

SUSTAINABLE ECONOMY SPD



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Worthing
BOROUGH COUNCIL



Sustainable Economy SPD

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1 Introduction

Purpose and Objectives

1.1 The Worthing economy has many strengths. There is a strong manufacturing base with a number of key employers, as well as a significant service sector led by large public sector employers and financial firms. The town is also a sub-regional shopping centre and a place of leisure and entertainment. In addition, tourism has long been important sector of the economy and short breaks, events held in the town and corporate demand help to generate business for the town's hotels and guesthouses.

1.2 A key objective of the Core Strategy is retain and build on these strengths to help deliver a Sustainable Economy for Worthing to promote and establish an environment that encourages and supports economic vitality. The Core Strategy recognises that Worthing needs to achieve a healthy, vibrant and diverse economy and the Council is committed to working with its partners to deliver this in a sustainable manner. The approach is one which seeks to ensure that the right amount and range of premises and sites are available and delivered in sustainable locations to meet the needs of the local economy.

1.3 At the local level there is a need to ensure that sufficient employment sites can come forward to maintain Worthing's economy and to allow for its growth and regeneration. Existing employment sites are an important part of the overall land supply and it is important that these sites, if appropriate, are retained. However, there is increasing pressure being placed on employment land from residential uses and this is further exacerbated by the physically constrained nature of the borough and potentially through future changes to planning legislation. It is therefore vital through the Core Strategy and this SPD that the Council has a clear, balanced and evidenced approach to ensure that appropriate employment sites are retained.

1.4 This Supplementary Planning Document (SPD) supports the Council's planning policies 4 and 5 of the Core Strategy (April 2011).

Policy 4 - Protecting Employment Opportunities

1.5 This policy requires any potential loss of an employment use to be justified through an assessment against relevant criteria. This SPD provides clarity on the circumstances where change of use or redevelopment to alternative uses may be appropriate and the criteria which would have to be satisfied in order to obtain planning permission for these alternative uses. It also seeks to ensure that the loss of any existing employment site (land or premises) is not at the expense of the local economy.

Policy 5 – The Visitor Economy

1.6 One of the key aims of this policy is to retain the existing stock of visitor accommodation in Worthing unless it can be satisfactorily demonstrated otherwise. This SPD gives guidance to applicants as to the type and level of information that will be required for any such assessment to be undertaken.

Overview

1.7 The starting point of this SPD will be to retain suitable and viable sites in employment use or as visitor accommodation. However, it is not the intention of the Council or this SPD to stifle economic growth but to ensure that the needs of the local community are met. Premises/sites in a use for which there is no viable future may not necessarily have to be retained, however, it is important to protect those that do have a viable future. It is essential to the long term economic welfare of the town to have a flexible supply of sites and premises to meet the needs of business when the economy begins to grow as experience shows that once employment premises are lost to higher value uses they are gone forever.

1.8 This SPD sets out how the Council will deal with any application that proposes the loss of any site/premises (through redevelopment and/or change of use) for employment or visitor accommodation and the assessment that will be undertaken to establish whether those existing sites/premises/accommodation contribute to the supply of valued sites and premises and whether they should be afforded protection. The guidance included in this SPD (and appendices) sets out clearly the criteria that would be used to assess relevant development proposals and lists the type of evidence that would be expected to support any relevant application. However, it is acknowledged that, depending on the nature of the proposal, the full extent of these requirements may not be necessary to support all applications. The applicant should at an early stage seek to agree with the Council any variation in the level of information required.

Using this Guidance

1.9 This guidance is aimed at prospective applicants for planning permission to change the use of, or redevelop, business land and premises and visitor accommodation for residential or other purposes. It sets out the information the Council will require to assess such applications and the reasons why such information is sought. It will also help prospective applicants establish whether they have a reasonable case for the loss of the business land and premises or visitor accommodation.

1.10 Planning applications will normally be assessed against these guidelines and criteria contained within, together with other relevant policies contained within the Core Strategy. Proposals will only be permitted if the relevant guidelines, criteria and policies 4 and 5 have been satisfied, along with any other material considerations. This guidance will be used consistently in all cases where policies 4 and 5 apply regardless of size, location and condition of premises.

National Objectives and the Core Strategy

1.11 The Government has stated that in determining planning applications, local planning authorities are obliged to have regard to all relevant considerations. They should ensure that they give appropriate weight to the need to support economic recovery, that applications that secure sustainable growth are treated favourably (consistent with Planning Policy Statement 4), and that they can give clear reasons for their decisions. The Government economic agenda is one which seeks to encourage enterprise through a variety of measures including the relaxation of planning controls and allowing the market more freedom to determine appropriate development.

1.12 Different localities face different issues and problems and, as such, each area must have the ability to consider what is the right course to address them. The Local Development Framework process has required local research to be undertaken to understand the specific local issues that need to be addressed in the production of the Core Strategy that sets out the overall vision and strategy for place-making in the Borough.

1.13 In July 2009 WBC commissioned Knight Frank LLP to undertake economic research into the supply and demand of employment space within the Borough as an aid to formulating policies within the Local Development Framework. This report updated the 2005 Employment Land Review produced by Step Ahead Research Ltd and took into account the prevailing property market conditions prevailing in Worthing, as well as an assessment of how the local economy is set to change in future years.

1.14 Informed by this evidence, and in collaboration with the local community, the Core Strategy sets out how to meet the identified local need for jobs, housing, social and community and visitor facilities in a sustainable way. A number of Supplementary Documents (SPD's) are now being progressed to provide more detail and guidance for particular policy/planning issues facing Worthing. The Core Strategy policies dealt with in this Supplementary Planning Document (SPD) are considered to be based on robust evidence, supported by key local stakeholders and the wider community and are in line with the national agenda.

Sustainability Appraisal (SA) Screening

1.15 Consideration has been given as to whether an independent SA would be required for this SPD. It has been concluded that the Sustainability Appraisal undertaken for the Core Strategy will have already adequately covered the issues dealt with in this document. This document seeks to add clarity to policy and not add or set new policy or targets.

Consultation

1.16 The Core Strategy policies subject of this Supplementary Planning Document (SPD) have already been the subject of significant consultation as part of the Local Development Framework process. This has involved a variety of consultation methods with a wide variety of groups and individuals. Ultimately, the Core Strategy and the policies contained within were subject to a rigorous examination in public and found to be sound. This SPD does not add or set policy but rather provides greater detail to developers and applicants as to the evidence needed to fulfil the requirements of Core Strategy Policies 4 and 5.

1.17 This Draft SPD was subject to internal consultation with key Council departments and to wider public and stakeholder consultation for 6 weeks between Friday 19th August and 30th September 2011. A report was taken to the Joint Planning Committee on 13 September informing Members of the progress on the SPD. Comments received were then summarised within a report which, together with officers' responses to these, was then considered at Worthing Planning Committee on 23 November 2011. The revised SPD was then considered by Joint Planning Committee on 17 January 2012 before the Cabinet Member for Regeneration was asked to sign off the approved SPD.

2 Criteria to assess planning applications involving the proposed loss of employment space

Part 1 - The Employment Policy

Core Strategy Policy 4 - Protecting Employment Opportunities

2.1 Worthing's existing employment areas will continue to play a fundamental role in the economy of the town. Research indicates that there is no justification for the release of any industrial estates or business parks (Knight Frank Economic Employment Land Research - Oct 2009). Although the quality of the floorspace on offer varies, occupation rates are generally high. To ensure that an adequate supply of employment space is retained the Core Strategy seeks to protect existing employment generating sites and premises whilst encouraging, where appropriate, their improvement or redevelopment to meet the current and future requirements of the local economy.

2.2 The key industrial estates and business parks will be protected and these are listed in the policy below. However, as supported by recent research, outside of these areas there will still be a presumption against the loss of land/buildings currently in employment use or last in use for employment purposes. However, there may be circumstances where some loss of employment floor space may be acceptable if it would allow for the redevelopment of existing premises for employment use. Any proposed loss of employment floor space will need to be justified through a process which will seek to ensure that all reasonable steps have been taken to maintain the existing use. Where it is demonstrated that it is not viable to maintain the existing use then options for alternative employment uses will need to be explored before non-employment uses would be considered. For the purpose of these policies employment uses include B1, B2, and B8 use classes.

2.3 Policy 4 of the Core Strategy - Protecting Employment opportunities has two parts. Part 1 of the policy affords strong protection to all those identified Industrial Estates and BusinessParks. Part 2 of the policy deals with all those employment sites/premises, that lie outside of those protected areas. This SPD mainly deals specifically with Part 2 of the policy and it will apply to all employment sites/premises regardless of size or condition. It should be noted that there maybe exceptional circumstances where a site identified under Part 1 of the Policy may be considered under the principles of this SPD, where that situation arises the criteria outlined here will be even more rigorously applied.

Policy 4

Protecting Employment Opportunities

Safeguarding existing employment areas. The following key industrial estates and business parks will be protected:

- BroadwaterBusinessPark
- NorthbrookBusinessPark
- Northbrook Trading Estate
- Canterbury Road (including Garcia Trading Estate)
- DownlandsBusinessPark
- East Worthing Industrial Estate
- Faraday Close
- GoringBusinessPark
- Ivy Arch Road
- Meadow Road Industrial Estate
- Yeoman Way

The following key office locations will be protected:

- Liverpool Terrace / Liverpool Gardens
- Chatsworth Road
- North Street / High Street
- Railway Approach
- Crescent Road
- Farncombe Road

2. Outside the protected employment areas the conversion or redevelopment of land and buildings currently in employment use or last used for employment purposes will be resisted unless it can be satisfactorily demonstrated that the site (or part of the site) or premises is genuinely redundant and is unlikely to be re-used for industrial or commercial use within the Plan period, having regard to the following factors:

- **The site, with or without adaptation, would not be capable of accommodating an acceptable employment development.**
- **No effective demand exists or is likely to exist in the future to use the land or buildings for employment generating activities. Consideration should include the length of time the property has remained vacant, the attempts made to sell/let it and the demand for the size and type of employment premises in the area.**
- **The condition of the property and the works required to make it suitable for an employment use, either through refurbishment or redevelopment, would be uneconomic.**
- **The loss of a small proportion of floorspace would lead to a significant upgrade of the remaining employment floorspace.**
- **The existing use conflicts with neighbouring uses.**

Policy Criteria to Assess Planning Applications involving the loss of employment space (B1, B2 and B8) outside protected Industrial Estates and BusinessParks

2.4 The Council will assess all applications for the redevelopment of employment sites/premises on their individual merits (for the purpose of this policy employment uses are defined as B1, B2 and B8 of the Town and Country Planning Use Classes Order 2005). **However, the Council's starting point will be to retain all employment sites/premises that are considered suitable, in land use terms, for continued employment use.**

2.5 This SPD adopts a sequential approach towards proposals for the redevelopment of employment land:

- To retain suitable and viable sites in employment uses as the first preference in all cases;
- Where a site is not deemed suitable and/or viable against the tests in this SPD, then the preference is for other employment-generating uses (B class uses) on the site (subject to other material planning considerations) and/or a mixed use development which can be used to cross-subsidise the delivery of new employment uses as part of the site;
- To consider alternative employment generating uses outside of the 'B' use classes.

When is the evidence required?

2.6 Planning applications for the proposed loss of employment as described above, should be accompanied by the evidence demands set out below. Applicants need to address all issues. Failure to do so could lead to the application not being accepted by the Council for registration. If an applicant is not able to provide evidence on a particular issue or considers that the issue is not relevant to the application they should provide their detailed reasons for this in writing at the time of submitting the application.

What evidence will be required?

2.7 The Council will need to have sufficient evidence provided by the applicant in order to properly consider any proposed loss of employment space. The key questions are:

- Is the site/premises redundant?
- Is the current use viable?
- Has sufficient and effective marketing been carried out?
- Have all employment alternatives been fully explored?

2.8 The following paragraphs explain what type of evidence is required and why it is needed. If you have any queries you are advised to contact the Council in advance of submitting any application to ensure that the application is dealt with as efficiently as possible.

Definition of genuine redundancy

2.9 For the purposes of understanding and interpreting Policy 4 it is important to understand what is meant by 'genuine redundancy'. The Council defines 'redundancy' as being 'no longer needed'. When an applicant has demonstrated that an employment use of land and premises is no longer needed, and is unlikely to be needed in the future then the Council will accept that genuine redundancy has been established.

2.10 It will not be sufficient for an applicant to argue that the condition of a building is in a state of disrepair and therefore 'redundant'. The Council will expect the applicant to have fully explored different options for maintaining the employment use of the site, to meet local market requirements, before any application for loss of the employment use can be considered.

Existing employment use

2.11 Where an applicant is seeking to demonstrate that an existing employment site is not suitable with or without adaptation, in land use terms, for continued employment use, the Council will expect a planning application to be accompanied by a detailed supporting statement that seeks to demonstrate that this is the case.

2.12 In determining the application, the Council will come to a view as to whether the site is suitable for continued employment use taking into account the evidence supplied in the supporting statement. It should be noted that in determining a site's/premises suitability in land use terms, the Council will take into account the fact that there are considerable differences between employment uses. For example, although one use may, at present, cause amenity issues, this does not necessarily rule out the ability of the site/premises to accommodate a less disturbing employment use.

2.13 Where consideration is being given to alternative uses of employment land or premises, any such proposals must ensure that the proposed use does not conflict with the character of the surrounding area and other policies and proposals within the LDF, or any other material considerations.

Demand for the site, marketing and evidencing redundancy

2.14 It is important that the potential for all employment uses are considered for the site before planning applications are made for non-employment uses. Where a business is coming to the end of its economic life or has ceased trading altogether, the Council will expect the site to have been marketed for both its existing and other employment uses 'subject to the relevant planning permissions' in the first instance.

2.15 The applicant will be expected to have undertaken a marketing campaign to determine the demand for the site from business occupiers. **Until this has been undertaken, change of use will not be considered.** There are two stages to this marketing process which applicants should follow:

- Marketing the re-use of the site for its current use (consideration should be given to whether some minor amendments/alterations could help improve marketability);
- Marketing the redevelopment of the site for employment purposes.

2.16 Existing employment land or premises which are currently not in use are not, by definition, genuinely redundant and should be marketed for employment use before they can be considered for an alternative use. A lesser financial return on investment relative to other development or reuse options will not be sufficient to justify the site not continuing to be available for employment use.

2.17 Following any initial enquiries with the Council, the first step is to conduct the marketing strategy as set out in Appendix 2. The strategy should be up to date and relevant to the current owner of the property not partially carried out by a previous owner or out of date.

Lack of Market Interest

2.18 The Council will normally expect employment land and premises to be actively marketed for at least 12 months (small sites) and 18 months (large sites) and it may be necessary to review the effectiveness and quality of the marketing strategy every 6 months. It is accepted that the scale and nature of the proposal will influence the appropriate level of marketing time and this should be agreed in discussion with the Council officers. In exceptional circumstances a shorter marketing period may be agreed subject to compliance with other requirements within this SPD.

2.19 A simple statement, such as “the site has been on our books for 12 months and no interest has been expressed”, will not demonstrate genuine redundancy. The Council requires greater detail on which to make a judgement. Typically this will include a breakdown of the marketing strategy which should be prepared by a suitably qualified professional, such as a Chartered Surveyor who is active within, and familiar with, the Worthing employment land market. The marketing strategy should bring the availability of the site to the notice of the local business community and where appropriate to the regional and national market and should include the elements outlined in Appendix 2.

Redevelopment for Employment Purposes and Viability

2.20 There may be instances where an applicant can demonstrate that there is no demand for an employment site in its present condition and that the site’s buildings are of a state that they would be unsuitable for continued employment use. In such cases, it is important to recognise that the value offered by such sites does not arise solely from the existing buildings but from the potential the site offers as a suitable location for future employment uses. The Council will therefore, expect an applicant to provide evidence that they have carefully considered how the site could be refurbished or redeveloped for employment purposes and that they have marketed it accordingly.

2.21 Furthermore, although the retention of the site in employment use may not be viable at a particular moment in time, the economics of development may change and refurbishment/redevelopment for employment uses could potentially become a viable proposition in the future. In this respect, such sites are still considered to have value as an employment resource.

2.22 In view of this, applicants will be expected to clearly demonstrate in a supporting statement accompanying the planning application, why they consider that new employment development cannot be achieved on site for reasons of financial viability. The Council will give full consideration to the evidence submitted. **It may be that independent advice on the information provided may need to be sought and the applicant will be expected to pay the Council’s expenses for this.**

Criteria to assess planning applications involving the proposed loss of employment space

2.23 There are two stages to establishing that a site is in such a poor condition that it is uneconomic to either refurbish or redevelop it for employment purposes:

- Establish from marketing that prospective occupants are not proceeding with the purchase because of the condition of the premises;
- Establish that the costs involved in refurbishing or redeveloping the site for employment use are greater than the return that could be anticipated.

2.24 The Council is unlikely to concede that the site is in poor condition unless this conclusion can be drawn from site marketing evidence. In considering marketing evidence the Council will pay particular attention to the market price at which the site has been offered. It will expect the price to reflect the current state of the property.

2.25 The following evidence will normally be required to demonstrate a case that the costs of refurbishment/redevelopment exceed the likely returns from the site. The level of information expected will depend on the nature of the development:

- A full structural survey of the existing premises highlighting the matters that require refurbishment or which are incapable of refurbishment. This survey should be prepared by a suitably qualified professional consultant;
- A survey of the site from an operational point of view indicating any exceptional or site specific costs. These costs to be prepared by a suitably qualified professional consultant;
- A detailed cost breakdown of the works required to refurbish/redevelop the site. These costs to be prepared by a suitably qualified professional consultant;
- Written evidence from 3 recognised separate financial institutions of the likely cost of borrowing over a fifteen year period to fund these costs;
- Written evidence from 3 recognised separate financial institutions that they would not be prepared to advance finance for refurbishment/redevelopment, with the applicant to bear any costs involved in obtaining this information;
- An indication (in the case of a prospective landlord) that the anticipated rate of return from the premises would not cover the costs of refurbishment/redevelopment;
- An indication (in the case of a prospective owner occupier) that the level of income needed to cover both the costs of refurbishment/redevelopment and other necessary overheads would be unsustainable.

2.26 The Council will seek to verify any such information submitted under these criteria. It is recognised that some of this information is of a confidential nature and the Council will take steps to ensure that it is not made publicly available or used for purposes other than those set out in this SPD.

2.27 Where it can be demonstrated that redevelopment for employment purposes alone cannot be achieved on financial grounds, the Council expects applicants to consider:

- Approaching support agencies to see whether additional funding may be available to assist the redevelopment;
- Preparing alternative schemes which can deliver some employment floorspace on the site.

Consideration for Mixed Use

2.28 There may be instances where a site's sole use for its existing employment purpose is no longer viable (and this has satisfactorily demonstrated in accordance with the criteria set out in this SPD). In such cases the Council will expect applicants to have examined the possibility of developing either mixed use schemes or other elements including some residential to cross fund development.

2.29 In assessing such proposals the Council will normally expect, at least, the equivalent amount of employment floorspace to be delivered on site as exists under the present use. Where this cannot be achieved the Council will expect that the other elements of the scheme should be the minimum necessary to support a viable employment development on the site. Applicants will be required to submit a reasoned justification as to why the employment floorspace cannot be replaced in full.

2.30 When determining the proportion of the overall site to be developed for employment uses the Council will assess the individual merits of each case, but in doing so will take account of the employment resource being lost and the potential level of employment that can be achieved within the mixed use development.

2.31 If a mixed use scheme is pursued, then any planning permission granted, subject to other material considerations and those items detailed in this SPD, will be conditional on the delivery of the employment uses on the site which is linked to the higher value use/s. It will normally be expected that the employment element will be required to be constructed in advance of the higher value uses. In other cases appropriate conditions (attached to the planning permission) relating to the phasing and delivery of a scheme will be used to ensure that all elements of the development are delivered.

Non B-class uses Development

2.32 If an applicant/agent considers that an employment scheme can only be made viable by incorporating a residential element to the scheme, then it should be demonstrated why a non-residential mixed-use development, including employment floorspace, is not feasible on a particular site. The evidence required should include relevant cost information as detailed in the viability section of this SPD. Where this is satisfactorily demonstrated careful consideration will need to be given to any residential amenity conditions applied to residential development proposals to ensure they are satisfactory and that there would be no unacceptable impact on the operating conditions of existing and potential businesses (i.e. businesses that could locate there within the same use classification).

2.33 Any outline approval granted for residential development on an existing employment site will normally be conditioned to ensure that any subsequent reserved matters conform with the agreed approach, whether that be in relation to a mixed use proposal or through the conversion for other employment generating uses.

Conclusion

2.34 The Council does not wish to reach a position where its regeneration efforts in the local economy are threatened by a lack of sites which are genuinely available for employment uses. Where existing employment sites are to be redeveloped for other uses this SPD will be used to determine which sites are genuinely redundant for employment purposes.

3 Criteria to assess planning applications involving the proposed loss of visitor accommodation

Part 2 – Core Strategy Policy 5 - Visitor Economy

3.1 This policy seeks to support the visitor economy by retaining, upgrading and enhancing visitor attractions and accommodation and encouraging the provision of new tourism and leisure facilities and visitor accommodation.

Core Strategy Policy 5

Policy 5

The Visitor Economy

The retention, upgrading and enhancement of existing visitor attractions and visitor accommodation to meet changing consumer demands will be supported.

The Council will support suitable new tourist and leisure facilities, with a particular focus on the town centre and seafront area. The aim is to enhance the visitor offer to support the regeneration of the town and help to reduce seasonality.

The Council will work with partners to support the role of the arts, creative industries and sustainable tourism sector in creating a modern and exciting environment that will attract more visitors to the town.

The existing stock of visitor accommodation will be safeguarded unless:

- It is demonstrated that the loss of some bed spaces is the only way of improving the standard of the existing accommodation
- Having undertaken an assessment of viability it is accepted that the current use is non-viable. If this is the case, alternative tourist / leisure / visitor uses would need to be considered before a non-tourism related use would be accepted
- Alternative uses will be considered on the basis of whether they enhance the role of the visitor / tourist economy and vitality of the seafront and town centre area

Visitor Accommodation

3.2 The tourism sector is a vital component of Worthing's economy. A report published by the British Hospitality Association (Oct 2011) estimated that in Worthing 3,388 people were directly employed in the hospitality sector. This makes up 6.9% of the total economy employment in the Borough.

3.3 In order to support the tourism sector there is a need to provide quality accommodation for a variety of visitor needs, ranging from the lower budget to more 'high end' corporate requirements. This sector is seen as a valuable employer for the borough but over recent years some of the accommodation stock in the town has become vulnerable to market forces, most notably losses to residential uses.

3.4 Research (Coastal West Sussex Accommodation Report - Sept 2008) indicates that there is potential to deliver a wide range of accommodation to meet the current and forecast needs of visitors. Studies show that there is a strong market demand for budget hotels and good quality guesthouses / B&B's. There is also the potential to provide a three star hotel, boutique/spa style accommodation, serviced apartments and pub accommodation. The widening of the accommodation offer will help to bring visitors to the town all year round and may encourage them to stay longer.

3.5 Supporting existing visitor accommodation by repositioning and upgrading the offer will be critical to the future success and development of this sector. The approach is one that seeks to enhance and protect existing facilities unless it can be demonstrated that some small loss of accommodation is the only way to provide an overall improved standard. Where it is no longer viable to continue the existing use, alternative leisure/visitor uses will be explored before loss to a non-tourism use would be accepted.

3.6 This SPD deals specifically with existing stock and any applications that seek the loss of existing visitor accommodation to other uses. The starting point is Tourism South East guidance as recommended by the study commissioned to support the Core Strategy policy approach.

3.7 Although the hotel and guesthouse market and forecast demand is relatively strong in Worthing it is acknowledged that some establishments are experiencing challenging times during the current economic climate. The Council will assess all applications for the loss of visitor accommodation on their individual merits. **However, the Council's starting point is to protect existing stock for which there is a viable future.** Where it can be demonstrated that the existing use is no longer viable consideration will be expected to be given to suitable alternative leisure/visitor uses before a non-tourism use would be accepted.

Which establishments are included?

3.8 This SPD specifically relates to hotels and guesthouses and bed and breakfast establishments that require planning permission. However, establishments which may require planning permission but are small in nature for example; one or two rooms in a house for guests that share facilities with a family would be subject to a lesser assessment. If there is any doubt as to whether a proposal would be subject to a fuller or lesser assessment please contact the Council's Development Management team or the Tourism Development and Marketing Officer.

When is the evidence required?

3.9 Planning applications for changes of use of hotels and guesthouses/bed and breakfast establishments should be accompanied by the evidence set out below. Applicants need to address all issues. Failure to do so could lead to the application not being accepted by the Council for registration. If an applicant is not able to provide evidence on a particular issue or considers that the issue is not relevant to the application they should provide their detailed reasons for this in writing at the time of submitting the application.

What evidence will be required?

3.10 The requirement to submit evidence set out below applies to the whole borough. However, the council does recognise that the information required maybe onerous for very small establishments to provide. It is considered therefore that a lesser assessment will be required for those establishments with 4 or less visitor bed spaces as set out in Appendix 3.

3.11 The two key tests for determining applications involving the potential loss of visitor accommodation are:

- Proof of marketing for sale
- Evidence of non-viability

Proof of Marketing

3.12 Applicants will need to demonstrate that there have been realistic attempts to sell the business over a reasonable period of time:

- The business should normally have been marketed for sale as a going concern for a minimum period of 2 years in a strong market and 3 years in a downturned market. In exceptional circumstances a shorter marketing period may be acceptable if justification for this can be given and then accepted by the Council.
- Details of the agents used will be required. Reputable local or specialist hotel property and or/business sales agents will need to be used.
- Evidence will be needed that a variety of marketing mediums have been used such as brochures, advertisements in relevant publications, and web-sites etc.
- Marketing at a realistic asking price taking account of current trading performance and condition. This could be determined through monitoring of local hotel and guesthouse sales and /or through an independent valuation /independent advice from specialist hotel and guesthouse property agents. There maybe circumstances where it is necessary for the Council to commission such a valuation and require the costs to be meet by the applicants.
- In addition, evidence will be required indicating records of response, interest shown and offers received with reason as to why potential purchasers did not pursue the sale or why offers were rejected. The Council reserve the right to contact any person listed on the record of response should the need arise.

Viability

3.13 In order to give adequate consideration to a proposal that involves the loss of visitor accommodation the Council will seek evidence from the applicant to demonstrate that the premises are firstly not economically viable in their current use and secondly that they incapable of being made viable as visitor accommodation. The potential of an establishment to be run as a viable operation will be a key test. Current trading performance is no guide to potential. This information. the 'viability test' will be sought by the council in order that proper consideration can be given to the proposal. Applicants will therefore be expected to submit this information as part of the supporting evidence for the planning application.

3.14 Applicants will need to demonstrate to the satisfaction of the council that a visitor accommodation business has no prospect of continuing in the premises. Where a business is not currently operating it will be necessary to show that an average competent operator could not make a reasonable return from the property.

3.15 The application for a change of use concerns the premises rather than the owner. However, where a claim that the business is no longer sustainable with evidence from a current or recent manager, the Council must be satisfied that:

- The business has been run in a reasonable and professional manner by the proprietor
- There has been a serious and sustained effort to run the business in the premises using available business support services
- The business has been actively market tested with a guide price reflecting the going concern value of the accommodation for the required period of time.

3.16 Applicants should provide the following supporting information to demonstrate the business activity for a minimum of the last 3 years and preferably 5 (refer to Appendix 4 for full details of information required under each bullet point):

- Evidence of business performance;
- Evidence of professional management;
- Evidence of attempts to save the business.

Alternative tourism uses

3.17 The Council attaches great importance to supporting and maintaining the local tourism economy and therefore when the loss of visitor accommodation is proposed and non viability of the current use has been accepted, the Council will expect applicants to have explored the possibility of the conversion of the premises to an alternative tourist/leisure/ visitor use. This could in the first instance mean the conversion to self catering accommodation, serviced accommodation or other appropriate use that will support the tourism economy. Consideration will be given to the appropriateness of the use in a given locality and whether it enhances the role of the visitor/tourist economy and adds vitality.

3.18 Where it has been demonstrated that some loss of bedspaces to another use is needed to enable the maintenance or improvement in the standard of the existing accommodation the Council will in the first instance look to an alternative form of visitor accommodation (e.g. serviced accommodation). Where it is demonstrated that alternative forms of visitor accommodation will not be sufficient to deliver the required upgrade in the remaining bedspaces or maintain an element of visitor accommodation then consideration will then be given to suitable alternative tourism uses before considering residential.

Non-tourism related use

3.19 The council will expect applicants to have satisfactorily demonstrated that it is no longer viable for the current use to continue and that all reasonable options have been explored for alternative tourism uses before the loss to non-tourism uses will be accepted.

Conclusion

3.20 It is not the intention of the council to retain accommodation for which there is no market need. The council will be flexible in its approach and have regard to all material considerations at the time of the application including being responsive to the changes in the market, the economy, the accommodation supply and Worthing as a tourist destination. The key objective is to support the tourism sector by ensuring that there is a sufficient range of types and quality of visitor accommodation to meet the needs of Worthing's visitors.

Appendix 1 - Employment Policy - Site Particulars

Price

It is important the price of the property reflects the current market value of a property based on its current condition and use status. If the building or site requires extensive conversion/repairs the price should be based on the unconverted state unless the works are to be undertaken prior to completion.

The price should not include any potential residential or other non-employment use value. The applicant should seek a minimum of one independent valuation (other than marketing agent) obtaining both freehold and leasehold prices for the building in its current condition/state. The basis of the lease should be appropriate to the nature of the use of the building.

It is recommended that an independent valuation of the property is obtained from an established commercial source familiar with the local area and with properties of the type to be marketed. Estate agents usually provide such a valuation service, although other sources may be considered if their credentials can be established. The cost of the independent valuation(s) will be borne by the applicant. This should also be backed by evidence. The valuation(s) should be submitted as part of the evidence accompanying the planning application and the Council may ask for justification of the price.

Tenure

Potential applicants should be prepared to offer the property or site on both a leasehold and freehold basis in order to widen appeal and help ascertain the level of interest. Flexible terms, such as short leases, monthly licences and regular break clauses are encouraged. Again any lease price should take into account the current condition and use of the building.

Advertisements

Advertisements for the marketing campaign should include

- An advertisement should be featured at least once a month within the Commercial Section of appropriate newspapers, and at least through regional and local publications. Larger sites (1000m² and above) should also be advertised in national publications. Examples of appropriate newspapers include: Worthing Herald; Estates Gazette and Property Week (this list is not exhaustive). There may be some publications which are inappropriate for the advertisement of commercial sites/premises and in all instances it is advised that you seek advice regarding your advertisement intentions from the Council's Development Management Team / Regeneration Team / Planning Policy Team. In cases where the property is part commercial/part residential, it is not appropriate for an advert to be placed solely in the residential section of the newspaper.
- Trade magazines specific to commercial property or to specific industries may instead be used if more relevant to the industry. The intervals of advertisement would depend on the regularity and circulation of publications.

- Continuous inclusion on the agent's website, own papers and lists of commercial/business premises.
- The continuous display of a 'for sale/lease' board must be displayed on site on each site frontage to the highway throughout the marketing campaign, unless otherwise agreed.

Appendix 2 - Employment Policy - Price, tenure and advertisements

Marketing Strategy

- The market price and an indication of this price relative to those prevailing for similar premises in the local market, including details of an independent valuation. It is accepted that, depending on the scale and nature of the proposal, an independent valuation may not be necessary but this should be agreed in discussion with Council officers (for further information regarding price refer to Appendix 1);
- Any reductions in market price made during the course of marketing;
- The marketed use of the site (The Council will expect employment sites to be marketed in a way that identifies all the options available in retaining the site in employment use. This will include, where appropriate, the potential for refurbishment, redevelopment for new employment uses, sub-division, amalgamation or selective demolition (in order to improve the format, layout and access arrangements);
- Details of the site particulars (see below for the information that is required to be submitted);
- A monthly breakdown detailing contact details of interested parties in the property. All expressions of interest/offers received including rental interest, progress and negotiations undertaken including any offers made and reasons for these being rejected. Where possible the applicant should obtain from interested parties reasons/explanations as to why they were not able/ willing to proceed. It is not sufficient evidence to just quote number of viewings and generalise on the feedback;
- Where and how often the site was advertised;
- Copies of advertisements placed. The dates and publication should also be noted (for further details regarding advertising refer to Appendix1);
- Lists of those advised of its availability with contact details for them;
- Any variations in terms/conditions on which the site is made available (for specific information regarding tenure refer to Appendix1);
- Whether contact was made with the Council's Economic Development section to discuss employment opportunities for the site.

The Council reserves the right to contact any party who has expressed an interest and to send details of the land / property to any party which it feels may be interested in purchasing / occupying the premises for occupation, investment or redevelopment purposes.

It should be noted that if a 'non-agreed' campaign is undertaken or has been undertaken where the Council is not satisfied that it is in accordance with what would be expected in this SPD, it will result in a further period of marketing being requested at the planning application stage or could result in a refusal of permission.

All of the above evidence should be supplied to support any planning application.

Applicants should note that the Council will not lightly make a decision that the marketing strategy is inadequate where applicants have adequately addressed the issues identified in this SPD. However it may secure independent advice on difficult, more complicated sites.

In instances where the Council considers that the marketing strategy employed has been inadequate the applicant will be advised that the planning application cannot be recommended for approval. The applicant will be given the following options:

- a) To provide additional information to address the concerns raised by the Council.
- b) To withdraw the application and further market the site addressing the concerns identified by the Council;
- c) To withdraw the application and submit the marketing strategy to independent arbitration by a suitably qualified commercial agent agreed by both parties (in the absence of such an agreement to be nominated by the President of the Royal Institute of Chartered Surveyors) with the cost to be borne by the applicant;
- d) To continue in the knowledge that the application will potentially be refused.

Site Particulars

The following information is normally required to be submitted. However, it is acknowledged that some of this information may not be necessary depending on the nature of the site and type of development. If in doubt the applicant should seek advice from the Council to ensure that all the information required is provided.

- A description of the site/premises
- The current permitted use and potential employment uses, subject to planning permission
- Dimensions of: the building, internal rooms, eaves height and door widths if relevant, gross internal area and size of the total site including any land;
- Services e.g. electricity, gas, water, IT infrastructure – any other relevant information;
- Asking price (see 'Price' section Appendix 1);
- Any restrictions, conditions and covenants;
- Known costs, such as service charges, rateable value;
- Any other known items included in sale (note – the price expected for these should be disclosed to the Council);
- Terms/conditions associated with the sale & the sites tenure – leasehold, freehold etc (see also 'Tenure' section Appendix 1);
- Extent of site, shown on a site plan;

Appendix 2 - Employment Policy - Price, tenure and advertisements

- Site location including map – the map extract should show the property in relation to the road network;
- Contact details for viewing and more information;
- Any residential element to the property should be removed or subordinate to the commercial particulars;
- Parking availability and access/distances to public transport.

Appendix 3 - Visitor Economy - Evidence required for smaller establishments

Information required in support of planning applications for the change of use of visitor accommodation with four or less visitor bed spaces:

1. Location – evidence that the character of the area has changed to such an extent in recent years that it is no longer suitable for a tourism use.
2. Evidence that the property has been marketed for sale for at least 1 year at a market price which reflects the existing use as visitor accommodation and the condition of the building.
3. Evidence of marketing of the property should be submitted. This should include details of agents used, copies of brochures and advertisements with dates, records of response, interest shown and offers received with reasons for being rejected as appropriate.
4. Profit and loss accounts.

Appendix 4 - Visitor Economy - Evidence of detailed running costs

Evidence of business performance

Is the business performing profitably and in line with level of industry/destination norms? To demonstrate this applicants will need to submit evidence of:

- Occupancy and achieved rate data;
- Copies of trading and profit and loss accounts including analysis of costs (see below for the list of detailed running costs that should be included);
- An explanation of factors driving this performance and their impact on profitability and viability.

Evidence of professional management

A key question is has the business been professionally managed, marketed and invested in? Applicants are required to provide the following information:

- Details of management experience;
- Marketing plan and support material to be provided demonstrating attempts to attract business with copies of relevant brochures and advertising such as advertisements, web entries and entries in Accommodation Guides etc;
- Business plan – evidence of business planning and performance against targets – this would normally take the form of an annual business plan. Where no such plan exists applicants should provide a reasoned justification as to why it has not been prepared;
- Investment schedule demonstrating what investment has taken place in the property and proposals for maintenance and improvement works;
- Evidence that attempts have been made to improve knowledge/training for example taking advantage of various training opportunities.

Evidence of attempts to save the business

Have different ways to save the business been considered? If so the following information should be submitted:

- Evidence (with costs) of proposals to up-grade and re-position the business, perhaps considering partial conversion to an alternative use in return for investment in the remaining rooms, and conversion to self catering as appropriate;
- Evidence of assessments and inputs by business support agencies (such as the Council's Tourism Development and Marketing Officer) and hotel advisors.

Evidence of detailed running costs

The following detailed running costs for the last 3 years should be submitted within any planning application:

- Type of establishment (guesthouse, hotel, b&b)
- Number of operating days allotted tourism use
- Number of beds

- Number of rooms
- Average bed occupancy during operational period
- Average room occupancy during operational period
- Minimum and maximum rates per room
- Revenues (net of VAT)
- Average revenue from rooms
- Average revenues from beds
- Revenue from food
- Revenue from beverages
- Other revenue
- Operating expenses
- Wages
- Cost of sales (food, beverages etc)
- Laundry, linen and guest supplies
- Energy
- Sales and marketing
- Insurance
- Business rate
- Maintenance
- Administration (daily administration cost, stationery and telephone charges)
- Other operating expenses
- Depreciation
- Loan interest (where applicable)
- Owners or shareholders dividends paid.

Additional Information

The following information about the property is also required:

Location

- What is the quality of the environment like in which the use operates?
- Has the area changed significantly since the business opened to such an extent that it is no longer suitable for a tourism use?
- Are there similar establishments nearby?

Accommodation offer

- What is the range of facilities on offer and to what standard?
- Is there any parking?
- Has the property been inspected and graded?

Evidence of the physical condition of the building

- Surveyors' reports which should include an estimate of cost, if significant repair is required.
- Evidence should also be provided of the impact of future viability of the business
- Evidence should be submitted in respect of the scope for refurbishment of the building to upgrade facilities.

Appendix 5 - Contact Details

If you require any advice or clarification of any the issues addressed in this document please contact the following sections:

Development Management:

Tel: 01903 221065

E-mail: planning@worthing.gov.uk

Regeneration:

Tel: 01273 263333

E-mail: regeneration@adur-worthing.gov.uk

Planning Policy:

Tel: 01273 263009

E-mail: planningpolicy@worthing.gov.uk