

Mendip District Council

Draft Planning Policy Advice Note

Marketing and business evidence to support planning applications

1. Introduction

This note sets out the Council's expectations where evidence of marketing or business viability is required to support a redevelopment or change of use application. It also provides information on how the Council officers will assess these applications.

A separate note will be produced to cover evidence required for agricultural premises.

Applicants wishing to apply for change of use in the circumstances set out in this note are advised to discuss their proposals at an early pre-application stage with the Council.

2. Will marketing evidence be required?

The most common circumstances in Mendip where this information will be requested relate to

- 2.1 The loss of commercial premises identified as community facilities under adopted Local Plan policy DP17. These mainly include pubs and local retail premises but may also apply to other local facilities both in the rural areas and in the District's towns.
- 2.2 The loss of premises or land either currently or last used for employment purposes and no equivalent replacement employment is provided. This would apply to offices and light industrial uses (use class B1); industrial uses (use class B2) and storage and distribution (use class B8)

3. Council Objectives

3.1 **Safeguarding Community Facilities**

Policy DP17 sets out the Council's approach to proposals that would result in the loss of community facilities and services. The Council's aim is to limit rural isolation and to maintain services in urban locations where facilities are important in creating a sense of community in a neighbourhood. The loss of services can threaten the viability and vitality of rural communities and severely affect groups such as the low paid, young, elderly and those without a car. Where it is demonstrated that a facility is not viable for its current or an alternative community use, change of use will be permitted. This would apply to commercial facilities such as;

- Pubs
- Local shops
- Takeaways, cafes and restaurants
- Petrol stations,

And community facilities such as

- Churches and chapels
- Schools
- Halls and other meeting places
- Recreation facilities
- Surgeries

Policy DP17 is reproduced in appendix 1.

3.2 Reuse of Employment Sites

Whilst redevelopment of employment sites can give rise to positive effects and there may be surplus land in employment uses which could be used for other purposes, it remains important that there is a stock of available premises to enable businesses to emerge and grow. The loss of employment premises within or close to settlements is also eroding the inherent sustainability of these settlements by creating a separation between employment and housing uses, which gives rise to an increase in the need to travel.

Policy DP20 therefore allows for re-use of sites within use class B1, B2 and B8 for non B-class uses where comparable employment generation will be created (based on number of jobs created). Where it is proposed to re-use a site in use class B1, B2 and B8 for a scheme which does not include comparable employment generation, the Council will require evidence that there is a wider economic benefit for other reasons. Otherwise it will need to be demonstrated that the current use is not viable and that the site has no viable future as an employment site.

The Council may waive the requirement for evidence of business viability and marketing where a site is causing severe environmental problems (in conflict with policies DP8 and DP9 of the Local Plan) or is otherwise shown to be clearly no longer suitable for employment use. Evidence of this will be required.

Additionally, it must be demonstrated that the proposal would not prejudice the Council's wider employment land strategy as summarised in policy CP3 of the Local Plan.

Policy DP20 is reproduced in appendix 1.

4. Evidence Required

4.1 Business Viability

Where a business is operating from a site, and an application is made for change of use on the basis of lack of viability, the Council will require evidence of this. This must include accounts for the previous 3 years, including VAT returns where applicable. The accounts shall detail any debt (e.g. mortgage) being serviced by the business. Where a business has closed in the previous year, the last 3 years accounts will be required.

Similar information will be required in instances there is a need to demonstrate the long term viability of an enterprise, for instance where a business wishes to develop a site where policy would indicate a different use, but the potential for a scheme to support business development and growth needs to be explored.

Applicants should be aware that any such information submitted with an application will be in the public domain and cannot be treated confidentially. In very exceptional circumstances, the Council will consider any request for confidentiality, but a clear and exceptional need must be demonstrated.

4.2 Viable alternative uses

In addition, where a change of use is proposed on the grounds that the site has no viable future as a commercial or employment site, the Council will require evidence to demonstrate that the land or property has been fully exposed to the market at an appropriate valuation and that a range of similar uses have been considered. This ensures that the Council can adequately assess an application for change of use on the basis of insufficient market demand. The Council may engage specialist advice as necessary to assess the valuation and marketing strategy on a case by case basis.

4.3 Marketing Information

Sufficient marketing should be carried out to demonstrate whether the site could be viable in its current or similar use. This will include instances where a site has become vacant, but was last used as a community facility or for employment uses. The minimum actions required are set out below. Evidence of these activities having been carried out will be required (see Marketing Report section below).

The marketing should be up to date and reflect current market conditions, usually carried out a maximum of 2 years prior to the date of submission of the planning application.

The type and extent of marketing required will be influenced by the nature of the site. A large industrial or commercial site might be expected to carry out marketing at a national and regional level, as well as locally. A local shop or pub might only attract local or regional interest. A marketing strategy should be drawn up and take into account the factors set out below. The marketing budget should also reflect the characteristics and value of the site.

- Location of the property
- Age and type of property
- Current use
- Size of property
- Accessibility of property
- Potential type of interest
- Tenure
- Sale/rental price

Marketing should last for at least 10 – 12 months and the marketing strategy should include the following activities as a minimum;

- Appointment of a suitably qualified and experienced agent

- Erection of a prominent signboard on the site
- Production of agents particulars/brochure
- Targeted marketing to agents contacts list
- Press coverage, minimum of monthly advert in a suitable publication
- Website entry appropriate to the use / business
- Registration with www.intosomerset.co.uk property listings

The marketing strategy should be agreed through formal pre-application advice.

4.4 Valuation

A valuation report with evidence of how the sale price has been determined will be required, as part of the marketing report (see below). The valuation report should be produced by a chartered surveyor (RICS member) and should make reference to values of comparable properties in the locality. The sale price should reflect the use/uses for which it is being marketed.

4.5 Marketing report

The appointed agents should produce a marketing report, to include a summary of the marketing strategy and the valuation report. Evidence of the agents carrying out the actions set out in the marketing strategy will be required as follows;

- Evidence of any updates to marketing strategy, including price revisions
- Photos of signboard, dated
- Copy of brochure and evidence of dating
- Details of targeted marketing, including address list and dates sent
- Copies of adverts with dates and rationale for choice of publication
- Copy of webpage and dates
- Details of any enquiries and viewings
- Details of any reasons given for not proceeding by potential purchasers
- Details of any offers and reasons turned down if applicable

5. Assets of Community Value

Where the property is listed as an Asset of Community Value under the Localism Act 2011 the Council will expect to see evidence of discussion with the local community regarding options for its continued use. This might include an exploration with the local community of the potential for a community enterprise.

In the case of pubs, the community may wish to consult Camra's "Public House Viability Test" www.camra.org.uk

Appendix 1 - Local Plan Policy

The current Local Plan sets out the circumstances in which the current use of a site should be safeguarded. This guidance sets out the minimum requirements for marketing of the property. It also sets out the evidence that will be needed to show that adequate marketing has been carried out. The exercise will demonstrate whether a use is viable and has a realistic prospect of continuing.

DP17 Safeguarding Community Facilities

DP17: Safeguarding Community Facilities

Development proposals that would result in the loss of sites or premises currently or last used for local facilities and services will not be permitted unless:

- 1. Suitable alternative provision is being made in the locality and will be available before development or change of use can commence; or**
- 2. The maintenance of the existing use would perpetuate existing amenity, highway or other environmental problems; or**
- 3. If the service or facility is of a commercial nature (including pubs and neighbourhood shops), and there is no likelihood of a viable community use.**

DP20 Reuse of Employment Sites.

DP20: Reuse of Employment Sites

Proposals for the development of land or buildings previously or currently used for, or currently allocated for, activities falling within Use Classes B1, B2 or B8 will be supported where it can be demonstrated that:

- a) the re-use for non-B class employment generating uses or for mixed-use schemes will deliver comparable employment generation (based on number of jobs created) or wider economic benefit, and;**
- b) the proposal would not prejudice the Council's wider employment land strategy as summarised in Core Policy 3.**

In determining any application for planning permission for such a proposal, the Council will balance the application of this policy against the need to secure wider regeneration objectives in that area and the need to overcome any local environmental impacts (including those related to transport) of employment uses in the vicinity of the site concerned as considered under Development Policies 8 and 9 of this Local Plan.