

OPEN

Economy and Growth Committee

Date: 03 June 2025

South Macclesfield Development Area – Future Direction

Report of: Peter Skates, Director of Growth and Enterprise

Report Reference No: EG/15/25-26

Ward(s) Affected: Macclesfield South and Sutton

For Decision or Scrutiny: Decision

Purpose of Report

- 1 The purpose of this report is to provide the Economy and Growth Committee with an overview of the current status and proposed future direction of the South Macclesfield Development Area (SMDA). It outlines key decisions needed to balance the interests of different stakeholders and ensure that any development recognises the Council's environmental objectives for the site.
- 2 This report contributes to the strategic aims and objectives of the Council's Corporate Plan 2025-29 to enable prosperity and wellbeing for all in Cheshire East

Executive Summary

- 3 The SMDA Site is in divided ownership with part owned by the Council and part owned by Barratt, a national housebuilder. The Council has been working with Barratt to delivering development on the totality of the site.
- 4 Reserved Matters planning applications submitted by the Council and adjacent landowners who are party to this development have generated objections and local opposition due to concerns about the environmental impact of the proposals. The presence of peat and ecology on the site was known about and considered at the time the site was allocated in the Local Plan Strategy and when the outline planning application was approved at Strategic Planning Board in January 2019.

- 5 There is a variation of depth of peat across the entire wider site but is present in both landownerships. Because of the hydrological properties of the ground, it is conceivable that undertaking works on one part of the site could impact another part.
- 6 Within the Council, there has been a growing recognition of the importance of carbon and value of peat, and this is reflected in more recent changes in Council policies including environment, carbon reduction and planning that have been adopted to guide future actions.
- 7 Further technical work has been undertaken by Barratt to address the issues of concern. This has highlighted the challenge of reconciling delivery of the current proposals for the whole site with the Council's policies and aspirations around nature, sustainability, and carbon. It has also highlighted the limitation of developing an alternative strategy based on a divided land ownership. It is therefore recommended that the Council does not proceed with the current proposals. The Council should instead, continue to cooperate with Barratt to determine if there is a comprehensive form of development that can be delivered across both landownerships. In doing so both parties recognise the requirement to balance delivery of housing with a need to protect the broader environment.
- 8 A budget allowance of £150,000 is proposed to fund consultant advice that will evaluate any alternative development proposal. Depending on the nature of the emerging proposals, the type of advice required may include commercial, highways, technical, ecological, arboriculture, and delivery strategy.
- 9 The current proposals for the site include a new link road that would provide access to all the development parcels and relieve local traffic issues. The road was to be part funded partly by fixed contributions from Homes England through a Housing Infrastructure Fund (HIF) grant and a fixed contribution from the other landowner with the balance being met by the Council's capital programme funded through receipts from land. However, the cost of the road substantially increased due to construction inflation and technical issues, and this would have increased the Council's share. The grant expired and the link road is unlikely to be delivered as part of any alternative proposal for the site. It is therefore proposed that the Council formally withdraws from the grant funding agreement and continues to work with Homes England to identify other sources of funding to support the delivery of alternative development proposals.
- 10 There are several Reserved Matters planning applications still to be determined by the local planning authority for this site. It is proposed that the applications relating to the Council's land will be withdrawn.

RECOMMENDATIONS

The Economy and Growth Committee is recommended to:

1. Delegate to the Director of Growth and Enterprise to take all actions necessary to review alternative options for the site. This will include disposal, development on this site, or taking no further action, and bring forward a recommendation to Economy and Growth Committee.
2. Approve further capital expenditure of up to £150,000 to fund a review of the alternative options and the associated due diligence against legal obligations and policy objectives.
3. Approve the withdrawal from the Housing Infrastructure Fund agreement and continue to work with Homes England to identify alternative means of financial support.
4. Note that the current reserved matters planning applications will be withdrawn.

Background

Location and Site Description

- 11 SMDA is located two miles south of Macclesfield town centre at the southern edge of the built-up area. It lies to the south of Moss Lane between Congleton Road to the west and the West Coast Mainline railway to the east.
- 12 The majority of the site is currently undeveloped. It consists of scrub, woodland and grassland. Some of site is developed. This includes playing fields located to the southwest of the site and a scrap yard to the east. Surrounding the site, there are residential areas to the north and west, commercial uses to the east, a former landfill site directly south and Danes Moss Site of Special Scientific Interest (SSSI) to the southeast. The site is underlain by peat, of varying depths and hosts willow tits, an endangered species of bird.
- 13 The Council owns approximately 55% of the SMDA Site, while Barratt owns about 41%. The remainder is held by other landowners. It is important to note that the Council's ownership includes playing fields that are not part of the current development proposals. Consequently, the Council controls around 38% of the land designated for development, with Barratt holding approximately 62%.

Planning History

- 14 The SMDA site was allocated for development by Macclesfield Borough Council in 1997. The principle for development on this site was essentially carried forward in the Cheshire East Local Plan Strategy, adopted in July 2017. The allocation is for around 1,050 housing units with a new link road and ancillary uses, including a primary school, local shops and extensive green space.
- 15 In 2014, Engine of the North (the Council's former development company whose functions were taken into the Economic Development function of the Council in 2019) submitted an outline planning application to develop the Council's landholding at SMDA. The proposals included up to 325 residential units, a supermarket and a new access off Congleton Road. Strategic Planning Board resolved to approve this application in 2015 but the proposals were not taken forward.
- 16 In 2016, the Council entered into a Collaboration Agreement with the then adjoining landowner, TG Limited which led to the submission of a new application for a comprehensive development of the whole site, including both land ownerships. The new application sought approval of a proposal for up to 950 houses, a new link road through the site to serve both landholdings, a primary school and a local retail centre. Permission was granted in 2019.
- 17 Following approval of the outline application, a Reserved Matters application was submitted for a first phase of development, comprising the new link road and green infrastructure. In 2021 and 2022 Reserved Matters applications were submitted for all remaining phases of development.

Environmental Issues

- 18 The environmental and ecological value of the site and the adjoining Danes Moss SSSI were considered when the site was allocated for development in the Local Plan Strategy in 2017 - the policy specifying that no development would be permitted until it had been demonstrated that no significant impact would be caused to the SSSI. The policy document also referenced the need to carry out an ecological survey and incorporate appropriate mitigation measures.
- 19 An environmental statement was submitted with the outline planning application in 2017. It recognised the environmental and ecological impacts of development and identified appropriate mitigation and compensation measures. Strategic Planning Board (SPB) met in August 2017 to consider the application. The report received by the SPB included an ecological assessment which referred to the presence of peat and highlighted other environmental issues. It noted that Natural England had commented on the proposals but did not object to them. A representative

of Cheshire Wildlife Trust addressed the SPB to highlight environmental concerns and urge refusal of the application. The SPB resolved to approve it.

- 20 In May 2018, Cabinet approved the implementation of this project. and the report identified SMDA as a priority project for the Council. The report delegated authority to the Executive Director of Place to use the Homes England Housing Infrastructure Fund (HIF) grant to contribute to the cost of enabling infrastructure development. To progress these activities, the Council entered into a legal agreement with TG Limited (then the current owner of the adjacent site) regarding other contributions towards the construction and payment for the site's infrastructure. Since the Council only had outline planning permission for the site, it was necessary to submit a Reserved Matters application for the first phase of development comprising the link road between Congleton Road and Moss Lane.
- 21 In 2019, Natural England responded to the Reserved Matters application stating that the proposed development would not have a significant adverse impact on protected nature conservation sites or landscapes. However, following the submission of amended plans in 2021, Natural England responded stating that it required further information to enable it to assess the impact of the proposals on the Danes Moss SSSI. Referring to the peat as a 'precious and irreplaceable resource with the potential to act as a vast carbon store', they went on to state that the environmental significance of the proposed development had not previously been fully recognised.
- 22 Around the end of 2021, there emerged significant local opposition to development at SMDA. This galvanised around a community group calling itself Save Danes Moss. The group has since formed itself into the Danes Moss Trust and registered the organisation as a charity. The stated aims of the campaign are "To defend the Danes Moss peatland without compromise" on the basis that "no development on peatland is acceptable" and restore the site to an active lowland bog.
- 23 The Council and Barratt engaged directly with Natural England and agreed a scope of work to address their concerns. Barratt were better resourced to carry out this work, and they have led this stage of the project.
- 24 Barratt has conducted further due diligence which included various appointments of 3rd party consultants to carry out further investigations and surveys to determine the ground conditions, hydrology, ecological constraints and to further develop remediation strategies including platform remediated levels and various different options for development which also included drainage strategies and abnormal costs. In addition to the technical due diligence, Barratt have also continually engaged with

local, key stakeholder groups including Cheshire Wildlife Trust, Saves Dane Moss, Cheshire East Council and the Royal Society for the Protection of Birds (RSPB).

- 25 After reviewing relevant material, both Barratt and officers of the Council have concluded that the approved development proposals cannot be fully reconciled with the current Council policies relating to peat and carbon management. A smaller scale of development might strike an acceptable balance between housing and environmental policies, and that a comprehensive strategy dealing with the whole of the Site rather than individual land ownerships, probably offers the best prospect of achieving that balance.
- 26 It is proposed therefore to undertake a review of alternatives for the site which balance all the priorities and objectives from the different stakeholders and bring this back to the Economy and Growth Committee for consideration later in the 2025-26 municipal year.
- 27 It will be necessary to support this evaluation of alternative option(s) with specialist advice. A budget allowance of £150,000 is recommended for this purpose funded from the current capital scheme.

Homes England Relationship

- 28 The Council has a positive and collaborative relationship with Homes England, and has a conditional HIF grant offer towards the cost of the link road.
- 29 The Council is unable to meet the contractual milestones set out in the grant funding agreements or to propose an alternative programme that would be acceptable to Homes England within the bounds of this current funding programme as the link road that the funding would provide cannot be delivered in the required timeframe. The Council and Homes England agree that there is no prospect of taking forward the current proposals as set out in the planning permission. However, both parties are aware that this is an ongoing allocated site with planning permission and contributes a component of the Borough's housing supply.
- 30 It is necessary to complete the administrative process of entering into the deed of termination so that both the Council and Homes England are released from further obligations in relation to the HIF funding, so that there is a full and final settlement.
- 31 No grant has been drawn down to date as the infrastructure elements of the scheme remain in the planning and feasibility stage. Despite the withdrawal from the HIF agreement, the Council is continuing to engage constructively with Homes England to identify alternative mechanisms and funding streams to deliver a sustainable development at SMDA.

Other Considerations and Options Development

- 32 Local Planning Authorities (LPA) are facing increasing pressures to make decisions on sites outside of local plans due to the National Planning Policy Framework introduced by the new government. The Cheshire East planning authority will also be affected by this issue. Regarding the Cheshire East local plan, SMDA is still anticipated to contribute to the Council's housing supply in the Macclesfield area. It is important for the Committee to recognise that other housing development sites are being promoted in the broader south Macclesfield location by developers and landowners, and these sites are likely to have similar constraints to SMDA. However, unlike SMDA, where the council has control over the development through its ownership, these other sites will only be subject to decisions made by the LPA and the broader planning process.
- 33 The Council has made a substantial investment of £3.283 million to date in promoting SMDA for residential development in line with its Local Plan strategy. It is intended that this investment be recovered via capital receipts from land sales. If the Council were to abandon these proposals, there would be serious impacts on the revenue budget.
- 34 It is anticipated that a strategy that reconciles competing Council policy objectives will consist of a reduced number of residential units built on the least environmentally sensitive parts of the site combined with positive actions to enhance and improve the remainder. Reducing the scale of development and funding environmental improvements would impact on financial viability but has the potential to unlock resources for peat restoration and nature conservation measures that might otherwise be unfunded and undeliverable.
- 35 In analysing options and adopting a strategy for the site, the Council must be mindful of a wide range of considerations and implications, issues and risks, benefits and challenges. It is recommended that the Director of Growth & Enterprise is asked to consider future options, prepare an options appraisal and recommend a preferred option for decision by this committee in due course.

Consultation and Engagement

- 36 The current proposal has been subject to formal consultation and engagement as part of the planning process, which includes the Local Plan Strategy, the Outline Planning Applications submitted in 2014 and 2017, and the Reserved Matters Applications submitted in 2019, 2021 and 2022.
- 37 The Local Plan process considered hundreds of potential housing sites before SMDA was allocated for development. There were 13 rounds of public consultation and 60,000 comments, resulting in the adoption of a

plan that identified a total of 50 strategic site, 3 strategic locations and 8 safeguarded sites.

- 38 In considering future options, it will be important to maintain and develop positive and constructive relationships with statutory organisations such as Homes England and Natural England, and other stakeholders, including Cheshire Wildlife Trust and the Save Danes Moss Trust.

Reasons for Recommendations

- 39 The matters raised in this report have been progressed in partnership with the adjacent landowners for a number of years and it is appropriate that progress is now reported to Committee on the project and there is a discussion on the next steps. The recommendations discussed above are relevant to both Commitment 1 – unlocking prosperity for all and Commitment 3 An effective and enabling council as set out in the Cheshire East Plan 2025-29.

Other Options Considered

- 40 Two other options have been considered: to dispose of the Council's land holding or do nothing.
- 41 A sale of the Council's landholding raises several issues. The value of the site is a function of the development that it will support and the costs of delivering it. It has been concluded that the current proposals for the Site cannot be implemented without significant modification. Until there is an alternative strategy, there will be uncertainty about the amount and type of development that might be approved and uncertainty too about the cost of delivering it because this will depend on the type of construction methods used and the nature and extent of environmental improvements that will be required to make any proposals acceptable in planning terms. The risk associated with the uncertainty would impact the value of the land and whilst there are contractual arrangements that could mitigate that risk, the likely consequence is low values driven by a high-risk premium.
- 42 Another issue is that the Council's ability to influence the future of the site would be diminished following a sale. As planning and highways authority, the Council could exercise regulatory control, but their decisions would be subject to appeal and review by a government committed to increasing the volume of housing development.
- 43 A variation of this option may see the Council identifying some less sensitive areas of the site and offering them for sale. This would avoid to some degree the issues identified above but, in the absence of a strategy for the whole site, the option is likely to prove sub-optimal both from a development and from an environmental perspective.

- 44 Doing nothing would require abandonment of development proposals. This would result in the Council potentially having a £3.283m charge to its revenue account for items previously held as capital expenditure (plus any additional spend in 2025/26).
- 45 However, if a scheme progresses, it would require the council to forward fund the scheme with borrowing prior to the receipt of any capital receipts which will also have revenue consequences. In addition, the peat on the Site is degraded and continues to degrade. Without investment in restorative improvements, this process would continue. The financial costs, potential capital receipts and the environmental impacts and benefits that can be achieved through different solutions will be considered during the optioneering.
- 46 The abandonment of development would impact the Council's housing land supply, putting development pressure on non-allocated, less sustainable locations.

Implications and Comments

Monitoring Officer/Legal/Governance

- 47 This report involves the SMDA project it is therefore necessary to ensure that the decision makers have the necessary authority to authorise the proposed transactions. Under the current Constitution dated December 2024 at Chapter 2 part 4 paragraph 2.2 under the heading Economy and Growth Committee, the committee have within their responsibilities the remit to consider the development of policies and make decisions in relation to economic development, regeneration skills and growth. The content of this report falls under that remit.
- 48 The Council has sought grant funding for the development of the project, it was necessary to ensure that the Council adhered to any grant funding conditions associated with the receipt of the monies. It is understood that the project has not met the necessary milestones, it will therefore be necessary for the Council to enter into a deed of termination with Homes England.
- 49 The ecological and environmental factors associated with the development of the whole of the site are now fully known, the aspiration of the Council to develop the site as a whole is not possible, the only alternative it to develop land that has the least ecological importance. The Council will need to consider how it takes the project forwards with any necessary public consultation taking place at the appropriate time and ensuring that the Gunning Principles are adhered to.

Section 151 Officer/Finance

- 50 The Council's MTFs report approved at February 2025 Full Council reflects expected committed spend of £3.359m. That figure is £3.283m at draft outturn. The additional spend of £150k may be charged to the current capital scheme and is within the overall approved budget for the scheme. If the scheme does not proceed there is a risk that expenditure to date (including the £150k) may be charged back to revenue which is a financial challenge.
- 51 Depending on the course of action a review of spend to date will be needed to identify items that are related to the end scheme and those that are abortive costs to be charged to revenue. The basis for the £150k will need to be monitored to ensure spend stays within that envelope and further approvals are sought before exceeding that figure.
- 52 Further research may be needed on the financial options here given the potential next stages and the original timeline for the scheme. If the scheme progresses in its current format this would require the council to forward fund the scheme with borrowing prior to the receipt of any capital receipts which will also have revenue consequences.

Human Resources

- 53 Staff resources and external specialist expertise will be required to effectively deliver and manage this project. The internal capacity allocated by the Council to this scheme is current limited This is not sufficient or sustainable to effectively deliver and manage this scheme.
- 54 Capacity is likely to be required across a number of specialist disciplines including ecology, planning, legal, development surveying, master planning, civil engineering, carbon and energy, open space management, community and stakeholder engagement, highways and transportation, project management, sports need, contaminated land.
- 55 It is self-evident that the limited capacity within the Place Directorate, other parts of the Council and other statutory agencies will presents challenges to achieving a satisfactory outcome.

Risk Management

- 56 A comprehensive refreshed risk assessment will be prepared as part of the optioneering and review of the delivery strategy going forward.
- 57 Operational issues and risks are reported, monitored and managed through the processes established Strategic Housing Sites Programme Board, and an escalation pathway through to the Place Board existing. There has been minimal activity within the Council on the scheme over the past two years and new governance and reporting processes will need to be established.
- 58 Setting aside the current planning permission might suggest that a quantum of the historic investment was abortive and this may need to be written off to the revenue account.
- 59 The condition of the land presents substantial risks to the Council both in terms of finance and estate management. There are legacy environmental issues, and the land is not being proactively managed from a carbon or habitat perspective. It is intended that, the future management of the site and the associated costs will be addressed in conjunction with the technical work to support this options appraisal.

Impact on other Committees

Strategic Planning Board

- 60 The report details the history of the site and decisions made by Strategic Planning Board. Any future development will be considered by SPB.

Finance Sub-Committee

- 61 Any future disposal will be reported to Finance sub-committee in line with the constitution, and where a disposal of land has a capital receipt over £2M.

Policy

- 62 SMDA is an allocated site in the Borough's Local Plan strategy and as such is intended to deliver on a wide range of Council priorities relating to ecology, carbon, housing, education, open space, and infrastructure. It is intended that the future delivery strategy for the site balances these.

Equality, Diversity and Inclusion

- 63 An equality impact assessment will be prepared as part of the analysis and development of a future delivery strategy and will inform the decision making relating to this.

Other Implications

Rural

- 64 There are no direct impacts from this report on rural communities. However there is an indirect impact that housing development as an urban extension may protect the rural villages from over development.

Children and Young People

- 65 It would be the intention, because SMDA is a development at scale that education, play and sports facilities and informal open space be designed into the masterplan for the development. The Council's leading role in this scheme should mean that this will be well planned and high quality.

Public Health

- 66 Potential development may provide opportunities for outdoor activities including informal recreation, play and sports. As a new urban extension, the ability for people to sustainably and actively travel will be designed in. Through s.106 obligations, financial contributions will flow from the development into health provision.

Climate Change

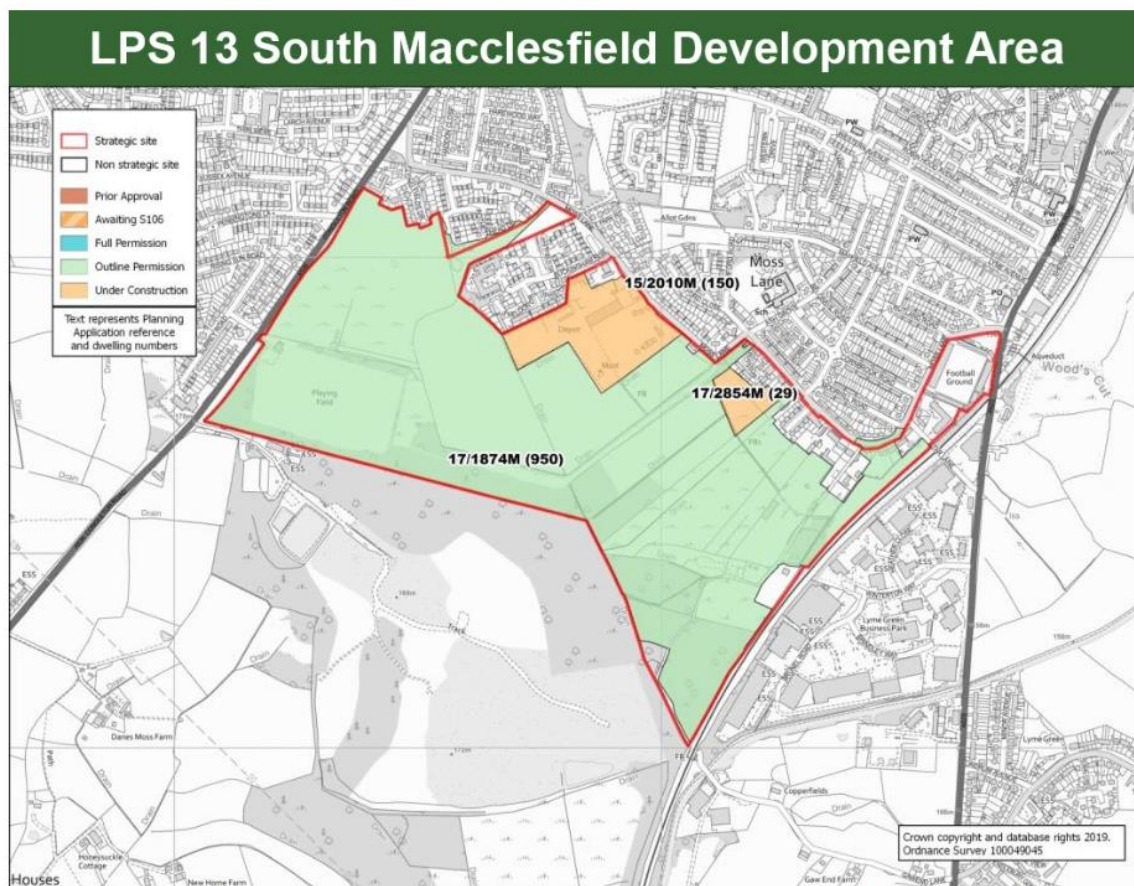
- 67 Any revised or updated proposals for the scheme need to be fully cognisant of the carbon implications of development and the implications for the peat material on the site. It will be a consideration of any future plans that the carbon sink provided by the peat is restored or enhanced through funding and measures taken on site to maximise improvements and mitigate against any further deterioration. It is anticipated that any future development on this scheme would provide value to enable investment in the wider site to help mitigate climate change.

Consultation

Name of Consultee	Post held	Date sent	Date returned
<i>Statutory Officer (or deputy) :</i>			
Sal Khan	Deputy S151 Officer		22/05/25
Janet Witkowski	Acting Monitoring Officer		20/05/25
<i>Legal and Finance</i>			
Steve Reading	Accountancy		01/05/25
Mandy Withington	Principal Lawyer – Commercial Property and Projects		29/04/2025

Access to Information	
Contact Officer:	Charles Jarvis Head of Economic Development Charles.Jarvis@cheshireeast.gov.uk
Appendices:	Appendix 1 – Site Plan
Background Papers:	None

Appendix 1 – Site Plan



The South Macclesfield Development Area, taken from the [Local Plan Strategy](#) document