

WOOLPACK Inn and Car park - Information Pack

Supporting information for application to consider outline planning permission to change the use of the site to Residential use. This report is submitted by the owners of the site Ray Parker & Co Ltd.

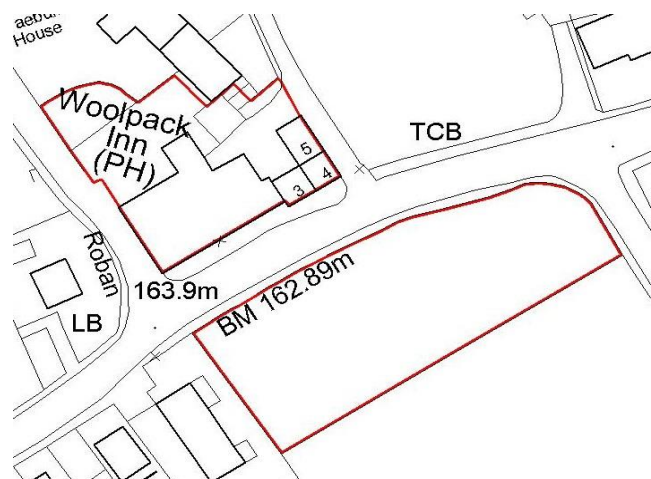
Executive summary

We are experienced operators of licenced outlets and have invested time and money into this venture at the Woolpack. Alas this has not had the customer support to maintain a viable business proposition. Covid closures had the effect of reducing the customer base as people used sites closer to their homes. The site is remote, and we discovered that many older customers simply did not like using the narrow lanes to get access into Whitley. Initially the site had brown tourist information signs at the junction to the B6118 indicating the Woolpack with restaurant / hotel room facilities. The removal and non-replacement of the brown tourist signs has made finding this remote location even harder. In 2021 the Ice cream parlour in Whitley, Charlottes, closed down. This was a complimentary use and brought people into the village which did offer us a spin off customer base. The loss of that facility had a pronounced effect on the trade and the fall in sales has been dramatic as outlined in our Accountants summary of trade viability which is also attached with this application.

We are now faced with an economic environment that sees monthly escalation of prices, enormous increases in energy costs and a general public that has increasingly less disposable income. The situation since April this year has shown monthly trading losses at an increasing rate. It is with some regret that we have to close this public house, but the impact of further losses would not sit well with our ownership of the Blacksmiths Arms at Kirkheaton.

We have concluded that this site has no economic viability as a trading outlet in the future. We recognise that a shuttered building in the centre of the village will be a visual distraction and therefore we are seeking outline consent to convert and return the property to a residential use but aimed at more affordable housing and offering back as a landscaped area for visual amenity the corner part of the car park site opposite the existing village green area.

Our ownership :



The site occupies two parcels of freehold land on opposite sides of Whitley Road in Whitley village as depicted in red on the illustrative plan.

In May 2010 the Company acquired the lease of the Blacksmiths Arms Kirkheaton and built that business up by transforming the offering on food. That success allowed us to use retained funds to purchase the Woolpack Inn Freehold from the Brewers Greene King in April 2016. It was then a very run-down public house that had had a series of failed tenants. The beer barrelage supplied by Greene King showed a continued decline over the previous 9 years of trading with them. With this in mind, we closed the property immediately after purchase and undertook immediate repairs and refurbishment, including a full interior redecoration, new toilet facilities, new carpets, and furnishings throughout and a redevelopment of the managers flat. We have continued to put capital into this site the latest being further interior alterations in 2020 during the lockdown period and a substantial revamp of the catering kitchens at the end of December 2021.

Employment :

The Woolpack has been a source of employment but following the end of the covid lockdown recruitment of staff has been very difficult with many previous employees in the hospitality trade choosing the end of lockdown to seek a total change of employment outside the hospitality sector.

STAFFING PROFILE

Average employee numbers

<u>Year to 30 may</u>		<u>Full time</u>	<u>Part Time</u>
2017/18	3	15	
2018/19	2	16	
2019/20	2	17	
2020/21	2	12	
2021/22	2	12	
Employees as at 30 August 2022		1	6

Following consultation with staff we have transferred 1 full time and 2 part time employees to the Blacksmiths Arms in September 2022. We are currently operating on one full time and three part time staff (equivalent to one full time). Further employment possibilities should exist at the Blacksmiths.

Trading :

The first three years of trading showed a reasonable sales turnover for a business starting from a flat base but not at a sales level that offered a return on our investment. From March 2020 the country was hit by covid lockdowns and whilst the government assistance propped the business during this difficult time it proved very bad for the retention of a customer base. Following the end of lockdown sales only returned to 80% of the pre covid levels.

Sadly, other factors came into play as well. The advance warning brown tourist information sign for the Woolpack was removed in 2019 and has never been replaced. This made it very difficult to attract any passing trade, or indeed give easy directions from our other outlet the Blacksmiths. To compound this the other commercial activity in Whitley, Charlottes Ice

cream Parlour closed in 2021. That business was well known and drew the public into the area, especially at the weekends. The effect of the Ice cream Parlour was complimentary to the Woolpack Inn and we did gain benefit. The result is a huge drop in trade as the public moves elsewhere for their leisure activities. Our sales for the last four months have shown a drop of more than 50% to pre covid levels leaving substantially monthly losses which are unsustainable.

Of course, like everyone else we are hit by the ballooning cost of living increases with double digit inflation and impossibly high energy costs. This has two profound effects:

1. Our own costs of ingredients and supplies has soared [for example cooking oil has increased by 112% in the past 12 months]
2. Our customers are faced with cost pressures which reduces their disposable income.

The village is not well provided with public transport, only one bus per hour and has no evening services. Because of the cost of fuel increases this year, taxi travel is increasingly a high-cost item for many people, as is the use of private cars. This impacts on both customers and staff.

The recent assistance from the Government of 6-month rebates on some energy prices is welcome but leaves the prospect of continued prohibitively expensive energy after the winter. You will also be aware that from April next year the public house sector will fall back to 100% rates charges.

We have reviewed all our cost lines and discussed in some detail the economic outlook with our advisers and concluded that there is no prospect of the Woolpack ever returning to a profitable venture.

Customer Base :

The trade at the Woolpack throughout our ownership has been predominantly car born from outside the immediate environs of Whitley. This is particularly true for the food element of the business where more than 90% of the customer base comes from outside Whitley. There is a small customer base of daytime wet trade approx. 10% of the wet trade.

Other Factors :

There are other factors at play with this site that further hinder its viability.

1. There was no fibre broadband up to 2019 and whilst there is now fibre to the top of Whitley it is not of a particularly good quality. Open Reach has said there are technical issues at play.
2. Most customers now expect a good mobile phone connection. This is something again that is simply not available at the Woolpack. Ofcom confirms all networks have problems connecting in this location.
3. The Woolpack was previously owned by Greene King a national brewer. They had changed the electricity meters to half hour meters. Once changed to this type of meter the regulations prevent any switch back to normal meters. This means any electricity consumption purchase is always at higher rates than other users and in addition are legally obliged to contract with a separate service provider to monitor and read meters to send data to the supplier. This adds approx. £300 per annum, before any power is used.

Board of Directors