

Viability Report prepared by Anthony Miller

1. EXPERIENCE AND QUALIFICATIONS

1.1. I am Anthony Miller a Founder Director of Humberts Leisure and now a Consultant with GVA following the takeover of the practice and my retirement after more than 50 years from day to day practice. I was elected a Fellow of the Royal Institution of Chartered Surveyors in 1978. During my career after working for 8 years in two breweries I have been working in private practice, as a partner or as a Director, involved in all aspects of Leisure Property on a national basis undertaking valuations for a variety of purposes including purchase and sale, rating, asset valuations, rent reviews and acting as an expert witness or arbitrator in cases predominantly to do with Public Houses. During the recent changes within the Industry I have been heavily involved in helping to set up and carry out valuations for a number of the new Pub Companies including British Country Inns, Enterprise Inns and Ushers. I have appeared in the County Court as an expert witness and given evidence in Local valuation Courts on Rating Appeals and delivered talks on different matters to do with Public Houses. Initially I worked in a family brewery where I gained experience as a management trainee in all aspects of the business. Latterly I helped to manage their portfolio of some 200 pubs before moving to Bass Mitchells and Butler where I spent time in the Property & Licensing Department.

1.2. Since retiring from full time work, I have been an Adviser to Pub is The Hub (PITH) overseeing their business in the South East of England. The work has involved giving advice to Local Authorities, Licensees and Communities on how they can improve services to the rural communities. I have also advised local communities on the different methods available for them to acquire their local pub. In the South East alone I have had over 50 enquiries from local communities within the last 12 months. Some of these outlets have been listed as Assets of Community Value. In addition I have run workshops and given advice to Licensees on Diversification to help an individual licensee increase footfall to their pub and thus help improve the turnover and profitability of the business. Thus village shops have been installed in pubs, as have Post Offices and library facilities. PITH have undertaken over 500 schemes nationwide helping licensees. Working with Barclays Digital Eagles PITH have encouraged licensees to start offering meals for the elderly linked to a course on computer learning. PITH have more than 27 different schemes to help pubs diversify and so assist licensees to build a sound business for the future. Not every scheme is suitable for every pub but they have been proven to be of help in those pubs where PITH have given advice to the licensee. I chair a Board with

representatives from all the brewers and many of the Pub Companies in the South East as well as representatives from the Department of Communities and Local Government, the Post Office, the BBPA, Applause, and the South East Tourist Board.

1.3. Until 4 years ago I was chairman of British Country Inns, a Pub Company set up, under an Enterprise Investment Scheme, originally with a portfolio of 30 pubs in the Midlands, South West of England and into Wales. The outlets were held freehold apart from one that was leasehold. This was a portfolio of Free Houses in rural locations trading as local and destination outlets where food accounts for a significant percentage of the turnover. The majority of the portfolio operate as managed houses under the direct control of the Company. A few of the houses are let on free of tie leases paying an annual rent to the Company. During my time as Chairman, management were successful in growing turnover year on year throughout the portfolio by installing competent unit management in every outlet and by making sure that the trading format suited the particular pub's location. Following individual and small group disposals the Estate today has been reduced to just 16 pubs.

1.4. Finally I am an investor in a Company, with four others, that own a public house fronting the River Thames in Twickenham. The freehold interest in the White Swan was purchased seven years ago and the business now operates as a Free House under our direct management. This is a destination outlet with a regular local following supplemented by trade from the Rugby Ground that serves a range of real ales, national lagers and offers quality home cooked locally sourced food, from a printed menu with a blackboard of daily specials.

2. INSTRUCTION.

2.1. I am instructed by Save The Cabinet Action Group to prepare a Viability Report on the former Cabinet Public House in connection with a retrospective Planning Application for a change of use which has been submitted by the current owner, from Public House to a private dwelling. There is also an application on the property for retrospective Listed Building Consent for alterations to this Grade 2 Listed Building. Significant structural alterations have already been undertaken to the property which is now occupied by the Applicant as a house. The alterations have included the removal of the bar, trade kitchen, and public toilets and the conversion of the cellar into a games room.

3. MY APPROACH.

3.1. I have visited the Cabinet and undertaken an external inspection of the property. I have toured the surrounding area to view other public houses situated in comparable locations to The Cabinet and which would provide immediate competition to the Cabinet business. I have visited the Valuation Officer's website to gather evidence of the rateable values of these public houses. I have had discussions with local residents to obtain information on the trading history and previous

ownership of The Cabinet and spoken to a potential buyer of the property. I have been provided with a copy of a report prepared by SG Culverhouse dated 24th November 2016 that relates to an Evaluation of the effect of the Asset of Community Value listing on the Cabinet together with a second report by the same author headed Change of Use Appraisal dated 18th April 2017. I have seen a Statement prepared by Ivan Titmuss dated 27th March 2017, as well as a Business Plan and pre-lease Building Survey prepared on his instructions at the time he was in negotiations with Albanwise to take on a lease of the property. I also attach a statement prepared by Angus Martin, the last tenant of the Cabinet, 5th June 2017 **Appendix 13**. Correspondence and agents' sales particulars relating to The Cabinet prepared by different estate agents relating to the property have been made available to me.

4. **THE PROPERTY.**

4.1. I accept the description of the property prepared by the various Estate Agents and in particular by Fleurets in their 2007 sales particulars as at **Appendix 1**. Their descriptions together with the description in the Pre-Lease building survey on the Cabinet have formed a helpful background to the case.

5. **VIABILITY REPORTS.**

5.1. In order to form an opinion on the viability of a public house it is important to obtain as much information on the trading history and previous ownership of the property. In this case it is particularly relevant to establish the reasons behind the closure of the property in 2011 and why the pub has remained closed for trading ever since.

5.2. It is essential to fully research all the background. Just because the pub is closed and has been closed for a period of years does **NOT** on its own mean that the pub is unviable.

5.3. Whilst a pub may not be viable in the eyes of a Pub Company or Brewer, the outlet may be considered viable by a Free House operator as a lifestyle business or by a community wishing to retain a pub particularly where it remains the only pub in the village. This may begin to explain that there can be a difference between Economic Viability and Social Viability.

5.4. **Economic Viability** can be explained as having a site that has the trading potential to be a viable business which would be of interest to a pub company or a brewer or indeed an owner/operator trading as a Free House. The building may require alterations or extensions and when the work is completed the turnover at maturity can support a viable business.

5.5. **Social Viability** can be explained by considering a building that is the only or the last pub in a village, which is a meeting place for the community and is regarded as the hub of the village. When trading it can cover its costs and perhaps make only a small profit. There could be an opportunity to create a village shop or a Post Office on the site and to provide activities for the elderly in the village

such as lunch clubs, computer training and a garden for the village school. An explanation of Social Viability can be found in the document "Valuation of Public Houses" prepared by the Valuation Office Agency at page 28 as at **Appendix 10**. This statement is a repeat of what appeared in the 2010 Valuation of Public Houses Approved Guide prepared by the Valuation Office Agency. As an example Pub is The Hub have funded the installation of a Library facility in 12 pubs in isolated village locations in Cornwall where the mobile library service has been withdrawn.

5.6. It also has to be remembered that in a village where the last pub is closed for good and there is no shop, the value of houses in the village can be affected downwards by as much as 10%.

5.7. As part of my work for Pub is The Hub (PITH) I am approached by licensees and communities for advice on how to maximise the trading potential of an outlet be it open or currently closed. Having established the history of the business it is important to decide on the trading concept for the pub: whether the present operation is suitable or whether changes are necessary. In the case of a rented property owned by a pub company or brewer one needs to know the lease terms and in particular the passing rent and to consider whether the tenant is suitable for the business. Company owned tenanted pubs have often closed for a variety of reasons such as the wrong licensee in situ, the wrong concept, excessive rent demands, lack of investment in the property over many years to mention some of the reasons. With a Free House it could be that the concept is wrong and or the licensee is unsuitable. And of course in the current market place where pub values can be below the residential value of the site it maybe in the owner's interest to sell the premises for an alternative use and make a profit rather than be faced with a significant capital investment, an uncertain future and a need to find a new tenant. BUT it does not mean that the pub is unviable.

5.8. We are told that there are at least 20 pubs closing every week. This may be true, but it is necessary to consider why, and to consider whether due regard has been made for new pubs being opened in the immediate area. I refer particularly to the new prominent developments that can offer a combination of restaurant, bars, letting rooms and sometimes a function rooms on a large site with adequate parking and an outdoor drinking area. Each one of these new large modern pubs can account for as many as six local closures of old outdated smaller pubs.

5.9. I sit on a Board for More Than a Pub which was set up by Power to Change, the Department of Communities and Local Government, Plunkett and numerous financial advisers with a grant of £3.6m to provide funds for local communities wishing to save their pub on a not for profit cooperative basis. Grants of £50,000 to £100,000 can be made under a Community Benefit Society Scheme. The aim over a two year period is to help up to 80 Community Pubs. To date there are some 50 community pubs operating throughout the country.

5.10. My message is clear on the question of viability and that is before a pub is designated as unviable, a very careful study of the site needs to be made before reaching a conclusion.

6. RATING ASSESSMENTS.

6.1. One of my initial considerations was to identify the other pubs in the immediate locality and which trade in a comparable village location to the Cabinet. From my initial investigations I identified 9 pubs and for each property I looked up the rateable values of each property for the 2005, 2010 and 2017 Valuation Lists on the Valuation Office Agency website. A list of the rating assessments of the 9 pubs plus the Cabinet are set out in a schedule at **Appendix 2**.

6.2. The rating assessment of a public house is defined as the rent that a hypothetical tenant might pay to a landlord both parties acting in a reasonable way at which the property being vacant might be expected to be let from year to year on a full repairing lease having a reasonable prospect of continuation.

6.3. The rating assessment of any property is calculated by a valuer in the Valuation Office and the value he calculates is designed to represent his opinion of the rental value of the property based on information available to him at the antecedent valuation date. That date is the 1st April two years prior to the publication of the New List: for the 2017 List the date is 1st April 2015.

6.4. It is important to state that the Valuation Office is an entirely independent body.

6.5. Public Houses are valued for rating purposes on a profits method of valuation. Each outlet is required to submit to the Valuation Officer details of the last 3 years turnover figures net of VAT leading up to the antecedent valuation date showing separately the net turnover from the different income streams of liquor, food, gaming machines, accommodation and other. Where appropriate tenancy/lease details are also required including the passing rent.

6.6. Thus the rating assessment for each property as set out in **Appendix 2** is derived from the actual turnover which the valuer will have to arrive at his opinion of the Fair Maintainable Trade for the property assuming that the business is being operated by an averagely competent hypothetical tenant. This gives the valuer flexibility to consider whether the actual trade is a fair reflection of the outlet's trading potential or whether the actual trade requires some adjustment. It is important to remember that the rating assessment of any pub is derived from the actual annual turnover figures of that outlet.

6.7. Reverting to **Appendix 2** it is interesting to see that the Cabinet sits either at the head of the list of values (2005) or second in the list (2010). The range of values is significant with a number of the pubs having very low assessments **BUT ALL THE PUBS LISTED STILL REMAIN OPEN AND TRADING TODAY**, which suggests that they are all viable. This is a very compelling argument and supports my

own opinion that The Cabinet is viable if the outlet was to be re-opened and to re-commence trading once more.

7. **MR IVAN TITMUSS.**

7.1. Ivan Titmuss is the current tenant of the Fox and Duck, in Therfield. He rents the property from Greene King. In 2012 Mr Titmuss was interested in renting the Cabinet which at the time was owned by Albanwise. His statement at **Appendix 3** records his expertise and his experiences when trying to negotiate a new 5 year lease. His success at the Fox and Duck can be seen from **Appendix 2** where because of the growth in the business his rating assessment has been dramatically increased in 2017. This would indicate that he is a competent operator and that he would have operated a successful business at The Cabinet.

7.2. As part of his researches to take on the lease of the Cabinet Mr Titmuss had a Pre-Lease Building Survey carried out by Roger Driver FRICS. A copy of Mr Driver's report dated 10TH April 2012 is produced at **Appendix 4**. This showed that for a property of this age that there are likely to be areas of the building that require attention. At no point does he say that there are any major problems that need immediate attention which if not done would render the building unfit to trade. He also mentions that there was still furniture in the property.

7.3. Finally Mr Titmuss had a Business Plan prepared for The Cabinet with a Projected Profit and Loss Account for each of the years 2012/3 and 2013/4. I have seen, analysed and made a professional judgement about these; they make reasoned assumptions about turnover, rent payable and likely profit in the years covered. In view of their confidential nature they cannot be placed on the Planning Authority website as, I understand, is required of public comments, and for that reason alone are not appended to this Report. However it is in our possession and available for viewing on a confidential basis by the officials of the planning authority if required.

8. **THE CABINET TIMELINE SINCE 1997.**

Enclosed at **Appendix 5** is the list of operators/owners of The Cabinet since 1997 to date.

9. **MR CULVERHOUSE REPORT DATED 26TH NOVEMBER 2016.**

9.1. This report relates to the listing of The Cabinet as an Asset of Community Value. The purpose of the Report is to ascertain if the listing of the property as an Asset of Community Value should be of material consideration in the planning process.

9.2. The fact that the property was listed indicates that the Council considered that the property was of sufficient importance to the village to be listed. Unlike many other situations The Cabinet is the only pub in the village and although tucked away it has traded successfully in the past and been a

popular meeting place for the villagers. The Report sets out the procedure that was followed and to the fact that the local community did not take advantage of the opportunity to make a bid for the property as provided for under the legislation.

9.3. Mr Culverhouse on page 10 of the Report states that “ we find no evidence to support claims from the Parish Council or that members of the public made enquiries about the property prior to the auction”.

9.4. I would refer you to Mr Titmuss Statement at **Appendix 3** where his attempted to take a lease of the property, and his approaches were frustrated by the then owners. Also at **Appendix 6**, I enclose confirmation of an offer submitted by Everard Cole for £380,000 on behalf of a local syndicate led by Philip Goddard to Mullucks Wells dated 15th July 2013 in the sum of £380,000. There is no explanation as to why this offer was not progressed particularly given the eventual sale price at auction. This strongly suggests that the vendors thought they could achieve a higher value by selling the property for residential development.

9.5. Then at page 11 Mr Culverhouse makes reference to “a Viability Report submitted to the Local Planning Authority that The Cabinet Public House is no longer viable and is not likely to become so in the future. There was no firm interest from prospective pub operators when the property was marketed and the pub is now defunct.” This is quite clearly misleading and incorrect as there is evidence from Mr Titmuss that as an experienced operator he would take a lease of the pub and from Mr Goddard who made a firm offer to acquire the freehold interest.

9.6. I comment below at Paragraph 11 on the Viability Report which is referred to and which I believe to be the one prepared by Mr Culverhouse in November 2016.

10. **CHANGE OF USE APPRAISAL FOR THE CABINET BY S.G. CULVERHOUSE DATED 18TH APRIL 2017.**

10.1. Mr Culverhouse prepared a further Report dated 18th April 2017 in support of his client’s Planning Application. Reference is made on at least 23 occasions to the assertion that The Cabinet is in his opinion no longer a viable entity as a public house. Clearly Mr Culverhouse regards one of the fundamental issues of this case to revolve around the question of viability. Having received the Culverhouse Report dated 1st September 2016 the Local Planning Authority sought confirmation of its conclusions from Trinity Solutions Consultancy Ltd. Without sight of these two documents it is difficult to provide a rebuttal to their conclusions. It seems in all the circumstances totally unreasonable that these documents have been withheld.

10.2. At paragraph 4.5 in the Culverhouse Report **it is confirmed that Mr Newman is a personal licence holder with experience in the operation of licensed premises and that he originally planned to re-open the building as a pub.**

10.3. Mr Newman is stated to have said that he undertook repairs to the building in order to make it weatherproof and that he cleared a large amount of unwanted material from the property. Mr Culverhouse states that he was informed that the North Herts District Council's Planning Enforcement Officer was aware of the remedial works being carried out by Mr Newman in order to safeguard the future of this historic building."

10.4. These statements need to be challenged for a number of reasons:

10.4.1. If Mr Newman is experienced in dealing with property why did he not have a structural survey carried out prior to the auction? Armed with such a Report Mr Newman would have been aware of the likely costs involved. And then to say at 13.1 "it was only after I bought The Cabinet I realised it was not going to be viable to trade as a business". I find Mr Newman's logic difficult to follow and I believe at the end of the day he had no intention whatsoever of re-opening the pub again but that he intended to convert the building and to occupy the property as his private house. My conclusions are supported by **Appendix 7**. This records a conversation that Mr Malcolm Chapman from CAMRA had with Mr Newman on the day of the auction.

10.4.2. What were the repairs required to the building to make them weatherproof? These repairs would have also been necessary had Mr Newman decided to re-open the pub again. His costs of converting the building to a private house would have far exceeded the costs of re-opening the pub. I say this because he would have had to remove the public toilets, stripped out any remaining catering equipment, cleared the cellar, and removed the bar servery and the backfixture, not to mention any internal walls he may have removed.

10.4.3. What was the large amount of unwanted material that Mr Newman had to remove? Was it the trading inventory, bar servery etc etc. which would have all been required to re-open the pub. It may also have been the units from the catering kitchen which I understand from local residents were stripped out of the property prior to the auction and dumped in the car park.

10.4.4. If the Planning Enforcement Officer was aware of the remedial works being carried out, did Mr Newman tell him of his intension to convert the building to a house? If not, why not. Because the Officer would surely have been able to tell Mr Newman that he required planning consent for a change of use as well as listed Building Consent for any works as The Cabinet was Grade 2 listed?

10.4.5. The trading history of The Cabinet would have been available to Mr Newman from Agents sales particulars.

10.5. I fundamentally disagree with the conclusion that the Cabinet is no longer viable as a trading entity. I will seek to demonstrate this through:

- An analysis of the local competition,
- Demand in the market place,
- Evidence of the actual trading potential of the site.
- Market evidence in other similar village situations.

10.6. **An analysis of the local competition**

The Schedule at **Appendix 2** shows that the Cabinet has a rateable value that has been towards the top of the local competition. All the listed local pubs still remain open and trading and must be considered to be viable. I have disregarded pubs listed in the Culverhouse Report that are in Buntingford and Royston as they are not situated in a comparable village location.

10.7. **Demand in the market place**

There is adequate evidence to show that there were at least two interested parties wanting to take over The Cabinet and to re-open the pub either on the basis of a lease or through the purchase of the freehold. It is unclear why neither of these deals progressed but from Mr Titmuss Statement it is clear that Albanwise were far from easy to deal with. Given the state of the pub market at the time, it is most likely that they considered the highest value they could hope to achieve was from a sale of the property as a private house.

10.8. **Evidence of the actual trading potential of the site.**

There is evidence in the Fleurets details at **Appendix 1** which I have taken from the Culverhouse April 2017 Report that the turnover achieved in the year ending April 2007 was £485,229. If such figure was built into the Business Plan prepared for Mr Titmuss it would have produced a substantial profit for him showing that the business was viable. There is further evidence from the business plan prepared for Mr Titmuss of the trading potential of the site. Thirdly there is the evidence of the rateable value for the property for the 2005 and 2010 Valuation Lists. An article written in the Morning Advertiser dated 1st March 2005 recounts Paul Bloxham's success at The Cabinet and records the weekly turnover he achieved of £15,000. **Appendix 8.**

10.9. **Market evidence in other similar village situations.**

I am aware from my involvement with Pub is The Hub and More Than a Pub that with Government support village pubs are being saved operating under community ownership through one or other of the different schemes available to acquire pubs. I have personally had some 50 community enquiries in the last 12 months.

11. MR CULVERHOUSE VIABILITY REPORT DATED NOVEMBER 2016.

11.1. It is regrettable that this Report has not been made available to the Parish Council and to the local community given the amount of local objection to the pub's closure. With sight of the Report it would have been much easier to understand Mr Culverhouse's arguments on Viability and to have been able to question any financial evidence that he presumably submitted to support his conclusion. I just hope that his conclusions were not just based on the fact that there are some 20 pubs closing each week. There are many reasons for these closures and each case requires careful investigation if this argument is to carry any weight.

11.2. I have received a copy of the undated Report submitted by Anne McDonald to the Planning Committee in connection with the proposal for a change of use from A4 (Public House) to C3 (single dwelling). **Appendix 9**. In the Report the Officer makes clear at 4.3.4 that "the critical consideration in this case is the viability of the public house especially as it was the only public house in the village." Clearly the Planning Officer deems the Viability of The Cabinet to be a critical part of her decision making process. The Viability Report prepared by Mr Culverhouse concludes that the business is not viable based on either a food dining offer or as a drinking/wet trade pub only. This is the only real reference I have seen to the Viability Report prepared by Mr Culverhouse.

11.3. To strengthen her case, Anne McDonald asked Trinity Solutions to provide a further Report on the viability of the business. Their conclusions are set out at 4.3.6 as follows:

11.3.1. Reed is a small village population of 310 and this is not a sufficient base for a local pub to be viable. To have any potential to be viable the Cabinet would need to operate as a food led destination pub. My response to that is to look at the local competition set out in **Appendix 2**. A number of the pubs listed there are in an isolated rural location and still remain open and trading and viable.

11.3.2. Reed is made up of a network of narrow roads with no recognisable village centre. True but the pub has traded very successfully in the past and in 2007 had an annual turnover of c£500,000.

11.3.3. There are few pavements and no street lights. Yet the pub has traded successfully under more than one owner in the past. Few of the neighbouring villages have street lights.

11.3.4. The lack of lit footpaths is likely to deter both locals and visitors from attending The Cabinet on foot. Look at the trading history does this comment really stack up?

11.3.5. The Cabinet is located on a narrow lane, where there is going to be little passing trade. Is the location any different from some of the local competition?

11.3.6. The car park can only accommodate 20 cars safely and is unlikely to be sufficient to allow The Cabinet to trade at peak times. But the pub has traded successfully in the past and there is always

sufficient land on the site to extend the car park if necessary. I believe the car park here is no smaller than other local pubs that trade successfully.

11.3.7. On street parking is limited and severely restricted by the narrow lane. Please note the trading history.

11.3.8. The capacity of the dining room is 52 covers. This is at the lower end of capacity for a food led operation to be viable and limits the ability to optimise trade at peak time, which is further compounded by the car parking limitations. Again look at the trading areas, and the trading history and consider in the summer months when trade is likely to peak why not make full use of the patio and garden where there is a marque area for a further 36 covers. Also tables for food can always be set up in the bar areas.

11.4. I do not consider Trinity Solutions Report to be worthy of proper consideration as it is clear that they have totally disregarded the trading history of The Cabinet and the situation of a number of the pubs set out in **Appendix 2** which are more isolated but continue to trade successfully.

11.5. Moving on to 4.3.7 in Anne McDonald's Report, the Officer attaches significant weight to the fact that "the pub has remained closed for at least one year and evidence is provided proving it is unviable". I have no evidence to suggest the pub is unviable and I strongly believe the premises closure for a period of 4 years has more to do with the previous owners' attitude towards the pub than to its viability. Ivan Titmuss statement confirms the difficulty he had with Albanwise. **Appendix 3**. Nothing progressed with the offer from Mr Goddard. **Appendix 6**. WHY? I believe that Albanwise kept the pub shut knowing that the site may have a higher alternative use value for residential development which is evidenced from Mullucks Wells letter to Mr Nichols dated 15th July 2013 in which Mr Hodge states: "**The property will be sold subject to an overage clause for a period of 20 years, 35% of any uplift in value will be payable following consent for change of use or development for residential purposes**".

11.6. Thus I believe the pub remained closed not because the business was unviable but because the owners hoped to secure a better deal from a sale for residential development.

12. MY VIABILITY APPROACH.

12.1. I have had regard to the trading history at **Appendix 1** and to the evidence of the rateable value of the property at **Appendix 2**, to Ivan Titmuss Statement as at **Appendix 3**, and to the Business Plan prepared for Ivan Titmuss. I set down at **Appendix 11** my approach to demonstrate that the pub is viable in the hands of a competent operator on the assumption that the pub is open and trading again in year 2-3 with a good trading inventory after a refurbishment that deals with outstanding repairs but assumes that the pub had been already restored to an operational pub at Mr Newman's cost. My

concept assumes that the pub is trading as a traditional real ale outlet with 4 draught beers, a range of national lagers and ciders with a competitively priced printed menu of locally sourced home cooked food with in addition a daily specials board.

12.2. **Appendix 11** demonstrates that the pub should be capable of earning the operator in the region of £50,000 after interest on capital has been taken into account.

12.3. There are a number of different ways that the tenure of the pub can be held in the future. I refer to an Enterprise Investment Scheme which has significant tax benefits for the investors. Or there is the Co-operative route under a Co-Operative Society model or a Community Benefit Society both of which are promoted by Plunkett.

12.4. In this case I have assumed that the licensee is holding the pub on a lease or tenancy from the Parish Council who had initially acquired the pub through a loan from the Public Works Loan Board. The Loan is at a very competitive rate of interest and the rent paid by the licensee to the Parish Council is more than sufficient for the Parish Council to meet the interest charge on the loan. The Dolphin at Bishampton is one example where the scheme has worked successfully. I enclose at **Appendix 12** a resume of the scheme taken from the Pub is The Hub website.

13. **CONCLUSIONS.**

13.1. This Report demonstrates that The Cabinet is viable both from a social and economic point of view based on the evidence that I have outlined. Such evidence I believe could also have been available to Mr Culverhouse. The evidence indicates clearly that the pub was kept closed NOT because it was no longer viable but because the previous owners Albanwise hoped to realise a greater value from the sale of the property as a site for a residential development even though at the time no planning permission existed for such a scheme.

14. **PROFESSIONAL DECLARATION.**

Although I am a retired chartered surveyor I have written this Report in accordance with PS5 of the Royal Institution of Chartered Surveyors Practice Statement for Surveyors acting as expert witness effective from 1st January 2009. I confirm the following:

That insofar the facts stated in my submission are within my own knowledge I have made clear which they are and I believe them to be true, and that the opinions I have expressed represent my true and complete professional opinion.

That my opinion includes all facts which I regard as being relevant to the opinions which I have expressed and that attention has been drawn to any matter which would affect the validity of those opinions.

That my duty in the capacity of an expert witness overrides any duty to those instructing or paying me, that I have understood this duty and complied with it in giving my evidence impartially and objectively, and that I will continue to comply with that duty as required.

That I am not instructed under any conditional fee arrangement.

That I have no conflict of interest of any kind other than to those already disclosed in my submission.

That my submission complies with the requirements of the Royal Institution of Chartered Surveyors as set down in the Surveyors acting as expert witness RICS Practice Statement.

Signed: Anthony Miller Date: 2nd June 2017

Schedule of Appendices

Appendix 1: Fleurets Sales Particulars

Appendix 2: Schedule of Local Comparable Pub Rating Assessments

Appendix 3: Statement by Ivan Titmuss

Appendix 4: Pre-Lease Building Survey by Roger Driver FRICS

Appendix 5: Cabinet Timeline

Appendix 6: Confirmation of Philip Goddard offer at £380,000

Appendix 7: Statement by Malcolm Chapman

Appendix 8: Morning Advertiser Report dated 1st March 2005

Appendix 9: Planning Officer Report by Anne McDonald

**Appendix 10: Extract from "Valuation of Public Houses", Valuation Office Agency
(<https://www.gov.uk/government/publications/valuation-of-public-houses>)**

Appendix 11: AJM Viability Profit & Loss Account

Appendix 12: Public Works Loan Board, extract from Pub is The Hub website.

Appendix 13: Statement of Angus Martin