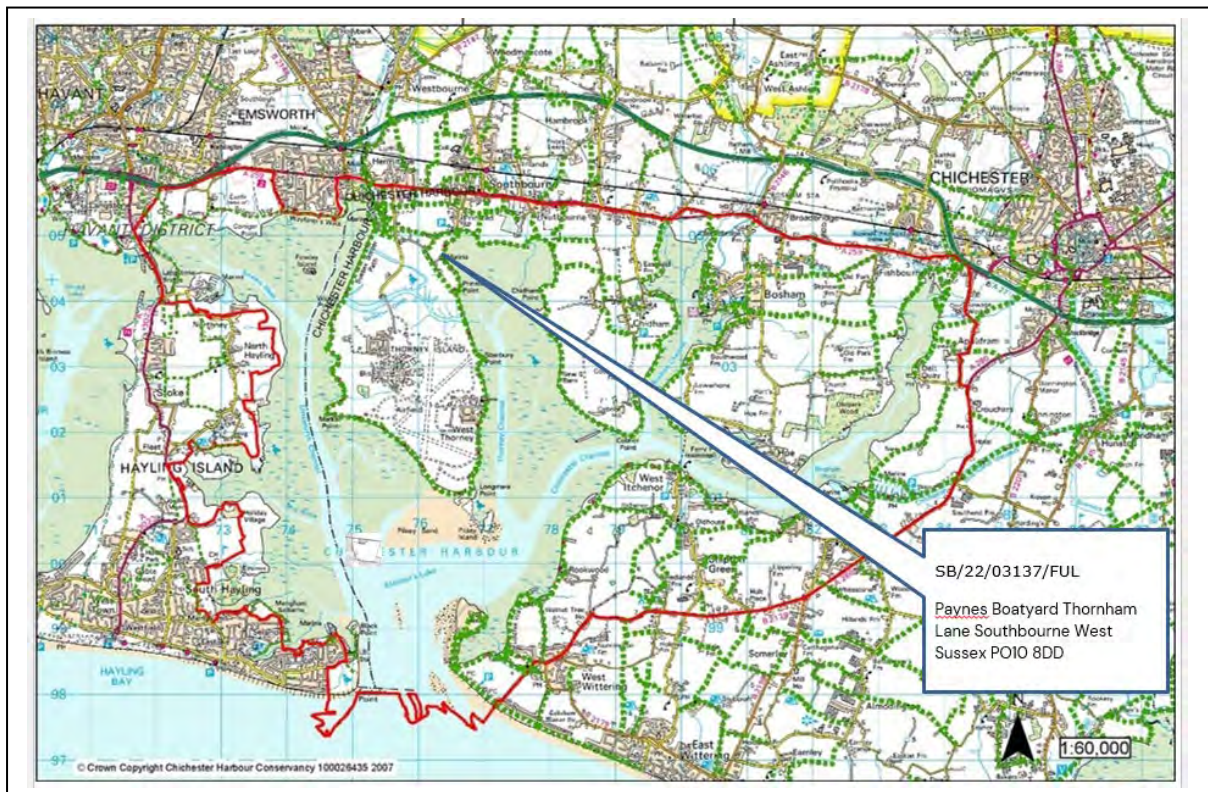


Local Planning Authority planning application reference: SB/22/03137/FUL

Site: Paynes Boatyard Thornham Lane Southbourne PO10 8DD

Proposals: Tied dwelling to serve Paynes Boatyard, including change use of land from commercial to residential.

Recommendation – Objection; insufficient commercial information to justify impact to the AONB landscape within an overall detailed business plan for the boatyard, to justify an exception to policies 2, (the final part of) 26, 43 and 45 of the local plan and Policies 1, 4 and 7 of the ‘made’ Southbourne Neighbourhood Plan, having regard to The Conservancy’s Planning Principles 1-2, 4 & 9.



1.0 Site and its context

- 1.1 This 0.1ha, roughly rectangular site is indicated by the ‘red line’ within the Paynes Boatyard ‘blue’ line shown below, occupying the streetside-facing south-western corner of the site, whose north-east boundary is set back some 175m from the Harbour shoreline public right of way. The site is not within or contiguous with a defined settlement.





- 1.2 There are other buildings within the site (seen below) but these are set much closer to the Harbour shoreline. The site is accessed via Thornham Lane - (a single width carriageway with few passing points). Thornham Marina adjoins to the south with a short run of dwellings immediately beyond. Gaff Rig is the first of those dwellings fronting Thornham Lane. The former fire damaged 'Boaters' café (now apparently part redeveloped/refurbished, with related shipping containers) and other workshop and chandlery buildings of greater scale and massing line the wider south-east corner of Paynes Boatyard. Screening vegetation runs down the north-west, south-west and south-eastern site boundaries, as seen from the aerial photograph above.



- 1.3 In terms of the landscape character assessment commissioned by the Conservancy in 2006, the site is located within area C3 – Thorney Channel Head. Key defining characteristics of this area include –
- Broad inlet with a largely undeveloped shoreline.
 - Mudflats and saltmarsh are exposed at low tide, intersected by the main Thorney Channel and the narrower forking Prinsted and Nutbourne Channels. Intricate network of smaller winding channels and rithes.
 - Isolated and undisturbed Nutbourne Marshes are a haven for wildfowl and waders.

- A few small groups of yachts moored along the line of the main channels.
- Peaceful, tranquil and undisturbed character.

The sensitivity to development/change is high. Some views of the site can be seen below. Site levels drop towards the Harbour and a 0.73m drop exists between the (proposed dwelling) and carriageway level in Thornham Lane.

- 1.4 When visiting the site on 13.8.2021 to meet the applicant, this southern part of the boatyard was little used and it would appear a tall mature tree on the north-west boundary has not been surveyed, as it is not shown on the previous topographical existing site survey. Only 4 boats were in the tidal pool, with a further boat in the tidal inlet outside the lock gates by the slipway, when the visit was made around 17.00 hours.



2.0 Relevant planning history

- 2.1 13/01463/FUL– Erect shower and toilet facility. Refurbish shed (**Conditional approval**) 20.8.2013;
- 2.2 14/00241/FUL – Construct new pontoons and scrap old ones (**Conditional approval**) 17.4.2014. The applicant has recently confirmed that the previous pontoon has been taken out of the water and scrapped. The pontoon extension has yet to be built.
- 2.3 SB/21/01060/OUT – Outline application (with all matters reserved) 1 no. dwelling – (**Withdrawn**) 30.7.2021. The following Conservancy Committee resolution was sent to the Council on 9-6-2021 –

“Recommendation - Objection: -

Whilst Members noted the importance of the yard to those sailing on a budget and the desire to see the yard thrive as a marine enterprise, insufficient information to assess impact to the AONB landscape within an overall detailed business plan for the boatyard, to justify an exception to Policies 42, 43 and 45 of the adopted Development Plan. Conservancy Members were more than willing to consider a full business case in any revised planning application”.

- 2.4 SB/22/01140/PRESS - Proposed tied dwelling serving Paynes Boatyard - (**Advice given by Council** – see **Appendix 1** to this report) 24.8.2022. The views of The Conservancy were separately sought by the applicant’s agent and Members of The Conservancy’s Planning Committee were given the opportunity to raise questions for the applicant to consider, before making a fresh planning application. 3 Members responded and the responses sent to the applicant’s agent are reproduced as **Appendix 2** to this report.

3.0 Proposed development

- 3.1 The applicant has decided to make this full application for themselves and has not used the previous qualified and chartered planning agent. The application is supported by the following reports –

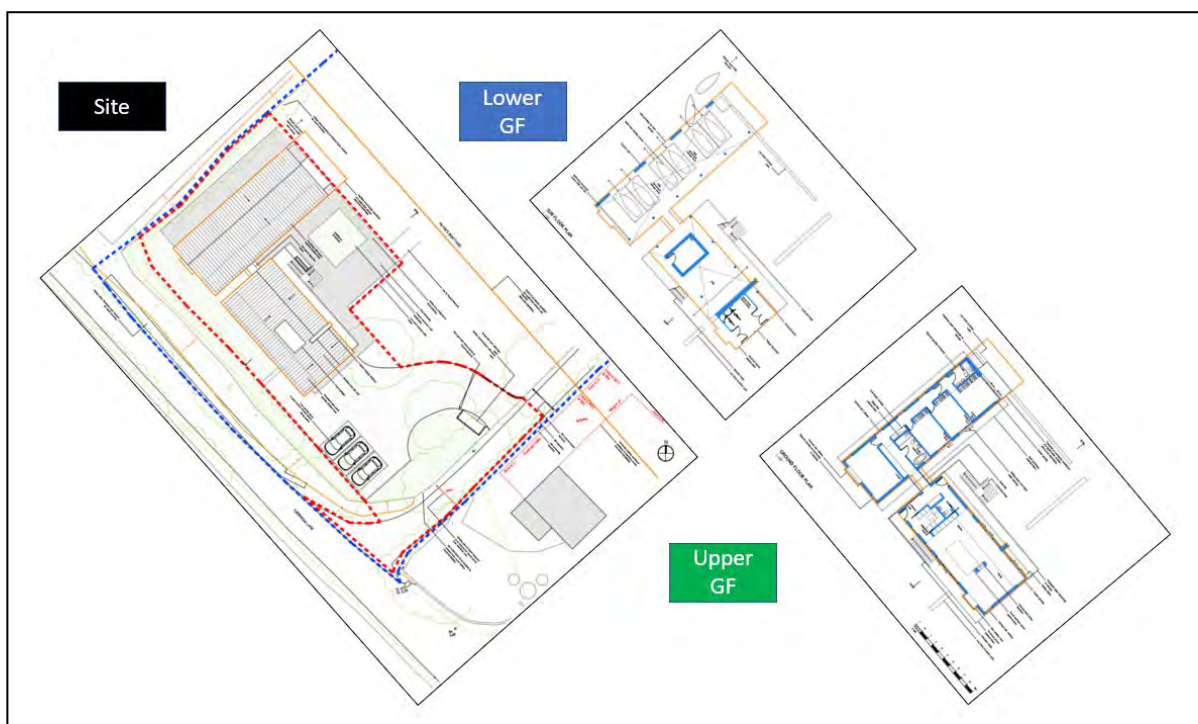
- flood risk assessment;
- foul sewerage assessment;
- surface water drainage;
- nutrient neutrality report;
- design statement;
- sustainable construction report;
- AONB statement;
- preliminary ecological assessment report, including SPA impact mitigation;
- landscape visual impact assessment;
- (redacted) business case (**Appendix 3** to this report); and,
- design, planning and access statement.

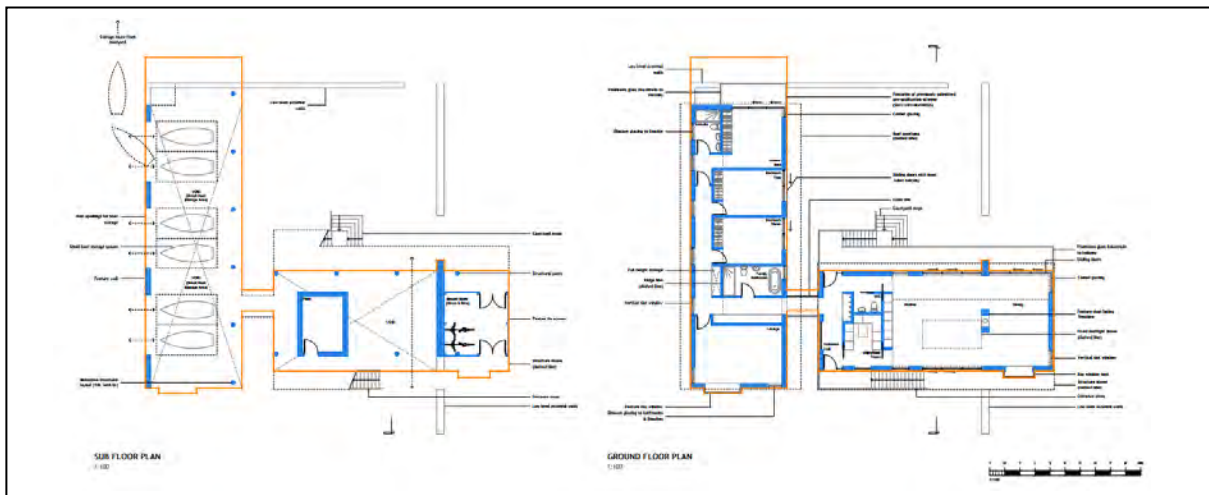
Three letters of support to the previous application SB/21/01060/OUT have also been re-submitted. A previous site survey that supported SB/22/01140/PRESS has not be re-submitted, but has informed your Officer’s site description.

- 3.2 The dwelling would be raised out of the ground with undercroft space beneath to

futureproof against flood risk. The habitable area would be on one level with an asymmetric roof profile, arranged as an 'L' footprint. One wing is to contain 3 bedrooms and a study and the other wing to provide the main habitable living accommodation for the intended new operator of the boatyard and his family. The applicant is a family member to the current operator who is due to retire. The proposed building materials are flint wall panels combined with charred timber cladding for the walls and a standing seam zinc roof. The two 'wing's would be joined by a glazed corridor.

- 3.3 A case is made to argue the operator needs to be on-site at all times to flexibly provide operations at unsocial hours to ensure security fo the boatyard. The business case argues this business model is essential to ensure its on-going viability. The business plan is redacted, albeit a written offer is given to provide sensitive commercial information on request. Such a request has been put to the applicant in writing along with other queries and the applicant's response is reprodcued as **Appendix 4** to this report. The business case sets out how storage rates at the yard are the lowest in the Harbour, largely due to the only staff member being the current operator, with other boatyards and marinas having more operating staff and hence more wages to be paid. There is no data indicating the financial perfomance of the site in recent years, nor projected forwards. Reference is made to intended investment in infrastructure (a new pontoon approved 2014 being the main item, as well as a refresh of the boatyard website to improve marketing to attract new custom).
- 3.4 The tied dwelling, stated to be essential in this rural area for the efficient and safe running at owner on of a boatyard, to cater for the cost conscious boat owner on a modest budget. Small boat storage for customers is to be provided under the wing of the dwelling containing the bedrooms/study. Details of the submitted floor plans and elevations of the new dwelling are shown below.
- 3.5 The applicant has made some changes since the pre-application design. Firstly the site red line has become smaller and indented in its northern corner. This would leave a great part of the storage yard for boats, but has reduced the ecological area that had been proposed there. The bedroom wing has also been shortened, owing to only 3 bedrooms now being proposed.





- 3.6 The preference is for foul drainage to go to a cess pool, which would be periodically emptied by tanker.
- 3.7 The dwelling would 'police' the entry point to the boatyard and adequate amenity/parking/on-site turning space could be provided.
- 3.8 The applicant's reasoned justification for this new dwelling outside of the defined settlement boundary of Southbourne and recent investment in the boatyard are reproduced as **Appendix 3** to this report. A Landscape Visual Impact Assessment (LVIA) has been submitted with the application and wider views – from, for example the entry point to Baker Barracks (seen below, with similar views taken 17.1.2023 by your Officer) have now been taken into account. Existing boundary vegetation to Thorney lane has been measured at 7 m height. The submitted elevations show the site level to be slightly raised up from carriageway level (although no topographical survey to verify that) roof ridge would be 7.2 m above site level, with the chimney a little higher at 8m.



A similar view taken 17-1-2023, showing trees having dropped their leaf cover is shown below



A similar view taken 17-1-2023, showing trees having dropped their leaf cover is shown below



A further zoomed-in view from near the entrance to Baker Barracks taken 17-1-2023 is

shown below



3.9 The flood risk assessment indicates an internal finished floor level 5.57 m above Ordnance Datum is proposed to future proof up to the year 2125. Flood resilience measures are proposed and flood alerts from the EA are to be relied upon to ensure that an escape route up Thornham Lane to a point of safety could be reached.

3.10 The AONB statement says an automatic blind can be fitted to the large rooflight designed into the south-west facing roof-slope facing Thornham Lane.

Policy framework*

NPPF-1-3, 6-21, 23, 28-30, 34, 38-43, 47-48, 55-57, 60-62, 71, 78, 80-81, 84-85, 92-93, 98, 104-105, 107, 110-112, 119-120, 123-124, 126-127, 130-132, 134, 152-154, 159, 162-165, 167, 174, 176, 179-185, 187-189, 218-219; **NPPG** – 3a, 6-8, 26, 34; **CLP** – Policies 1-5, 8-9, 26, 33, 37, 39-40, 42-45, 47-50, 54; **POCLP** – S1-S5, S8, S20-S28, S31, DM6, DM8-DM9, DM16, DM18-DM20, DM22-DM23, DM25-DM31, DM34; **SNP** – Policies 1, 4, 5, 7 / SB1, SB3-SB4, SB14-SB15, SB17, SB18-SB21; **CHMP** – 1, 2, 3, 6, 8, 10, 12, 13, 15; **PP** – 01, 02, 04, 05, 09; **SPD**

4.0 Key issues

4.1 Safeguarding intrinsic character and beauty of countryside/biodiversity from inappropriate development –

4.1.1 For the applicant to claim Policy 45 of the local plan is out of date is not accepted. The Council's Interim Housing Position is not relevant and any the site is not sustainably located. The dwelling would be largely screened from views from the shoreline footpath by existing boatyard buildings as seen below, but its topmost

part probably would be seen. Although the site is well-screened from Thornham Lane wider views from Thornham Road leading to Baker Barracks are possible in the winter when trees are not in leaf. The Council was critical of the size of the dwelling being proposed and the applicant has reduced its number of bedrooms, although the silhouette presented to Thorney Lane is basically the same. A planning condition could be imposed to restrict the scale of the new dwelling to a single storey height.



4.1.2 The site is currently hard-surfaced and said to be surplus to requirements as a boat storage area. The aerial photograph indicates a line of trees between the remainder of the yard and the red line application site. It is still difficult to understand if constructing the dwelling would cause those trees and indeed any between the site and Thornham Lane to be lost, as no arboricultural impact assessment has been submitted. The applicant says the intention is for all trees to be retained. Such loss, if it occurred, would increase the visibility of the new dwelling and also reduce biodiversity per se. It should be possible not to encroach on the root protection areas of those and ensure their continued longevity.

4.1.3 A scheme of ecological enhancement could be conditioned, including the (3) bird and (2) bat boxes proposed, thus demonstrating a net gain to biodiversity. The submitted ecology report commits to planting 5 new trees, which would be welcomed.

4.2 **Heritage** –

4.2.1 There are no heritage assets close to the site.

4.2.2 There is potential for ground bearing archaeology to be disturbed by the construction of new foundations. The council will ultimately take a view on this if it is minded to grant outline permission. If that is the case, it is recommended that at the very least a watching brief is prepared and any finds recorded and appropriately archived in the council's Historic Environment Record.

4.3 **Flood risk** –

4.3.1 According to the Environment Agency's flood maps, the land lies within Flood Zone 3 (highest risk).

4.3.2 It will be for the Council to run the sequential test and it cannot currently demonstrate a 5 year housing land supply. The NPPF says that areas of least risk should be developed for new housing first.

- 4.3.3 Even then, what is then called the 'exception test' must then be applied, where the sustainability benefits to the community outweighing the flood risk ***and*** the development would be safe for its lifetime taking account of the vulnerability of its users, without increasing flood risk elsewhere and where possible will reduce flood risk overall.
- 4.3.4 The applicant relies on the 'no objection' from The Environment Agency in respect of 21/01060/OUT. The dwelling is proposed to fulfil what is said to be an essential need connected with the on-going viability of the boatyard. The agent says this requirement then meets the 'exception test', where the sustainability benefits to the community outweighing the flood risk ***and*** the development would be safe for its lifetime taking account of the vulnerability of its users, without increasing flood risk elsewhere and where possible will reduce flood risk overall. It is noted that no safe route would exist in the event of a sudden and dramatic flood event, with the dwelling itself providing a refuge until flood waters abated and reliance placed on EA flood alerts to evacuate from the site before a flood event occurred. It would seem the EA is content with such a regime.

4.4 **High quality, low carbon design–**

- 4.4.1 The CHC guidance to the design of new buildings around the harbour recommends the use of low visual impact claddings to the elevations in the AONB, as they blend well into the natural landscape. It would be possible to condition the materials palette and your Officers have no objection to the suggested building materials. Asymmetric roof profiles are not common in the area. A conventional shallow equal pitch roof would have marginally allowed the dwelling to be more squat in the landscape.
- 4.4.2 Sustainable features could be conditioned to achieve a certain level of water usage and thermal efficiency of the dwelling. Rainwater would be harvested and used to water garden areas.
- 4.4.3 A surface and foul water drainage strategy and nutrient neutrality report has been submitted, the preference being for foul drainage to go to a cess pool, which would be periodically emptied by tanker. To counter/off-set the net 1.67 kg TN/yr nutrient level calculated, 0.06 hectares at Chilgrove Farm (PO18 9HU), is to be taken out of agricultural cereal production and planted up to create woodland habitat.

4.5 **Promoting marine enterprise and allowing people to enjoy the AONB for formal recreation**

- 4.5.1 The Conservancy supports marine enterprise and values a the function of Paynes Boatyard within Chichester Harbour allowing those on a budget to store and launch their boats/enjoying formal boating recreation. It is considered the overall economic success/viability of the boatyard could be a means of community benefit to pass the 'exception test' related to flood risk and it might also be possible to design a dwelling to not increase flood risk elsewhere.
- 4.5.2 The case the applicant presents appears in summary to be:
- They require a new operating model following the retirement of the current owner.

- More investment is needed to maintain the success of the business and providing the dwelling releases £200,000 from an external source for investment in the yard. How building the accommodation would free up £200k investment and how that investment would then be fully delivered has not been explained.
- Their desired future operating model is described as one with 24 hour staff presence and 1.3 average staffing level.

The applicant believes this is best delivered by providing workers accommodation on site, to have workers with flexible hours available through multiple periods of on/off duty and someone living on site during night time hours. The case shows It shows an 11 hour day with 4 hours off/on call but then working an hour at the end of the day on office duties. It is difficult to reconcile this with also bringing up a young family. The applicant says the business would founder if permission is not granted, but acknowledges they could no longer live in a tied dwelling if it did and the whole site would have to be sold as a going concern.

- 4.5.3 However, this has to be where such development is fully compatible with conserving and enhancing the AONB and improving the favourable condition and features of the SSSI/SPA/SAC in the Harbour.
- 4.5.4 Given the the Council's Economic Development Service's concerns expressed at the pre-application stage, whilst it may be convenient and easier to operate the boatyard if living on site, the test of Policy 45 is whether it is essential to live on site.
- 4.5.5 Conservancy Officers have closely scrutinised the submitted business case and sought the opinion of two Members of the Conservancy's Advisory Committee as to their knowledge of how marine enterprise operates from their longstanding experience. The queries set out in **Appendix 4** were shared with the applicant's previous planning agent, but sadly have not been satisfactorily answered.
- 4.5.6 The applicant says they have researched house prices off-site but claim living off-site would reduce their ability to invest in the boatyard. The applicant was not prepared to supply an unredacted business plan to Conservancy Officers, so it is very difficult to comment on this point. The Conservancy has no knowledge of the 'balance sheet' arguments, nor trends in the viability of the boatyard, short of a statement saying it is not in debt. All that is known is that the current operator has been able to operate the business without living on site. Whilst it would be possible to have a planning obligation requiring occupation of the dwelling only to be in conjunction with operating the boatyard and the occupants dependants, it is less clear how the promised investment in the business could be secured. A breach of such an obligation would be very difficult, if not impossible to enforce.
- 4.5.7 The Council did not consider Policy 37 (Rural workers dwellings) from the Local Plan applicable to this case. That interpretation is rather narrow given the wording of that Policy and paragraph 84 of the NPPF and the fact that boatyards are often in rural location, given that they must be by the shoreline. However, it is accepted that a dwelling is being proposed here (with some small boat storage under it), not a new commercial building related to the boatyard.
- 4.5.8 It is unclear how many boats over the years have been accommodated at the site and with the main offer being boat storage and being able to repair one's boat out of the water, The Conservancy would wish to be sure that this aspect of the site was not being compromised, reducing the overall viability of the boatyard. One would have thought overall membership numbers would be known for each financial year, to give an indication of how much space was needed in the yard.

4.5.9 The Conservancy would wish to support Paynes as a yard which offers services to a particular market segment and one where the owners have been investing in improvements. It is agreed regarding the points made about Paynes as an entry point for new boaters and a budget option for boat storage and maintenance and its value given the closure of similar facilities around the harbour. However, no information is provided as to their occupancy rates/demand and evidence regarding this ought to be provided as part of the business case. Customer expectations of the services they expect are continually going up and whether the Paynes offering, as is, will be as attractive to the next generation of boatowners is uncertain. Even with the investment they discuss, the boatyard is limited by the tidal restrictions and location. The working hours illustration just showed a neap tide cycle: at other times there would only be one high tide and less working time.

4.5.10 If run well there is demand for all the existing yards around the harbour and there is enough business for them all. The argument that some smaller tidal yards are no longer viable is, incorrect. Of course, for boatyards on Chichester Harbour, if you compare the profitability of a boatyard business against the profit generated from selling up for residential development then the boatyard option is not viable. However, if there was a policy of never allowing planning permission for residential development of boatyard sites then the value of the land remains at a level that makes a boatyard business viable. There is certainly still the demand for traditional boatyards and boat storage.

4.5.11 The case put forward purely from a business point of view is considered to be weak. There is a genuine need for the owner/manager to live reasonably locally to their yard so they are able to readily attend to check on boats in extreme weather conditions, to easily work outside normal hours (to fit in with tide times etc) and to be able to attend reasonably quickly in an emergency but those whose views were sought struggled to see a need for the business owner /manager/staff to actually live on the site. If the argument had been that there are no suitable properties in the local area available at an affordable price and that the only way the owner could afford to live locally was to build a dwelling on site then the possible business argument for this case would be evidenced. It is also hard to comment on the business modelling without spending more time analysing the scenarios and without more cost information, which is a bit patchy. However, it is agreed that the applicant needs a new staffing model as they are running the business with minimal staffing to keep costs low, currently one owner/operator, for a seven day operation which is clearly not sustainable.

4.5.12 Specific points open to challenge:

- The preferred staffing model may not be sustainable - the applicants are looking to put in place a specific business arrangement that suits the new owners who are prepared to live on site and work flexible hours to sustain the business. Their willingness to do this is admirable and it should extend the life of the boatyard. However, whether the operating model the applicant proposes would work without the commitment of the individuals concerned is doubtful. If anything changed it would be likely that other staff, not the business owners, would have to be brought in from outside on a more standard working pattern and the rationale for the dwelling would be reduced. The staffing needs are currently considered to be overstated, without a workers' dwelling at 4 FTEs and this scenario doesn't seem to include flexible working by the owners. All staff are not equal from a cost point of view so just comparing FTE numbers is only giving a partial picture.
- Need for 24 hour staffing – There is a lack of documented evidence regarding the level of service needs outside the normal opening hours. The benefit of a 24 hour

presence is really for security and coping with out of hours emergencies. Policing of the site could be achieved by the installation of a security system. Flood risks and bad weather are normally not unexpected and specific checks can be put in place on those occasions. Clearly there are other risks such as fire but these are reduced by properly securing the site while there are also neighbouring properties who would sound the alert in the event of any incident. More expensive security solutions also exist with offsite monitoring or visits. For comparison Emsworth Yacht Harbour (EYH) does not have a 24 hour staff presence on site though it is accepted that there are residential properties within that marina itself. A decent security access system would permit customers to be on site after normal working hours and the use of some of the facilities just without the boat moving services being available. The offering at EYH does not include manned yard services outside of normal operating hours – the only launching here would be self-launch down our slipway. Documented evidence of how much launching and recovery goes on at Paynes has not so far been provided and its core offering is long term boat storage. For example, is there a log or invoices that show the extent of this?

- Capital investment – it is asserted that without the dwelling the £200,000 of capital investment would not be forthcoming. Surely the capital being used for the building could be invested into the business instead?
- Low CO2 emissions – This aspect is given little weight as building the dwelling has its own CO2 cost.
- Other matters - Are there police records of reported criminal damage or theft from the site? None have been submitted.

5.0 Conclusions

- 5.1 Whilst being sympathetic to the business and wishing to see it survive, the need to live at the site has not been properly set out to justify a departure from the development plan policies, which seek to secure sustainable development under the NPPF. Adding the dwelling could, in the short term at least, contribute to the successful development of the business as per the outlined plans. Over the longer term, The Conservancy would need to take a view on how effectively the building could be tied to the business or by supporting the application it may have effectively contributed to the end of the yard.
- 5.2 Boat storage space is in short supply and to lose any of the space available to store boats would in itself be likely to have a significant negative impact of the business. Maximising space available for storage would be most important for the business and putting a residential dwelling on the site – even with part of its undercroft still used for small boat storage - will reduce the available space for boat storage. It is not understood how building a dwelling on the site frees up £200,000 for investment in the business and its facilities. If this is indeed the case then perhaps it is an important consideration and ensuring this level of investment was then made in the boatyard would be very difficult to secure, even under an enforceable planning obligation.
- 5.3 it is feared that allowing the dwelling could in fact reduce the long term likelihood of the survival of the business. The residential dwelling immediately makes the site more attractive if put on the market and there would be nothing to prevent a buyer from purchasing the complete site in the future, living in the property, closing the business and having a nice house with water frontage, if the Council had no appetite to enforce the planning obligation of tied accommodation, or

found it difficult to displace the applicant from the dwelling if the business were to fail.

- 5.4 There really needs to be exceptional circumstances for the Conservancy to support proposals to change the use of any part of a marine enterprise site to residential. In this regard The Conservancy's Planning Principle 02's wording seeks to safeguard marine enterprises. Policy 37 of the local plan and part of The Conservancy's Planning Principle 04 do allow for a rural workers dwelling outside of a defined settlement boundary, where a strong case can be made for an exception to Policies 2 and 45. The experience at Coombes Boatyard illustrates how difficult it became to retain some form of marine enterprise at the site. after that yard closed, permission was granted for two houses and a large boatshed so as to continue some form of boat storage on site. In practice the boatshed was just brought by one of the house purchasers, leaving no boatyard facility on the site at all..

SRL - For 23.1.23 CHC Planning Committee

Comments requested by: 11 January 2023: extension of time granted to comment.

***Abbreviations used**

NPPF – National Planning Policy Framework – (Revised July 2021)

NPPG – National Planning Practice Guidance – (March 2014 onwards)

CLP – Chichester Local Plan (2015)

POCLP – Preferred option Chichester Local Plan (2018)

SNP – 'Made' version Southbourne Neighbourhood Plan (2015)/Consultation draft version for public comment (October 2022)

CHMP – Chichester Harbour AONB Management Plan (2019-2024)

PP – Planning Principles (adopted by The Conservancy 17.10.16 onwards)

SPG/SPD – Planning guidance published by Chichester District Council relating to:

- Parking standards (2007)
- Joint CHAONB SPD (2017)

LVIA – Landscape Visual Impact Assessment

Views into site 17-1-2023 from Thornham Lane





Mr Phil Salmon
143 Staplers Road,
Newport,
Isle Of Wight PO30 2DJ

If calling Customer Services
please ask
for:
Calum Thomas
E-mail:
cthomas@chichester.gov.uk
Our ref:
Your ref:
SB/22/01140/PRESS

24th August 2022

Dear Sir or Madam

Proposal: Proposed tied dwelling serving Paynes Boatyard.
Location: Paynes Boatyard Thornham Lane Southbourne Emsworth West Sussex PO10 8DD

Thank you for your pre-application enquiry regarding the proposal above.

This advice follows a desktop assessment of the submitted information and a site visit. I have considered the information submitted, identified the relevant planning policies and considerations, and provided an initial assessment of the proposal.

Relevant National and Local Planning Policies (other Council strategies and policies)

National Planning Policy Framework 2021 - Sections 2 (Achieving Sustainable Development), Section 4 (Decision-making), Section 5 (Delivering a sufficient supply of homes), Section 9 (Promoting sustainable transport), Section 11 (Making effective use of land), Section 12 (Achieving Well-designed Places) and Section 15 (Conserving and Enhancing the Natural Environment).

Local: Chichester Local plan: Policy 1 (Sustainable Development), Policy 2 (Development Strategy and Settlement Hierarchy), Policy 33 (New Residential Development) Policy 39 (Transport, Accessibility and Parking), Policy 40 (Sustainable Design and Construction), Policy 43 (Chichester Harbour Area of Outstanding Natural Beauty (AONB), Policy 45 (Development in the Countryside, Policy 47 (Heritage), Policy 48 Natural Environment, Policy 49 (Biodiversity) and Policy 50 (Development and Disturbance of Birds in Chichester and Langstone Harbours Special Protection Areas).

Southbourne Neighbourhood Plan

Assessment

Policy

The application site is located within the Parish of Southbourne, outside of the defined settlement boundary within the designated countryside. Local Plan Policy 45 advises development will be supported, outside of settlement boundaries, where it requires a countryside location and meets an essential, small scale and local need which cannot be met within or immediately adjacent to existing settlements (policy 45 of the Local Plan).

Policy 37 of the Local Plan provides five-point criteria for accommodation for rural workers and supports proposals which are necessary to meet the accommodation needs of full-time workers in agriculture, forestry or other businesses requiring a countryside location providing they meet the five criteria contained in the policy. The policy pre-text at paragraph 17.38 provides that the evidence required for new occupational dwellings is outlined in Appendix E in the adopted Local Plan. Paragraph E9 of Appendix E Appropriate Marketing Guidance requires that supporting information for new occupational dwellings to support existing agricultural activities on well-established agricultural units must demonstrate that there is a clearly established existing functional need and the unit and agricultural activity concerned have been established for more than 3 years, are currently financially sound and have a clear prospect of remaining.

The National Planning Policy Framework (NPPF) sets out at paragraph 80(a) that development of isolated homes in the countryside should be avoided unless there is an essential need for a rural worker, including those taking majority control of a farm business, to live permanently at or near their place of work in the countryside. Planning Practice Guidance "Housing Needs of Different Groups" details at paragraph 010 that considerations that may be relevant to take into account when applying the NPPF paragraph include evidence of the necessity for a rural worker to live at, or in close proximity to their place of work to ensure the effective operation of an agricultural, forestry or similar land-based rural enterprise (for instance, where farm animals or agricultural processes require on-site attention 24 hours a day and where otherwise there would be a risk to human or animal health from crime, or to deal quickly with emergencies that could cause serious loss of crops or products) and whether the provision of an additional dwelling on site is essential for the continued viability of a farming business through the farm succession process.

As the proposal relates to a marine-related business, it would therefore not be considered to fall within the remit of Policy 37 of the Local Plan. NPPF paragraph 80(a) or the Planning Practice Guidance all referred to above, and which clearly provide a necessity that the occupational dwelling sought for a worker of a rural business relates to agriculture, forestry, or similar land-based activities. As such, the primary policies for considered the proposal would be Policy 45 Development in the Countryside and Policy 43 Chichester Harbour Area of Outstanding Natural Beauty (AONB) along with the Joint Chichester Harbour Area of Outstanding Natural Beauty SPD.

Principle (requiring a countryside location)

The Pre-application planning statement seeks to set the context for the proposal, including the site's location, an introduction into the operations at the boatyard, and an analysis of the detailed design approach to the dwelling. This has been supplemented further during our site meeting, where the activities on the site were discussed, along with the future aspirations of the business and family. A Business Review which has been provided as an attempt to justify the requirement for a dwellinghouse, tied to the boatyard. Particular attention has been paid to justify the proposed dwelling, its terms of its necessity for the future vitality of the boatyard, which is something which was heavily critiqued by the previous case officer, the Chichester Harbour Conservancy, and the Council's economic development service.

The boatyard is a family business, which is currently run as a low-key, DIY family boatyard, where there is significant social capital, in terms of current patrons which help to support other activities, such as boat restorations and repairs. The boatyard currently only employs the owner, Mark Douglas, and his existing working hours, including those beyond typical business hours are set out within the Business Review, as are the typical lulls in work due to low tides, inclement weather etc. It is appreciated, at times there is a requirement for additional staffing, particularly when boats are being brought onto the land; however, there appears to be significant periods of reduced activity, not least during the poorer weather and the summer months when boats stay out on the water. It is nevertheless clear an additional member of staff is required, during busier periods and to perhaps extend site coverage beyond the core working hours (beyond 18.30).

It is clear the ambition for Tom Douglas, and his family to move into the proposed dwelling, to take over the running of the business. Currently, Tom resides in Oxfordshire, and does not actively partake in business operations, but the move would enable him and his family to take an active role in the boatyard. The relocation would also free up capital, from the sale of the family's dwelling, which would be invested into the business, depending on the funds available post construction. It is appreciated a relocation will be necessary from Tom and his family, to take an active role in the business; however, this could be achieved through a relocation to a nearby town, within a short commuting distance. This is what his father does in his time as owner and sole employee. Whilst the intentions to invest are admirable, there is no guarantee there will be available funds to invest, post the construction of the dwelling, nor could this be secured/required at the planning stage and therefore provides limited certainty of future funding coming forwards for improvements to the boatyard as previously discussed.

The Business Review is heavily weighted in support for the dwelling as being essential for the operations of the business, despite one not being required previously. It appears to place limited weight on the employment of additional staff, including Tom on what appears to be financial reasoning; however, this appears to conflict with the businesses desire to construct a five-bedroom dwellinghouse, of high architectural and built quality. It is appreciated these funds are to be freed up due to the safe an existing property, but if the

business is currently unable to generate sufficient income to employ a further member of staff, when at least one is necessary, I would question the viability of the business in the first instance, together with the appropriateness of investing significant funds to building the proposed dwelling. It was indicated during our meeting that the business is viable, yet far easier staffing solutions do not appear to be explored.

The reluctance to increase storage and other associated costs, appears to hinder the employment of another staff member further, particularly when considering the costs associated with Paynes Boatyard are significantly lower than other, competing boat yards in the locality. I appreciate the commentary as to why a lower figure is likely justifiable, given the DIY nature of the operation, less favourable access to the water and the lower frills nature of the storage offering; however, I do not consider this to be sufficient justification for the proposed dwelling. I also find it difficult to believe there would be a significant exodus of customers, because of a price increase, as is alluded to within the Business Review. This is particularly true, given the far lower costs of Paynes, together with the high likelihood of the comparable boatyards looking to increase their prices, in line with many other sectors due to the current wider financial situation the county finds itself in.

It is unlikely the hours of operation and nature of the work or business would be considered to meet the strict essential needs test for an on-site presence. The desirability of residing on site is entirely appreciated, but this does overcome the strict test in policy. It is not considered that the need to provide a full-time security would necessitate an on-site presence, particularly as no other securing options (electronic access gates, CCTV, security guards) appear to have been explored or indeed utilised to date. The low-key nature of the existing fencing, which is broken in places, the absence of deterrents such as CCTV and other measures could address the safety concerns. Incidentally, the provision of some or all these safety measures would undoubtedly improve security for the site, which may attract customer from other sites, and would help to justify an increase in annual fees to fund these measures and additional staffing costs. There has been no evidence of any tangible security concerns, nor any crime figures to support repeated attempts to the business or the boats in which is stores to justify the security concerns alluded within the Business Review. The site is not isolated, as it is located within proximity to existing dwelling, and a neighbouring boatyard, which provide a level of surveillance to the locality generally, which together with further site enhancements could result in onsite security enhancements.

It is unconvincing that an on-site presence 24hrs a day would result in a significant improvement upon with respects to health and safety, particularly as there is limited activity outside of service hours. The potential health and safety risks of a boatyard are not disputed; however, there are undoubtedly more appropriate measures to prevent this, including the appropriate and secure storage of chemicals, implementing a site safety/management plan to restrict access during poor weather or late at night where increased risk of accidents are likely. The comments in respects of fire, flood and storm protection are questionable, as there are again proactive measures to prevent and minimise damage and risks. This coupled with the limited impact an on-site presence is

likely to have in the event of a fire or flood event, besides calling the relevant emergency services, is again limited justification for the proposed dwelling. I would argue appropriate fire mitigation and prevention measure would help alleviate any risk of fire, more so than an on-site presence. In the event of flood and or storm events, which typically have a level of predictability, I would again expect a suitable management plan would be implemented to mitigate any impacts, which is likely to be capable of being carried out in advance. This is again likely to be more effective than an on-site presence, where the occupants of the dwelling may also be at risk for such events.

The presence of the on-site workshop, which is low key in nature and mainly utilised by known patrons is again unlikely to justify an on-site presence. The implementation of safety measures, appropriate level of training, restricted access to the workshop and the requirement to utilise the workshop when there is either a fellow patron or staff member present, would alleviate any health and safety risks, as far as practicable.

There appears to be no clear link as to why with an essential worker dwelling the employment needs would be 2.0 FTE and 0.5 FTE but rising to 4.0 FTE without a dwelling. There appears to be no causal link between the level of work dramatically increase without a dwelling on site. This is particularly puzzling when the Business Review itself acknowledged there will be period of on/off duty work where there are only 2.0 FTE members of staff. As such, this aspect of the Business Review fails to provide any clear justification for the increase in staffing without an essential worker dwelling, likely because there is no justification. However, it is interesting that the Business Review proceeds to place great reliance upon the businesses inability to afford the wages of 4 FTE members of staff as further justification for the dwelling.

In considering the above, there is insufficient justification to robustly demonstrate that a dwellinghouse on site is essential for the current and future operations of Paynes Boatyard. The operation of the site, level of activity and limited activity beyond core business hours (and well into the evening) would not justify an essential need dwelling in this location. I appreciate a further level of justification could be provided, in respects of a far expanded business plans, evidence of accounts and income forecasts, future investment to justify growing workloads. However, even if this were to be provided, I am unconvinced this would provide enough evidence to justify an onsite presence is necessary, even if the nature of the business intensified significantly. As such, the proposal is considered to be contrary to Policy 43 and 45 of the Local Plan and PP04 of the Chichester Harbour Management Plan.

Design and Impact upon the Character of the Area

The proposal seeks a dwelling of high architectural and built quality, which would provide a dwelling for Tom and his family, rather than provide essential accommodation for two or more workers which are fundamental for the ongoing viability of the boatyard. The dwelling is significant in terms of the level of accommodation it offers, likely because it is intended as a family dwelling, rather than to provide essential accommodation. The overall scale of accommodation is therefore unlikely to be justified, particularly for the anticipated staffing

requirements (2 FTE) and would far exceed what the council would consider to be 'essential'. If the principle of the proposed dwelling were to be considered acceptable, the council will impose a condition requiring, the dwelling to be solely occupied by persons actively improved within the boatyard and their dependants, to provide adequate reassurance over the future occupiers.

As a result of the fundamental concerns raised above, I have not fully assessed the wider visual impacts of the dwelling, as it is clear a significant reduction in size and scale would be necessary. It is nevertheless appreciated there are similar height building and industrial styles buildings in the immediate setting and established natural screening which are likely to help limit any wider visual impacts of the dwelling.

Other Matters

The previous application was accompanied by a Nitrogen Neutrality scheme, which has been resubmitted as part of this pre-application. Unfortunately, the figures contained within are now out of date, due to Natural England having updated their guidance in March 2022. An updated report would need to accompany any subsequent planning application.

Conclusion

In considering the above, officers are unconvinced there is an essential need for the proposed dwelling, and therefore the proposal is considered unacceptable in principle. In addition, notwithstanding the lack of justification, the level of accommodation sought far exceeds what the Council would consider the be 'essential' for the operation of the boatyard, particularly given the historically low level of employment (single person) and the low level of anticipated employment going forwards. As such, the proposal is contrary to Policy 43 and 45 of the Local Plan.

This advice is given by an officer of the Council and is not necessarily binding on the Council for any formal application you may submit. You should note that the proposal has not been given any third-party publicity and the views of all statutory consultees have not been sought.

If you have any queries regarding the contents of this letter, please do not hesitate to contact the case officer Calum Thomas. Please note that other than for any clarification of this advice that may be required, this now concludes your Pre-Application Enquiry.

Yours faithfully

Calum Thomas

Afternoon Phil.

Have now circulated all you sent and the text of your email to our Planning Committee Members inviting them all to feedback queries/requests for clarifications/(non-committal) observations by 7.1.2022 in writing to me.

I will feedback to you what I receive from them, probably not identifying who said what.

Couple of queries to kick things off –

Draft business case – was expecting to see some actual figures in this, comparing mooring/storage fees with other boatyards/marinas around Chichester Harbour.

Was a bit surprised to see 2 No. workers, but you later clarify this by saying they are within the Douglas family seeking to be housed at the site.

Whilst the build on stilts approach is understood, full case under exception test in NPPF needs to be made out, with an explanation of what happens in an exceptional flood event. Will have occupiers received EA flood alert and not be at the site, or are they banking on waiting for flood waters to subside/recede, by staying on site?

Finally, some sort of LVIA is needed, with a justification for why the dwelling is the size it is. In my opinion it needs to be functionally large enough to meet its purpose, rather than aspirationally sized to meet the applicants' desires.

Dear Steve

Thank you for sharing these pre-application papers.

My initial response is that the changes from the previous outline planning application do not appear very material. The business case therefore remains crucial.


The questions I have are:

1. Why "without the functionality provided by a dwelling on-site, Payne's boatyard is likely to be forced to close"?
2. How "the dwelling would liberate external capital for direct investment in improvements to the yard to deliver the business plan"?
3. Does the proposed dwelling provide any immediate improvements or additional facilities to the yard's customers?

Yours



Dear Steve

I have to support  in this. I cannot see why a dwelling is required on this site.

This is a new dwelling in the protected landscape. It is usual for a request of this nature to only be permitted when animal welfare is at stake

I don't believe it is our role to facilitate the economic success of a business by permitting new dwellings which will liberate capital to invest....

If this were true it would become the business case for all new developments and we would have no grounds for refusals

Who benefits from this development except the applicant?

Regards



.....

- I note that the applicant makes reference to the new building being tied to the business and describes it as a tied dwelling. Can this be done and is it likely to be effective?

Kind Regards



PAYNES BOATYARD - BUSINESS PLAN

Economic data has been redacted from this report as it is of a commercially sensitive nature. This information can be provided on the basis that this information **must not** be open to general public view, or where a conflict of interest may be present.

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1. INTRODUCTION

Paynes boatyard is a thriving, and long-established family-run boatyard offering storage and services, workshop facilities, and high-quality recreational and social spaces to the cost-conscious boat owner. Having been operated by the same family since 1969, the approaching retirement of the current owner-operator (age 69) has prompted a comprehensive review of the operation and sustainability of the business, with a view to securing the future of the boatyard in the hands of the next generation of the family.

2. ABOUT PAYNES BOATYARD

Paynes was recognised as a 'small yard, specialising in 'self-help' refits' by John Reger in the 1996 publication 'Chichester Harbour - A History', and this specialism remains central to Paynes' operations to this day. Offering predominantly hardstanding storage ashore, good workshop facilities and the lowest annual storage rates in Chichester Harbour, Paynes **uniquely** meets the needs of DIY boating enthusiasts on a smaller budget. Paynes continues to attract owners interested in boat restoration and there a number of classic and modern yachts currently undergoing significant refits in the yard.

2.2 IMPACT

The Paynes offer enables access to sailing for those where costs might otherwise be prohibitive, and this approach, in combination with its workshop facilities, is fundamentally different to other yards and marinas in the harbour. As a result, Paynes directly increases the social diversity of marine leisure participants in Chichester Harbour. This is significant with reference to both local and national level drivers.

- **At a local level:** The ongoing operation of Paynes directly contributes to the delivery of one of the two principal duties laid upon the Harbour Conservancy in the 'Chichester Harbour Conservancy Act 1971', specifically the responsibility to maintain and improve the harbour 'for the use of pleasure craft and such other vessels as may seek to use the same'. Paynes also plays an important role in the Chichester Harbour marine leisure ecosystem, providing a reasonably priced entry point for new-comers, and serving as a 'feeder-yard' for larger marinas and yards if and when owners choose to progress to larger boats beyond the usual handling capacity at Paynes.
- **At a national level:** The availability of low-cost options for boat storage and maintenance is essential to enable participation from those on smaller

budgets, and in this regard the Paynes offer aligns well with the Royal Yachting Association (RYA) Equality, Diversity, and Inclusion Strategy (launched in 2021) which aims at ensuring **'boating is accessible and attractive to the widest audience'** irrespective of background.

The proposed development at Paynes is essential for the continuation of this family-business as it provides accommodation on-site to enable an efficient and flexible staffing opportunity, delivers a new high value undercover storage area, and directly enables capital investment in the yard pontoon project to drive revenue growth and ensure future success.

The loss of Paynes boatyard, or indeed a shift away from its current low-cost offer, would result in a barrier to participation for an important sector of the marine leisure community, and cause a reduction in the diversity of people enjoying the harbour.

2.2 SITE CHARACTERISTICS

The Paynes offer has been shaped by the family over the course of their many years' operation as a tried and tested response to what is a relatively challenging site.

The boatyard is situated at the northern end of Prinsted Channel in Chichester Harbour. A slipway leads from the site directly into Chichester Harbour. The nature of the site and access to water are critical features underpinning the Paynes operating model.

- **Access to water:** Prinsted Channel is a tidal creek, drying to mud at low tide and offering restricted depth at high water. Published tide tables for Chichester Harbour indicate average neap tide heights at around 4 metres and spring tide heights of up to 5 metres over Chart Datum. Consequently tidal times and depth variation have a significant impact on launch and recovery opportunities at Paynes. In order to maximise the operating window for access to water Paynes adopts a high degree of flexibility to meet customer requirements with respect to launch and recovery.
- **Boat size** - the layout of the site, available water at high tide, and manoeuvrability of equipment and space required to move boats, all mean that Paynes is most suited to smaller boats <30 ft in length. The focus on smaller vessels is a natural fit with the Paynes' location that is sympathetic to the character of the harbour and avoids the requirement for major engineering projects and dredging that would be detrimental to the harbour and the wider environment.

- **Storage options:** At present, there are limited berthing options available either on the small pool or jetty, and over 90% of boats are stored on hardstanding. Paynes has successfully established its reputation as a boatyard specialising in shoreside storage of smaller boats with members seeking to carry out DIY maintenance or major refits, and in line with this, significant investment has already been made in the yard infrastructure and workshop facilities. The Paynes' offer is reinforced by the provision of high quality social spaces and facilities, similarly improved in recent years. These facilities support the exchange of knowledge and experience between members, with such 'peer-assistance' being invaluable to DIY boating-enthusiasts.

2.3 TARGET MARKET

Chichester Harbour is amongst the largest recreational harbours in the UK, extending over 11 square miles at high tide and attracting 25,000 people annually onto its waters. The Harbour has a resident fleet of over 10,500 leisure vessels, with around half being larger boats requiring a permanent mooring, berth or yard space for storage. This is a sizeable market demonstrating the popularity of Chichester Harbour for leisure sailors. In the course of pre-application enquiries, feedback from the Harbour Conservancy noted "if run well there is demand for all the existing yards around the harbour and there is enough business for them all."

The Paynes specific target market is significantly influenced by the nature of the boatyard site, suitability for smaller vessels, access to water, and its geographic location in the Harbour, typically attracting price-sensitive owners of smaller vessels, seeking a yard which supports DIY maintenance, repair and rebuild/refit, in addition to reasonably priced services. Paynes continues to attract owners interested in boat restoration and there a number of classic and modern yachts currently undergoing significant refits in the yard.

Paynes plays an important role in the Chichester Harbour marine leisure ecosystem, providing a reasonably priced entry point for new-comers, and serving as a 'feeder-yard' for larger marinas and yards if and when owners progress to larger boats beyond the usual handling capacity at Paynes.

The valuable rôle played by Paynes Boatyard was acknowledged by Chichester Harbour Conservancy during pre-application enquiries: **"The Conservancy supports marine enterprise and values the function of Paynes Boatyard within Chichester Harbour allowing those on a budget to store and launch their boats/enjoying formal boating recreation"**.

3. COMPETITOR ANALYSIS

3.1 ALTERNATIVE FACILITIES/PROVIDERS

Chichester Harbour offers a range of marine enterprises, including modern marinas and a range of other boatyards. The following table details the principal marinas and boatyards within Chichester Harbour. In the course of pre-application enquiries, feedback from the Harbour Conservancy noted "if run well there is demand for all the existing yards around the harbour and there is enough business for them all."

| | | |
|-----------------------|---------------------|--------------------------------|
| Sparkes Marina | Birdham Pool Marina | Chichester Harbour Marine Park |
| Wilsons Boatyard | Thornham Marina | Chichester Marina |
| Hayling Yacht Company | Haines Boatyard | Emsworth Yacht Harbour |
| Northney Marina | Dell Quay Boatyard | Sophie's Boatyard |

Paynes' site conditions support a lower-cost offer, appealing to budget conscious boat owners. Recent years have seen redevelopment or closure of a series of small boatyards as a consequence of major investment and high running costs. This view is supported by the Harbour Conservancy Landscape Character Assessment (2019) which acknowledges that "the decline of traditional boatyards is due to increasing costs, loss of traditional skills and a demand for motorised boats."

| | |
|---------------------------------|---|
| Combes Boatyard, Smugglers Lane | Small boatyard, redeveloped for residential dwellings |
| Pepe's Boatyard, Hayling Island | Redeveloped |
| Burnes Shipyard, Bosham | limited water depth and access. Shipyard buildings derelict. Marine related use proven to be unviable. Proposal for redevelopment for residential dwellings |
| Dolphin Quay, Emsworth | Restricted tidal reach. Site redeveloped for residential dwellings |

The Paynes' offer is therefore becoming increasingly unusual and significant in terms of its contribution to the diversity of facilities available in the Harbour. This was recognised and appreciated by the Harbour Conservancy in pre-application feedback "The Conservancy would wish to support Paynes as a yard which offers

services to a particular market segment and one where the owners have been investing in improvements. It is agreed regarding with the points made about Paynes as an entry point for new boaters and a budget option for boat storage and maintenance and its value given the closure of similar facilities around the harbour.

In order to buck the trend of closure or redevelopment which is apparent at other sites, an **innovative approach** is needed to secure this important facility and maintain the low-cost provision into the future. This will require:

- Capital investment to improve infrastructure and services
- A novel operating model which provides high levels of service at low cost

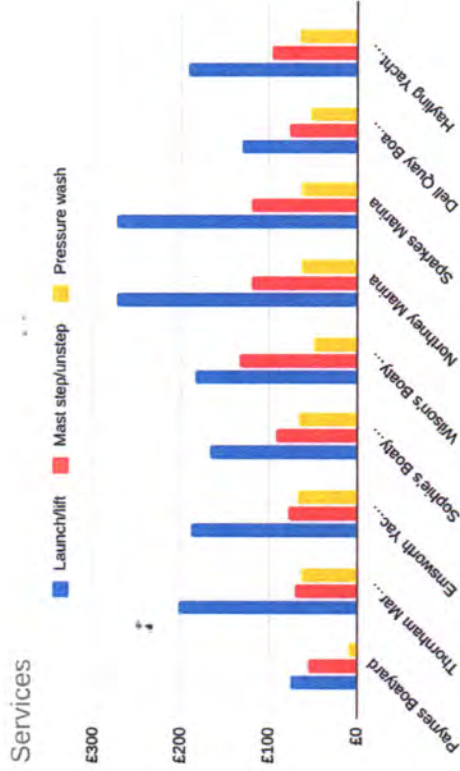
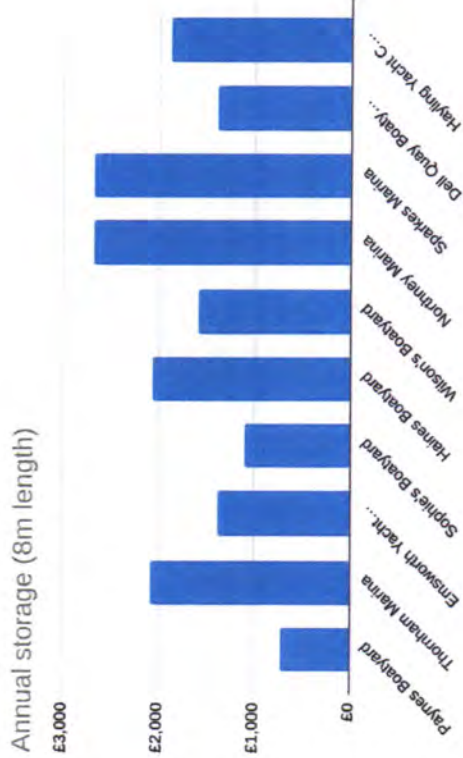
It should also be noted that the closure of other similarly positioned yards has **strengthened interest and demand** for Paynes as alternative, low-cost storage options become more scarce. The current cost-of-living crisis makes economical options in the Harbour more important, and Paynes offers an affordable option to those who may otherwise feel they are not able to continue with their recreation activities. The potential customer base for paynes is already large and growing - the capital investment proposed in this application (in combination with new marketing capability) will enable paynes to take advantage of this opportunity.

3.2 COST COMPARISON

A comparison of storage and service costs at remaining alternative yards or marinas in the Chichester Harbour areas is provided below (correct as of 2022). Storage fees are typically chargeable per metre according to boat length, and for the purposes of comparison, costs have been calculated based on a monohull boat of 8m. Storage fees ashore have been annualised to enable comparison.

| | Annual storage | Launching/ lifting | Mast step/unstep | Pressure wash |
|------------------------|----------------|--------------------|------------------|------------------|
| Paynes Boatyard | £720 | £75 | £55 | £10 |
| Thornham Marina | £2,068.80 | £201.76 | £71.42 | £62.64 |
| Emsworth Yacht Harbour | £1,368.00 | £188 | £78 | £68 |
| Sophie's Boatyard | £1,091.92 | £167.68 | £91.84 | £65.62 |
| Haines Boatyard | £2,063.76 | cost unavailable | cost unavailable | cost unavailable |
| Wilson's Boatyard | £1,580.80 | £183.60 | £133.30 | £49.10 |

| | | | | |
|-----------------------|-----------|---------|---------|--------|
| Northney Marina | £2,683.20 | £272.40 | £119.40 | £62.80 |
| Sparkes Marina | £2,683.20 | £272.40 | £119.40 | £62.80 |
| Dell Quay Boatyard | £1,386.64 | £130.99 | £77.18 | £52.50 |
| Hayling Yacht Company | £1,872.00 | £191.20 | £97.00 | £64.40 |



The average cost of storage (8m boat on hardstanding/storage ashore) amongst the yards/marinas surveyed is £1,751 per year. The cost at Paynes is £720 per year - almost 60% lower than average, and nearly 35% lower than the next cheapest alternative (Sophie's Boatyard). Similarly, in line with low overall cost expectations and DIY character of Paynes, basic service costs at Paynes are also significantly cheaper than at other yards. Some price increases at paynes are expected over the coming years, but these will be done gradually and in-line with the provision of improved services.

3.3 STAFFING

In line with the low cost operating model, and whilst recognising differences of size and scale, staffing at Paynes is currently at a level **significantly below** other boatyards and marinas in Chichester Harbour (where information is readily available on marina/boatyard websites).

| Boatyard/Marina | Number of staff | Staff roles (where publicly described) |
|------------------------|-----------------|--|
| Paynes Boatyard | 1 | Owner-operator |
| Thornham Marina | 7 | Managing Director, Marina Manager, Yard Supervisor, Yard Hand (x2), Office Manager, Office Assistant |
| Emsworth Yacht Harbour | 8 | Managing Director, Marina Manager, + 6 posts (job titles unavailable on public |

| | | website) |
|---------------------------------|-----|---|
| Haines Boatyard | 8 | Managing Director, Senior Shipwright/Yard Manager, Shipwrights (x2), Yard Services (x2), Company Secretary/Director, Accounts Manager |
| Sparkes/Northney Marinas | 12* | Marina Manager, Assistant Manager, Marina Operatives (x3), Dockmaster (x2), Night Dockmaster (x2), Boatyard Operative, Seasonal Marina Operative, Administrator |
| Wilson's Boatyard | 4 | Managing Director, Yard Operations Director, Office Staff (x2) NB yard services performed by Hayling Marine Services. |

* Majority of staff perform roles across both Northney and Sparkes facilities.

4. CURRENT OPERATING MODEL

4.1 OPERATING PRINCIPLES

Paynes' site, location, and access to water dictate a maximum fee that will be tolerated by its members. It is clear that boatyards and marinas in Chichester Harbour positioned in premium locations command higher fees.

In order to compete favorably as a smaller business with a different offer, it is essential that Paynes continues to offer affordable and competitive prices, whilst continuing to meet customer expectations with regards to facilities, services, safety and support. The profitability and long-term sustainability of the boatyard therefore depends on the ability to:

- Invest in and improve facilities, infrastructure and services
- Offer staffing levels and skills which meet the needs of its customers
- Operate with a high regard for cost-efficiency

4.2 SERVICE DELIVERY

The yard, workshop and social facilities are staffed from 08:00-18:00, 7 days per week, all year round. In common with other yards and marinas, members occasionally choose to stay overnight when visiting their boat.

A number of external influences have a significant impact on the delivery of core activities. These include:

- **Tide times and types, daylight hours:** The geographic positioning of Paynes boatyard dictates access to water for launch and recovery in line with tide time and type, which may include work at unsociable hours/overnight.
- **Storage options:** With very few water berths and 90% of boats stored on hard standing, boat owners at Paynes are generally not able to access the tide without assistance from the yard operator, placing a significant service requirement on Paynes staff.
- **Access to facilities:** As with many recreation-based service providers, access to facilities and services must be sufficiently flexible to align with members' 'free-time'. Paynes attracts a diverse range of customers with differing access requirements, extending throughout the day, into the evenings (for example local customers who may visit the yard after work), and over weekends and bank holidays.
- **Differing levels of support requirements:** As described above, Paynes specialises in DIY boat owners, with many members choosing the yard because of its on-site expertise, workshop and tools provision. Paynes has a duty of care to ensure an appropriate level of oversight of workshop tools and facilities, which may extend to close supervision, support and guidance depending on member experience.

These factors lead towards a highly-variable working pattern characterised by peaks and troughs of intense activity and quieter periods throughout a standard day. Given minimal staffing arrangements, these requirements call for a **very high** degree of flexibility from the yard operator.

4.2.3 Safety and security

Health and safety risk management at Paynes is currently supported by the essential, continuous on-site presence during service hours, contributing to Paynes' strong safety record. The environment of a boatyard has inherent risks, including: the possibility of fire (due to presence of flammable substances and sources of ignition), falling into water and drowning along with slips, trips, falls and crush injuries, in addition to injuries sustained by members whilst working on boats.

Expensive equipment, tools and outboard motors unfortunately attract criminal attention - security is therefore of critical importance to our customers. Investments in CCTV and an electronic gate have been completed to improve security, however the presence of the public footpath through the boatyard makes this site inherently

vulnerable and is a concern to our customers. The Harbour Office recognises the challenges of preventing crime in the harbour and *'encourages boat owners to be vigilant, to visit their boats regularly and to take appropriate measures'*, and it is a reasonable expectation of Paynes members that the boatyard itself has high quality security and crime prevention measures in place.

As a consequence of these varied issues, an onsite presence is a key tool in ensuring the safety and security of yard members and their property. There is precedent for overnight presence being maintained elsewhere in the Harbour. Sparkes and Northney Marinas employ 2 night dockmasters to ensure overnight coverage to combat these issues. Emsworth Yacht Harbour does not have a 24 hour staff presence, though the Harbour Conservancy acknowledged during pre-application dialogue that "there are residential properties within that Marina itself".

4.4.4 STAFFING

- **Capacity:** The current staffing arrangements at Paynes are consistent with the low-cost model, however, yard storage potential and the service offer are limited by the availability of staffing resource (e.g. increased logistical challenges and more complex boat movements inherent with a more densely populated yard, failure to utilise specific areas of the yard). Current staffing levels are sufficient to deliver a safe and profitable service, but do not allow the enterprise to exploit its full potential, or offer a platform for growth.

- **Flexible working requirement:** The current owner maintains a continuous presence at the boatyard during standard service hours, and beyond if required. The demands of the multiple aspects of this role are highly variable and significantly impacted by factors beyond the control of the operator (e.g. tide times/depths, weather conditions, daylight hours, members' schedules and requirements). The working day is characterised by intense periods of activity, flexibly and variably servicing both yard-and office-based needs, interspersed with quieter 'on-call' periods whereby the operator is on-hand to provide a professional service if required (e.g. to meet unexpected customer needs, ensure high health and safety standards, provide a security presence).

4.4.5 INVESTMENTS IN THE YARD

The current owner-operator of Paynes has carried out an extensive programme of improvement and modernisation of the boatyard over the course of the last ten years. In contrast to other similar sites (where sadly buildings and facilities have become derelict, leading to closure and redevelopment proposals, e.g. Burnes

Shipyard) the successful operation of Paynes Boatyard has enabled significant reinvestment in the business in recent years:

- Construction of a new yacht launch and recovery system (capable of handling yachts up to 32 ft)
- Construction of a derrick for the stepping and un-stepping of masts
- Refurbishment of members' social facilities, including installation of new shower and toilet facilities (Ref. No: 13/01463/FUL),
- Major repair of existing jetty
- Removal of damaged pontoons and awarded planning permission for new pontoons (Ref. No: 14/00241/FUL)
- Major programme of maintenance and repair
- New machinery and equipment

The commitment to improvement is a clear indication of the success and viability of the business, and of the future intent to continue to build and grow the business as a marine enterprise. The improvements in facilities and infrastructure provide a strong

5. OPERATIONAL REVIEW

Paynes' operations have been stable and profitable under the direction of the current owner-operator, now approaching retirement. This time of significant organisational change requires consideration of the risks and opportunities associated with the current operating model and analysis of options to enable successful transition and future sustainability in the hands of the next generation of the family. The review has highlighted the following key findings with the current operating model:

- **Improvements needed to facilities, infrastructure and equipment:** Whilst significant investment has been made in yard facilities to date, further modernisation and improvement is needed to ensure Paynes is able to continue to meet the needs of customers, improve productivity and to maximise the potential of the yard. These are essential in order for Paynes to keep pace with other options in the Harbour, many of which have seen significant renovation projects in recent years. These include:
 - Completion of project to deliver new pontoons (approved under planning application (Ref. No: 14/00241/FUL). Whilst this project has been commenced with the removal of old, damaged pontoons significant investment is needed to complete the project and deliver the new pontoons. This project will enable Paynes to increase capacity and offer premium rate, drying berths.

- Provision of covered storage areas for smaller boats and longer-term renovation projects
- Re-organisation of the small pool to improve efficiency of launch operations
- Purchase of new yard equipment and machinery to increase the services offered and maximise productivity
- New website, social media presence and IT systems to bring Paynes up to modern standards and expectations as a service provider
- Renovation of members social areas to broaden appeal and secure new membership types (e.g. associate members)
- **Additional staff requirement:** All activities at Paynes are currently carried out by a single member of staff, limiting the operating potential of the yard and restricting the service offer relative to other facilities in Chichester Harbour. The boatyard needs 2.5 staff to operate at optimum capacity.
- **Online marketing:** Paynes currently lacks the capability to develop and utilise online tools to serve and engage customers, improve productivity, maximise operating efficiencies, and secure a stable pipeline of members. This skill gap will be filled within the proposed 2.5 FTE.
- **Working patterns:** Paynes Boatyard is currently open to customers from 08:00-18:00, 7 days per week, with occasional requirements for out of hours service. The working day is characterised by variable patterns of intense activity and inactivity. A flexible and cost-efficient approach to meeting staffing needs would benefit the yard economically. On-site staff accommodation will meet this need.

6. VIABILITY AND POTENTIAL FOR GROWTH

Paynes Boatyard has been run as a **profitable family business for over 50 years**, and the business has no debts. There is however significant room for growth to maximise the potential of the site and thereby secure a sustainable future for the next generations of the family.

Feedback from the Harbour Conservancy during pre-application enquiries confirmed that "Customer expectations of the services they expect are continually going up and whether the Paynes offering, as is, will be as attractive to the next generation of boatowners is uncertain."

Growth of the business requires critical investment to improve and expand the current yard offer, and the proposed development provides a route to financing major, revenue generating enhancements to the yard maintaining our secure debt free position. The proposal also additionally supports a cost-effective increase in staffing levels to improve the range of services which can be offered.

VIABILITY INDICATORS

Unique offer: Offering the lowest annual storage rates in Chichester Harbour, Paynes targets the price-sensitive end of the marine leisure scene. Strong workshop provision and on-site expertise uniquely attracts customers interested in DIY maintenance and repair. The Paynes offer is likely to be even more desirable given the cost of living crisis, offering an economical option to users of the harbour.

High demand: Paynes has a strong and stable existing customer base, and membership turnover is low. New membership requests exceed availability, which is constrained by lack of prime, usable boat yard space and staffing capacity. A waiting list for new members is being maintained. In spite of high demand, membership fees are sensitively priced given characteristics of the site and customer base.

Occupancy and redundancy: Occupancy is high during the Autumn/Winter months, with membership held at a level which can be managed under current staffing arrangements. Increase in staffing capacity would enable a yard reorganisation to increase the numbers of boats which can be accommodated, thereby increasing revenue.

Investment

The addition of covered storage areas and new pontoons require substantial capital investment which will be funded as part of this project. The infrastructure and facilities improvements are to be underpinned by a new website with associated online functionality and a new, social media led marketing campaign. This investment will add significant revenue to the business and help support future growth.

This project will be entirely funded through new external investment from the incoming generation which will pay for improvements and the construction of the dwelling, which will then be legally tied to the boatyard thereby becoming an asset of the business. This will increase the long term viability of the business by ensuring the availability of consistent, affordable and local accommodation and an enhanced business through greater revenue generating capacity.

Economic data relating to investments and revenue has been redacted due to commercial sensitivity. Please contact applicant for provision of information not suitable for open publication.

It is not possible to realise the required capital required through an increase in fees in a reasonable period of time. The level of fee increase required, approximately 30% increase per member per year over a 5 year period, would position Paynes as the most expensive facility for storage on hard standing in Chichester Harbour. The site characteristics and the Paynes customer base simply will not support this level of fees increase. Similarly, the substantial costs associated with increasing staffing levels, and enhancing service provision, cannot be borne by raising current fees. New sources of revenue are needed for long term sustainability.

7. Summary

The current operating model is not considered sustainable beyond the retirement of the present owner-operator. Whilst profitable operations during his tenure over the last ten years have enabled significant investment and improvements to the yard, going forwards the business requires increased capacity and capability, further investment in infrastructure, equipment and services to meet the challenges currently facing the yard.


The proposed new operating model involving the development of a tied workers' dwelling on site, provides for a long-term, sustainable future for Paynes Boatyard which recognises the unique character and appeal of the site, securing the low-cost offer into the future. In addition this model creates new jobs and offers a platform for reinvestment and growth of the business, with potential for additional employment opportunities in the future. This option meets the requirements identified by the business review in the following ways:

- Provides an overall improvement in productivity and staffing efficiency within an optimised operating model, supported by the flexible live-work approach of two members of staff accommodated in the workers' dwelling
- Provides additional capacity and new capability to support functions which are currently underserved, facilitating opportunities to increase revenue without undue burden on operating costs, and securing a stable and sustainable customer pipeline
- The elevated design of the proposed dwelling creates prime, covered storage space underneath the dwelling for small boats, making better use of an area of the yard which is currently underused, thereby retaining commercial use.
- Provides jobs for 2.5FTE in year 1 with a strong platform for growth in future years.

- Enables significant new capital investment (£200,000) in the yard to deliver the improvements to infrastructure, facilities, services and online tools, further improving operating efficiencies, bringing new sources of revenue and increasing the appeal of the boatyard to both new and existing members.
- Offers on-site security provision to meet customer requirement

The dwelling is essential to the development, growth and continued operation of this family business which performs a significant role in serving an important sector of the Chichester Harbour marine leisure community.

Steve Lawrence

From: Victoria Douglas 
Sent: 16 January 2023 08:51
To: Steve Lawrence
Cc: Richard Austin; Richard Craven; Daniel Masterman
Subject: Re: Tied dwelling - Paynes Boatyard - 22/03137/FUL

Dear Steve,

Thanks for your e-mail. As you will understand, the full business case for the boatyard includes both personal financial data and commercially sensitive information related to our future business strategy. As a result we are not able to release this into the public domain or share with the Harbour Conservancy planning committee at this stage. Full details will be shared confidentially with CDC.

Your questions seem to focus on the financial implications of constructing the new dwelling compared to the cost of housing locally, whilst this is an important aspect, it's not our only consideration in this case. The construction of the proposed dwelling, and associated covered boat storage area, offers a combination of benefits which are simply not realised by alternative accommodation in Southbourne, or elsewhere in other nearby towns. The operational AND financial advantages the on-site dwelling offers should not be considered separately or in isolation, as it is through their combined effect that the future of the boatyard can be secured.

We have funds available to build the proposed dwelling/boat storage area and invest £200,000 in major projects in the boatyard. This approach provides both the required new boatyard infrastructure (and associated increase in revenue) AND an opportunity to maximise the efficiency of staffing through flexible working across the relatively long opening hours. This approach alone provides the stable platform required to continue and grow this family business whilst supporting the needs of a young family. The cost of local housing in close proximity to the boatyard means that purchasing a family home in this area would require all available funds preventing investment in the boatyard infrastructure AND the operation of the yard would be significantly more challenging. We have been actively monitoring the market for over 2 years and no properties have been available within our search area that are affordable, enable investment in the yard, and meet the needs of our family. There have been 23 properties with 3 or more bedrooms sold in the last year within 1 mile of the boatyard, the average selling price was £907,000. We are certain that this is not a feasible option for us or the boatyard - we will not be purchasing a property in the local area and if application is not granted it is likely the yard will close in the next few years.

Having been in our family for over 50 years, we have no intention to sell the boatyard and intend to make the business a great success. Our application is for a dwelling tied to the business. However, in the unlikely event that dwelling was built and the business was to close, our expectation would be that the house and the yard would be sold as a going concern.

We can confirm that the business is currently profitable and stable, and has been for many years with its current operating model. Our intention is to grow the business through a combination increased customer numbers, new storage/berthing options (covered storage and pontoons), marketing and customer engagement, and provision of new services including lift and wash, anti-fouling, mast storage and yard labour for minor works/repairs. We would like to build Paynes' reputation as a yard supporting DIY refit and renovation, but also offering services that bridge the skills gaps our customers may have. Capital investment is critical to unlocking this opportunity. Delivery of this growth requires a mixture of skills, capability and experience.

I see at the moment that the agenda etc is not available on the HC Planning Committee webpage. We would be grateful if you could point us towards the meeting papers as they are published.

Best wishes,

Tom and Victoria

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From: Steve Lawrence <Steve.Lawrence@conservancy.co.uk>
Sent: Sunday, 15 January 2023, 11:42 am
To: Victoria Douglas
Cc: Richard Austin; Richard Craven
Subject: RE: Tied dwelling - Paynes Boatyard - 22/03137/FUL

Thank you for that Victoria.

It is a pity that the business case supplied is redacted. I am struggling to complete my Committee report for the Conservancy by noon next Tuesday.

In making its objection to 21/01060/OUT, the Conservancy made it clear it wished to see a full business case.

It is not clear to me how building the dwelling at the site will release funds to enable the £200,000 capital investment in the boatyard?

I do note the estimated costs of building the dwelling and providing the new pontoon and that page 14 states "the project will be entirely funded through new external investment from the incoming generation which will pay for the improvements".

Does this mean the applicant has those monies, part of which will be realised from selling the current family home in Wantage? Is a loan/mortgage also being taken out?

Without seeing the whole 'balance sheet' it is difficult to see how the viability arguments are being made out.

A quick look on Zoopla for Manor Road Wantage revealed an average selling price of £554,475, whereas a similar search for Southbourne Parish revealed 101 properties being available with an average selling price of £523, 427.

Are you certain there are no houses in Southbourne Parish that you could not purchase/live in and still operate the boatyard? How many properties have you visited over what period of time?

Whilst there is a limited sustainability argument regarding not needing the private car to travel to work if living on site, there is also the counter argument that you would be remote from other amenities, which you would be more than likely to use a car to travel to.

Whilst it is possible to tie occupation of the dwelling to the business as a planning obligation, it is less clear what would occur were the business to come to an end at some point in the future.

Would the applicant propose to sell the yard and its tied dwelling on as a going concern if this scenario arose?

Are you able to provide an un-redacted version of the business case?

Whereas the business case advises the boatyard has no debts, the overall financial health of the business is unknown, nor the number of customers and how this might have fluctuated over time.

Whilst current £ rates to customers are set out usefully in comparison to other yards' rates, it is not clear how these might have varied over time, although I note later on p.15 that a 30% increase in membership fees would not be viable/sustainable.

From: Victoria Douglas <[REDACTED]>
Sent: 13 January 2023 08:36
To: Steve Lawrence <Steve.Lawrence@conservancy.co.uk>; Daniel Masterman <dm@hdarchitects.co.uk>
Subject: Re: Tied dwelling - Paynes Boatyard - 22/03137/FUL

Dear Steve,

Thanks for this. We're working with our architects targeting a build cost of £400-450k for the new dwelling/covered boat storage area on a self-managed/self-build basis.

Planning 14/00241/FUL ("Construct new pontoons and scrap old ones") was commenced within three years of the application being granted, beginning with the demolition and removal of the 5 old pontoons. The remaining element, the construction of the new pontoon has been costed at £150,000 and will be delivered as per the proposed business plan.

Kind regards,

Victoria.

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From: Steve Lawrence <Steve.Lawrence@conservancy.co.uk>
Sent: Wednesday, 11 January 2023, 12:29 pm
To: [REDACTED] <[REDACTED]@hdarchitects.co.uk>; Daniel Masterman

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Cc: Victoria Douglas
Subject: Tied dwelling - Paynes Boatyard - 22/03137/FUL

Dear Daniel

I am trying to untangle the economic arguments, one factor of which is an estimate of the build cost of the new dwelling, including installation of utilities.

Are you able to share such an estimate with The Conservancy?

At the same time Victoria, can you confirm if planning permission 14/00241/FUL (replacement pontoon) has been implemented, as I have yet to go to site to check. If it has not been built out or commenced, one would assume the permission would be re-applied for? Was there a costing for implementing those works?

Kind regards

Steve Lawrence MRTPI
Principal Planning Officer