

FEATURE

Rural pubs – a plea for consistent treatment

Following up an article published in *T&CP* earlier in the year, **John Pratten** and **Chris Lovatt** look at two troublesome areas for rural publicans – discretionary rate relief and criteria for changes of use



'Everyone favours the principle of keeping rural pubs open because of their community value'

In the April 2000 issue of *T&CP*, Peter Jones *et al.* commented on the demise of the country pub, and suggested ways in which it might be saved.¹ Of course, it is unrealistic to expect customers to patronise rural pubs simply because they are there, but the village pub is, as the earlier article says, 'an essential element of village life and a focus for a rural community'. As Tony Dadoun of the Countryside Agency has observed, 'the public house is a focal point of the rural community'.²

There is no denying that a growing number of rural pubs are falling on increasingly hard financial times and facing the threat of closure. According to *What's Brewing*, the pub guide produced by CAMRA (the Campaign for Real Ale), one rural public house closes every day, and industry figures suggest that this general trend is likely to continue.

The earlier article offered a wide variety of reasons for the closures, but the final factors are financial. Either the pubs do not take enough money to be financially viable, or their sale for housing development is a more attractive option than remaining in the food and drink

trade. Given the desirable location of many of these houses, their conversion to a residential property can engender a lucrative increase in capital value when compared with the costs of running a struggling business.

Mike Benner, Head of Campaigns and Communications for CAMRA, is concerned that some pubs are being sold for housing when they remain economically viable: 'It's all too easy for unscrupulous pub owners to run down a business, de-license the pub, and sell it off for a fat profit as a private house. This is an increasingly common practice, particularly in pretty rural areas. The loss of the local pub is a disaster for village communities... [However] we [CAMRA] are not trying to keep truly unviable pubs open. Rather we want to put an end to the practice of letting pubs which could be viable in the right hands become lost to the community forever.'

Post offices and local shops can qualify for a 50 per cent reduction in rates – indeed, local authorities have the discretion to allow 100 per cent relief if the businesses are providing an essential service to the rural community. There is

currently a campaign supported by the trade press, various trade bodies, and CAMRA to secure similar relief for struggling pubs. As a result some councils have recently relaxed their policies on discretionary rate relief, but, as Caroline Nodder has observed,³ most councils 'are reluctant to help pubs, which they view as 'non-vital' services'.

The reaction of councils to licensees who feel that they can no longer trade successfully is similarly varied. A pub does not have to open, even though it has been granted a licence, but the justice's licence may be taken away if it remains closed (the building would still remain a public house but could only be run as such with a successful application to the licensing magistrates). But closure does not necessarily mean that a pub can then be used for other purposes. Change of use is required by law in these circumstances, and planning authorities will not grant this automatically. The most likely reasons in support of applications by interested parties are:

- to convert the building to a private dwelling;
- to form part of a residential development; or
- to become an office or other commercial use.

Such proposals raise planning issues, and here the general tone of advice is normally in favour of keeping pubs trading where possible. In *PPG7: The Countryside – Environmental Quality and Economic and Social Development*, for example, stimulating economic activity and safeguarding existing commercial activities are a main concern, and reservations are expressed about the conversion of commercial premises to residential use. Indeed many planning authorities have drawn on this guidance to resist a change of use for a rural pub.

However, where a pub is clearly no longer a viable business proposition the planning authority may agree to a change of use. The difficulty here is that non-viability may be difficult to establish. The criteria for the assessment of viability are not necessarily transparent, and they do not appear uniform throughout the country.

Three examples from the trade illustrate difficulties raised and the problems which licensees believe they shoulder:

- Having taken over the Fox and Hounds near Corbridge in Northumberland in 1993, after previously successfully running their own taxi and wedding car hire

► company for 16 years, Damian and Maria Clark struggled to make a living. Damian Clark said: 'Tynedale is dead. There must be 20 pubs and hotels up for sale around here and we've been told tourism has fallen by 30 per cent.' They closed down the business in 1999, but the local council rejected their planning application to turn the buildings into a residential property, arguing that the pub was an important facility for tourists visiting Hadrian's Wall, and that, in someone else's hands, the business could be a success.

In March 2000 the applicants won their appeal to the Secretary of State for the Environment, and it was reported afterwards that they intended to sell the building for conversion to two houses at a price of £360,000. A council spokesman said: 'In principle, the council's policy is sound. Other applicants will have to demonstrate that their business is not trading successfully and cannot be sold at a realistic price before a change of use can be considered appropriate.'⁴

● John Harrison holds the lease of the Station Inn, the only pub in the village of Birstwith, North Yorkshire. The village post office and general store receives rate relief, and he applied to the local council for rate relief for the pub, but was rejected because it was not considered to be a vital community service. His plea, which he has

made at the highest levels, is for equality of treatment to provide equal conditions for rural businesses. The prime offender, in his opinion, is local government, deemed by him to be acting unfairly.⁴

● The third claim of difficulty relates to the actual fixing of the rates in the first place. James Sharpe of the Red Hart Inn, Llanvapley, Monmouthshire, makes his point strongly in an open letter,⁵ in which he claims that in 2000 the rate revaluation in relation to public houses increased by 30 per cent whereas the RPI only increased in a similar period by 13 per cent. He challenges the Paymaster General to produce in full the guidelines given to the Valuation Office Agency. Again it is apparent that there is the perception in the industry of unfair treatment, this time at the hands of national government.

Consistency?

Whatever central government and local councils' views may be on these cases, they demonstrate the feelings of licensees over the difficulties they face. The pub is often seen as the heart, and indeed, the lifeblood of the rural community; but in reality many are struggling to survive. Many more will close before central and local government address the issue. It is unfortunate that local councils appear unable to offer a consistent policy on how to treat those in difficulties

as well as those who are unable to continue, as the cases referred to indicate.

Everyone favours the principle of keeping rural pubs open because of their community value, but this does not address the issue where the licensee's business is on the borderline of economic viability. Reduction in rural rate relief would be a step forward, but is this only a cosmetic solution? Possibly more remedial surgery is required.

Is the basis for calculating the rates fair given the many unique problems faced by rural pubs? Could the breweries have a more flexible policy when dealing with such establishments? Could assistance be provided by the Government in the form of some subsidy on excise duties?

Should planners be making value judgements regarding the ability of a person to run his or her business effectively, or is this beyond the remit of local government? Is the decision to refuse the change of use condemning the licensee to commercial difficulties, which could even lead to insolvency or bankruptcy, with consequent social and economic implications for the local authorities? Refusal for change of use by an authority would still not solve the problem of an ailing pub business, as in the large majority of such cases demand would remain extremely low in the present economic and political environment. The net result could be many bankrupt



DIARY OF A PROCESS PRACTITIONER

Lynn Wetenhall brings her regular column to a close with a warning against succumbing to the lure of a techniques-led approach

Technique-fixation syndrome

The audience for training and conferences on 'how to do' effective stakeholder engagement is wider and hungrier for information than ever before. If you were to invent a sexy-sounding new participative technique – let's call it 'empathetic tracking' – and put on a credible-looking training event with supporting blurb extolling the virtues and track record of said technique, you would be more or less guaranteed a sell-out audience.

You would think practitioners would be happy about this level of interest in the techniques of consultation and participation; but we are not. Instead, Eeyore-like, we are muttering in dark tones about the increasing fixation on techniques. The reasons for unease is because any practitioner worth their salt understands that effective stakeholder engagement is based on at least 80 per cent preparation, with only 20 per cent on whatever technique is used.

'Preparation' here means working through a systematic series of questions and tasks to 'design' your engagement process. This

includes the all-important but too often neglected question of 'what is the purpose of this engagement process?'. All this nit-picking, unglamorous preparation comes well before sitting down with your friendly reference guide to techniques and picking out the one you fancy.

As well as designing a process, the other key area of understanding which underpins effective process work is an appreciation of the issues arising within the agencies that are the initiators of process. For example, you could trot off and run a perfectly wonderful consultation process, but if you are naive about how your own organisation will react to the findings and what it intends to do with them (use them, bin them?), you cannot really be said to have run a worthwhile or effective engagement process.

In short, while many people mistakenly think that stakeholder engagement is about doing 'techniques', there are other areas of knowledge and skills which are actually far more important – more important because good techniques cannot overcome poor design and internal

problems in the commissioning organisation. However, conversely, good design and appropriate preparation in the commissioning organisation mean that often even the very simplest of techniques will be adequate.

So strongly do some of us feel about this that were we to be given the process practitioner's Aladdin's lamp we would wish for no-one to do training on any form of 'technique' until they had done basic training on planning and design. The sad irony for those of us who are training in this field is that selling technique-training is easy, as noted above. But persuading people that they need training on something which they haven't even heard of – 'designing process' – is far harder.

The evidence of the results of widespread technique-fixation syndrome is all too clear to see. First, there is the semi-tragic figure of the stationery fetishist. This is someone who thinks that if only enough post-it notes and pens are distributed to people in a room, effective dialogue will follow. We actually had someone the other day defining facilitation as 'when you use post-it notes'!

Then there are those who follow particular sects within the movement – devotedly promoting a particular technique in the most

businesses with premises remaining at best under-used or at worst left derelict.

The most recent development, published in the Rural White Paper by at the end of November, has given some hope for rural pubs. Mandatory rate relief of 50 per cent has been proposed. However, a general election could prevent the White Paper being introduced as a government bill. Even if it was to become part of the Parliamentary timetable, it is unlikely to become law until 2002 at the earliest. Local authorities may regard the proposals as a reason to change their policies, but in many cases this would appear to be unlikely as they already have a discretionary power but have been reluctant to exercise it in favour of rural pubs. ■

Dr John Pratten is a Principal Lecturer and Chris Lovatt is a Senior Lecturer in the Department of Business and Management Studies at The Crewe and Alsager Faculty of Manchester Metropolitan University.

Notes

1 P. Jones, J. Pratten, D. Hillier and P. Shears: 'Calling time on rural pubs?'. *Town & Country Planning*, 2000, 69, Apr., pp.115-116

2 T. Dadoun, in *ALE*, Nov. 1998 (no. 292)

3 *The Publican*, 13 Mar. 2000

4 *The Publican*, 20 Mar. 2000

5 *The Morning Advertiser*, 10 Aug. 2000

bizarrely inappropriate circumstances. And there are the camp-followers who sluttishly flit from one technique to another, depending on what training course they have just been on.

The people we feel most sorry for are those who are genuinely trying to do what is nearly always a difficult job in less than ideal circumstances, and whom we see 'drowning' in techniques. They feel unable to apply what their common sense tells them would be a sensible approach, and instead they cling doggedly to a techniques-led approach which can so often go horribly wrong.

So, by all means read about and go on training courses about techniques, but do so in the knowledge that the real art of stakeholder engagement lies the apparently less glamorous areas of designing processes and working with the realities of the agency initiating the process. And if all the techniques-oriented training suddenly disappears from the scene, you will know that I have found Aladdin's lamp... ■

Lynn Wetenhall is a Director of Projects in Partnership, a charity which promotes sustainable solutions through consultation, participation, and partnership. This is the last of her regular columns. The Editorial Board wishes to thank her for her excellent contributions over the last three years.



LOCAL EXCHANGE

David Boyle on new local loan systems for funding arts and culture

Nothing to declare but genius

To read the newspapers, you'd be forgiven for thinking that economics is all about big corporations, tax breaks, and new factories – and very little else. That's what we are given to read about, after all, courtesy of the *Times* and *Telegraph*.

Of course that isn't really the case at all. Actually, the number of new jobs created by big companies in Britain and America over the past decade – throughout the so-called Long Boom on Wall Street – has been a big 0.

As for the tax breaks and the factories, well they tend to come and go according to the latest stage of Asian financial flu.

No, the truth is that the vast majority of people are employed by small and micro-businesses, and it's those that have created the vast majority of new jobs over the past generation. And regeneration, in its pure psychological sense – the kind that lifts a city out of despair – probably has more to do with the arts and culture than it does with new factories.

The evidence since the 1980s has been that factories actually follow the arts (or schools or a good environment), not the other way around. We've known that since research more than a decade ago which showed the most important factor in where to relocate a business had little to do with tax breaks, but was about where the CEO's family happened to want to live.

Take, for example, the enormous regenerative impact of the Tate Modern and Shakespeare's Globe on the South Bank of the Thames. And, just as an aside, isn't it extraordinary that the high-brow projects – the Tate Modern, the Lowry Gallery in Manchester – have had people streaming in through the doors, while the frankly low-brow projects – the Dome, the National Museum of Pop in Sheffield – have had them staying away in droves.

There's a lesson in there somewhere, but I don't suppose anyone will learn it.

Either way, it leaves traditional bankers with a slight problem. According to the recent Cruikshank Report, high street banks have been seriously letting down small business. They're not very supportive. They don't really understand that kind of cashflow requirement.

But when it comes down to funding the arts, well they're completely at sea. If the arts are the key to regeneration, then it's not getting much help from the banks. That was the conclusion of a fascinating

new report which argues that the arts in the future could be funded with a mixture of social enterprises, micro-loans, and new currencies like LETS and time banks. The *Banking on Culture* report was written for the North West Arts Board and the European Commission, and was the result of nearly two years' research.

It suggests a range of new local loan systems for funding arts and culture, arguing that cultural businesses need a very specialist kind of support. To provide it, the report suggests a new 'Culture Bank' with local access points around the regions, but it also looks at new kinds of money that are already providing credit for small arts organisations.

One of these is a new money voucher known as @ART, developed by the Scottish-Dutch consultancy Barataria. @ARTs are credit-card sized pieces of card, with a nominal value of one euro, which can be used to buy products and services – but which can also be collected to buy a major piece of art.

There's a 5 per cent charge for redeeming @ARTs as cash – plus the value of them in circulation – and that's enough to fund the currency.

The other is Creative LETS, the highly successful new local barter currency set up with the help of Liverpool City Council and individual artists around Merseyside, which now has over 80 members – helping them get credit-free support from other artists and key services.

In some ways, this is nothing new. The art dealer Paul Durand-Ruel, the man who launched the Impressionists on their career – began with his father's stationary shop, accepting paintings in return for paints and brushes from impoverished artists.

The future looks like something similar, but much more sophisticated and much more systematic. If we want cultural cities, arts currencies may be the way forward. Maybe artists in the future can get away without the destructive reliance on cash that has tended to suck them dry through the centuries.

Maybe that means they can say, like Oscar Wilde entering the USA without too much money: 'I have nothing to declare but my genius.' ■

David Boyle is an associate of the New Economics Foundation and the author of Funny Money: In Search of Alternative Cash (HarperCollins, £6.99). See www.funny-money.co.uk. More information about this column from www.bankingonculture.com