



Conversions and the Economic Use Test

Purpose

The National Park Authority is keen to retain existing tourism facilities, shops, public houses and economic services wherever possible. Within the National Park there are number of traditional and non traditional buildings which are no longer required for their original purpose. Many of these buildings are likely to be suitable for re-use for economic purposes which can operate without affecting the special qualities and tranquillity of the Park. The National Park Authority is keen to ensure that opportunities for re-use for these activities is prioritised over the conversion for residential use as this does not benefit the economic vitality of local communities but is often a more financially lucrative option for the individual property owner. The Authority also recognises the importance retaining local services has on the continued vitality and sustainability of settlements.

The advice set out will apply to existing commercial enterprises (employment generating uses) and community facilities where change of use for permanent residential use is proposed.

The purpose of the advice note is to provide guidance in two circumstances, firstly where proposals are for a change of use of established 'enterprise uses' and secondly where a proposal is for a change of use to a redundant building, which is not yet in 'enterprise use'. The advice note will set out in detail what information applicants will need to supply to the National Park Authority with any formal planning applications of this nature.

Background

Within the North York Moors National Park community facilities like, shops, chapels, Post Offices and Public Houses often serve a network of small communities and are therefore considered an essential part of sustaining inclusive communities. Due to the nature of the Park there are limited opportunities for economic growth and therefore there is also a need to try and retain enterprises that offer employment opportunities for local people where possible.

Background Continued ...

The National Park Authority receives many enquiries relating to the conversion of these properties for residential use, however there may be other opportunities for their continued or alternative uses which would continue to sustain the viability and provide employment opportunities for those living in the community. It is therefore necessary for a robust marketing exercise to be carried to ensure that potential uses are fully considered before valuable facilities are lost.

National Policy Framework

The English National Parks and the Broads – UK Government Vision and Circular 2010 contains the objective to foster and maintain vibrant, healthy and productive living and working communities. The Circular goes on to emphasise the necessity of a diverse and balanced economic base.

Planning Policy Statement 4 'Planning for Sustainable Economic Growth' says that Local Planning Authorities should support the conversion and re-use of appropriately and suitably constructed existing buildings in the countryside (particularly those adjacent or closely related to towns or villages) for economic development. Policy EC12 says that the re-use of buildings for economic development purposes will usually be preferable, but residential conversions may be more appropriate in some locations and for some types of buildings.

North York Moors National Park Authority Core Strategy and Development Policies

Development Policy 11 states that proposals for the re-use of existing employment sites and training facilities for other purposes will only be permitted where the premises are not capable of beneficial re-use for economic purposes or the new use would result in a significant improvement to the environment or to access and highways arrangements, which outweighs the loss of employment land. The supporting text of the policy goes on to say that in exceptional circumstances the retention of an employment/training facility may no longer be viable as it cannot be re-used for alternative employment purposes or the activity is having an undesirable impact on nearby users. In these circumstances applicants will need to adequately demonstrate the limitations of the current building to the Authority and to demonstrate through an appropriate marketing exercise that re-use for economic purposes is not viable.

Development Policy 15 Loss of Existing Tourism and Recreation facilities says that proposals that would result in the loss of an existing tourist or recreation facility will only be permitted where it can be demonstrated, to the satisfaction of the National Park Authority, that the business is no longer viable. The supporting text goes on to say that the Authority seeks to retain existing facilities unless it can be robustly demonstrated that the business is no longer viable, through the submission of relevant financial information.

Core Policy I says that the loss of community facilities will be resisted unless it can be demonstrated that it is no longer suitable or viable for a community use. The supporting text goes on to say that the access to community facilities and services are considered an essential element of sustainable and inclusive communities.

Development Policies 5 and 8 will also need to be taken into consideration where an application seeks to convert a listed building or traditional unlisted building.

Which Uses Will the Viability and Marketing Tests Apply To?

Applicants will need to apply the viability and marketing tests when they wish to change existing community facilities/economic uses into permanent residential use and includes the following:-

- Public Houses
- Shops
- Churches/Chapels
- Schools
- Village Halls
- Tourist Facilities
- Recreational Facilities
- Other Employment Uses

Which Uses Will the Viability and Marketing Tests Apply To? Continued ...

It should be noted that holiday letting and local needs letting are considered to be an economic use and therefore in circumstances for the change of use to this purpose the viability and economic use tests will not be applicable.

For the purposes of clarity all these uses shall be referred to as an enterprise in the remainder of the advice note.

Demonstrating that the Building is Unsuitable

In exceptional circumstances it may not be possible to convert an existing building for economic use due to very specific restraints for example being in close proximity to dwellings.

The applicant will need to provide details outlining the particular locational and/or structural constraints relating to the property. On receipt of this information the National Park Authority may conclude that it is not necessary to carry out the viability and marketing assessments, however this is likely to be a very rare occurrence.

Demonstrating that the Enterprise is No Longer Viable

In the case of community facilities, schools and religious buildings information will be required about alternative available facilities in the proximity, user numbers etc which adequately demonstrate that the building is surplus to requirements.

In cases where the proposal is for the conversion of an existing commercial premises applicants will be asked to supply trading accounts over a period of 5 years for the existing enterprise. Depending on the nature of the enterprise this may need to be broken down into different components of the business. This information may then be assessed by an independent financial appraiser appointed by the National Park Authority. The details provided will remain confidential throughout the determination of the planning application and will be retained on our records as such.

Marketing Requirements

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;

1. The use of an established commercial agent
2. Advertising in the local and regional press as follows

Usually a minimum of one advert per month in at least one of the following local newspapers depending on the location of the property in question:

- Whitby Gazette
- Malton Gazette and Herald
- Darlington and Stockton Times
- Scarborough Evening News
- Middlesbrough Evening Gazette
- Or any other paper, which can be shown to provide coverage of the area in question.

A minimum of two adverts over the marketing period in a relevant national publication e.g. Dalton's Weekly, Estates Gazette.

3. Where appropriate, registration of the availability of the property on the relevant Local Authority Commercial Property Database (see contacts section for further details).

Applicants will be asked to provide details of the marketing particulars including the details of the agency with which the property has been marketed and the asking price. The National Park Authority will also request written details of all enquiries received and the reasons why potential buyers/leaseholders found the buildings to be unsuitable or why proposed offers were not accepted. In some circumstances the National Park Authority will need to seek independent advice as to whether a realistic sale price or leasehold rent has been set.

Determining the Planning Application

The National Park Authority will need to be satisfied that the viability and marketing exercises have been carried out robustly and in accordance with the criteria set out above. Where reference is made to the availability of other buildings for economic purposes the National Park Authority will need to make a judgement about whether comparisons may be drawn, for example the availability of a modern industrial unit is likely to cater for a different user to that of a converted farm building.

Contact Lists

Scarborough Borough Council

Estates Assistant
Estates Services
Town Hall
St Nicholas Street
Scarborough
YO11 2HG

Email: estates@scarborough.gov.uk
Telephone: 01723 232412

<http://business.scarborough.gov.uk/Default.aspx?page=6849>

Ryedale District Council

Asset Management Officer
Ryedale District Council
Ryedale House
Malton
YO17 7HH

Telephone: 01653 600666

www.York-england.com

Hambleton District Council

Economic Development Officer
Hambleton District Council
Civic Centre
Stone Cross
Northallerton DL6 2UU

Telephone: 01609 767050

http://www.hambleton.gov.uk/business/commercial_property/commercial_lettings/register.htm

Redcar and Cleveland

Redcar and Cleveland Borough Council
Belmont House
Rectory Lane
Guisborough
TS14 7FD

Telephone: 01642 774774

<http://www.redcar-cleveland.gov.uk/main.nsf/Web+Full+List/D305CFBAB8AF8F1A80256B8F0039254F?OpenDocument>