

Reading Agricultural Consultants

Hinckley & Bosworth Borough Council

Proposed Rural Worker's Dwelling

Barton Hill Fields Farm, Barton in the Beans

Consultation Response - 16/00640/FUL

August 2016



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1. Introduction

- 1.01 Reading Agricultural Consultants Ltd (RAC) is instructed by Hinckley and Bosworth Borough Council (HBBC) to comment on a proposal for the retention of an existing log cabin as permanent residential accommodation for a rural worker at Barton Hill Fields Farm, Barton in the Beans. The log cabin was granted permission (10/00920/FUL) for a temporary period of three years in 2011 in association with the development of an equestrian enterprise on the holding.
- 1.02 Following a change of ownership of the Barton Hill Fields Farm holding, planning permission was granted for an extension of the temporary period of the siting of the log cabin to December 2016 (13/00910/CONDIT).
- 1.03 In responding to its instructions, RAC has had regard to:
- (i) the application form and associated drawings;
 - (ii) Planning Statements prepared by Thomas-Taylor Planning Ltd in respect of the current application and the earlier variation of condition application; and
 - (iii) Financial Statements for the period 2014-2015.
- 1.04 The material drawn from these sources has been appraised in the context of relevant planning policies as set out in the National Planning Policy Framework (2012) and the Hinckley and Bosworth Local Plan 2006-2026.

- 1.05 RAC provided HBBC with an appraisal of the circumstances underpinning the initial planning application for the log cabin in January 2011. In considering the current application regard has also been had to the conclusions reached at that initial stage.

2. Background

- 2.01 The background circumstances to the planning application are set out in the material supporting the planning application. It is not proposed to repeat these circumstances in full in this appraisal, merely to identify the salient points as an introduction to it.
- 2.02 The applicant, Ms Waldron, acquired Barton Hill Fields Farm in 2012 from the equestrian interest who had benefitted from the planning permissions enabling the establishment of a livery enterprise. Miss Waldron re-activated a livery enterprise, Summer Days Stables Ltd, and has subsequently invested in additional stabling. The latter resources now extend to 20 stable units which serve a mix of DIY and Full Livery clients. Livery income is supplemented by income from horse clipping, breeding and training services.
- 2.03 It is contended that:
- (i) the Council has accepted that the scale and nature of the equestrian activity gives rise to a functional need for the presence of a rural worker on-site; and
 - (ii) the enterprise has demonstrated its sustainability.

As such, it is contended that the case for a permanent dwelling has been demonstrated, and the continued siting of the existing log cabin would meet this need.

3. Appraisal Framework

- 3.01 The framework against which to examine the proposed worker's dwelling at Barton Hill Fields Farm is provided by relevant policies in the National Planning Policy Framework (NPPF-2012) and the adopted Site Allocations and Development Management Policies DPD (2016) of the Hinckley and Bosworth Local Plan 2006-2026.

- 3.02 The basic premise of national planning policy is that new sporadic residential development in the countryside should be avoided unless there are special circumstances. One such circumstance identified in paragraph 55 of the NPPF is:

“the essential need for a rural worker to live permanently at or near their place of work in the countryside.”

- 3.03 The Government is concerned to promote sustainable development in rural areas and it is a core element of the NPPF that all necessary development should be sustainable and viewed favourably by the planning process in the context of nationally and locally determined planning objectives. With regard to rural areas, the NPPF indicates that planning policies should support economic growth by taking a positive approach to sustainable new development, including the development and diversification of agricultural and other land-based rural businesses (paragraph 28).
- 3.04 The Local Plan provides for sustainable development in the countryside which, amongst other considerations, contributes to economic growth, job creation and/or diversification of rural businesses, and includes provision of accommodation for rural workers (Policy DM4). Policy DM5 sets out the criteria to be met by proposals for rural worker accommodation, and requires the demonstration of an essential functional need for the ready availability of a worker, the economic sustainability of the relevant associated enterprise and the lack of alternative accommodation.
- 3.05 Neither national or local policy provides any further specific guidance on the assessment of proposals for rural workers’ housing such as was attached to previous national policy.
- 3.06 Clearly, proposals need to demonstrate that a rural enterprise generates an essential need for the presence of a worker and that this need is of a permanent nature. This equates to the longstanding understanding of the functional requirements of agricultural and other rural enterprises whereby the need for a worker related to circumstances requiring ready availability at most times and on a full-time basis.
- 3.07 Given the general imperative to control new residential development in the countryside, it is also implicit that any functional need for the ready availability of a worker could not be met by any other means than new development, for example by utilising existing housing stock in the locality or by converting existing buildings.

3.08 Unlike earlier guidance there is no explicit policy reference to the consideration of the financial soundness of enterprises giving rise to proposals for worker accommodation. The NPPF has, however, an overarching requirement that all new development is sustainable, and this is reflected in the Local Plan Policy. Planning Inspectors and the Secretary of State in decisions taken post-NPPF have focussed on the phrase *'live permanently'* in paragraph 55, and formed the view that this implies a requirement for a decision maker to be satisfied that the need to do so will, or is likely to, continue well into the future. Consequently, a demonstration of economic sustainability is a necessary part of the assessment process. There is no longer any set formula in this respect. For commercial enterprises, however, it would be reasonable to expect them to be profitable, to reward their workers (paid or unpaid) at a realistic level, to be able to fund the proposed development, and to have a sound underlying financial structure. This aspect of the policy framework is particularly relevant to the consideration of the current planning application.

4. The Appraisal

4.01 The existing circumstances of the applicant's equestrian interests are now examined in the context of the planning framework described.

4.02 The framework is essentially that which existed at the time that planning permission was initially granted for the log cabin, and RAC's conclusions on that proposal are therefore still relevant:

"RAC has considered the circumstances of the emerging equestrian enterprise in the context of national planning policy guidance and concludes as follows:

- (i) the applicants appear to have the ability and intention to develop the livery enterprise, as reflected by the scale and nature of the present activity and the investment made in it;*
- (ii) the current livery enterprise has a functional requirement for the ready availability of a key worker to ensure its proper management and compliance with animal welfare obligations; a requirement which will increase as the size of the enterprise grows;*
- (iii) the scale and nature of the intended enterprise is compatible with circumstances in which Inspectors in recent planning appeals have accepted the functional need for on-site supervision;*
- (iv) the absence of a readily available worker would be prejudicial to business prospects in the light of security risks and the expectations of prospective livery clients;*
- (v) the scale of the proposed activity will require in excess of a full-time worker for its proper management;*
- (vi) the enterprise is proposed to be developed slowly and low levels of profitability are anticipated in the initial years;*

- (vii) *the enterprise is expected to reach a scale at which it will be profitable at a level which gives appropriate remuneration to its principals and a small return on their investment; it is soundly based financially;*
- (viii) *existing housing in the immediate vicinity of the holding could theoretically provide an improved supervisory base for a readily available key worker, but access to it is precluded by market values in excess of those which the enterprise could support."*

- 4.03 Only if there had been a significant reduction in the scale and nature of the equestrian enterprise, or a change in the availability of affordable housing in the immediate vicinity of the holding, would those conclusions appertaining to the functional circumstances of the enterprise no longer hold. On the evidence available in relation to the current application neither of these circumstances are applicable. RAC sees, therefore, no reason to alter its conclusions in this respect.
- 4.04 The only outstanding matter is whether the enterprise is sufficiently sound economically as to be assessed as reasonably sustainable for the longer term and as such justify the provision of worker's accommodation on a permanent basis.
- 4.05 The number of horses present and the mix of Full and DIY services provided require the provision of at least one full-time unit of labour. This assessment is derived from the labour planning data provided in the Agro Business Consultants 'Equine Business Guide' (6th Edtn 2015) and takes account of the 40% reduction in labour attributable to economies of scale on the care of 11-20 horses. This would accord with the comment in the Planning Statement to the effect that the enterprise is managed by the applicant, Ms Waldron, with additional paid help brought in at busy times. However, The Financial Statements for Summer Days Stables Ltd for 2014 and 2015 show no payments for bought-in labour.
- 4.06 The primary consideration in examining the current financial performance of the enterprise is whether it is profitable and at a level which realistically remunerates the labour employed in it. The financial data show Summer Days Stables Ltd to have been profitable and increasingly so over the 2014-2015 period. The operating profit for the two years would have provided for the remuneration of an unpaid unit of labour (Ms Waldron) at the level equivalent to or in excess of the Statutory Minimum Wage. The latest figures show an operating profit in excess of £22,000. Additionally, however, Ms Waldron receives a rental income of some £7,000 from Summer Days Stables Ltd which substantially increases her potential income.
- 4.07 It is proposed that the enterprise be developed through the introduction of a small breeding programme rearing competition animals. It is stated that there are currently two in-foal mares on-site. It is intended that foals be reared for sale at four years of age producing an annual income stream of £8000- £10,000 at current values. For the foreseeable future there will, therefore, be an increase in costs albeit that stock values will also be increasing.
- 4.08 There has been significant investment in the enterprise with property improvement in excess of £20,000 made in the last financial year, which has improved the asset base of the enterprise. This has improved the positive balance between assets and liabilities, which in current terms is essentially neutral.

- 4.09 The enterprise is sustainable but at a modest level. The cost of the log cabin and stabling has already been absorbed, but it is doubtful that the enterprise would, at present, be able to sustain the cost of a conventional dwelling, or off-site accommodation, were it available.
- 4.10 Local Plan policy requires that permanent rural workers' accommodation is of a size appropriate to the relevant enterprise. The existing log cabin extends to some 83 sq m in footprint. This is small in comparison to the sizes of permanent rural workers' dwellings generally, and to this extent would be acceptable. RAC has no information as to the suitability of the cabin for long term permanent occupation in terms of the materials used or means of construction, or compliance with any relevant Building Regulations. Nevertheless, it is increasingly the case that timber structures are providing permanent accommodation on farms and other rural enterprises reflecting the priority attached by developers to ensuring the sustainability of their enterprises at the expense of any higher quality aspirations for their residential accommodation.
- 4.11 In the light of the above considerations, it is concluded, therefore, that the needs and circumstances of the equestrian enterprise at Barton Hill Fields Farm are consistent with the requirements of national and local policies for the provision of rural workers' accommodation.

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