** seeks to promote sustainable development in rural areas, stating that housing should be located where it will enhance or maintain the vitality of rural communities. Planning policies should identify opportunities for villages to grow and thrive, especially where this will support local services. Where there are groups of smaller settlements, development in one village may support services in a village nearby.

6.0 Matters of Common Ground

- 6.1 The Local Planning Authority considers the main issue to be considered at the Appeal Hearing to be the proposed change of use of the public house at the front of the site to residential uses. It is considered that the acceptability of the proposed barn conversions to create holiday cottages in the outbuildings at the rear of the site is an area of common ground. It is considered that the barns could be converted to such alternative uses without precluding the use of the frontage building as a Public House.

7.0 Local Planning Authority's Case

7.1 As set out in Section 6 above, it is considered that this Appeal revolves around the proposed permanent loss of the public house facility within the village of Fadmoor, rather than the proposed conversion of the outbuildings at the rear to provide holiday accommodation. Consequently, the Authority's Case will focus on that aspect, not the proposed conversions.

7.2 Registered Community Asset

The Plough Inn was registered by the community as an "Asset of Community Value" (ACV) with Ryedale District Council in October 2013 and this was renewed in 2019.

The Department for Communities and Local Government (DCLG) Guidance published in 2012 states that it is open to the Local Planning Authority to decide whether listing as an ACV is a material consideration if an application for change of use is submitted, considering all the circumstances of the case. However, it also advises that the provisions do not place any restriction on what an owner can do with their property so long as it remains in their ownership because it is planning policy that determines permitted uses for particular sites.

Furthermore, the provisions do not restrict who the owner sells their property to, but if they put it on the market, they need to give the local community six months to prepare a bid to buy it, although the owner does not have to accept that offer.

The community do appear to have the will and finances to purchase the closed pub if they were able to, and to run it successfully. However, the pub has been closed since 2011 and the community has not, in recent years, been given the opportunity to purchase it.

7.2 Loss of Community Facility, Viability and Location of Nearest Alternative

The issue of the loss of a community facility and the proximity and suitability of the nearest alternative all have a bearing on the weight given to the argument of viability.

Appendix 2 of the NYM Local Plan does suggest that the Authority should seek an independent assessment of viability in relation to the loss of public houses. The Local Planning Authority has commissioned such a report which didn't conclude that a business could not be viable if run well. This should be considered against the context of the community's continued interest in saving the pub over a ten year period, including the drafting of a business which shows strong leadership and wider community engagement.

It is clear therefore that in this case there is strong local support for a pub to be open in the village and whilst this must be balanced against the fact that the pub has been closed for a substantial period of time the Authority recognises the impact the loss of the pub, which is an Asset of Community Value and community facility, has caused to

the local community and considers that the local community should be supported in their endeavours, as required by the duty placed upon National Park Authorities to seek to foster the economic and social well-being of their local communities.

In terms of viability, there is evidence that community run pubs have been the most successful across the country and to the Authority's knowledge very few, if any, have failed as they appear to be a resilient business model.

7.3 Previous Marketing

The Plough is not currently on the market, although it was on the market for 15 months between 2011 and 2012. The appellant states that at that time there were no genuine enquiries, although it is understood that the local community did put a bid together at a sum they considered to be a reasonable market value (significantly less than the asking price), but this was not accepted.

Whilst the Authority did not at that time, employ the services of an independent valuer, it would appear that the pub was on the market at around the middle price range for the area at the time.

However, the current valuation undertaken by an independent surveyor is significantly less than the previous asking price, but it has not been offered for sale at that price and consequently the local community has not had the opportunity to put forward further offers.

8.0 Conclusion

- 8.1 The closure of the Plough Inn has resulted in the residents of Fadmoor not having the convenience of a pub within convenient and safe walking distance from their homes. Whilst there is an alternative facility within walking distance in the adjacent village, there is a strong argument that due to the unlit route and poor quality of the pavement between the villages, combined with the fact that the Royal Oak caters for tourists, rather than providing a community facility, that this does not provide a suitable alternative and would not serve the needs of the community.
- 8.2 It is considered that without any recent marketing of the premises, neither the local community nor any other party, have been given the opportunity to purchase the property in an endeavour to operate a viable business, providing the local community with an essential facility. The proposal is therefore considered to be contrary to Strategic Policy L of the NYMLP and paragraphs 83, 91 and 92 the NPPF.
- 9.3 Therefore, the NPA respectfully requests that the Inspector dismisses the appeal. However, should the Inspector be mindful to allow the appeal, a list of conditions which the NPA would wish to see imposed are attached at Appendix A.

APPENDIX A

Proposed Conditions

1. The development hereby permitted shall be commenced before the expiration of three years from the date of this permission.

2. The development hereby permitted shall not be carried out other than in strict accordance with the following documents:

Document Description	Document No.	Date Received
Proposed site/drainage plan	1527/110/Rev E	9/06/2020
Proposed external works plan	1527/111/rev E	9/06/2020
Proposed ground floor plan	1527/120/rev C	29/05/2020
Proposed first floor plan Flat 1-3/Building 1	1527/121/Rev C	27/03/2020
Proposed ground floor Flat4/Bldg 2 & flat 5/Bldg 3	1527/122/Rev C	27/03/2020
Proposed first floor Flat 4/Bldg 2 & flat 5/Bldg 3	1527/123/Rev C	27/03/2020
Proposed ground floor Flat 6/Building 4	1527/124/Rev C	27/03/2020
Proposed elevations Sheet 1 of 5	1527/125/Rev B	27/03/2020
Proposed elevations Sheet 2 of 5	1527/126/Rev C	27/03/2020
Proposed elevations Sheet 3 of 5	1527/127/Rev C	27/03/2020
Proposed elevations Sheet 4 of 5	1527/128/Rev C	27/03/2020
Proposed elevations Sheet 5 of 5	1527/129/Rev C	27/03/2020
Proposed bike store	1527/150	27/03/2020
Proposed bin store	1527/151	27/03/2020

or in accordance with any minor variation thereof that may be approved in writing by the Local Planning Authority.

3. The occupation of the dwelling units 1 & 2 as shown on drawing no 1527/110/Rev E hereby permitted shall be limited to:

- i) a qualifying person; and
- ii) a wife or husband (or person living as such), licensee, dependant or sub-tenant of a qualifying person.

For the purpose of the above, a person is a qualifying person in relation to the dwelling if he/she has an interest in the dwelling (see Note A) and, immediately prior to occupying the dwelling, he/she has satisfied the Local Planning Authority that he/she was in need of local needs housing in term of the criteria set out in Policy CO13 of the adopted North York Moors Local Plan, namely that he/she is:

1. Currently resident in the National Park, having been resident in the Park for at least the previous 3 years; or
2. Currently in employment in the National Park; or
3. Having an essential need to live close to relative(s) who are currently living in the National Park; or
4. Having an essential requirement for substantial support from relatives who are currently living in the National Park; or
5. Former residents whose case for needing to return to the National Park is accepted by the Authority.

Prior to the occupation of the development the qualifying person shall have obtained confirmation in writing from the Authority that they satisfy the local need criteria outlined in points 1 to 5 above.

Note A: For the purpose of the above, a person has an interest in the dwelling if he/she has a freehold or leasehold interest in the whole or any part of it, or is a secure tenant or statutory tenant within the meaning of the Housing Act 1985 or the Rent Act 1977.

Note B: For the purpose of the above, resident within the National Park will include the whole of parishes split by the National Park boundary with the following exceptions:

Allerston; Beadlam; Burniston; East Harlsey; Ebberston and Yedingham; Great Ayton; Great and Little Broughton; Great Busby; Guisborough; Irton; Kirkby in Cleveland; Kirkbymoorside; Lockwood; Nawton; Newby; Pickering; Potto; Scalby; Snainton; Sutton under Whitestonecliffe

4. The dwelling units 3-6 hereby approved shall not be used for residential purposes other than holiday letting purposes. For the purpose of this condition 'holiday letting' means letting to the same person, group of persons or family for period(s) not exceeding a total of 28 days in any one calendar year.
5. Notwithstanding the provisions of the Town and Country Planning (General Permitted Development) Order 2015 (or any order revoking and re-enacting that Order), no development within Schedule 2, Part 1, Classes A to H Schedule 2, Part 2, Classes A to C and within Schedule 2 Part 14 Classes A to I of that Order shall take place without a further grant of planning permission being obtained from the Local Planning Authority.
6. Any outbuildings/storage buildings hereby permitted shall be used for domestic storage incidental to the occupation of the residential units on the site and for no other purpose. There shall be no alteration or conversion of these buildings to permanent residential accommodation and any such use or alteration will require a separate grant of planning permission from the Local Planning Authority.
7. No up-lighting shall be installed on the development hereby permitted. Any external lighting installed on the development hereby approved shall be of a style and luminance which minimises glare and light pollution. All bulbs should be shielded to prevent upward and minimise horizontal light spill and all lighting shall be installed to minimise its impact on neighbouring amenity. The lighting shall be installed in accordance with the above and shall be maintained in that condition in perpetuity.
8. All new stonework and roofing tiles used in the development hereby permitted shall match those of the existing building, including the colour and texture of the stone and the method of coursing, pointing, jointing and mortar mix unless otherwise agreed with the Local Planning Authority.
9. The finish of the walls to be rendered shall match the existing render in colour and texture and thereafter be so maintained unless otherwise agreed in writing by the Local Planning Authority. Such rendering and colouring is to be completed no later than one month after the development hereby permitted being first brought into use.
10. The external elevations of the Building 4 hereby approved shall, within three months of first being brought into use, be clad in horizontal timber boarding and shall thereafter be so maintained unless otherwise agreed in writing by the Local Planning Authority.
11. The lintels and cills of all new windows hereby approved, together with any replacement lintels and cills, shall be of natural or reclaimed stone to match the

existing in terms of dimension, tooling, shape, colour and texture and shall be maintained in that condition in perpetuity.

12. Trickle vents shall not be incorporated into any new windows hereby approved and shall not be installed thereafter unless otherwise agreed in writing with the Local Planning Authority.
13. The roof lights to be installed in the development hereby permitted shall be a conservation style roof light unless otherwise agreed in writing with the Local Planning Authority.
14. All new window frames, glazing bars and external door frames shall be of timber construction, painted white within six months of the date of installation and shall be maintained in that condition in perpetuity, unless otherwise agreed in writing with the Local Planning Authority.
15. The guttering to the development hereby permitted shall be directly fixed to the stonework by means of gutter spikes with no fascia boarding being utilised in the development and shall thereafter be so maintained in that condition in perpetuity unless otherwise agreed in writing with the Local Planning Authority.
16. The rainwater goods utilised in the development hereby permitted shall be coloured black and shall thereafter be so maintained in that condition in perpetuity unless otherwise agreed in writing with the Local Planning Authority.
17. No dwelling shall be occupied until the related parking facilities have been constructed in accordance with the approved drawing number 1527/110/Rev E & 111 Rev E. Once created these parking areas shall be maintained clear of any obstruction and retained for their intended purpose at all times.
18. No trees, shrubs or hedges within the site which are shown as being retained on the approved plans shall be felled, uprooted, wilfully damaged or destroyed, cut back or removed without the prior written consent of the Local Planning Authority. Any work approved shall be carried out in accordance with British Standard 3998:2010 Tree Work – Recommendations. If any retained tree/hedge is removed, uprooted, destroyed or dies within five years of the completion of the development, it shall be replaced with trees, shrubs or hedge plants of a similar size and species unless the Local Planning Authority gives written consent to any variation.
19. No excavations for services, storage of materials or machinery, parking of vehicles, depositing or excavation of soil or rubble, lighting of fires or disposal of liquids shall take place until a scheme which provides for the retention and protection of trees, shrubs and hedges growing on or adjacent to the site has been submitted to and approved in writing by the Local Planning Authority (herein after called the 'Tree Protection Scheme'). The scheme shall provide for a protection zone around each tree, hedge or shrub to be set out in accordance with guidance given in British Standard 5837:2012 Trees in relation to design, demolition and construction - Recommendations and shall provide for the erection of protective fencing to consist of a secure vertical and horizontal framework of scaffolding supporting chestnut paling or chain link fencing no less than 1.3 metres in height (or of a specification to be agreed) to delineate each protection zone.
20. Prior to any hard or soft landscaping works being undertaken, full details of such works shall be submitted to and approved in writing by the Local Planning Authority. The landscaping works shall then be implemented in accordance with the approved details and be maintained in perpetuity unless otherwise agreed in writing

by the Local Planning Authority.

21. The development hereby permitted shall not be undertaken until a programme of Historic Building Recording to a level 3 and analysis in accordance with a written scheme of investigation that has been submitted to and approved in writing by the Local Planning Authority. The work shall not be carried out otherwise than in accordance with that approved scheme of investigation.
22. A report of appropriately resourced, robust and detailed bat activity survey(s) must be submitted to the Authority and approved in writing prior to any works being undertaken to the buildings or structures on site. This report should set out whether any bat roosts are present on the site, whether a European Protected Species Licence is required and the details of any mitigation necessary to ensure the development does not impact on protected species. The development should proceed in accordance with the findings of this report once accepted by the Authority.
23. If a European Protected Species Licence is required due to the presence of protected species on the site, a copy of this must be provided to the Authority once obtained and acknowledged in writing prior to any licensable works taking place.

Informative(s)

1. All bats and their roosts are fully protected under the Wildlife and Countryside Act 1981 (as amended by the Countryside and Rights of Way Act 2000) and are further protected under Regulation 39(1) of the Conservation (Natural Habitats etc.) Regulations 1994. Should any bats or evidence of bats be found prior to or during development, work must stop immediately and Natural England contacted on 0300 060 3900 for further advice. This is a legal requirement under the Wildlife and Countryside Act 1981 (as amended) and applies to whoever carries out the work. All contractors on site should be made aware of this requirement and given information to contact Natural England or the Bat Conservation Trust national helpline on 0845 1300 228.
2. Under Section 1 of the Wildlife and Countryside Act 1981 (as amended), wild birds are protected from being killed, injured or captured, while their nests and eggs are protected from being damaged, destroyed or taken. In addition, certain species such as the Barn Owl are included in Schedule 1 of the Act and are protected against disturbance while nesting and when they have dependent young. Offences against birds listed in Schedule 1 of the Wildlife and Countryside Act are subject to special penalties. An up-to-date list of the species in Schedule 1 is available from Natural England
<http://www.naturalengland.org.uk/ourwork/regulation/wildlife/species/specialllyprotectedbirds.aspx>

Further information on wildlife legislation relating to birds can be found at www.rspb.org.uk/images/WBATL_tcm9-132998.pdf.

If advice is needed please contact the National Park Authority's Conservation Department on 01439 772700 or conservation@northyorkmoors.org.uk.
3. With reference to condition no.7 above, further advice and guidance in relation to suitable external lighting fixtures is available by contacting the Authority at planning@northyorkmoors.org.uk

Appendix B

Copy of Barry Crux, (Chartered Surveyor) Report and Valuation – attached separately

Unredacted copy is confidential due to sensitive financial information.

APPENDIX A

Definitions and Limitations

APPENDIX A

1. VALUATION DEFINITIONS

We have provided a Valuation in accordance with the RICS Valuation – Global Standards, effective from 31 January 2020 (the “Red Book”) with regard to the appropriate Global Professional Standards and Global Valuation Practice Statements. This is on the basis of:-

MARKET VALUE, the definition of which is:- the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion. A period of twelve months is assumed to apply.

In respect of valuations of businesses and business premises the Market Value relates to the valuation of the whole of the trading unit, effectively being inclusive of the freehold or leasehold (as applicable) interest, goodwill of the business (excluding personal goodwill) and trade fixtures and fittings. This therefore relates to the “operational entity” as a whole. As an “operational entity” it is assumed that the business is open for trade with the benefit of all necessary licenses in place and with accounts or records of trade available to or relied upon by a prospective purchaser. The valuations also assume that it is a fully equipped operational entity and valued having regard to trading potential.

In addition, if requested, further valuations are provided on the basis of special assumptions being made. In the case of a valuation of a property only the following applies:-

MARKET VALUE TWO

Market Value Two is an opinion of value on the same basis as Market Value as above but, assuming a period for marketing and a sale of 6 months/180 days:

In the case of a valuation of a property valued with regard to its trading potential, as an “operational entity” this is on the same basis as Market Value above, with the following special assumptions being adopted where appropriate and set out in the Report:-

- (i) accounts or records of trade would not be available to a prospective purchaser;
- (ii) the business has been closed;
- (iii) the inventory has been depleted or removed;
- (iv) the licenses, consents and permits have been lost or been breached;
- (v) the period for marketing and sale of the property is six months.

MARKET RENT

If requested we provide an opinion of the Market Rent which is defined as “the estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”

II. LIMITATIONS

The above valuations have been prepared in accordance with the Valuation Standards and Guidance Notes in the RICS Valuation – Global Standards 2017, effective from 1 July 2017. They have been carried out by a Valuer who conforms to the requirements of these Valuation Standards and who is an External Valuer and an RICS Registered Valuer.

The valuations assume that vacant possession is given upon completion of sale, unless there are subsisting leases or tenancies granting occupation of the whole or part of the property. Where this applies, such occupations are detailed in the Report.

The valuations provided take into account the existing and/or proposed business activity as described in the report and therefore include value attributable to the business in respect of goodwill but excluding any personal goodwill. The values also reflect the existing or proposed licence(s) as described above being current and transferable or maintainable. It is assumed that vacant possession will be given upon sale.

The Report and Valuation is for the sole use of and confidential to the party to whom it is addressed. We accept no responsibility to any third party for the whole or any part of its content. Neither the whole nor any part of this Report and Valuation nor any reference thereto may be included in any document, circular or statement nor may it be published or reproduced in whole or in part without our prior written approval.

The valuations have been prepared in order to advise you as to our opinion of value and we have not carried out, nor should this report purport to be, a structural or building survey, so are unable to report that the property is free from any defects that such a survey would reveal. We have had to assume therefore that there are no defects which would have a material effect upon the above valuations. Furthermore, our inspection did not extend to those parts of the premises which are covered, unexposed or inaccessible. We have not examined the roof void or sub-floor areas, nor the woodwork. We have assumed that the property is free from dry rot, woodworm or other latent defects and that no deleterious materials have been used in construction or repair of the building, and that there are no inherently dangerous or unsuitable materials and techniques used. We have not tested any services, plant or equipment and our comments on these and the property have been made based upon our general experience. The presence of contamination has not been investigated and the property is assumed to be free from such, unless the report specifically refers.

Our limited enquiries have not revealed any contamination affecting the property or neighbouring property which would affect our valuation. However, should it be established subsequently that contamination exists at the property or on any neighbouring land, or that the premises have been or are being put to any contaminative uses, this might reduce the values now reported.

It should also be noted that where a building is partly or wholly of cavity wall construction, the existence or threat of wall tie failure may not necessarily be apparent, in which event no responsibility can be accepted for consequence of failure which may occur.

Our valuations assume that there have been no undisclosed matters which would materially affect our opinion of value and that good title without any unusual or onerous restrictions, covenants, encumbrances or outgoings applies. We have to assume that there would be no matters which would be revealed by a local search, replies to usual enquiries or by any statutory notice which would materially affect the valuation(s). We have had to assume that the use of the property is lawful and complies with all planning, building, fire, public health, Licensing Authorities, regulations, bye-laws, statute, etc. It is further assumed that any conditions imposed by such bodies have been, are being and will continue to be complied with. Our enquiries of all such bodies, where made, have been informal and oral only.

No allowance has been made for liability for taxation which may arise on disposal, whether actual or notional, such as VAT or Capital Gains Tax, nor do the valuations reflect costs of acquisition or realisation.

The Appendix should be read in conjunction with and as though it is part of the main body of the attached Report and Valuation. The Conditions and Terms of Engagement Relating to Valuations as forwarded to the client in confirmation of our instructions should also be read as though it forms part of the attached Report and Valuation.

APPENDIX A

Definitions and Limitations

APPENDIX A

1. VALUATION DEFINITIONS

We have provided a Valuation in accordance with the RICS Valuation – Global Standards, effective from 31 January 2020 (the “Red Book”) with regard to the appropriate Global Professional Standards and Global Valuation Practice Statements. This is on the basis of:-

MARKET VALUE, the definition of which is:- the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion. A period of twelve months is assumed to apply.

In respect of valuations of businesses and business premises the Market Value relates to the valuation of the whole of the trading unit, effectively being inclusive of the freehold or leasehold (as applicable) interest, goodwill of the business (excluding personal goodwill) and trade fixtures and fittings. This therefore relates to the “operational entity” as a whole. As an “operational entity” it is assumed that the business is open for trade with the benefit of all necessary licenses in place and with accounts or records of trade available to or relied upon by a prospective purchaser. The valuations also assume that it is a fully equipped operational entity and valued having regard to trading potential.

In addition, if requested, further valuations are provided on the basis of special assumptions being made. In the case of a valuation of a property only the following applies:-

MARKET VALUE TWO

Market Value Two is an opinion of value on the same basis as Market Value as above but, assuming a period for marketing and a sale of 6 months/180 days:

In the case of a valuation of a property valued with regard to its trading potential, as an “operational entity” this is on the same basis as Market Value above, with the following special assumptions being adopted where appropriate and set out in the Report:-

- (i) accounts or records of trade would not be available to a prospective purchaser;
- (ii) the business has been closed;
- (iii) the inventory has been depleted or removed;
- (iv) the licenses, consents and permits have been lost or been breached;
- (v) the period for marketing and sale of the property is six months.

MARKET RENT

If requested we provide an opinion of the Market Rent which is defined as “the estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”

II. LIMITATIONS

The above valuations have been prepared in accordance with the Valuation Standards and Guidance Notes in the RICS Valuation – Global Standards 2017, effective from 1 July 2017. They have been carried out by a Valuer who conforms to the requirements of these Valuation Standards and who is an External Valuer and an RICS Registered Valuer.

The valuations assume that vacant possession is given upon completion of sale, unless there are subsisting leases or tenancies granting occupation of the whole or part of the property. Where this applies, such occupations are detailed in the Report.

The valuations provided take into account the existing and/or proposed business activity as described in the report and therefore include value attributable to the business in respect of goodwill but excluding any personal goodwill. The values also reflect the existing or proposed licence(s) as described above being current and transferable or maintainable. It is assumed that vacant possession will be given upon sale.

The Report and Valuation is for the sole use of and confidential to the party to whom it is addressed. We accept no responsibility to any third party for the whole or any part of its content. Neither the whole nor any part of this Report and Valuation nor any reference thereto may be included in any document, circular or statement nor may it be published or reproduced in whole or in part without our prior written approval.

The valuations have been prepared in order to advise you as to our opinion of value and we have not carried out, nor should this report purport to be, a structural or building survey, so are unable to report that the property is free from any defects that such a survey would reveal. We have had to assume therefore that there are no defects which would have a material effect upon the above valuations. Furthermore, our inspection did not extend to those parts of the premises which are covered, unexposed or inaccessible. We have not examined the roof void or sub-floor areas, nor the woodwork. We have assumed that the property is free from dry rot, woodworm or other latent defects and that no deleterious materials have been used in construction or repair of the building, and that there are no inherently dangerous or unsuitable materials and techniques used. We have not tested any services, plant or equipment and our comments on these and the property have been made based upon our general experience. The presence of contamination has not been investigated and the property is assumed to be free from such, unless the report specifically refers.

Our limited enquiries have not revealed any contamination affecting the property or neighbouring property which would affect our valuation. However, should it be established subsequently that contamination exists at the property or on any neighbouring land, or that the premises have been or are being put to any contaminative uses, this might reduce the values now reported.

It should also be noted that where a building is partly or wholly of cavity wall construction, the existence or threat of wall tie failure may not necessarily be apparent, in which event no responsibility can be accepted for consequence of failure which may occur.

Our valuations assume that there have been no undisclosed matters which would materially affect our opinion of value and that good title without any unusual or onerous restrictions, covenants, encumbrances or outgoings applies. We have to assume that there would be no matters which would be revealed by a local search, replies to usual enquiries or by any statutory notice which would materially affect the valuation(s). We have had to assume that the use of the property is lawful and complies with all planning, building, fire, public health, Licensing Authorities, regulations, bye-laws, statute, etc. It is further assumed that any conditions imposed by such bodies have been, are being and will continue to be complied with. Our enquiries of all such bodies, where made, have been informal and oral only.

No allowance has been made for liability for taxation which may arise on disposal, whether actual or notional, such as VAT or Capital Gains Tax, nor do the valuations reflect costs of acquisition or realisation.

The Appendix should be read in conjunction with and as though it is part of the main body of the attached Report and Valuation. The Conditions and Terms of Engagement Relating to Valuations as forwarded to the client in confirmation of our instructions should also be read as though it forms part of the attached Report and Valuation.

APPENDIX B

Letters of Instruction and Confirmation

BGC/JJ

9 November 2020

North York Moors National Park Authority
The Old Vicarage
Bondgate
Helmsley
York YO62 5BP



CHARTERED SURVEYORS

VALUERS, PROPERTY CONSULTANTS & AGENTS

26 NOV 2020

Dear Sirs

Confirmation of Instructions and Terms and Conditions of Engagement
Plough Inn, Main Street, Fadmoor YO62 7HY

This letter is to confirm your instructions in respect of the above property, to provide you with a report and valuation in respect of same. The interest being valued is the freehold interest of the property, held as an investment.

We confirm that we will undertake these instructions on your behalf and carry out the Report and Valuation in accordance with the requirements of the Royal Institution of Chartered Surveyors Valuation – Global Standards, effective from 31 January 2020 (the “Red Book”) where applicable and having due regard to the standards and guidance therein for valuations of this nature. The Valuation will be provided for your sole use and your professional advisers and its contents are not to be relied upon by any other party.

The instructions will be carried out in accordance with the Terms and Conditions of Engagement which are set out below, and where those are relevant to this instruction.

We confirm that our fee will be in the sum of ~~£1,000~~ (One Thousand Pounds) ~~plus~~ VAT at the appropriate rate. 600 (Six Hundred) including - as per Invoice/ 9/11

Arrangements will be made as soon as ever possible to carry out an inspection of the property, and thereafter it would be our expectation that the Report and Valuation will be completed within a maximum of ten working days thereafter. Should we encounter delays for whatever reason we will advise you of the situation.

By way of confirmation of these instructions we would ask you to sign the attached duplicate copy of this letter, in the box at the end of it.

The instructions will be carried out in accordance with the following:-

TERMS AND CONDITIONS OF ENGAGEMENT RELATING TO VALUATIONS

A. General Conditions

1. Barry Crux and Company (BCC) will undertake a valuation in accordance with the RICS Valuation – Global Standards, effective from 31 January 2020 (the “Red Book”), as applicable to the particular property.

20 Castlegate, York, YO1 9RP

Directors: Barry G. Crux FRICS ACI Arb
Rosalie Crux BSc(Hons) MRICS
Associate: Elliot Newby BSc(Hons) MRICS
Consultant: Nick Lees FRICS



2. This letter identifies the Client, the purpose of the valuation, the subject of the valuation and the interest in the property to be valued. It also sets out the type of property and how it is used or classified by the Client.
3. BCC shall advise the Client as to their opinion of the value of the relevant interest in the property, using the skill, care and diligence reasonably to be expected of a competent valuer. The valuation will be prepared having regard to trading potential, where applicable.
4. The date of valuation will be the date of the Report, unless this is otherwise agreed in writing.
5. This letter of confirmation also discloses any material involvement with the property or the vendor/occupier/owner of it in the recent past, and in the absence of such confirms that there has not been any previous involvement.
6. Unless otherwise stated the valuation will be carried out by the person inspecting the property who will act as an "Independent Valuer" or "External Valuer" and who is also an RICS Registered Valuer.
7. The valuation figure(s) will be expressed in terms of pounds sterling.
8. If there are any Assumptions, Special Assumptions, Reservations, any special instructions or departures from these Terms and Conditions of Engagement these will be set out in the Report and Valuation.
9. Subject as hereinafter provided, BCC shall carry out such inspections and investigations as are, in their professional judgement, appropriate and possible in the particular circumstances. They will routinely carry out an inspection of all internal rooms (noting any not available for inspection); they will not examine the internal roof spaces or sub-floor voids; their examination of the exterior of the premises will normally be sighted from ground/street level.
10. BCC shall have regard to the apparent state of repair and condition of the property but shall be under no duty to carry out structural/building or subsoil surveys of the property, nor to inspect the woodwork or other parts of the structure of the property which are covered, unexposed or inaccessible. BCC cannot express an opinion about, or advise upon, the condition of uninspected parts and their report should not be taken as making any implied representation or statement about such parts.
11. BCC shall be under no duty to examine or test any of the services installed or connected and, therefore, will assume that they are installed and connected in accordance with the appropriate regulations and that they are in full working order and not in need of repair or replacement.
12. The fee payable for, or the basis upon which it is to be calculated, is set out above.

B. General Assumptions and Information Relied Upon

1. BCC shall, unless otherwise expressly agreed, rely upon information provided to them by the Client or a third party directed by the Client relating to information about tenure, trade, tenancies and other relevant matters.
2. It is assumed that:-

- (a) good freehold or leasehold title (as the case may be) can be shown and that the property is not subject to any unusual or onerous restrictions, encumbrances or outgoing;
- (b) the property is free from dry rot, woodworm and latent defects and that no deleterious materials have been used in the construction of the property. BCC shall have no duty to arrange any investigation to be carried out to determine whether or not any deleterious or hazardous material has been used in the construction of the property or has since been incorporated and they will, therefore, be unable to report that the property is free from risk in this respect. BCC will assume that such investigation would not disclose the presence of any such material in any adverse conditions and, furthermore, that the buildings have been constructed in accordance with, and currently comply with, all statutory requirements, British Standards and Codes of Practice and are in a condition fit for their existing use;
- (c) the property is unaffected by any statutory notice and that neither the property nor its use nor its intended use gives rise to a contravention of any statutory requirements;
- (d) no contaminative or potentially contaminative uses have ever been carried out on the property. BCC shall not carry out any investigation into past or present uses of either the property or any of the neighbouring land to establish whether there is any potential for contamination from these uses or sites adjacent to the subject property. We shall however report on any obvious factors which may give rise to contamination and advise on the need for further environmental investigation. Our valuation assumes therefore that no contamination exists. Should it, however, be established subsequently that contamination exists at the property or on any neighbouring land, or that the premises have been or are being put to a contaminative use, this might reduce the value now reported;
- (e) on any sale of the property and business, both parties will comply with the Transfer of Undertakings (Protection of Employment) Regulations 1981 and that no unusually onerous costs would arise therefrom;
- (f) wherever appropriate, the provisions of the Regulatory Reform (Fire Safety) Order 2005 have been fully complied with and there are no outstanding requirements;
- (g) unless specifically referred to, no allowance will be made for rights, obligations or liabilities arising from the Defective Premises Act 1972, the Environmental Protection Act 1990 or the Food Safety Act 1990;
- (h) in the case of all premises serving food of any description, the property has been registered under the provisions of the Food Premises Registration Act 1991.
- (i) the use of the premises complies with all Statutory requirements and is lawful in all respects, unless otherwise stated.

C. Confidentiality

1. Barry Crux & Company's report will be provided for the stated purpose(s) and for the sole use of the named Client. It is confidential to the Client and BCC. BCC will accept no responsibility whatsoever to any parties other than the Client.
2. In respect of certain valuations relating to loan security, in the event of a proposal to place the loan on the subject property in a syndicate, the Client must notify BCC with a view to agreeing responsibility to further named parties.
3. Neither the whole nor any part of the valuation report nor any reference thereto may be included or reproduced in any published document, circular or statement, nor published in any way without Barry Crux & Company's written approval of the form and context in which it may appear.
4. The Client shall pay to BCC, in respect of the said professional advice, a fee to be agreed between the Client and BCC. In addition, the Client will reimburse BCC the cost of all reasonable out of pocket expenses which they may incur and pay the amount of any Value Added Tax on the fee and expenses.

D. Valuation Definitions and Basis of Valuation

The Report and Valuation will be prepared in accordance with the RICS Valuation – Global Standards, effective from 31 January 2020 (the "Red Book"). The valuer who is the signatory to the Report and Valuation will have the knowledge, skills and understanding to undertake the valuation competently.

The RICS Valuation – Global Standards, effective from 31 January 2020 (the "Red Book") is mandatory upon Chartered Surveyors and in accordance with this, the valuation will be on the basis of **MARKET VALUE**. This is defined as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion. A twelve month marketing period in order to achieve the valuation figure reported is assumed. Where the client requires a Valuation with a different assumed marketing period this will be provided separately in the Report and Valuation.

Where the Report and Valuation is of a business or property and business the valuation relates to the whole of the trading unit, effectively being inclusive of the freehold or leasehold (as applicable) interest, goodwill of the business (excluding 'personal' goodwill) and trade fixtures and fittings. This therefore relates to the "operational entity" as a whole. As an "operational entity" it is assumed that the business is open for trade with the benefit of all necessary licences in place and with accounts or records of trade available to or relied upon by a prospective purchaser. The valuation basis is the **MARKET VALUE** as a fully equipped operational entity having regard to trading potential, and assuming twelve months as above.

In addition, if requested by the Client, Market Value Two will be provided based upon the same definition as Market Value with the following special assumptions being adopted where appropriate and set out in the Report.

- (i) accounts or records of trade would not be available to a prospective purchaser;
- (ii) the business has been closed and the property is vacant;
- (iii) the trade inventory has been depleted or removed;
- (iv) the licenses, consents, certificates and/or permits have been lost or are in jeopardy;
- (v) the period for marketing and sale of the property is six months.

The Client may require a third valuation to be referred to as Market Value Three which will also specify the appropriate assumptions adopted.

NOTE: In all cases the valuation is prepared on the basis that the property is or is to be owner occupied, and with vacant possession, unless the property is an Investment subject to a lease(s) or tenancy agreement, in which case these will be specified in the Report.

The Client may also request a valuation based on Market Rent. The definition of this is the estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

E. General Matters

1. Where appropriate the valuation(s) will ignore any element of hope value for an alternative use and any value attributable to goodwill other than that which is reflected in the trading potential which attaches to and runs with the property. If there is any perceived hope or marriage value reflected in the valuation(s) this will be stated in the Report.
2. No allowances will be made for expenses of acquisition or realisation or any taxation liability upon a sale whether actual or notional, eg. Stamp Duty, VAT and Capital Gains Tax. The property is assumed to be free and clear of all mortgages or other charges which may be secured thereon.
3. Where appropriate, unless advised otherwise, BCC will assume that the trade furniture, fixtures, fittings and effects (with the exception of the obvious personal and private items) are to be included in the valuation and that all these are owned outright and not subject to any lease, hire purchase or third party charge. Technical services equipment such as beer raising, cooling and dispensing equipment, that can be conveniently or economically removed, will be excluded.
4. BCC will make informal planning enquiries where appropriate but will not inspect original planning consent documents. We will assume that the property has appropriate consent for its actual use and that there are no outstanding statutory notices and also that the property complies (and will continue to comply) with all statutes, regulations and bye-laws for their present use.
5. All measurements referred to will normally have been either paced or measured by a range-meter. They will be given for guidance purposes and should be considered to be approximate only.
6. Information provided in relation to the valuation of the property for general rating purposes, business rates and Council Tax payable is the result of informal enquiries made of the offices of the Local Authority which, unless advised to the contrary, BCC will assume to be correct. BCC will also assume that there are no Notices for the Alteration of the Rating List (either pending or actual) which have not been drawn to their attention.
7. BCC provide no guarantee that the Rateable Value appearing in the Rating List is correct. In the event that the assessment is wrong, the Valuation Officer, for the area, may serve a Notice at any time to correct it, quoting an effective date of 1st April 2017 or the date the material

change took place, whichever is the later, which would enable the Billing Authority to amend its rate demands accordingly.

- 8. BCC is registered for regulation by RICS and will provide a copy of their complaints handling procedure upon request.
- 9. The valuation may be subject to monitoring by the RICS for the purposes of the administration of the Institution’s conduct and disciplinary regulations.

F. Valuations for Loan Security Purposes - Public Houses, Hotels etc.

- 1. It is incumbent upon BCC to point out that public houses, hotels, restaurants, most other licensed premises and other types of property are valued having regard to profits potential and, to a degree, to actual profit achieved.
- 2. If the profit potential and/or the actual profits are diminished, there would be a reduction in value which would not necessarily be in proportion to the originally forecasted levels of profit, ie an exponential effect on the valuation would occur.
- 3. BCC believe that it is not within their competence as valuers to advise the Client about the suitability of a property as security for a mortgage or a loan. Such an issue involving matters of borrowing criteria, and the degree of risk in each case, is one which must be left to the lender's own judgement. BCC will provide relevant details about the property within the body of the report to assist in the risk assessment and lending decision.
- 4. Where Market Value is given by BCC this is to be regarded as reflecting the value of the whole property and business; i.e. the freehold/leasehold interest, goodwill of the business (excluding 'personal' goodwill) and trade fixtures and fittings.

Yours faithfully

Barry G Crux FRICS ACI Arb
Chartered Surveyor
RICS Registered Valuer
Barry Crux & Company

Enc

I/we confirm my/our instructions to prepare a Report and Valuation of the above property, as set out in this letter.	
Signed	Date <u>24-11-2020</u>
Name	

APPENDIX C

Location Plan

Plough Inn, Main Street, Fadmoor, York, YO62 7HY

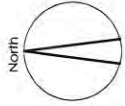


This map is published for convenience of identification only and although believed to be correct, is not guaranteed and it does not form any part of any contract

APPENDIX D

Site Plan (Blue and Red Verge)

Ordnance Survey Crown Copyright
2020, Licence Number: 100022432

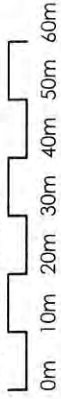


The drawing has to be based on the information supplied by the parties and as such the Barreth+Barrett Ltd make no representation as to the accuracy of the features as illustrated are the approximate and subject to a detailed topographical and/or measured building survey. Statutory services are shown and the confirmation by the client of all legal boundaries.

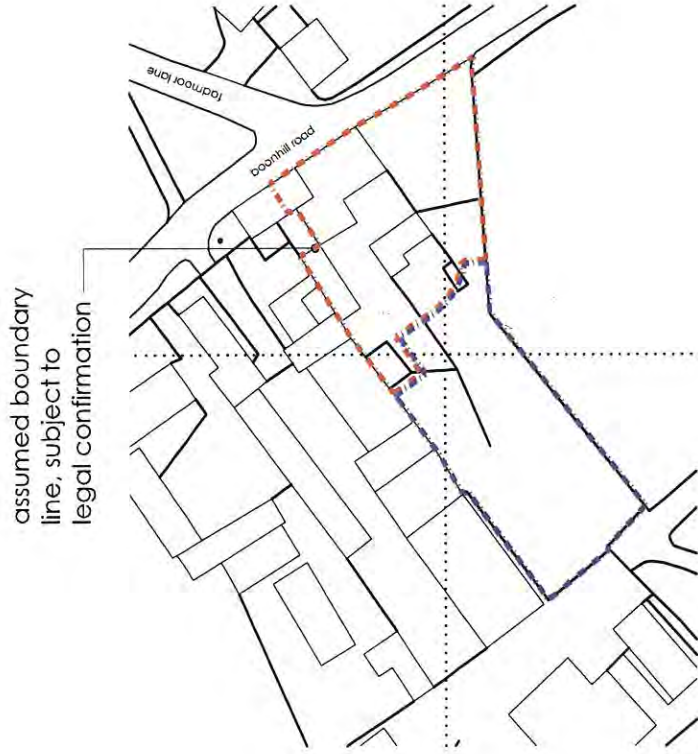
Scaling from this drawing will not be permitted under any circumstances and figured dimensions must be worked in all cases, taken from the face of existing walls, gird lines or any other elements as prescribed on the drawing. Proposed dimensions must be reported to Barreth+Barrett Ltd prior to commencement of any work.

Barreth+Barrett Ltd grant licence to the intended recipient to employ the information as contained in this drawing for the purposes connected with the proposed development. The licence is granted on the basis that the information of Barreth+Barrett Ltd is unless otherwise assigned in writing. Any breach of the terms of this licence results in the termination of the licence and the medium and any resulting copies must be returned to Barreth+Barrett Ltd immediately.

Graphic Scale 1:1250



NYMIPA
27/03/2020



assumed boundary
line, subject to
legal confirmation

A 23.07.19 revised following planning officer's comments EA PAB

Barreth+Barrett Chartered architects

Barreth+Barrett Architects Ltd
Mareick Hall
Morice Office Park
York Road
Leeds
LS15 4TA



www.barrethbarrett.com

Project: Proposed Holiday Accommodation Dev at Plough Inn PH, Boonhill Road, Fadmoor, YO62 7JG

Client: Pennyholme Estate

Drawn: Site Location Plan

Date:	Scale:	Author:	Checked:
May 2017	1:1250 @ A4	EA	PAB
Project No:	Draw No:	Rev:	Disc:
1527	101	A	Planning

APPENDIX E

Photographs

Plough Inn, Main Street, Fadmoor, York YO62 7HY

Front Elevation



Left Hand Elevation



Parts of Rear Elevation



Entrance Hall

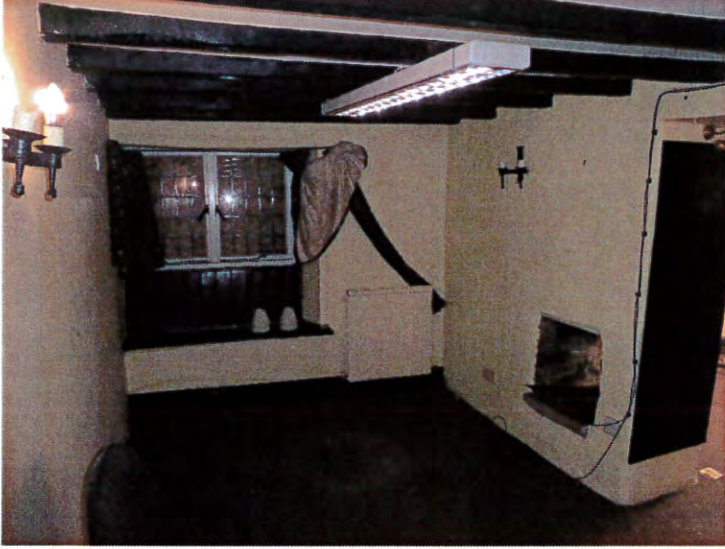


Snug



Plough Inn, Main Street, Fadmoor, York YO62 7HY

Lounge Bar



Rear Snug



Inner Lounge



Dining Room



Catering Kitchen



Plough Inn, Main Street, Fadmoor, York YO62 7HY

Dry Goods Store



Rear Office (First Floor)



First Floor Sitting Room



First Floor Bedroom



Rear Large Barn



Plough Inn, Main Street, Fadmoor, York YO62 7HY

Small Barn



APPENDIX F

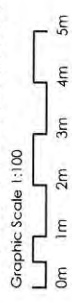
Layout Plans of Proposed Conversion



The drawing may be based on site information as supplied by third parties and as such Barrett-Barrett Ltd make no guarantees as to its accuracy. The drawing is based on the topographical and/or measured Building Survey, statutory service enquiries and the confirmation by the Client of all legal boundaries.

Scaling from this drawing will not be permitted, unless any circumstances and fixed dimensions must be worked at all cases, take the fixed dimensions from the drawing. Discrepancies must be reported to Barrett-Barrett Ltd prior to commencement of any work.

NYMNPA
27/03/2020



ground floor plan
flat 1-3 / building 1

Schedule of areas (gla)

flat no	beds	m2 (gla)	ft2	note
flat 01	2bed	96.54	1039.37	local occupancy
flat 02	2bed	81.58	878.11	local occupancy
flat 03	2bed	103.12	1109.97	holiday let
flat 04	1/2bed	74.33	800.09	holiday let
flat 05 exc mezz	1bed	45.87	493.75	holiday let
flat 06	1bed	37.57	404.40	holiday let
Proposed total gla floor area				4379.03
Existing total gla area				407.82
site area				1206.00
				1298.138

Ref	Comments	Officer	EA / PAB
C	30.08.19 revised following planning officer's comments	EA	PAB
B	23.07.19 revised following planning officer's comments	EA	PAB
A	03.07.19 revised following meeting with planning department	EA	PAB

Barrett-Barrett chartered architects

Barrett-Barrett Architects Ltd
Morwick Hall
Mortice Office Park
York Road
Leeds
LS15 4TA



www.barrettbarrett.com

Project:
Proposed Holiday Accommodation Dev at
Plough Inn PH, Boomhill Road, Fadmoor, YO62 7JG

Client:
Pennyholme Estate

Drawn By:			
Proposed Ground Floor Flat 1-3 / Building 1			
Date	Scale	Sheet	Check/Issue
Mar 2018	1:100 @ A3	SC	PAB
Project No.	Long No.	Box	Status
1.527	120	C	Planning

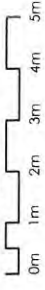


NYMNP
27/03/2020

The drawing may be based on site information as supplied by third parties and as such Barrett-Barrett Ltd make no guarantees as to its accuracy. The drawings are not to be used for any other purpose without the written consent of Barrett-Barrett Ltd. Barrett-Barrett Ltd is not liable for any errors or omissions in the drawings or for any consequences arising from the use of the drawings. Discrepancies must be reported to Barrett-Barrett Ltd prior to commencement of any work.

Scale: from this drawing will not be printed under any circumstances and should be used as a guide only. The drawings are not to be used for any other purpose without the written consent of Barrett-Barrett Ltd. Barrett-Barrett Ltd is not liable for any errors or omissions in the drawings or for any consequences arising from the use of the drawings. Discrepancies must be reported to Barrett-Barrett Ltd prior to commencement of any work.

Graphic Scale 1:100



first floor plan / building 1

Schedule of areas (gla)

flat no	beds	m2 (gla)	ft2	note
flat 01	2bed	96.56	1039.37	local occupancy
flat 02	2bed	81.36	876.11	local occupancy
flat 03	2bed	103.12	1109.97	holiday let
flat 04	1/2bed	74.33	800.09	holiday let
flat 05 exc mezz	1bed	45.87	493.75	holiday let
flat 06	1bed	37.57	404.40	holiday let
Proposed total gla floor area				4725.68
Existing total gla area				4381.78
site area				1206.00
				17981.36

Rev	Comments	EA	PAB
C	30.08.19 revised following planning officer's comments.	EA	PAB
B	23.07.19 revised following planning officer's comments.	EA	PAB
A	03.07.19 revised following meeting with planning department	EA	PAB

Barrett-Barrett chartered architect

Barrett-Barrett Architects Ltd
Muncks Office Park
York Road
Leeds
LS15 4TA



www.barrettbarrett.com

Project:
Proposed Holiday Accommodation Dev at
Plough Inn PH, Boornhill Road, Fardmoor, YO62 7JG
Client:
Pennyholme Estate

Date	Rev	By	Check	Uplift
Mar 2018	1:100 @ A3	SC	PAB	
Project No	1527	Rev	121	C
Planning				

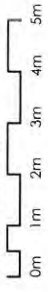


This drawing may be based on site information as supplied by third parties and as such Barrett+Barrett Ltd make no guarantee as to its accuracy. The information is provided for the purpose of the planning application and is not to be used for any other purpose without the prior written consent of Barrett+Barrett Ltd. Barrett+Barrett Ltd and the contractor shall not be liable for any loss or damage, including consequential loss or damage, arising from the use of this information for any purpose other than that for which it was provided. The contractor shall be responsible for ensuring that the information is accurate and the contractor shall be responsible for ensuring that the information is accurate and the contractor shall be responsible for ensuring that the information is accurate.

Scaling from this drawing will not be permitted unless the contractor and the client agree in writing. The contractor shall be responsible for ensuring that the information is accurate and the contractor shall be responsible for ensuring that the information is accurate and the contractor shall be responsible for ensuring that the information is accurate.

Barrett+Barrett Ltd grant licence to the intended recipient to employ the information contained in this drawing for the purposes connected with the proposed project only. Copyright of this information remains solely the property of Barrett+Barrett Ltd. The information is provided on the understanding that the terms of this licence shall be terminated on the completion of the project and any resulting copies must be returned to Barrett+Barrett Ltd immediately.

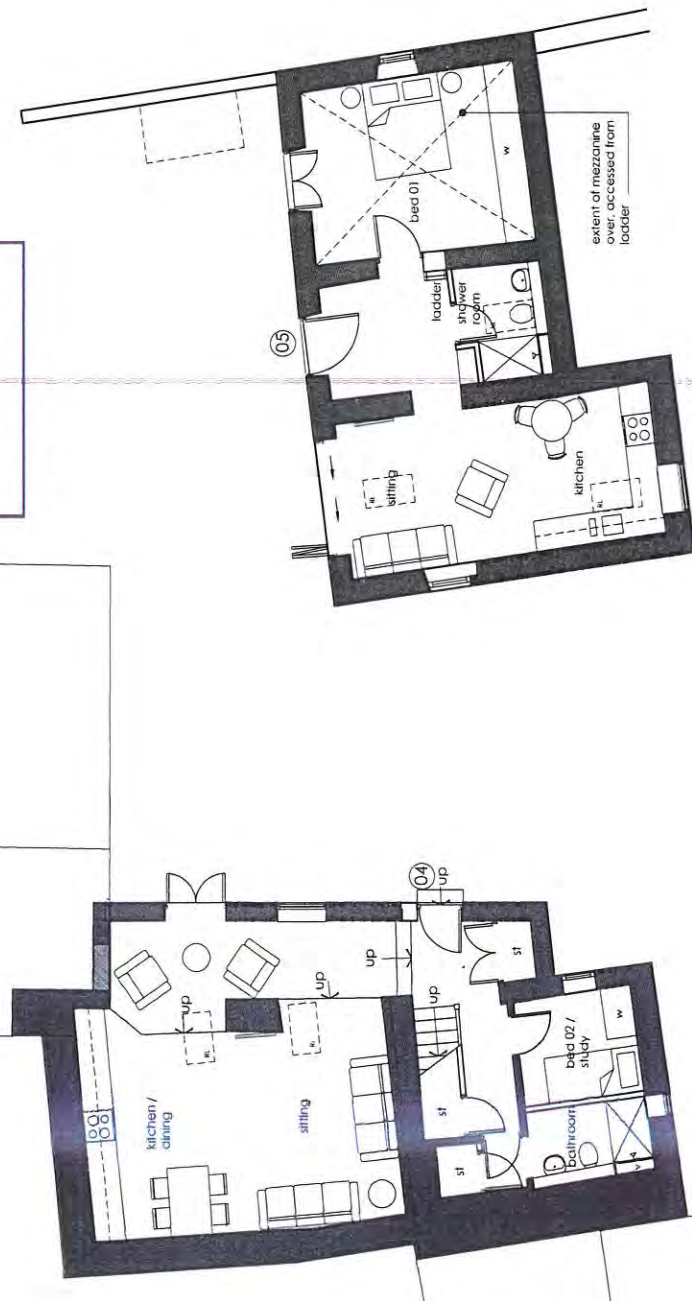
Graphic Scale 1:100



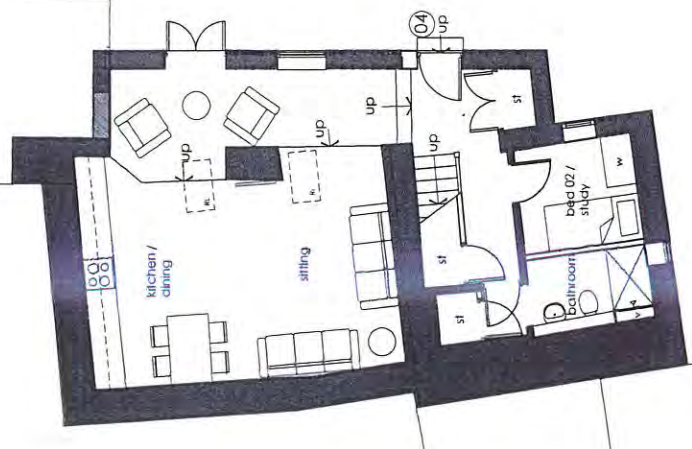
Schedule of areas (gla)

flat no	beds	m ² (gla)	ft ²	note	
flat 01	2bed	96.56	1038.37	local occupancy	
flat 02	2bed	81.58	878.11	local occupancy	
flat 03	2bed	103.12	1109.97	holiday let	
flat 04	1/2bed	74.33	800.09	holiday let	
flat 05	exc mezz	45.87	493.75	holiday let	
flat 06	1bed	37.57	404.40	holiday let	
Proposed total gla floor area				439.03	4725.68
Existing total gla area				407.82	4389.78
site area				1206.00	12981.38

NYMNPA
27/03/2020



ground floor plan flat 5 / building 3



ground floor plan flat 4 / building 2

	revised following planning officer's comments	EA / PAB
C	30.08.19	EA / PAB
B	23.07.19	EA / PAB
A	03.07.19	EA / PAB

Barrett+Barrett chartered architects

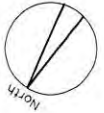
Barrett+Barrett Architects Ltd
Montic Office Park
York Road
Leeds
LS15 4TA



www.barrettarchitects.com

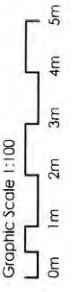
Project: Proposed Holiday Accommodation Dev at Plough Inn PH, Boonhill Road, Fardmoor, YO62 7JG
Client: Pennyholme Estate

Date	Scale	Location	Client
Mar 2018	1:100 @ A3	SC	PAB
Project No	Long No	Box	Notes
1527	122	C	Planning



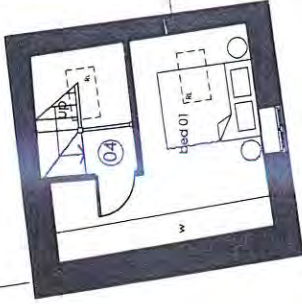
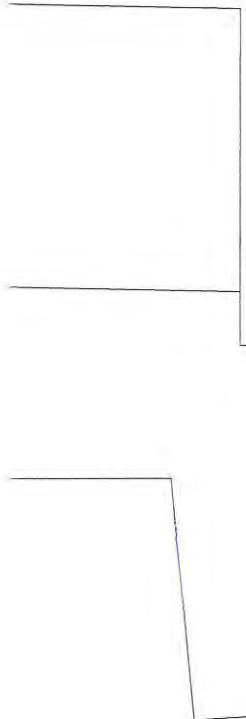
NYMNP
27/03/2020

This drawing may be based on site information supplied by third parties and as such Barrett-Barrett Ltd make no guarantees as to its accuracy. The drawings are intended to be used for information purposes only and are not to be used for legal or planning purposes and the confirmation by the client of all legal boundaries. Copies from this drawing will be permitted under any circumstances and no liability shall be accepted for any errors or omissions. Discrepancies must be reported to Barrett-Barrett Ltd prior to commencement of any work.

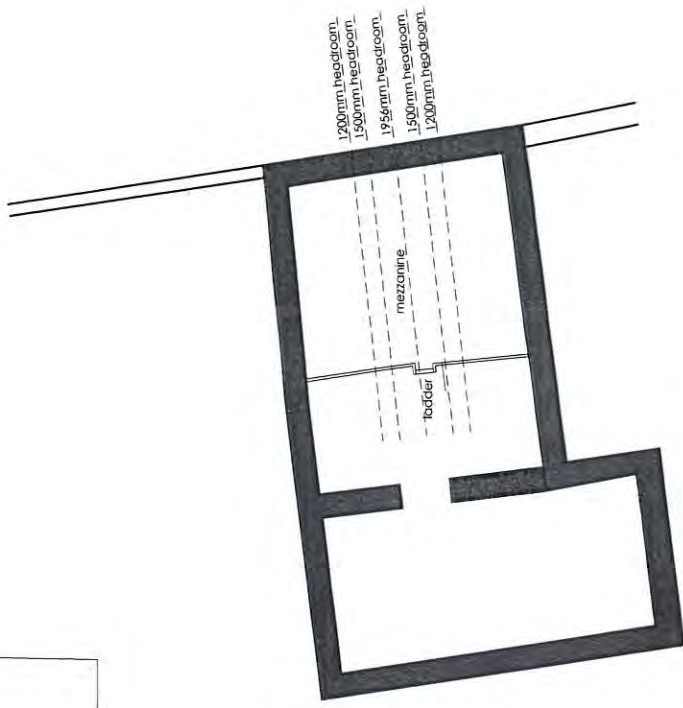


Schedule of areas (gla)

flat no	beds	m2 (gla)	ft2	note	
flat 01	2bed	96.56	1039.37	local occupancy	
flat 02	2bed	81.36	876.11	local occupancy	
flat 03	2bed	103.12	1109.97	holiday let	
flat 04	1/2bed	74.33	800.09	holiday let	
flat 05	exc mezz	45.87	493.75	holiday let	
flat 06	1bed	37.57	404.40	holiday let	
Proposed total gla floor area				439.03	4725.68
Existing total gla area				407.82	4389.78
site area				1206.00	12981.38



first floor plan
flat 4 / building 2



mezzanine floor plan
flat 5 / building 3

Ref	revised following planning officer's comments	EA	PAB
C	30.08.19		
B	23.07.19		
A	03.07.19		

Barrett-Barrett chartered architect

Barrett-Barrett Architects Ltd
Mortwick Hall
Mortic Office Park
York Road
Leeds
LS15 4TA



www.barrettbarrett.co.uk

Project:
Proposed Holiday Accommodation Dev at
Plough Inn PH, Boonhill Road, Fadmoor, YO62 7JG
Client:
Pennynholme Estate

Drawn By	Scale	Issue No	Issue Date
Mar 2018	1:100 @ A3	SC	PAB
Project No:	1527	Rev:	C
Drawing Title		Planning	

Proposed First Floor
flat 4 / building 2 & flat 5 / building 3

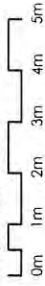


The drawing may be based on site information as supplied by third parties and does not constitute a site survey. The drawing is based on the topographical and/or measured building survey, statutory service enclosures, and the confirmation by the client of legal boundaries.

Scaling from this drawing will not be permitted under any circumstances and figured dimensions must be worked in all cases, taken from the face of existing partitions, grid lines or any other elements as prescribed on the drawing. Any discrepancies must be reported to Barrett-Barrett Ltd prior to commencement of any work.

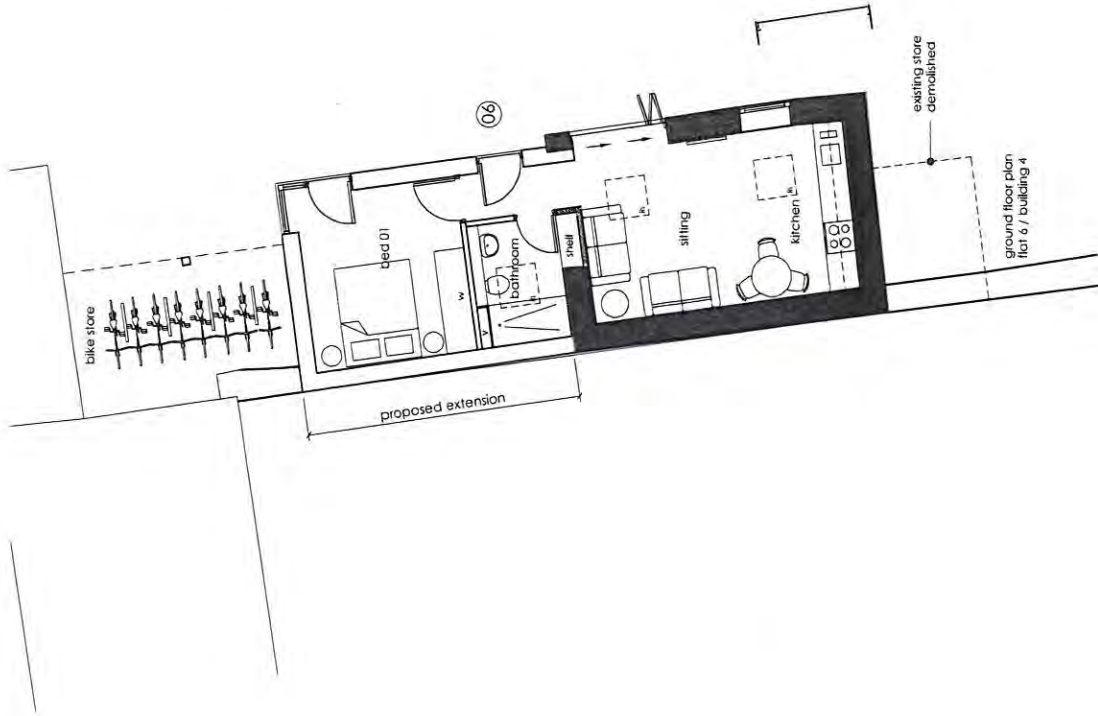
Barrett-Barrett Ltd grants licence to the intended recipient to employ the information contained in this drawing for the purposes connected with the development of the proposed project. The information is provided on the basis of Barrett-Barrett Ltd unless otherwise assigned in writing. Any breach of the terms of this licence results in the termination of the licence and the return of any resulting copies must be returned to Barrett-Barrett Ltd immediately.

Graphic Scale : 1:100



NYMNP
27/03/2020

flat no	beds (gla)	m ² (gla)	ht2	note
flat 01	2bed	96.56	1039.37	local occupancy
flat 02	2bed	81.58	878.11	local occupancy
flat 03	2bed	103.12	1109.97	holiday let
flat 04	1/2bed	74.33	800.09	holiday let
flat 05 exc mezz	1 bed	45.87	493.75	holiday let
flat 06	1 bed	37.57	404.40	holiday let
Proposed total gla floor area		439.03	4725.68	
Existing total gla area		407.82	4389.78	
site area		1206.00	12981.38	



Ref	Comments	EA / PAB
C	30.08.19 revised following planning officer's comments	EA / PAB
B	25.07.19 revised following planning officer's comments	EA / PAB
A	03.07.19 revised following meeting with planning department	EA / PAB

Barrett-Barrett Architects Ltd

Barrett-Barrett Architects Ltd
Mowick Hall
Mortic Office Park
York Road
York
YO1 1TA



www.barrettarchitects.com

Project:
Proposed Holiday Accommodation Dev at
Plough Inn PH, Boonhill Road, Fardmoor, YO62 7JG
Client:
Pennyholme Estate

Date	Scale	Sheet	Client Ref
Mar 2018	1:100 @ A3	SC	PAB
Project No	1527	Sheet	Planning

REPORT AND VALUATION

prepared on behalf of

RYEDALE DISTRICT COUNCIL AND NORTH YORK MOORS NATIONAL PARK AUTHORITY

in respect of

**PLOUGH INN
MAIN STREET
FADMOOR
YORK YO62 7HY**

Date of Inspection: 13 November 2020

Date of Report: 21 December 2020

20 Castlegate, York, YO1 9RP

Directors: Barry G. Crux FRICS ACI Arb
Rosalie Crux BSc(Hons) MRICS
Associate: Elliot Newby BSc(Hons) MRICS
Consultant: Nick Lees FRICS



CONTENTS

1. Instructions
2. Basis of Valuation
3. Information Relied Upon
4. Limitations
5. Date of Inspection
6. Location
7. Description
8. Accommodation
9. Fixtures and Fittings
10. Services
11. Local Authority
12. Rating
13. Planning
14. Other Statutory Bodies
15. Licences
16. Tenure
17. Condition of the Property
18. Environmental Matters
19. Proposed Scheme of Development
20. Market Commentary
21. Valuation Methodology
22. Further Comments
23. Viability
24. Conclusions
25. Valuation
26. Definitions and Limitations

APPENDICES

- A Definitions and Limitations
- B Letters of Instruction and Confirmation
- C Location Plan
- D Site Plan
- E Photographs
- F Layout Plans of Proposed Conversion

1. INSTRUCTIONS

Our instructions were received from Ryedale District Council and North York Moors National Park Authority to prepare a Report and Valuation in respect of the freehold interest with vacant possession of the Plough Inn, Main Street, Fadmoor, York YO62 7HY. These are in respect of the Plough Inn for use in connection with a planning application relating to a change of use and the re-development of the property into residential and holiday letting units. We are asked to provide our opinion as to the Market Value of the subject premises as they stand, reflecting their established use as a Public House, and current condition.

We are also asked to comment on the viability of the property for its continued use as a Public House with catering offering. This relates to both as an assumed owner/operator business and operated by a Community Group.

We are also asked to provide our views and opinion in respect of the proposed development of the site, as residential dwellings and holiday letting units, and as indicated on the plans supplied. This is of the Market Value of the property based on the assumption that a planning consent for such a scheme is obtained, and without any unusual restrictions or conditions.

These instructions were confirmed in our letters of 9 November, 2020 a copy of which is reproduced at Appendix B.

We confirm that these instructions have been carried out in accordance with the content of the above letter, and that this Report and Valuation has been prepared by the signatory to it, who has appropriate and extensive experience in the valuation of property of this nature. In addition, we confirm that these instructions have been carried out in accordance with the provisions of the RICS Valuation – Global Standards, effective from 31 January 2020 (the “Red Book”), where applicable and having due regard to the standards and guidance therein for valuations of this nature. We further confirm that, for the purpose of this valuation, we are regarded as an “external valuer”.

We also confirm that we have considered the RICS response to COVID-19 (coronavirus) and the guidance provided to surveyors in respect of the key issues.

We also confirm that we have no conflict of interest in carrying out these instructions.

2. BASIS OF VALUATION

We have prepared our valuations on the basis of Market Value which is defined as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

This relates to the freehold interest in the property as it currently stands subject to vacant possession. This valuation relates to the freehold property only and disregards any value which may be attributable to any fixtures and fittings remaining on the premises, but takes account of its recent use, and its other permitted uses. This is Market Value One.

We have also prepared a valuation on the basis of Market Value of the freehold interest on the assumption that planning consent is granted for the proposed scheme of development. This is Market Value Two.

The date of valuation is the date of this Report.

3. INFORMATION RELIED UPON

We have been provided with copies of the plans which form part of the planning application for consent for the development as noted above. We refer to these below.

In addition we have made a large number of both verbal and on-line enquiries for use in this Report. We have carried out an 'interview' with Mr. Mc Mahon of Fadmoor Community Pub Limited. This represents a local group, interested in the property. We have also been supplied with brief details as to such Group's intentions with the property.

4. LIMITATIONS

This Report and Valuation is prepared for and is exclusively for the use of the party to whom it is addressed. This may however be referred to by any professional advisors to same. We specifically exclude any liability of the contents of any part or the whole of this Report to any party other than the person to whom it is addressed.

Under no circumstances should either the whole or any part of this Report and Valuation be reproduced or circulated to parties other than the person to whom it is addressed.

5. DATE OF INSPECTION

13 November, 2020.

6. LOCATION

The village of Fadmoor is situated some 2.5 miles to the west of Kirkbymoorside, and a similar distance to the north of the A170 Trunk Road. It is also within a mile of Gillamoore.

The village itself is relatively small, its origins having revolved around agricultural activity. This is of course much reduced today, with many fewer people employed in that industry. Today the village is largely occupied with retirees, and those who commute to work in the surrounding area, including Pickering, Malton and Helmsley.

There is a very good housing stock to the village, most of this being of traditional stone build. The range is reasonable, with smaller workers cottages, to more substantial dwellings.

There are no facilities in Fadmoor, other than the subject premises, which is understood to have not traded now for around nine years or longer. The Plough Inn is in fact the only licensed premises to the village. There is however competition in the area generally, most notably the Royal Oak situated in the next village, Gillamoore. There are several public houses in Kirkbymoorside, and of course in the other villages in the surrounding area generally. The village does however retain a Village Hall.

The Plough Inn is easily found, being on the entrance to the village from the south, and in essence facing the open green space, in essence being the Village Green, with housing surrounding it.

7. DESCRIPTION

The building comprises two main structures. The right hand side appear to have been built in conjunction with that to its immediate right, and the left hand side is a separate structure, although difficult to know which building was the earlier. These two are however now integrated into one premises. Both would appear to be of stone construction, now externally rendered and colour washed as to both elevations, and beneath double pitched roofs with tiled coverings. There are various extensions which have been added onto the rear in the past. These are partly of single and two storey construction, probably in stonework, or perhaps blockwork to part, again externally cement rendered and colour washed. Part is beneath a flat roof although the exact covering of that is not known as it is not visible.

There are also two barns, being of stone construction and beneath pitched roofs with tiled coverings.

There is a Service Yard Area between the barns and the rear of the main building. A small car park area is situated to the front and left hand side.

The building as a whole does not have many interesting external features which adds to its appearance. Indeed it may be said to be rather bland in this respect.

A site plan showing our understanding of the boundaries is attached at Appendix D.

Photographs of the property are attached at Appendix E.

8. ACCOMMODATION

We have measured the property on a gross internal basis in accordance with the RICS Code of Measuring Practice (6th Edition) and calculate that the property provides an area of 352 sq.m. (3,790 sq.ft.). In addition

there is a basement estimated to be 12.5 sq.m. (135 sq. ft.). The two barns to the rear total 62.61 sq.m (674 sq. ft.).

The following describes the arrangement and layout of the building as it currently is, reflecting its most recent use as a Public House.

GROUND FLOOR

Front Entrance Hall:	2.41m x 4.63m; Door to front; Dado rail; Double radiator; Opening to Rear Inner Room; Doors to Lounge Bar and:
Snug:	3.61m x 4.7m into under stairs alcove; Cupboard to front left hand corner; Plumbing for double radiator; Low level cupboard; Door to Inner Lobby to First Floor Private Accommodation;
Lounge Bar:	9.87m x 4.62m; Exposed ceiling beams; 2 stained timber seats to windows; Cast iron range; Stone surround; 2 double radiators;
Bar Servery:	Stained timber counter, stained veneered panelling beneath; Glass and bottle shelves under; Non slip floor; Backfitting with stained timber work surface; Doors to Utility and:
Store:	3.25m x 0.8m;
Utility:	2.89m x 3.22m; Laminate work surface; Single drainer stainless steel sink; Electric cooker point; Worcester boiler; Door to rear; Floor hatch to Beer Cellar;
Rear Snug:	3.19m x 3.02m; Exposed purlin; Timber mantle to open fire, timber surround, stained hearth; Radiator; Stained timber boarded to 3' to part; Stone window seat;

Side Entrance Lobby:	Quarry tiled floor;
Ladies:	2.23m x 1.51m; W.C. Wash hand basin in vanity unit; Spotlight ceiling with electric switch;
Gents:	3.69m x 1.17m; Trough urinal; W.C. Wash hand basin; Concrete floor;
Inner Lounge:	3.13m x 5.19m; Exposed ceiling beams; Stained timber panelled walls to 3'; Sliding door (not used) to Lounge Bar; 2 doorways to Dining Room; Door to Kitchen; Double radiator;
Dining (Rear):	4.96m x 4.95m; Ceiling coving; 2 radiators; Part stained timber panelled walls; 2 doorways to Inner Lounge; Door to:
Catering Kitchen:	8.35m x 3.29; Aluminium cooker hood, extractor and cladding to cooking area; Gas cooker points; Double drainer stainless steel catering sink including wash hand basin; Non slip floor; Doors to: Inner Lobby to Private Accommodation and:
Rear Service Hall:	7.58m x 1.47m plus 1.87m x 2.86; Door from Rear Yard; 2 radiator points; Non slip floor;
Dry Goods Store:	4.52m x 3.44m; Non slip floor;
Wash Up:	4.53m x 1.98m; Hot and cold water supplies; Floor gully; Non slip floor; Radiator;
Rear Hall:	Cupboard; Stairs to First Floor;
Staff Facility:	1.86m x 1.72m; W.C. Wash hand basin; Shower cubicle with electric shower;
Store/Office:	2.41m x 3.64m; Section laminate work surface; Non slip floor;

FIRST FLOOR

Office to Rear:	4.34m x 4.02m including staircase; Radiator;
Main Area to Front:	Stairs from Inner Hall;
Sitting Room:	3.57m x 4.77m; Exposed purlins; Radiator;
Bedroom One:	2.95m x 2.41m; Radiator;
Inner Landing:	Double radiator; Door to Bedroom One; 2 steps down to:
Bedroom Two:	2.5m x 3.56m; Radiator;
Bedroom Three:	3.38m x 3.54m; Dormer window; Built in wardrobe and drawers; Radiator;
Bedroom Four:	3.2m x 3.23m; Window to left hand side; Radiator; Built in wardrobe;
Bathroom:	Usual suite;
Rear Staircase:	1.44m x 3.27m; Panelled bath; Pedestal wash hand basin; Radiator; Airing cupboard with hot water cylinder; Dormer window onto roof to rear; (used for emergency escape);
Rear Inner Landing:	
Kitchen:	2.79m x 3.3m; Laminate work surface to three sides; Single drainer stainless steel sink unit; Electric hob and oven; Double radiator; Cupboard with hot water cylinder;
Second Bathroom:	1.67m x 2.21m; Panelled bath; W.C. Bracket wash hand basin; Radiator

BASEMENT

There is a floor hatch in the ground floor utility/kitchen which leads onto timber steps giving access to the Beer Cellar. It was not possible to inspect this but would appear to be only of similar size to the kitchen/utility. It has a concrete floor with drainage sump and pump, and there is an external hatch in the Rear Service Yard for deliveries.

Main Barn: with 3 Stores, each having large timber doors to service yard; Totals around 45.0 sq. metres;

Rear Barn: 5.37m x 3.28m; Double timber doors;

OUTSIDE

Gravelled car park area to front and left hand side, which should be capable of accommodating around 10 vehicles maximum. There is a stone surfaced terraced area situated between the rear of the main building and the Rear Barn. Additionally there is an area of garden land which is completely overgrown.

To the extreme rear is a grassed area which appears to have been used as a Caravan Site for a maximum of five touring caravans.

9. FIXTURES AND FITTINGS

There are no fixtures and fittings of any consequence or value remaining on the premises. A complete re-fit and re-furbishment will be required to the property if it is to be brought back into trading use.

10. SERVICES

We cannot confirm what services are available to be connected. Mains Electricity is certainly connected. It is likely that there is also Mains Water. We have no information relating to the Drainage system as to whether or not this is into a mains, or septic tank. It would appear that central heating and hot water has been provided in the past by means of a boiler in the utility kitchen, which we believe may have been oil fired.

We have not tested any services.

11. LOCAL AUTHORITY

Ryedale District Council. The property is also situated within the North York Moors National Park.

12. RATING

Rateable Value: We have been unable to find an entry in the Rating List

Council Tax Band: We have been unable to find an entry.

13. PLANNING

The property has clearly been used as a conventional Public House in the past, although this ceased to be the case, we believe some nine years or so ago. This use is however regarded as being an established use.

As noted a planning application has been submitted by the owner of the property for change of use and development of same, such that it would provide two residential dwellings and two holiday letting units. This scheme is as shown on the plans attached at Appendix F.

For the purpose of our second valuation we assume that planning consent is granted, for the scheme, as outlined, and without any unusual conditions or restrictions being attached to same.

14. OTHER STATUTORY BODIES

If the property is to operate once again as a Public House, it will then become subject to inspections from time to time by the Local Authority's Environmental Health Officer. As matters currently stand there would be a significant amount of work to be carried out to the property in order to comply with relevant legislation in this context.

The property would also have to comply with Fire Regulations. The Fire Officer no longer inspects properties for the purpose of issuing a Fire Certificate, as it now incumbent upon occupiers of commercial property to

ensure that they comply with such regulations, and conventionally employ a Fire Risk Assessment in order to do so. In this respect, again, if the property is brought back into use as a Public House, a significant amount of work will need to be carried out in order to ensure full compliance with Fire Regulations.

15. LICENCES

In order to operate as a Public House the outlet will need to have a Premises Licence. This will be for the sale of alcohol for consumption on and off the premises, as well as perhaps regulated entertainment such as recorded and live music.

As matters currently stand we have not been able to trace a Premises Licence being in existence for the property, through the Council's website and portal. This being so, it may well be that the Licence has in fact been surrendered by the owner of the property, or indeed considered redundant, and thereby rescinded by the Local Authority. Therefore, as matters currently stand, it will not be possible for the premises to be used as a Public House with the sale of alcohol.

Therefore any purchaser of the property, or indeed anyone intending to re-open for use as a Public House will need to obtain a new Premises Licence. As such it is likely that a range of consultees would have to be engaged. This could then give the opportunity of new conditions or restrictions being imposed as part of the grant of new licence. It is however likely, in our opinion, that a new Premises Licence would be granted, and we therefore value the property on this assumption. We further assume that such a licence will permit the sale of alcohol between the hours of 11 a.m. and 11 p.m. as a minimum, as well as permitting recorded music to be played.

16. TENURE

The property is understood to be freehold with vacant possession although we have not had sight of any documentation to confirm this. We have assumed that the freehold title does not contain any onerous or restrictive covenants.

17. CONDITION OF THE PROPERTY

As noted the property stopped being used as a Public House a number of years ago. It is not known precisely when this happened, nor indeed what the property has been used for in the meantime. However, it is clear that it has been unoccupied for several years, with a consequential decline in its condition.

There are many areas with the fabric of the building which require attention. There is evidence of ingress of water in several locations, particularly the rear elevation, evidenced particularly to the rear left hand corner of the dining room, and also to the rear first floor level staircase to the left hand side. This ingress of water appears to have been caused through various areas, including clogged and overgrown rainwater goods and gutters, and possibly defective flashings. In our opinion a complete and thorough overhaul of all of the roof coverings will need to be carried out in relatively early course, by a reputable roofing contractor.

There is also some evidence of structural movement, albeit probably fairly minor. There is cracking of the render to several parts of the building which indicates the possibility of some kind of movement having taken place. Without carrying out further investigation, involving hacking off the rendering, it will not be possible to firmly establish the cause of this. It may be necessary for some remedial building works to be carried out in this context, depending upon the cause.

In any event, before the property can be brought back into beneficial use, a great deal of work will be required to the external parts. A planned maintenance will certainly need to be put in hand in any event in the future, to ensure that the property is kept in good repair and condition at all times. Particular attention will need to be given to the roof coverings, rainwater goods, timberwork, paintwork to same, rendering and similar.

As regards the internal parts, a complete re-furbishment programme will need to be carried out. All trading rooms, as well as the living accommodation, are found to be in a poor state of repair and decorative order. Much damage has been caused by both ingress of water, and condensation through lack of ventilation over a period of years. The latter has resulted in mould growth in several rooms, and damage to all decorations throughout.

In reality it is likely that any intended occupier of this building would strip the internal parts back and install new services. This would include a re-wiring, new central heating boiler and system, plumbing work and installation of new sanitaryware, and importantly re-fitting the catering kitchen to current standards.

The trading rooms could be improved by a cosmetic re-furbishment, involving re-decorating and the like, prior to installing any furnishings.

The living accommodation is in poor repair and decorative order, and again this needs attention if this is to be brought back into beneficial use.

We cannot comment upon the condition of the Basement Beer Cellar. However these are now classed as 'food rooms' from the perspective of Environmental Health legislation. This dictates that all floor, ceiling and wall surfaces should be capable of being readily cleaned. It may be that notable improvements would need to be provided to the Beer Cellar in order to satisfy these requirements.

As regards the Barns to the rear these are generally in a condition which one might expect for such buildings. They are all simply used for general storage purposes, and are in a condition which is satisfactory in this context. Nonetheless they do also need to be attended to in several respects. There is damage to the roof coverings in part, as well as rainwater goods and general maintenance requirements.

The site as a whole is also very badly neglected. There has been no husbandry of any kind carried out to these parts for a number of years. There are trees, shrubbery and bushes which are overgrown and neglected, and the car park surface is in poor order.

In summary a substantial sum of money is likely to be required to be expended on the property. This relates to both putting the fabric and the external parts into good repair and condition, as well as re-furbishing the internal parts.

18. ENVIRONMENTAL MATTERS

From our inspection we did not note any evidence of contamination of the site. Our enquiries have not revealed any contamination affecting the property or neighbouring land, or that the premises have been or

are being put to any contaminative use, that might reduce the values now being reported. In the event that contamination of the site or adjoining property is subsequently discovered, in such circumstances if the cost in monetary terms of dealing with the contamination is quantified, we would be prepared to provide a revised valuation figure.

The Control of Asbestos Regulations 2012 sets out an explicit duty to manage asbestos in non-domestic property. Those parties who are the owner of non-domestic premises or the person or organization that has clear responsibility for the maintenance or repair of the property have duties under this regulation. This requires that reasonable steps be taken to determine the location and condition of materials likely to contain asbestos and this is usually by way of audit of the building by a specialist consultant. If such materials are discovered, a programme of management, recording, reviewing and monitoring must be maintained. We are not aware if the subject property has not had such an audit and it is recommended that the party having the repairing liability for this building instruct a specialist asbestos consultant to carry out an audit. This will ensure compliance with the regulations.

According to maps provided by the Environment Agency, the property is situated in an area which is at very low risk of flooding. However, given recent significant changes in climate, and an increase in the incidents of flooding, we consider that such maps may no longer be entirely reliable and, in some cases, may be potentially misleading. Therefore, a site specific enquiry of the Environment Agency may be required to accurately ascertain the likelihood of possible future flooding.

We also inspected the immediate vicinity and did not detect the presence of any invasive plant growth, including Japanese Knotweed. However, in this respect it may be considered prudent to engage the services of a specialist horticulturist or similar who would be able to identify any such species.

19. PROPOSED SCHEME OF DEVELOPMENT

The plans which have been supplied to us, in essence being those through the planning application, indicate the intended layout of the site, following conversion.

The plans show that the front part of the main building is intended to be converted to provide two dwellings. Each of these is to two storeys, and have a sitting room/dining area with a separate kitchen, and two bedrooms and a bathroom/shower room at first floor level.

To the rear right of the main building, utilising what is currently a rear lounge, dining area and kitchen is to be created a third unit. To the ground floor this is noted to have a sitting room, breakfast kitchen with utility leading off, and a hall area with store and shower room. To first floor this is noted to have a landing area with a bathroom, and two double bedrooms which will be effectively new build, above the present rear dining area.

The rear right hand wing which currently comprises dry goods, wash up and staff/office area, is shown to comprise a fourth unit. To ground floor this is noted to have a large living room area, with a kitchen facility, and a hallway with a shower room leading off it, as well as a single bedroom/study. To first floor there is shown to be a spacious double bedroom.

The main barn is shown to be converted to provide as to ground floor a spacious living room area with kitchen facility, a spacious entrance hall with a shower room leading off it, and a large double bedroom. A mezzanine floor is noted to extend above the bedroom and hall area, but to have only a ladder access.

The smaller barn is shown to be converted to provide a living room area with kitchenette facility, a bathroom, and a spacious double bedroom.

In total therefore it is noted that there will be a total of 6 units created. Of these the first two described above are intended to be for local occupancy. The remaining 4 units are noted to be intended for holiday letting purposes.

<u>Unit</u>	<u>Floor Area</u>	
	Sq.ft.	Sq.mt
Unit 1	1097.37	96.56
Unit 2	878.11	81.58
Unit 3	1109.97	103.12
Unit 4	800.09	74.33
Unit 5	493.75	45.87
Unit 6	404.40	37.57

20. MARKET COMMENTARY

Generally in 2019 the property market showed varied patterns across its sectors. It had shown a limited amount of stability towards the end of that year.

Coming into 2020 the market had shown distinct signs of improvement, certainly in late January, February and early March. More transactions and negotiations were being undertaken at that time, indicative of an improving sentiment in the market as a whole.

However, with the Covid-19 crisis which raised its head during March, and subsequently lead to a complete lockdown by the end of that month, the market in effect ground to a halt. In essence the market collapsed at that time, with agreed sales, transactions and similar all being put on hold. As a consequence there was practically no activity in the market place from the end of March onwards until early June.

The RICS UK Residential Market Survey for September 2020 showed a significantly improving position. House price growth had generally accelerated across the UK, and market activity was strong by that time. Enquiries, agreed sales and new listings were strong over the whole of that month. However, projecting forward it was anticipated that further activity would weaken in a challenging macro-economic environment. Twelve month expectations were moving deeply into negative territory.

During September participants in the survey reported increases in new buyer enquiries. This was the fourth consecutive pick up in demand. New instructions had risen for a fourth month in a row, the longest stretch

since 2013. There was in fact exceptionally strong growth in Yorkshire and the Humber in terms of agreed sales. It was expected at that time that sales would continue to grow over the months leading up to the end of the year. Again however projecting forward there was negative sentiment in terms of the twelve months hence.

The survey clearly indicated further evidence of a buoyant housing market generally. Also however there was increasing concern that the combination of significant job losses over the coming months, and the scaling back of government lead initiatives and policies into 2021 would then have an adverse impact upon transaction levels going into next year.

In other words, the residential market showed significantly improved fortunes from June through to September, but looking forward into 2021 there is a good deal of adverse and negative sentiment.

As regards the commercial property market there has not been an RICS published survey on this subject for some months. We can therefore only speak for our own experience in this context.

In essence the commercial sector has mirrored what has been happening in the residential sector as noted above. However, transactions have been at much reduced levels, with significantly less activity in the market generally. This is not only due to the current crisis, but also reflects concerns with Brexit, as well as some difficulties in the banking sector with loans not being so readily available. Of course business transactions are undertaken by quite different parties, to those in the residential sector. Given the uncertainty going into 2021, there has been a marked reluctance to make decisions. Indeed the best way of looking at this is to note that most people in the commercial and business sector are 'sitting on their hands'.

We have however seen some activity generally with the acquisition of businesses. This is encouraging as it does show that there is still a willingness in certain quarters for people to undertake business ventures, and take risks. However these are kept to a minimum, in terms of risk taking, in view of uncertainties. Most of this type of activity has in fact been undertaken by private individuals and small business concerns, rather than in the corporate sector.

There has been a limited number of actual transactions during the course of the last six months, and there is therefore very little by which to 'benchmark' values for commercial property. In preparing our valuation as

noted before we have therefore had to also reflect upon some historic transactions, which do provide some assistance. Additionally we have also had to rely more than usual on our own subjective judgements and opinions as to property of this nature.

As this Report is concluded there was another 'lockdown' until 2 December. The licensed/hospitality/catering sector suffered greatly. This impacted on market sentiment. As a consequence there has been less activity as further uncertainty has come into play. Nonetheless, looking ahead there is a degree of optimism amongst many owners/operators we speak to, about prospects from Spring 2021 onwards. This has been further enhanced by the good news that a vaccine is now available in the fight against Covid 19.

Although the market in this sector has been and continues to be very subdued this has not directly reflected in values in the few transactions which have occurred in the last few months. Values have held up at best. At worst they have declined in our opinion by no more than 10% in the freehold market, in rural locations.

We are aware of the following:

CROWN INN, ROECLIFFE

Large detached village Licensed Premises. Lounge Bar, Dining Room, Lounge, Restaurant, 4 Letting Bedrooms. No living accommodation. Sold April 2018 for £1,200,000. Sales at that time c. £900,000 per annum and EBITDA c. £175,000. Analysis is 1.33 times sales and 6.86 YP on EBITDA. We subsequently put this on the market for letting, following the failure of the business. We achieved a 'headline' rent of £65,000 per annum as from 1st August, 2020.

SHIP INN, LANGTOFT, DRIFFIELD

Closed down Public House with Restaurant and Living Accommodation. Small Car Park, Detached Barn, additional area of land. In need of complete re-furbishment and re-fit as well as outstanding repairs to fabric. Sold October 2019 £125,000. Smaller than subject premises but in larger village and busier road crossing the Wolds.

BLUE BELL INN, WEAVERTHORPE

Destination outlet with main bar, 35 cover restaurant, two private dining rooms, 7 letting bedrooms and 3 bedroomed owner's flat. Sold June 2019 off asking price of £550,000. Straight analysis equates to £78,500 per letting room. Sales understood to be around £350,000 net of VAT per annum, which equates to approx. 1.6 times turnover as to selling price. Profitability expected to be approx. £75,000 which equates to 7.33 YP.

FOX AND HOUNDS, SINNINGTON

Destination outlet with lounge bar, restaurant area and rooms. Sold April 2019 at around £1,250,000.

WYVILL ARMS, NEAR LEYBURN

Destination outlet with 7 letting rooms, 2 bar areas, 48 cover restaurant, large car park. On market at £1,200,000 with stated turnover of £382,000. Equates to 3.14 times.

DUNSLEY HALL COUNTRY HOUSE HOTEL, SANDSEND, NEAR WHITBY

27 letting rooms, bar, 80 cover restaurant, private dining room. Set in 4 acres of land. On market at £2.5m. Equates to £92,500 per letting room.

PLOUGH INN, WOMBLETON

Catering destination driven outlet with three trading areas, high quality kitchens and manager's flat. Sold by us in August 2018 £345,000

ROYAL OAK, STAVELEY, RIPON

Large outlet with Lounge Bar, Bar Area, Restaurant and spacious living accommodation. Beer Garden, Car Park, range of out buildings, 5 tourer caravan site, plus garden land. Closed down, in need of refurbishment and re launching. Let on FRI lease at stepped rent up to £35,000 per annum completed early 2018.

LORD NELSON, POPPLETON, YORK

Lounge Bar, Games Room, Dining Area, small Kitchen, 2 bedroomed living accommodation. Large Car Park and Caravan site for 5 tourers. Trading modestly and in need of refit. Potential for dwellings on caravan area. Sold December 2018 £500,000.

ASHFIELD COUNTRY MANOR HOTEL, KIRBY MISPERTON

Destination outlet with lounge bar, games room, restaurant, 10 letting bedrooms and living accommodation. Gardens and car park. Was let on FRI Lease at £37,000 p.a. and investment sold for £565,000, i.e. 6.5% yield.

GEORGE AND DRAGON, KIRKBYMOORSIDE

Sizeable outlet with lounge bars, dining rooms and letting accommodation. Turnover £599,000 with EBITDA c. £200,000. On market at £1,450,000. Equates to 2.4 times turnover and 7.25 YP EBITDA.

GEORGE HOTEL, EASINGWOLD

Town centre, 15 letting rooms, bar, snug, lounge bar, restaurant. Turnover c. £600,000. On market at £850,000. Equates to 1.42 times.

FOX AND RABBIT HOLIDAY COTTAGES, LOCKTON, PICKERING

Group of three Holiday Cottages and owners dwelling. Converted former Barns. Large Car Park. 2 Small garden areas. Long established business. Sale agreed October 2020 at £460,000.

1 MOOR VIEW, LOCKTON YO18 7PY

Semi detached two storey stone cottage. Ground Floor – Living Room with Kitchen area; First Floor – 2 Bedrooms and Bathroom. GIA 51 sq. metres (555 sq. ft.). Small garden. On market at £182,500, equates to c. £330 p.s.f.

FORESTER HILLI, LOCKTON YO18 7PZ

Stone and tiled two storey. Ground Floor – Sitting Room, Kitchen and Bathroom; First Floor – 2 Bedrooms. Large timber outbuilding with loft over. Large garden. On market at £250,000.

4 HUDGIN LANE, LOCKTON YO18 7QA

Semi detached house. Sold for £175,500. 24th January, 2020.

SPROXTON HALL COTTAGES, HELMSLEY

Dwelling with four holiday cottages. Totalling 3,733 sq. ft. Producing income c. £55,000 per annum. Sold late 2018 for £800,000. Equates to c. £215 p.s.f.

BALCARY BARNES, BRIDLINGTON

Main house c. 1,767 sq. ft. Annexe 897 sq. ft. Two holiday cottages of 1,186 sq. ft. and 716 sq. ft. Sales income c. £25,000 - £30,000 per annum. Minimal business value c. £20,000. Sold £865,000 late 2019. Equates c. £190 p.s.f.

HOLIDAY COTTAGE COMPLEX, BARUGH

Farmhouse, 5 holiday cottages, c.20 acres land. Sales £75,000-£80,000 per annum. Sold 2019. £1,850,000.

NEWDALE, KELDHOLME YO62

3 Bed Cotages with Reception Rooms, Kitchen and Utility. Courtyard. 125.5 sq. m. (1352 sq. ft.) On market at £270,000 (£200 p.s.f.)

THYME COTTAGE, 12 CHURCH STREET, KIRKBYMOORSIDE

On market at £265,000. Comprises end Cottage. 2 Bedrooms, Sitting Room, Kitchen and Garden Room. Total floor area 90.7 sq.m. (977 sq. ft.). Price equates to £271 p.s.f.

ILEX HOUSE, MAIN STREET, FADMOOR

Detached House, sold 10 September 2019 for £520,000.

APPLEGARTH, MAIN STREET, FADMOOR

Detached House sold for £615,000 on 21 March 2019.

LOW HAGG HOUSE AND DUCK COTTAGE, STARFITS LANE, FADMOOR

Period House on 3 floors with 3 Reception Rooms, Kitchen, Utility and 4 Bedrooms on upper floors, two with en suite plus house Bathroom (2,756 sq. ft.). Holiday Cottage (1,148 sq. ft.) with 2 Rec. Rooms; Breakfast Kitchen; 3 Bedrooms, one having en suite plus house Bathroom. 3 bay Garage, Parking, Gardens, Pond. Fitted out and appointed to high standard. Sale recently agreed at £750,000. Equates to c. £190 p.s.f.

MAIN STREET, FADMOOR

Four bedroomed Farmhouse with 3 Reception Rooms; Large Rear Yard with range of more modern outbuildings suitable for storage etc. Recent sale agreed c. £525,000. House has floor area of 219.7 sq.m (2,364 sq.ft.) Set in 0.65 acres.

HALL FARM AND HOLIDAY COTTAGES, WETTON, ASHBOURNE, DERBYSHIRE

Southern end of Peak District National Park. Former Farmhouse and former farm building. Owners dwelling plus 3 holiday letting units, plus Play Barn/Games Room, plus grounds. Well established business. Sold August 2018 £750,000.

GREEN FARM AND HOLIDAY COTTAGES, CUTTHORPE, CHESTERFIELD

On edge of village close to Peak District National Park. Large 5 bedroomed owners dwelling plus 3 Holiday Cottages. Storage barn, Indoor Swimming Pool/Therapy Pool. Outbuildings. Car Park. Gardens. 2 Paddocks. Set in 2.6 acres. Sold October 2018 £1,150,000.

21. VALUATION METHODOLOGY

We have valued the property on a comparable basis, having due regard to comparable information as well as other information which is within our knowledge and experience. We have considered the comparable information available to us and adjusted that for the purpose of arriving at the valuation figure reported below. We have reflected upon these comparables and also taken into account other transactions which may be of a confidential nature and which we are not able to report openly within this Report and Valuation. In addition, we have taken into account the availability of similar properties which are currently on the market.

The usual approach for the valuation of licensed premises is to adopt what is termed as the 'profits method'. This involves carrying out an assessment as to what levels of business the premises could reasonably expect to achieve. This is termed as the Fair Maintainable Trade (FMT). This is subject to the assumption that the business is operated in the hands of a Reasonably Efficient Operator (REO). From this one then carries out an appraisal of the way in which the business is operated, estimating where not known, the overhead and

operating costs. This then leaves a trading profit which is expressed as being before depreciation, finance costs, and unusual items of expenditure.

It is normal for valuers to be supplied with trading accounts covering at least the last three years of operation, plus up to date and current information as to performance. The valuer then makes a number of subjective judgements on that information which is available, before deciding in his own mind what should be the FMT and also the trading profit as noted above.

In this case, the business has been closed for around 9 years, and even if there were any financial or trading information available dating back to then, this would be largely irrelevant as at today.

Of necessity therefore the valuation approach has had to be extremely subjective. This has involved estimating what the business might reasonably be expected to achieve, were it to be completely re-furbished and open for trading. Again subjective judgements are made in terms of what the trading profit might reasonably be expected to be achieved.

From a variety of exercises carried out in this context, we can then arrive at an opinion as to what the Market Value of the property as a trading unit might be. This would in essence relate to the value of the freehold interest, the goodwill of the business and its trade fixtures, fittings and equipment.

The above can therefore provide a starting point, from which one might arrive at a Market Value of the freehold interest only as the property currently stands. This would involve the removal of any value attributable to goodwill and the fixtures and fittings. In addition an allowance or deduction from such valuation would need to be made in order to reflect the estimated costs which will be incurred in repairing the property, its fabric and structure, re-decorating, and re-furbishing it throughout. Also there would be costs incurred in obtaining a Premises Licence and carrying out works in order to comply with current legislation such as Fire Regulations, Environmental Health, Disability Discrimination Act, etc.

Of necessity it will be appreciated that this is a rather 'crude' means of arriving at a valuation, especially as there are no estimates of the costs of repairs, reinstatement and fitting out of the premises available. These would be beneficial, if they have been prepared, but this is not the case here.

One can also look at the actual prices at which licensed premises have been selling and letting recently. These are as noted above, and that approach has been used for the purpose of arriving at a valuation in the subject case.

As regards the valuation of the site as a whole for the purpose of its development and conversion to provide two residential dwellings and four holiday cottages, this approach is not dissimilar. Clearly the plans which have been supplied do indicate the intended scheme, from which one has been able to arrive at a notional value for each of the units, bearing in mind their intended use. From this one then deducts an estimate of the costs of conversion, in order to arrive at what would be termed a 'residual value' relating to the site in its current condition. This residual value would also need to take into account the 'developer's profit' for carrying out the work of conversion.

Again some evidence of the value of residential dwellings and holiday cottages in the area, and North Yorkshire as a whole, has been taken into account as noted.

The signatory to this Report has the knowledge, skills and understanding, as well as experience and expertise in order to undertake this valuation competently.

22. FURTHER COMMENTS

The Regulatory Reform (Fire Safety) Order 2005 introduced a requirement from 1 October 2006 for the 'responsible person' to make a suitable and sufficient assessment of the risks and to identify the fire precautions required to comply with the Order which applies to all non-domestic property. As such the fire certification scheme has been replaced by the fire risk assessment requirement. Therefore, the 'responsible person' for the subject property will be required to comply with these regulations.

The Equality Act 2010 places a duty on businesses who sell goods and services to make reasonable adjustments to help disabled individuals access their goods, facilities and services. Therefore, it is recommended that any occupier of business premises providing a service to the public be fully aware of the steps that may need to be taken and, if necessary, enlist a specialist to undertake a full audit of the property to ensure compliance.

The Smoke and Carbon Monoxide Alarm (England) Regulations 2015 came into effect on 1 October 2015 and require private sector landlords to have at least one smoke alarm installed on every storey of their properties and a carbon monoxide alarm in any room containing a solid fuel burning appliance. The landlord must also make sure that the alarms are in working order at the start of each new tenancy. Therefore, it is recommended that the landlord takes the necessary steps to ensure compliance with these regulations.

The Energy Act 2011 committed the Secretary of State for Energy and Climate Change to bring in regulations, which would make it unlawful to let a domestic or non-domestic property if they failed to meet a prescribed minimum energy performance standard (MEPS). The aforementioned commitment was fulfilled by way of The Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015, which will make it unlawful to grant a new lease on both residential and commercial property, as of 1 April 2018, which do not achieve an Energy Performance Certificate rating of 'E' or better, subject to certain exclusions. The restrictions will be extended to existing residential leases as of 1 April 2020 and existing commercial leases as of 1 April 2023. In circumstances where a property fails to meet the minimum standards, the landlord would be expected to make reasonable efforts to raise the property's energy efficiency above the threshold, subject to certain criteria.

Depending on the nature of the property and improvements required, an EPC rating of 'F' or 'G' may or may not adversely affect the value of a property. It may be that landlords find themselves with potentially large capital outlays for energy improvements combined with a longer than usual void periods. Where a property fails to meet the minimum energy efficiency standards, we would advise that a suitably qualified Energy Assessor is instructed to carry out a full assessment of the works that would be required and the associated costs.

There is no current EPC. We understand that there is no current EPC rating for this property and have checked the Private Rented Sector (PRS) Exemptions Register and for commercial property to verify this information. Accordingly, our valuation is based on the assumption that the subject property will meet the Minimum Energy Efficiency Standards specified in the extant regulations made under the Energy Act 2011 and that there will be no adverse impact on value and marketability. It is advisable to obtain an expert's opinion to advise whether an EPC should be commissioned and if the building is likely to meet with the legislative requirements.

23. VIABILITY

The Plough Inn has in the past traded very successfully as a conventional Public House with a Restaurant offering. This however stretches back something like 15 to 20 years ago. It was operated at that time by professional licensees who understood the customer base for its market, and had its main thrust of business by way of a catering operation. This was in essence a 'destination catering' business. It drew in trade from an extremely wide area, and had developed an excellent reputation for its food. Had that not been the case then it is extremely unlikely that the business could have been viable as simply a conventional Village Inn with a wet lead only offering.

The business was then sold to another party. Following that the business was not then trading successfully and eventually was closed down. The reasons for this demise are not known, although we would surmise that there were two main elements.

The ownership of the property is understood to be such that the owner did not himself play any role in running the business. It appears that this was left entirely in the hands of a Manager, and other staff. Secondly, it is understood that the owner had also acquired the Royal Oak pub in the adjoining village, Gillamoor.

Turning to the first point, in our experience public houses such as this are rarely capable of trading at a level of sales which justifies the employment of a manager and staff. Clearly the wage bill overall would therefore be significantly more than if the business were operated by a partnership of two, both working full time in the business. A Manager and Assistant Manager wage would clearly soak up something of the order of £40,000 per annum. This therefore would eat directly into the profit stream.

Additionally in our experience a business operated under management would not tend to be as successful as owner operated. This is for the simple reason that the latter are noticeably more motivated to ensure that the business trades successfully. They promote it better, ensure that sales are maximised and keep tight control over operating and overhead costs, especially wages.

In our experience, generally, if a business such as this is operated under management structure then its total sales would need to be a minimum of £15,000 per week, in order to generate sufficient profit at the end of

the day. This outlet in its format, given its location and internal arrangement, would never in our opinion, be capable of achieving sales at this level.

Managed operations also tend to be more applicable to corporate style business structures. This is because they undertake marketing and advertising on a broad brush approach, promoting the 'brand' which becomes its main selling point. In our opinion an outlet of this nature would never have any appeal for a corporate licensed property/catering operation.

The fact that the owner of the Plough owns the nearest competition in Gillamoor, would enable him to concentrate and focus efforts in one of the two, to the detriment of the other. It seems that this may well have been the strategy adopted here, such that the benefit of the trade at the Plough could easily be transferred/encouraged to use the other outlet. At the same time however we also understand that the Royal Oak at Gillamoor is operated under management, which does of course contradict our views expressed above. We do not have any information of the business or how it is conducted.

All of this indicates that the Plough Inn is not a viable proposition. However, it could be, but this in our opinion would have to be in the hands of two owners, both working full time in the business, promoting it, and controlling it effectively.

If the property were to revert back to its main use as being that of a public house with a catering facility, there would need to be a significant capital expenditure incurred in order to achieve this.

As we understand it there is no Premises Licence in place, and clearly one such would need to be obtained. Conditions may be attached to such a licence which may mean that expenditure is required on a number of areas which would not otherwise necessarily be the case, had the original Premises Licence remained in place.

Fundamentally there would need to be compliance with a whole raft of legislation. This would include ensuring that Fire Regulations are fully complied with, Environmental Health matters are properly addressed and provision made for compliance there also, as well as possibly any conditions which might be attached to the Premises Licence.

The property is in little more than a 'shell' condition as it currently stands. Most services do appear to still be connected, although it is likely that changes would need to be made. The condition of services is not known.

A re-furbishment of the property will be required to all of the ground floor trading and back of house areas. This would include re-fitting the trading rooms, as well as completely re-equipping the catering kitchen. Whilst this is carried out compliance with various pieces of legislation, as noted, would need to be built in.

It is possible that expenditure of £100,000 or thereabouts might very well be needed in order to carry out such a re-furbishment. This would include of course not only putting in infrastructure and matters such as electrical wiring, heating systems, fire detection, into proper order but also installing permanent fittings and the like. On top of this of course there would then be need to install all of the usual loose fixtures, fittings and equipment needed.

The viability and hence success of an outlet such as this, given its location, would largely depend upon the abilities of the operators of it. This is simply because there is a very small 'captive market' from the immediate locality, which is generally thinly populated. Fadmoor itself is a small village. Kirkbymoorside is nearby, and trade could be attractive from there, but there would have to be good reason for people to visit the Plough, as opposed to using similar offerings in Kirkbymoorside itself.

Trade would also need to be drawn from much further afield, in order to generate sales and hence profitability. This would largely revolve around ensuring that there is a good quality catering offering. This would of necessity mean that a well qualified and experienced chef would need to be employed, either as one of the proprietors, or as a paid employee. Without this the quality of catering is unlikely to be sufficiently high to attract trade from a wide area.

In this respect the Plough would be competing directly with the Royal Oak at Gillamoor, and indeed others of a similar nature in this part of North Yorkshire generally. In order to be successful therefore it would be essential that the offering and hospitality is at the highest level possible.

The Plough Inn could be successful as a Public House with catering offering once again. However, this would require operators who are of a particularly high standard and well motivated. Were the Plough to be re-opened with an 'average' owner operator, we feel that its viability would be seriously challenged.

It follows that the number of prospective operators for an outlet of this nature is rather limited and finding somebody/partnership with those skills would be difficult. Indeed there is a significant number of opportunities generally, for those looking to acquire public houses such as this one, within essence supply currently exceeding demand. This is a situation which is likely to be the case going forward, certainly into 2021, when we envisage even more public houses similar to this, coming to the market.

We also consider the viability of the property for a community style of operation. We understand that a Group has been formed in the village. We are advised that their plans would be to create a number of other facilities. This would include a small shop, café, library and meeting areas, tourist office, citizens advice facilities, as well as operating as a conventional public house with a catering offering. We note that the Group would intend to promote the Plough Inn in several different ways, including provision of early bird meals, coffee mornings, cookery demonstrations, music nights, special offers such as two meals for the price of one on certain days, as well as a home delivery service as well as take-away offering.

We have not been provided with any details as to the structure of the Group, in terms of its ownership/share holdings, hierarchy, and the roles which would be played by members. It does seem from what we have been advised, the Plough Inn would be operated almost entirely under a management and staffing structure, with indications that the wage bill would be something of the order of 25% of sales achieved. Of necessity of course there would need to be some over-seeing management activity by the Group's Membership, which we would assume would be on a completely voluntary basis.

We have not been supplied with any detailed information as to how the business would promote itself, other than that a wide range of facilities are intended to be offered. It seems likely that the main thrust and focus of the Plough Inn in developing its business, is on a local populace. Whilst ever indications are given that trade and business would be attracted to the Plough, other than indicating that visitors to the area would be welcome, and the caravan site to the rear would offer special deals to camper stop-overs for example.

Indications of anticipated levels of sales have been prepared. However there is no background to this as to how any wet sales or catering income would be generated, nor indicative pricing structures. On the face of it this does look somewhat unbalanced, with expectations being that wet sales would account for 75% of turnover and 25% from catering. In addition to this some ancillary income is projected from the café, shop, the caravan site and what appears to be some letting accommodation.

In our view such a projection is far too heavily weighted in favour of wet sales. Our experience suggests that Village Inns such as this would tend to achieve income generated close to equally between wet sales and catering. This is simply because there is generally insufficient local residents to sustain a Village Inn as predominantly being wet lead. This is particularly so bearing in mind the relatively small size of the village.

The way in which the Community Group appears to be intending to organise itself is such that it lacks a 'driving force' behind it. Any business such as this needs to have some degree of foresight and pro-active management, in order to pull the various elements of a business together. It is utterly essential that a Village Inn such as this is strongly and positively promoted to a much wider market, than mere villagers, otherwise a business model would be unlikely to succeed. The Plough could not in our opinion survive on volunteers, running the business by 'Committee' and undoubtedly would need a strong personality at the helm.

On the other hand it may be that a Manager and an Assistant could be found who could play this role, as quasi-owner operators, with the necessary skills to achieve this.

It may be that the Community Group can be sufficiently funded that it can afford the capital expenditure to re-fit the premises and re-launch as a Public House together with all of the other ancillary activities, and have sufficient working capital to get the business through the first two years or so until levels of trade build up. It may also be necessary to have further additional funding coming into the operation if anticipated levels of sales do not achieve those which are indicated.

24. CONCLUSIONS

First, the continued use of the property as a conventional Public House with a catering offering. As noted above our opinion is that this business is unlikely to succeed in the future, in the hands of an average but competent operator. This is largely due to the competition in the immediate vicinity, and the surrounding

areas generally, and also the significant capital expenditure which will be required to purchase the property and to put it into good repair and condition, as well as re-furbishing and fitting it out.

On the other hand the business could be successful if owner operated by a partnership of two, who have above average skills for this type of business. This would mean that they would be trading at significantly higher levels of sales than would the average operator, and hence would be capable of generating a good profit. Such an operator would still have the costs of purchasing and carrying out the works as noted above, but nonetheless should be a viable proposition. However, the prospect of finding such a purchaser in current market conditions is low. This is largely because there are very few operators of this quality ever in the market at any one time in any case.

Secondly, looking at the community use proposition. This would require an extremely strong 'leader' to drive the business forward. It would also require total commitment by a range of volunteers to carry out various duties. Such a business is unlikely in our opinion to achieve better trading results than the average operator, to which we refer above. Income from sources other than wet sales and catering would help financially, but this is very dependent upon local community support, and tight control over costs.

As regards the development of the property as a whole, converting it into two residential units and four holiday letting units, in our opinion this would be a viable proposition. This would apply once such a proposal has been set up and the business is capable of trading. However, the capital expenditure required in order to carry out such a conversion would be significant, and unless the developer is to become the 'end user' and operate the holiday letting cottages as a business, and possibly sell off the two dwellings which will have local occupancy restrictions, it will unlikely to be of an attractive enough proposition to a speculative developer.

25. VALUATION

Market Conditions Explanatory Note

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a 'Global Pandemic' on 11 March 2020, has impacted many aspects of daily life and the global economy – with some real estate markets experiencing lower levels of transactional activity and liquidity. Travel restrictions have been implemented by many countries and "lockdowns" applied to varying degrees. Whilst restrictions have

now been lifted in some cases, local lockdowns may continue to be deployed as necessary and the emergence of significant further outbreaks or a “second wave” is possible.

The pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally.

Material Valuation Uncertainty

In respect of the licensed property sector, as at the valuation date we continue to be faced with an unprecedented set of circumstances caused by COVID-19 and an absence of relevant/sufficient market evidence on which to base our judgements. Our valuation of this property is therefore reported as being subject to ‘material valuation uncertainty’ as set out in VPS 3 and VPGA 10 of the RICS Valuation – Global Standards. Consequently, in respect of these valuation less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case.

For the avoidance of doubt this explanatory note, including the ‘material valuation uncertainty’ declaration, does not mean that the valuations cannot be relied upon. Rather this explanatory note has been included to ensure transparency and to provide further insight as to the market context under which the valuation opinion was prepared. In recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of COVID-19 we highlight the importance of the valuation date.

We are of the opinion that the property has the following values:

MARKET VALUE ONE – PROPERTY IN CURRENT STATUS - £270,000 (Two Hundred and Seventy Pounds)

MARKET VALUE TWO – ASSUMED PLANNING CONSENT FOR DEVELOPMENT- £265,000 (Two Hundred and Sixty Five Thousand Pounds).

26. DEFINITIONS AND LIMITATIONS

See Appendix A.

.....
BARRY G. CRUX FRICS ACI Arb
RICS REGISTERED VALUER
CHARTERED SURVEYOR