

Application No: 11/1803M

Location: WHITE PEAK ALPACA FARM, PADDOCK HILL LANE, MOBBERLEY, WA16 7DB

Proposal: ERECTION OF DWELLING

Applicant: MR & MRS A HODGSON, WHITE PEAK ALPACA

Expiry Date: 22-Jun-2011

Date Report Prepared: 11 April 2012

SUMMARY RECOMMENDATION

Approve subject to conditions

MAIN ISSUES

- Whether the proposal is appropriate development in the Green Belt and if not whether there are any very special circumstances that would outweigh any harm caused by inappropriateness and any other harm
- Whether the visual impact of the proposal is acceptable

REASON FOR REPORT

The application was previously considered by Members at the Northern Planning Committee on 2 November 2011, where it was resolved to approve the application subject to conditions and the prior completion of a section 106 legal agreement requiring the demolition of Ivy Cottage. However, the s106 agreement has not been signed and the applicants have now submitted a Counsel opinion of the reasonableness of the Council's specific resolution to approve. Given this position and the applicant's reluctance to sign up to the legal agreement, the application now needs to be reconsidered by the Committee.

DESCRIPTION OF SITE AND CONTEXT

The application site comprises a timber dwelling under a felt tiled roof. It forms part of the wider agricultural holding of White Peak Alpaca Farm. The site is located within the Green Belt as identified in the Macclesfield Borough Local Plan.

DETAILS OF PROPOSAL

Whilst the description of development on the application form states "Erection of dwelling", the application actually seeks full planning permission to retain the existing temporary agricultural

workers dwelling (originally granted for a 3 year period until 28 September 2008) on the site indefinitely.

RELEVANT HISTORY

09/3006M - Renew consent to retain dwelling (Resubmission of 09/0256M) - Refused 18.01.2010, Appeal dismissed 16.07.2010

09/2640M - Creation of new access track (determination) - Approval not required 16.09.2009

09/0256P - Renew consent to retain dwelling (mobile home) resubmission of 08/2046P - Refused 20.05.2009

08/2046P - Renewal of 05/2623p to allow retention of mobile home for occupation by an agricultural worker - Refused 24.10.2008

05/2623P - 1no. mobile home - Approved with conditions 16.12.2005

05/1853P - Proposed mobile home for an agricultural worker (outline) -Approved with conditions 28.09.2005

In December 2009 an enforcement notice was served which requires the timber dwelling to be removed from the site by 9 July 2010. An appeal against the enforcement notice was dismissed and the notice was upheld with correction and variation. The notice came into effect on 16 July 2011.

POLICIES

Regional Spatial Strategy

RDF4 Green Belts
DP1 Spatial Principles

Local Plan Policy

BE1 Design Guidance
GC1 New Buildings
DC1 Design
DC3 Amenity
DC6 Circulation and Access
DC23 Permanent Agricultural Dwellings

Other Material Considerations

National Planning Policy Framework (NPPF)

CONSULTATIONS (External to Planning)

Environmental Health – No objection

Strategic Highways Manager – No objection

United Utilities – No objection

VIEWS OF THE PARISH / TOWN COUNCIL

Mobberley Parish Council – Strongly object on the following grounds:

- Inappropriate development in the greenbelt and the proposed dwelling reduces the openness of the site within the greenbelt.
- No very special circumstances have been demonstrated or are considered to exist to allow planning permission to be granted.
- The proposed development by reason of its size, siting and design forms a visually obtrusive feature which detracts from the rural character and appearance of the area within which it is located.
- In view of the close proximity of Ivy Cottage we do not feel that the application for a new dwelling is necessary in order for the applicants to look after the Alpaca herd.
- We would add that the application site edged in red we do not consider to be residential curtilage.

Chorley Parish Council - Evident from the comments made by each individual Parish Councillor that there are a variety of concerns, comments and support both for and against the proposal. It has therefore been agreed that we should not begin to debate these views, we should submit them to you verbatim in order to aid your own deliberations.

2 Parish Councillors supported the proposal, 1 opposed and 1 remained neutral but felt that they should support Mobberley Parish Council.

OTHER REPRESENTATIONS

11 letters of representation have been received from residents of Wilmslow, Alderley Edge, Mobberley and Macclesfield objecting to the proposal on the following grounds:

- Inappropriate development in the Green Belt
- Applicants could use their other property at Ivy Cottage
- Dwelling is out of keeping with surrounding properties
- Enforcement notice should be upheld
- 24 hour on site care is not required
- Insufficient land to support stated herd size
- Revocation of land that is currently rented would be fatal to business plan
- Stocking ratio for alpacas is 4 to 5 per acre
- Whilst applicants may have 55 breeding alpacas, only 8-10 crias born in a year
- Inspector did not rule out the use of Ivy Cottage
- Many items previously not included in accounts
- Since 2005 alpaca numbers increased from 50 to 100, but labour requirement remains the same
- Other casual labour does exist on the holding – can this be afforded?
- How much does the shop contribute to profit?
- £100,000 milling machine not previously shown on accounts

- Is recently acquired machinery included in accounts?
- Applicant states that there was a deliberate policy of not selling. If so where has profit come from? Shop?
- Query independent valuation.
- Is any money reinvested back into the business?
- Not in the interests of transparency to hold accounts back from public view.

APPLICANT'S SUPPORTING INFORMATION

A supporting letter, Design & Access Statement and a report on the long term financial viability of the business accompany the application.

In summary, the supporting letter notes that a detailed and up to date financial appraisal has been carried out since the July 2010 appeal decision. This addresses the concerns of the Inspector and the supplementary queries of the case officer. This confirms that the White Peak Alpaca Business is based on sound principles, has met its targets and demand for products remains and is expanding. The business has clear prospects of remaining financially viable in the future. Since this last appeal decision Cheshire East Council has approved permanent consent for a small Alpaca enterprise. In addition an Inspector has granted consent on appeal for another Alpaca enterprise in this same Green Belt.

It is clear that the need for a dwelling is capable of outweighing definitional harm and any other harm to the Green Belt. The Council is invited to grant permanent consent to retain Cedar Lodge on a permanent basis with an agricultural tie and any other suitable conditions.

The financial report concludes the following:

- The business is still financially viable after allowing for the depreciation of fixed assets.
- The business is still financially viable after allowing for an agricultural wage to be paid from the net profit of the business.
- The business will continue to develop given that breeding females are at their optimum capacity for the size of the holding.
- The issue of the long term certainty of rented land has been addressed and the concerns over the ability of the business to obtain additional land in the future.
- The situation with regard to the suggested decline in the value of alpacas has been addressed.
- The role of the shop and other areas of diversification has been investigated.
- It has demonstrated that through additional financial information that, taking account of all of the above concerns, the business is still profitable and financially viable.
- Financial projections have been provided that clearly show the business is capable of sustaining that profitability in the long term and at the very least has a reasonable prospect of remaining financially sound in the future.
- The business has grown in line with the original plan and the report indicates the main objectives of the business over the next five year period.

In every respect the applicants have met the requirement to demonstrate that their business has clear prospects of remaining financially sound in the future.

The legal opinion that has now been submitted advises that the resolution requiring an agricultural occupancy condition and a s106 agreement to demolish Ivy Cottage was unreasonable.

The accompanying supporting letter notes that the applicants would be willing to trade off Ivy Cottage in return for keeping Cedar Lodge (the proposed dwelling) with no occupancy condition or, seek to retain Cedar Lodge with an agricultural occupancy condition and retain Ivy Cottage. As consent is being sought to retain an agricultural dwelling and consent is not sought to replace an existing dwelling on another parcel of land, they consider the latter option to be the correct and proper approach to be followed.

OFFICER APPRAISAL

Principle of Development

The erection of a new dwelling in the Green Belt is an inappropriate form of development in the Green Belt that will reduce openness. However, meeting the functional and financial tests as set out Local Plan policy DC23 may amount to the very special circumstances required to outweigh the harm by reason of inappropriateness and any other harm. Additionally it would need to be demonstrated that the need cannot be met by any other existing accommodation in the area.

Given the particular circumstances of this application, the Council engaged the services of Reading Agricultural Consultants to advise on the merits of the submission. Their comments are incorporated into this report.

Green Belt / Justification

Paragraph 89 of the NPPF and Local Plan policy GC1 state that the construction of new buildings in the Green Belt is inappropriate unless it is for, amongst other things, agriculture and forestry and GC1 states that the provision of new dwellings will be subject to the principles contained in Policy GC6 which refers to the siting of the dwelling.

Paragraph 55 of the NPPF advises that new isolated new homes in the countryside should be avoided unless there are special circumstances such as, amongst other things, the essential need for a rural worker to live permanently at or near their place of work in the countryside. Policy DC23 of the Local Plan sets out the following criteria that should be met in order for planning permission to be granted for a permanent agricultural dwelling in the countryside:

- There is a long term need for the dwelling and it is essential to the efficient working of an existing agricultural activity on a well established agricultural unit (functional test).
- The unit and agricultural activity have been established for at least three years, have been profitable for at least one of them, are currently financially sound, and have a clear prospect of remaining so (financial test).
- The need cannot be met by another dwelling on the unit.
- There are no buildings available for conversion.
- The need cannot be met by any other existing accommodation in the area, and
- The dwelling should be appropriately located and wherever possible should be sited within and designed in relation to a nearby group of dwellings or a farm complex.

Functional test

The Inspector in the 2010 appeal noted, "Alpacas do not readily make outward signs of stress or illness or when they are about to give birth, an event which is itself neither seasonal nor predictable and can (contrary to objectors' assertions) take place at any time of the day or night. The value of the animals and their lengthy gestation period combine to give an added degree of importance to paying close attention to them at and around giving birth. These various factors combine with the numbers of breeding female alpacas (the mainstay of the business) to amount to a likely requirement for ongoing supervision on a year-round basis".

The outline permission in 2005 identified a labour requirement of 1.5 workers and established a functional requirement for an agricultural worker's dwelling at the site. At that time the applicant had a herd of approximately 50 Alpacas. At the time of the appeal the numbers had increased to 90, including 55 breeding females, and the 1.5 worker requirement continued to be the estimated need.

In re-visiting the functional test, there would be only two significant reasons for departing from the conclusions reached as a consequence of the determination of the planning application for temporary worker's accommodation or the conclusions of the appeal. Those reasons would relate to either a substantive change in the nature of the relevant enterprise such that the need for the supervisory presence of a worker was diminished or no longer necessary, or the scale of the enterprise had reduced to a level which no longer required a full-time worker. Neither of these reasons apply to the circumstances at the applicant's holding.

It is therefore considered that due to the supervisory requirements of alpaca breeding and rearing there is a long term need for the dwelling and it is essential to the efficient working of the existing agricultural activity on a well established agricultural unit. As stated above, this view was shared by the Inspector, and is also in line with the Council's view of an alpaca holding in North Rode and by a further Inspector on a site in Mottram St Andrew.

Other existing accommodation in the area

The location plan identifies a building at the eastern side of the land under the control of the applicants. This building is Ivy Cottage, which is a dilapidated property that is partly owned by Mrs Hodgson and her two sisters-in-law who reside in Australia. During the appeal Mr Hodgson confirmed the fact that it was only partly owned did not form a barrier to the plot being available.

It is the presence of this property, immediately adjacent to the main holding that previously led to the suggestion that there was other accommodation in the area that could potentially meet the functional needs of the enterprise. It was on this basis that the recommendation requiring an occupancy condition, and the demolition of Ivy Cottage was put forward by officers to the Committee in November 2011. After having sought a legal opinion, the applicants consider that it is unreasonable for the Council to impose an occupancy condition and require the demolition of Ivy Cottage, and therefore the legal agreement remains unsigned, and the Committee are left with the following options in order for a decision to be issued on the application:

1. Approve the application subject to an agricultural occupancy condition, allowing Ivy Cottage to remain.

2. Approve the application subject to the demolition of Ivy Cottage without an occupancy condition
3. Refuse the application on the grounds that Ivy Cottage could meet the functional requirement of the holding, and therefore the tests within policy DC23 are not met.

Given that this application seeks permission to retain the existing agricultural dwelling, and does not seek consent to replace an existing dwelling on another parcel of land, option 2 is not considered to be an appropriate option. This option would effectively be granting permission for an unrestricted replacement dwelling which, as the applicant has highlighted within their Counsel opinion, would be subject to different policy considerations to those outlined within this report and in the Inspector's decision.

The submitted Counsel opinion also suggests that neither the Inspector nor the Council had appreciated the stance of Mr Hodgson regarding the agricultural occupancy condition and the demolition of Ivy Cottage. The applicant appears to accept that either of these factors / restrictions may contribute towards the very special circumstances case being considered, but only on an either / or basis, not both together. Given that this is an application for an agricultural worker's dwelling in the Green Belt, an occupancy condition would automatically apply otherwise if permission were granted it would be for an unrestricted permanent dwelling in the countryside. The recommendation for the demolition of Ivy Cottage arose at least in part from the "trade off for Ivy Cottage" comments put forward in the applicant's supporting statement with the application and their acceptance of a commitment to demolish Ivy Cottage at the appeal hearing referred to in the Inspector's decision (at paragraph 17). This was simply in line with how the application was submitted, and previously considered.

Now that the applicant has made his position clear with regard to these matters the Committee needs to form a view on this "clarified" application. Therefore, the issue of whether option 1 or option 3 (above) is recommended turns on whether or not Ivy Cottage meets the functional requirement of the holding.

The issue of Ivy Cottage was examined at length by the Inspector. He notes that its demolition would compensate for any loss of openness arising from the retention of the Cedar Lodge. He considers this could be the subject of a condition. However, as the Counsel opinion highlights, there is no normal requirement within policy DC23 to require any new dwelling to be compensated for with the loss of an existing building, and this is not a normal requirement for such an application. It is usual for compliance with the criteria in policy DC23 to amount to the very special circumstances required to outweigh the harm to the Green Belt by reason of inappropriateness and inevitable loss of openness. The proposed dwelling is not unduly harmful in openness terms to warrant a different approach to be taken in this case.

The Inspector considered that for the holding to function efficiently the dwelling should be reasonably close to the barn, which provides a shelter for the animals in the winter and pens for sick animals. The barn could be relocated closer to Ivy Cottage, but the cost of this relocation and the renovation of Ivy Cottage / or relocation of the application property would be beyond what the business could afford. In addition he raises concerns over the visibility provided by Ivy Cottage due to an intervening hedge, how supervision from there would require "conscious breaks in household routines", and the poor quality of the grazing land in this area. These factors would work against the efficient running of the holding, which led the Inspector to question its suitability. He concludes by stating that whilst he does question the

suitability of Ivy Cottage, “that factor alone, given its proximity to the holding and in spite of its disadvantages, does not persuade me that it should be discounted as an alternative location.” However, taking into account the costs involved in relocating to Ivy Cottage (between £165 - £180,000), he states that it is not a realistic alternative location.

The agricultural consultant engaged by the Council, who viewed the proposal together with the up to date financial appraisal, also considers this to be a reasonable conclusion. Whilst the Committee report from November 2011 stated that Ivy Cottage could meet a functional need, having had the opportunity to review all the submitted information together with the Counsel opinion, it is considered to be unreasonable to require the demolition of Ivy Cottage in addition to an agricultural occupancy condition. Given the Inspector’s view and that of the Council’s appointed agricultural consultant, even with the updated financial information, it is considered that a refusal solely on the grounds that Ivy Cottage meets the functional requirement of the holding cannot be justified. Option 3 is therefore discounted.

Financial test

The National Planning Policy Framework does not refer to any specific financial test in relation to a rural worker’s dwelling. The test is that there should be an *essential need* for a rural worker to live permanently at or near their place of work in the countryside. Policy DC23 of the Macclesfield Borough Local Plan requires financial viability of the agricultural enterprise to be demonstrated. It is considered that such a test is compatible with the guidance in the NPPF and that it makes sense that the financial viability should be part of the assessment as to whether there is an “*essential need*”. As such policy DC23 of the Local Plan is considered to carry significant weight.

The 2010 appeal was dismissed, and the enforcement notice upheld, because the Inspector considered that there was insufficient evidence to demonstrate that the business had clear prospects of remaining financially sound in the future.

The financial test is established to examine this and has several components:

- (i) a 3-year establishment period for the agricultural activities and the related unit;
- (ii) profitability in one of the last 3 years;
- (iii) current financial soundness;
- (iv) prospective financial soundness.

There is no dispute in relation to components (i) and (ii) of the financial test. However, as stated, the Inspector had concerns in relation to components (iii) and (iv), and to the longer term prospects of the farm business in particular. Specific issues raised in the decision letter related to the style and content of the financial statements presented in support of the financial test. These included:

- (i) stock valuation – the method adopted was recognised as accepted to HMRC;
- (ii) shop – the exclusion of income and costs associated with on-site sales of products was questioned;
- (iii) depreciation – the absence of full accounting of depreciation of fixed assets was questioned;
- (iv) remuneration to unpaid labour – the ability of the business to make adequate future investment if labour was appropriately remunerated was questioned;

- (v) stock numbers – concern expressed that stock numbers were at the capacity of the holding and the value of breeding stock was declining.

These are matters which needed to be addressed within any resubmission, and which now form the content of a report on long-term viability prepared by the applicants' accountants (Marshall & Co).

In considering the financial evidence presented, due regard has been afforded to the guidance to Planning Inspectors that draws attention to the fact that the functional and financial tests *"should be applied with common sense and in the light of the Court of Appeal judgement Petter and Harris v SSETR and Chichester DC 1999 where it was held that the financial viability test was only relevant in cases where the uncertain future of the agricultural business might lead to a non-conforming residential use that would pass with the land."*

It has been normal practice nationally for planning authorities and planning Inspectors to set minimum thresholds for the application of the financial test in permanent dwelling cases. Namely an ability to give a return to unpaid labour at least equivalent to the minimum agricultural wage, to finance the build cost of the dwelling as either a finance charge or a return on own capital invested, and to be able to sustain continued business development. There is no prescribed formula for this approach, nor can there be within a policy area which seeks to encompass a wide range of occupational circumstances from wholly commercial enterprises at one end of the spectrum to subsistence or even non-commercial activities at the other. The only consistent approach is to ensure that regard is had to the objectives of the policy in the context of the individual circumstances.

The starting point for considering the sustainability of an enterprise is whether it generates a sufficient level of profit to adequately remunerate the unpaid labour of the principals engaged in it. Normal practice is that for agricultural enterprises adequate remuneration is assessed in relation to the minimum agricultural wage. The profit and loss statement for 2009-2010 included in Appendix 8 of the Marshall and Co report shows a net profit of £36,717. The typical cost of a worker during this period was £14,770 per annum, which would translate into an annual labour cost for White Peak Alpacas of £19,200. This would indicate that the business has achieved a level of profitability which can meet its labour costs. The profit and loss statement also now allows for and includes the depreciation of fixed assets. This is then supported by a detailed statement outlining how the depreciation of each fixed asset category is arrived at.

There was interest in the appeal in relation to two contributory factors to the level of profitability. Firstly, the income contribution coming from the farm shop, and secondly that which arises from increasing stock valuation. Whilst the farm shop cannot contribute to the functional requirement for on-site supervision, it is not necessarily discounted as a contributor to the financial test. The diversification of farm businesses is now a fundamental feature of rural policy, and primary producers are actively encouraged to add value to their products at the farm gate (paragraph 55 NPPF). Where diversification of an enterprise comprises an ancillary extension to the core productive activity, the related income and cost streams are appropriately subsumed into the integrated business. This is distinct from forms of diversification which introduce entirely unrelated, non-agricultural enterprises to a holding.

The Inspector did not reach a conclusion on the nature of the farm shop or its future role in the development of the business. He considered that the stock appeared to originate primarily from the farm and left this as a matter for the Council to resolve. The Marshall's report (Appendix 7) indicates that 80% of the shop revenue is derived from indigenous product. However, it is undoubtedly the case that the farm shop has become a very significant element of the economics of the overall business accounting for 35% of income in 2009-10. This compares with the general picture of the contribution of farm diversification to farm incomes nationally and regionally of 14-15% (Farm Diversification in England: Results from the Farm Business Survey 2009-10. Defra 2011).

Alpaca producers have three main potential products; breeding stock, fleeces and domestic pets. At the present time, the numbers of animals in the alpaca sector nationally are relatively small and considerable investment is being made by the main producers to breed animals which deliver high quality fleeces, with such animals continuing to command premium values. The volume of quality fleece is, however, below that which can sustain fibre and products on a substantial commercial scale. Therefore, producers have either entered small supplier groups associated with specific processors, or have relied on their individual production and marketing efforts. In this latter respect, White Peak Alpacas is by no means unique in developing its own fibre products, nor is the proportional contribution of these to farm income surprising.

The second issue attracting attention in the appeal was the significance of livestock valuation in the financial statements. The value of stock on a holding at the beginning of a financial year and at the end will vary in relation to the numbers and types of animals involved and their value, which in market terms may have risen or fallen over the year. It is perfectly normal to include this factor as a contributor to gross output because it represents a store of potential income. The difficulty from a planning perspective relating to farm dwelling applications arises when this factor is the difference between profitability and non-profitability in actual terms. This has often been the case with newly established alpaca enterprises where stock has been retained rather than sold in order to build up breeding numbers, and the contribution of stock valuations to gross output have been substantial as market values of breeding stock have risen year on year. It has been argued by some that the high values of stock in the alpaca sector are about to, or must inevitably, collapse, and that consequently the sustainability of enterprises in which stock valuation is a key element of profitability must be questioned.

In this context, the profitability of White Peak Alpacas is not dependent upon the stock valuation factor, and the Council's agricultural consultant confirms that there has not been a collapse in market conditions, nor is there any immediate likelihood of such a collapse. The latest financial statement shows that the enterprise has a real income from stock sales and generates a profit on those sales. That profit would be insufficient to cover labour costs, unless the profit from value added activity in the farm shop is added, and then only at a marginal level (c £16,000). However, the stock valuation factor is not an optional extra and should legitimately be added into the consideration of profitability at which point the business goes substantially beyond a position of marginality (c£36,000). To this extent, reliance on this notional element in the profit figure would only be of concern if its calculation was flawed in some way. In this respect there is no reason to dispute the approach adopted by Marshall and Co and set out in Appendix 6 of their report:

- (i) the market values of the White Peak Alpacas stock assessed by Marshall and Co are consistent with current generally applicable sale values for females animals being in the range £700 - £8,800 depending upon the type and age of animal;
- (ii) the deemed cost valuation approach is one accepted by HMRC as appropriate for farm livestock (cattle and sheep) and for other livestock with its agreement;
- (iii) the percentage (30%) of open market value to used as a reasonable estimate of deemed cost has been agreed by Marshall and Co with the HMRC, and cannot be construed as being an over-optimistic estimate.

The Inspector was concerned that only financial projections to August 2011 had been submitted at the appeal, whereas an application for a permanent dwelling required a longer term view to be taken. The applicants have therefore submitted projections to 2015, which appear reasonable. However, perhaps more importantly, the enterprise has made all the investment necessary to re-locate White Peak Alpacas on the Paddock Hill Lane site and the business has a sound balance sheet. It is not, therefore, at risk through any outstanding investment in new or replacement infrastructure, any deficiency in numbers of breeding animals, or any substantial financial liabilities. These factors, in addition to market conditions, would be those most likely to influence the ability of the enterprise to progress over the immediate future. Unlike most applicants for permanent workers accommodation the issue of an ability to fund and sustain the build cost of a proposed new dwelling does not apply to the same extent since the dwelling already exists, and consent is merely sought for its retention. Any cost associated with the demolition of Ivy Cottage would be relatively limited.

It is therefore concluded that White Peak Alpacas is a soundly-based enterprise, albeit at a modest level, which has been sustained for a substantive period and exhibits no inherent and immediate threat its continued sustainability. The appeal Inspector was, however, influenced by longer term concerns relating to declining values of stock and the role of the farm shop, and was unable conclude that clear prospects of continued financial soundness had been demonstrated. The absence of a business plan exercised him in this respect.

In the experience of the Council's agricultural consultant, it unusual for farm businesses to present business plans as part of proposals for permanent dwellings, particularly where such plans have been accepted as part of the consideration of a previous application for temporary accommodation. Normally appraisals would look to evidence of any underlying structural weakness in a business which might affect the immediate prospects of an enterprise, for example a highly negative imbalance between assets and liabilities or evidence of recent sale of productive assets in order to boost short-term profitability for planning purposes. There is no such evidence in the current case in which the enterprise has in recent years strengthened its productive base through the retention of home produced stock with an anticipation of increased future stock sales and related income, and has secured a healthy outlet for added value products. An outlet for fleece related products would have been a long-term requirement irrespective of the market conditions for breeding stock. The business model set out in the Marshall's report is consistent with the original objectives of the business and realistic.

One concern that has been raised is the impact upon the business if the rented land became unavailable. The applicants would not be able to maintain such a high number of animals if they were restricted to the grazing land that they own, which is between 8 and 13 acres, depending on the quality of the land taken into account. This issue is noted, however, this was not a matter that specifically concerned the Inspector. There has been no indication during the course of the appeal or the current application that the applicants could lose this rented land. Furthermore, in the event that the rented land was lost there is no reason to doubt that it could not be replaced elsewhere. It is also noted that there are other alpaca enterprises farms that operate with lower stock and smaller sites.

Scepticism about the long term prospects of the UK alpaca sector has been based largely on an American academic assessment and has been tested on appeal in 2008. In this case the Inspector noted, *"In the UK alpaca breeding is an emerging and developing sector and whilst market factors may result in a threshold being reached in respect of stock numbers and animal prices I see nothing to justify an assumption that the 'bubble will burst' in the near future"*.

This conclusion is still relevant. With the passage of time and despite the major down turn in the general economy, which was unforeseen at the time of the above decision, the UK alpaca sector has continued to grow and stock values have not reduced disproportionately relative to general economic pressures. Consequently, there is not considered to be any clear evidence of external adverse trading conditions which might prejudice the prospects of White Peak Alpacas.

Other planning requirements

Character and appearance / openness of the Green Belt

The dwelling is a single storey structure vertically clad in Western Red Cedar down to ground level. It has a felt tiled roof. The relatively compact external appearance of the structure is similar to that of a log cabin. The building is not prominent from public vantage points and is significantly screened from Paddock Hill by an existing agricultural building. Any glimpses that might be achieved will show the building within the context of this existing timber clad agricultural building. The proposed dwelling is therefore not considered to have any significant impact upon the character of this Green Belt area. No additional landscaping is considered to be necessary.

As previously noted, however, the simple presence of the application building does serve to reduce the openness of the Green Belt in this location, which does add to the substantial harm to the Green Belt by reason of inappropriateness.

Highways

The dwelling will be served by the existing access from Paddock Hill which currently serves the agricultural building and the temporary dwelling. The Strategic Highways Manager raises no objections to the proposal. No significant highway safety issues are therefore raised.

Amenity

Due to the existing relationship with neighbouring properties, no significant residential amenity issues are raised by the proposal.

CONCLUSIONS AND REASON(S) FOR THE DECISION

The Counsel opinion on the reasonableness of the Council's previous resolution has been considered in the preceding text. It is concluded that the demolition of Ivy Cottage, or a refusal of planning permission on the grounds that Ivy Cottage meets the functional requirement of the holding, cannot be justified.

The erection of a dwelling in association with the existing agricultural unit is inappropriate development in the Green Belt, which causes further harm by a reduction in openness. In terms of the tests of policy DC23 of the Local Plan, it is considered that:

- (i) the productive activity and the unit are well-established;
- (ii) there is a clearly established existing functional need for the key worker to be readily available;
- (iii) the functional need relates to a full-time worker;
- (iv) suitable existing accommodation in the immediate locality is not realistically available to meet the functional need for ready availability;
- (iii) the business has been profitable in recent years, and has a generally sound financial basis;
- (iv) the level of profitability has been sufficient to meet unpaid labour costs;
- (v) there are no perceived or clear identifiable threats to the continued sustainability of the enterprise in the foreseeable future arising from its structure or external market factors.

This set of circumstances, notably that the proposal meets the functional and financial tests as set out in Local Plan policy DC23 is considered to amount to the very special circumstances required to outweigh the harm by reason of inappropriateness and loss of openness. The information pertaining to the longer term financial soundness of the business is now considered to be adequately addressed and has been appraised by an Independent Agricultural Consultant employed by the Council. The balance is now considered to tip in favour of the application since the previously dismissed appeal. Accordingly, the application is recommended for approval subject to conditions including agricultural occupancy.

Application for Full Planning

RECOMMENDATION: Approve subject to following conditions

1. A01AP - Development in accord with approved plans

2. A01GR - Removal of permitted development rights
3. A09LP - Agricultural occupancy
4. Extent of domestic curtilage to be agreed

