

## **The Bishop Blaize Support Group Response to BEJ Voysey's viability report on the Bishop Blaize in connection with APP/C3105/A/13/2190714**

The BBSG would stand by all of its previous submissions to the local LPA and the planning inspectorate, and would state that NOTHING has changed in respect of the viability of the Bishop Blaize except that the building work that Mr & Mrs Noquet have carried out without first obtaining the necessary planning permissions will have decreased the value of the property further - which in turn makes the pub freehold only available now to a purchaser that is a cash buyer.

### **The Voysey viability report:**

Mr Voysey is a self-declared professional chartered surveyor specialising in the valuations of public houses, restaurants, hotels and other licensed premises as per Section 2.7 of his statement. And yet he has neither declared a valuation for the freehold for the Bishop Blaize nor disagreed with the valuation of GA Select already provided to the previous planning appeal in August 2012 of £160,000 - £240,000 if hope value is included.

It is also not at all clear how Mr. Voysey can complete a viability report without an accurate valuation of the freehold of the Bishop Blaize as it would directly affect the financial overheads for the operator. Indeed, in our opinion he cannot complete an accurate viability report when the last time that the Bishop Blaize traded was from early 2006- March 2007, for which no adequate figures are available. Without current trading figures from a professional publican, any assessment is sheer guesswork on his part.

We would however draw the inspector's attention to the BBSG comments at 9.5.1 below in respect of current trading of local pubs, and to extrapolations that can be drawn from the last published figures from the Bishop Blaize in 2005 (see below, under Detailed Comments).

### **Detailed comments**

5.3.2 There are currently no bar areas or a dining area for 24 covers in the Bishop Blaize Inn

5.3.3 There are currently no Ladies or Gents toilets in the Bishop Blaize Inn

5.3.4 There is currently NO commercial kitchen within the Bishop Blaize Inn

5.3.6 Vosyey states that there are two bathrooms at the Bishop Blaize in November 2012. In June 2009 there was only one, where is the other bathroom and why has it been installed?

5.5.1 Voysey states that the Bishop Blaize would need £30,000.00 to reinstate the pub to working order. Over the last two years, Mrs Noquet decided to remove the pub bar, walls, the ladies wc's and the pub kitchen in her attempt to force through C3 planning, instead of using the insurance money gained from the water damage in 2009 to reinstate the original facilities of the Bishop Blaize as a pub. So the cost of any re-instatement to a functioning pub has been incurred by the actions Mrs Noquet herself has taken. Indeed, the BBSG would estimate that to reinstate the Bishop Blaize from the existing format of an illegally converted house to a working pub would be in excess of £30,000.00 given the extent of



building costs which the Noquets have already incurred in the conversion to remove any last vestige of its original layout as a pub.

8.00 to 8.1.8 We would inform the inspector that there have been three recent cash offers for the Bishop Blaize that do not require Bank lending. One of the three was by the Sibford Gower Parish Council in November 2012 on behalf of the residents of Sibford. This offer was not mentioned by Voysey in his report and was a cash offer supported by the residents of the Sibfords.

*This offer was rejected by Mrs Noquet who stated that she was going to pursue other uses within the existing A4 category. Sibford Gower Parish Council also asked the LPA to register the Bishop Blaize under the community right to buy scheme.*

We should also remind the Inspector that Noquets also refused all previous offers for the Bishop Blaize Inn, the highest of which in 2007 was £575,000 when the pub first closed.

8.1.8 to 8.1.16 are all irrelevant to the Bishop Blaize (as is 8.1.17 to 8.1.30) as cash offers have been made for the freehold and have either been ignored or refused by Mrs Noquet.

8.3.1 to 8.29

8.3.1 The Wykham Arms is leased by its current operators and is not freehold, and is in Sibford Gower. The Bishop Blaize is in Burdrop a different village not as suggested by Voysey the same village. The Wykham has a smaller car park than the Bishop Blaize 19 cars not 25 as suggested by Voysey. It is currently presently run principally as a gastro pub and does not enjoy the situation or the views that the Bishop Blaize has. The Bishop Blaize would probably supply traditional pub food, and not be in direct competition with the Wykham Arms. The Bishop Blaize historically ran two dart teams a domino team, an Aunt Sally team and supported the local cricket team as well as lunch time catering for the friendship club etc (all of which were dropped by the Noquet family in the short interval they traded the Bishop Blaize)

8.3.28 The report names the Pheasant in Tysoe. There is no such Public House called the Pheasant in Tysoe or in the surrounding area.

9.21

(a) The Bishop Blaize is situated in Burdrop not in either of the other two Sibfords

(b) The Customer areas are bigger than the Pear Tree Public House. Mr Voysey has not made any estimate for the seating in Pub Garden which used to seat another 60 customers at least throughout the summer.

(c) The Bishop Blaize does not need to be any larger for the owner to make a good living. It is in a unique setting and only requires creativity, resolve and entrepreneurial flair; it already enjoys very considerable local support that has been sustained for the last six years despite every attempt by Mrs Noquet and her husband to remove the facility from its community.

(d) The Bishop Blaize has an internal Car Park for at least 21 cars a further parking area to the front which would cater for 4 more cars.



(e) We would emphasize The Bishop Blaize has what none of the other local pubs have got: a SECURE GARDEN WITH AN ABSOLUTELY BRILIANT VIEW across the Oxfordshire countryside. Many customers used to go there with their children because of its situation.

(f) Any investment is a risk. A good landlord would have no problem making a good living from the Bishop Blaize. For all the reasons we have already given above, the Bishop Blaize has every potential to be a thriving pub once again.

(g) We would prefer a private landlord who would be part of the community; the Bishop Blaize is a village amenity and should remain so. The Voysey comment about not being of interest to corporate operators entirely misses the point: there are already more than enough private buyers for the pub.

9.3.1 The Bishop Blaize was always a 'destination' pub. To be a destination pub doesn't require of it that it also be a 'gastro pub'. Many of our 500 plus supporters do not live within walking distance but up until early 2006 still made the Bishop Blaize their preferred hostelry.

The three villages collectively make up a popular and growing tourist destination that is now catered for by a number of top quality local B&Bs whose customers are always looking for a pub of the same character to eat and drink in. A restored Bishop Blaize Inn would directly complement this thriving local enterprise.

(a) The point made of the aesthetics of the front elevation entirely overlooks the broader aesthetic of the overall setting in which the Bishop Blaize sits. People are attracted by the overall reputation of a pub not simply one feature of it. And if a 'wow' factor was required, and was measured by 3 stars, the extensive view from the pub's garden alone would take all 3.

(b) There have been many offers for the Bishop Blaize with the last three offers to our knowledge not requiring any bank borrowing – and in the knowledge that the Noquet family have systematically demolished all remaining facilities that were once available to the property as a pub.

(c) The quality of the locally available food varies considerably from pub to pub, and could only profit from an extension to the variety available. Ultimately the viability of a pub is determined by what it offers, not by what its competition offers. With a professional landlord the Bishop Blaize would have no problem recovering its former popularity and viability as a pub. *It is clear from his report that Mr Voysey did not gain access to many of the pubs he visited; and in Tysoe, where he is supposed to have visited there is not even a pub called the Pheasant.*

(d) there is in any case no suggestion that the Bishop Blaize would be seeking to become a 'gastro pub'; that title can safely continue to be claimed by the Wykham Arms,

#### 9.4.1 to 9.5

Voysey is incorrect in his statement regarding the location of the pub. The Bishop Blaize is superbly situated and as previously stated was a friendly pub frequented by many people including the BBSG supporters, old scholars from Sibford Friends School, holiday makers, walkers, cyclists etc who met there to sit in the pub garden while enjoying an affordable pub meal.



Voysey states that any diversification should not be undertaken without research. The BBSG agree, but would qualify the statement by saying any diversification away from being a Public House i.e. a venture into wood burning stoves or retail operations of a similar like being run from the Bishop Blaize would need extensive research, whereas Bed & Breakfast or meetings of clubs or their members would not as they are allied to the Pub trade .

#### 9.5.1

The only accurate way of ascertaining the profitability is to trade as a pub, so in the case of the Bishop Blaize, it would be necessary to go back the figures on record for Mr Merchants last years of trading as a guide. These will be presented in detail in the following section.

Comparisons with a similar sized local pub might also be usefully drawn with the Pear Tree Inn, Hook Norton, which has had a recent downturn and recovered well. The Inn was thriving under the control of a bright enthusiastic young landlady until about 12 months ago, but with a new baby she was unable to manage both and trade fell. In April '13 she left the pub, and a manager for Hook Norton Brewery was installed; in only the 2<sup>nd</sup> week under new management, takings increased from £1000.00 to £3000.00. A new experienced tenant has now taken over the pub and is looking to achieve £5,500.00 takings per week on a wet and (simple) food based trade.

In respect of some of the other local pubs mentioned in the Voysey report and some that were omitted from the report the BBSG would comment:

- The Chandlers Arms Epwell has just been bought by the successful ex Landlady from The Chequers pub at Churchill, near Chipping Norton, which she sold for £800,000.00
- The White Swan at Wiggington has already attracted several offers and is now believed to be sold subject to contract as is the Stags Head at Swalcliffe,
- The Horse and Groom Milcombe is under new management and trading very well.
- The George & Dragon, Shutford is also trading well as is The George at Brailes, The Gate at Brailes, The Norman Knight at Whichford, and The Sun Inn at Hook Norton.
- The Red Lion at Long Compton and the Red Lion at Little Compton are both trading well with professional publicans in charge.

All the evidence is that with a professional publican in charge there is no reason why the Bishops Blaize couldn't once again take its place among them.

The Voysey Report is predicated on a hypothetical figure of £180,000 per annum takings net of VAT for the Bishop Blaize. In the BBSG 's opinion the figures for the last full year of trading at the Bishop Blaize by a known competent Landlord Mr S. Merchants are more reliable.

Mr Merchant's accounts for 2005 (the most recent available) showed a gross profit of **£102,317.00**

In 2013 the average price for a pint of real ale was around £3.10p / Lager £3.21 - an increase of 38.5% from 2005 (Appendix 1). Multiply the gross profit by 38.5% to account for beer price and food increases between 2006 to 2013 and the gross profit for the year in today's terms would rise to **£141,709.00**  
Costs amounted to £50006.00 times 38.5%..... **£69258.00**  
Nett profit **£72,451.00**





For a cash customer there would be no interest or bank charges. So add back £6,854.00 loan interest + £1,993 bank charges + £4,500.00 rates (as no rates payable) and the actual profit margin of a competent new Landlord to the Bishop Blaize would be **£85,798.00** plus virtually free housing.

The Bishop Blaize is therefore more than viable and that is why cash offers have been made for it.

#### APPENDIX ONE

According to a survey of 1,121 pubs by the Campaign for Real Ale, in 2006 pints had gone up 9p to an average of £2.24 for real ale and £2.45 for lager,

Read more <http://www.kgbanswers.co.uk/what-was-the-average-cost-of-a-pint-of-beer-and-larger-in-2006/19408753#ixzz2SVWdj7om8>

#### APPENDIX TWO

Below are a couple of very recent trading statements for two of the larger pub companies mentioned by Voysey which are cited in their report as further indication of a depressed market. These more recent trading statements give quite a different picture.

#### PRE-CLOSE TRADING UPDATE

29 April 2013

#### GREENE KING PLC

#### RESILIENT PERFORMANCE UNDERPINS FURTHER PROGRESS ACROSS ALL BUSINESSES

Greene King announces its pre-close trading update for the 51 weeks to 21 April 2013. Its preliminary results for the 52 weeks to 28 April 2013 will be announced on 27 June 2013.

Retail like-for-like (LFL) sales up 2.2%  
Food LFL sales up 2.7% and room LFL sales up 3.1%  
Average EBITDA per pub in Pub Partners up 4.6% after 48 weeks  
Core brand own-brewed volumes up 0.8%  
Expect to meet market expectations for the full year

**JD WETHERSPOON PLC**

**08 May 2013**

#### INTERIM MANAGEMENT STATEMENT

JD Wetherspoon plc ('JD Wetherspoon' or the 'Company') announces its Interim Management Statement for the period up to 7 May 2013, incorporating the 13 week period to 28 April 2013, as required by the FCA's Disclosure and Transparency Rules.

#### Current trading



For the 13 weeks to 28 April 2013, like-for-like sales increased by 6.3% and total sales increased by 9.3%. In the year to date (39 weeks to 28 April 2013), like-for-like sales increased by 6.7%, and total sales increased by 10.1%. We expect lower like-for-like sales in the final quarter of this financial year than for the year so far, given last year's final quarter like-for-like sales of 6.1%.

The operating margin, in the 13 weeks to 28 April 2013, was 8.5%, compared with 8.3% in the first half of the current financial year. In the year-to-date (39 weeks to 28 April 2013) the operating margin was 8.4%.

### **Property**

The Company has opened 16 new pubs and sold two since the start of the financial year. We have several sites under development and, in line with our last update, intend to open 30 pubs in the current financial year. It is our present intention to open approximately 20 to 25 pubs in the following financial year.



*Draft Speech by Councillor Oswyn Murray, chairman of Sibford Gower Parish Council at the Public Inquiry to be held at Bodicote House on 22<sup>nd</sup> May 2013*

My name is Oswyn Murray of Glebe Farm Sibford Gower OX15 5RT. I am a retired University Lecturer, and I speak on behalf of Sibford Gower Parish Council, of which I am currently chairman. I have read and reread all the documents submitted to this and the previous Inquiry.

We understand that the sole point at issue in the present Inquiry is the issue of financial viability of the former Bishop Blaize Public House, if it were to reopen. All other issues have been resolved as a result of the previous Inquiry. We address therefore this single issue.

We are very grateful to both valuers for their excellent reports, which summarise the issues well, and allow us to point a way forward. We are struck by the extent to which both sides seem in agreement, and their joint researches will indeed serve as the basis of the business model that we propose.

It is now agreed on both sides that the value of the property is in the region of £240-275,000 with £20-30,000 required for restoration of the equipment and fittings that have been removed. The lower of these two figures was the figure that in October last year I mentioned to the appellants in a letter as a possible basis for a village buyout; their reply was that they did not intend to sell the property as a pub. We have however ascertained that a figure within this range is indeed within the ability of the two parishes of the Sibfords to raise by public subscription, and we propose therefore to promote a bid by the community, with the assistance of the Plunkett Foundation (whom we have consulted), for the property when it comes up for sale. To that end we have submitted a registration of the property as an asset of community value with Cherwell District Council under the Localism Act.

The business plan proposed would be based on the figures researched by Mr Voysey and Mr Keane. Looking only at the final figures, the report of Mr Voysey estimates a total annual loss (including management costs) of £18,420, whereas the equally well grounded but more modest report of Mr Keane estimates an annual profit on much the same basis of £26,700, sufficient to cover management costs. The chief disagreement seems to be in the attribution of finance costs. We may however take these two estimates as a bracket within which to calculate the likely long-term viability of the pub as a commercial venture.

However the advantage of a community-led buyout is that there is no liability for finance costs (interest on mortgage or bank loan). Stripping out this hypothetical and apparently controversial sum from each calculation, on Mr Voysey's annual profit of £38,580 and subtracting agreed annual management costs of £27,000, both valuers would agree on an annual profit of a minimum of £11,580. It follows that both valuers agree that an annual profit could be made of at least 4% on a hypothetical invested capital of £300,000; and under these circumstances the public house cannot be said to be 'proven to be no longer viable in the long term' (to use the phrase in the Cherwell Plan).

We note also that the calculations of Mr Voysey are based on experience in a hard-nosed environment dealing with multiple ownership stocks of largely urban public houses, whereas that of Mr Keane is more firmly based on local rural criteria. We would agree that under Mr Voysey's criteria no sensible major chain would be likely at present to invest in any country pubs at all, for these operate in a quite different world, and offer different expectations of profit and lifestyle advantages. The comparisons with major pub-owning chains are therefore irrelevant. Recent developments in the local North Oxfordshire area have demonstrated that, when larger chains move out, smaller operators (often individual owner-occupiers) are happy to move in: witness The Gate Hangs High in Hook Norton, the North Arms, Wroxton, and the Lampet Arms in Tadmarton. Moreover the comparative figures offered

by Mr Voysey for pubs in this area (at 9.4.6) reveal that the Bishop Blaize previously had a turnover, and would still have a turnover, superior to all but one of the surrounding ten pubs still trading. It is not indeed inconceivable that, if put on the market at a realistic price, the Bishop Blaize would attract a private buyer, who would pay more than the community of the Sibfords might offer. But that remains to be tested, since the property has never yet been offered at a realistic price.

The Parish Council would suggest that, if the village owned the pub, it seek to promote it more positively outside the straight commercial categories of local wet led, destination food led, destination pub restaurants (gastro) as operated by trade valuers. We would view it as a family-led business, designed to attract both regular local trade and families from a wider area desiring a meal out at a price of less than £10 a head, with a garden where children could play and an outstanding view unmatched in the area.

To repeat parts of our submission to the previous Inquiry, the restoration of the public house is crucial to the villages in the following respects:

The pub was and would always have remained central to the interaction of the three villages. Without its existence the three communities tend to fall apart. It is here that societies naturally meet, and where functions of clubs and social groups have always taken place. The pub was sponsor of the local cricket club and the scene of entertainment of visiting teams after the match. The Fielding Centre for helpers of the elderly had regular meetings there; as did the Local Farmers Club, and the Village Hall Committee. It was welcomed by parents as a safe place for teenagers to congregate; it ran the bar at the Village Fayre and other events. Circular walks in the Sibfords began and ended from the car park and the pub. There were monthly quiz nights, regular darts events, folk/blues nights, fish and chips nights, and village treasure hunts for children starting and ending at the pub. The pub was the most successful in the area, recommended by CAMRA and a busy and important community asset for all ages; with its large garden and friendly informal food it was especially favoured by families. The majority of these activities have failed to find a satisfactory venue since its closure.

Sibford Ferris has no pub or public meeting place; Burdrop provides the link between the three villages with the village hall and the pub. Sibford Gower does have another pub, the Wykham Arms: this is an excellent gastropub or upmarket restaurant with a busy trade from within and outside the village and for more special occasions; but its prices are correspondingly high (up to £40 a head for a meal with drinks), and with limited interior and outside accommodation it could never serve as a satisfactory meeting place or place for simple meals and family entertainment on a regular basis. Currently some villagers resort to The Gate Hangs High in Hook Norton which offers such services, but has no satisfactory garden and is too far away to become a regular centre for the villages.

Since 2011 the two Sibfords have together published an independent Parish Plan with the encouragement of the Parish Councils. One important aspect of this Plan sees the villages, given their remoteness and poor communications, not as dormitories for the M40 or Banbury commuters, but as a vibrant self-sufficient economy with home based and small scale industries and consultancies. The Plan has ascertained that there are already a total of 61 small businesses in the two parishes of Sibford Gower (29) and Sibford Ferris (32); we are actively seeking a small business park in the area. The most important business in the Sibfords is the independent Sibford School, who could be engaged in the revived pub, which might offer opportunities for work experience for sixth formers and a place of entertainment for visiting speakers. In sum the Bishop Blaize is ideally situated to offer a central focus for the business community by means of meeting rooms and networking clubs with business breakfasts and lunches.

Seven of these businesses involve either Bed & Breakfast or holiday lets, and almost half of respondents to the questionnaire (318 out of 647 respondents) emphasised the importance of attracting more visitors to the Sibfords. It is our intention as a Parish Council to promote the area especially in future as a tourist destination for nature holidays in an Area of Outstanding Natural Beauty (bird watching, badger watching) and activity based holidays such as cycling, walking and pony trekking. The Bishop Blaize pub has an important potential role to play in this vision: it could provide accommodation for visitors; it has sufficient land to offer grazing for ponies. The Parish Council, along with Sibford Ferris PC and many villagers, were supportive of the present owners when they put in an application (Planning Application no 09/01275/F) for en suite holiday letting, on condition that it was associated with the reopening of the pub. The applicants withdrew their proposal without explanation.

The Sibford Gower Parish Council has recently acquired use of two plots of land close to the Bishop Blaize for the purpose of creating allotments. It goes without saying that the holders of these allotments would benefit enormously from the ability to rest from their labours, and hold meetings, at an adjacent hostelry.

In our view the pub when reopened could serve as the hub for a whole range of both old and new village activities for the three villages combined, and we know that Sibford Ferris Parish Council supports us in this.

