

Report of	Meeting	Date
Director (Business, Development and Growth) (Introduced by the Executive Member (Economic Development and Public Service Reform))	Executive Cabinet	14 November 2019

## COWLING FARM

### PURPOSE OF REPORT

- To provide an update on the current progress of delivering an employment and gypsy and traveller (G & T) site at Cowling Farm.
- To present the options available to deliver the G & T allocation, which will allow delivery on/before the expiration of the current temporary planning permission held by the G & family at another site at Hut Lane.

### RECOMMENDATION(S)

- Members are requested to confirm their preferred option for delivery of the G & T on the Chorley Council site at Cowling Farm.
- Members are to acknowledge that Officers will continue to look at the feasibility of delivering residential and a G & T allocation on the Chorley land rather than employment and a G & T allocation.

### EXECUTIVE SUMMARY OF REPORT

- Works have been ongoing to review the viability of delivery of an employment development at the Cowling Farm site, which will include a G & T site in accordance with the need identified in the Local Plan. The ongoing review considers the requirement to deliver the G & T site by March 2021.
- The report updates Members on the progress of the adjacent Homes England site.

<b>Confidential report</b> Please bold as appropriate	Yes	No
--	-----	----

<b>Key Decision?</b> Please bold as appropriate	Yes	No
--	-----	----

<b>Reason</b> Please bold as appropriate	1, a change in service provision that impacts upon the service revenue budget by £100,000 or more	<b>2, a contract worth £100,000 or more</b>
	3, a new or unprogrammed capital scheme of £100,000 or	4, Significant impact in environmental, social or

	more	physical terms in two or more wards
--	------	-------------------------------------

**REASONS FOR RECOMMENDATION(S)**

**(If the recommendations are accepted)**

- 7. To progress the delivery of the G & T site and to progress the delivery of the wider site with a use that is financially viable.

**ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

- 8. Continue to progress with the employment development has been rejected as it is unviable.
- 9. Delivery of the G & T site with the wider site development has been rejected as it will not deliver the G & T allocation within the required timescales.

**CORPORATE PRIORITIES**

- 10. This report relates to the following Strategic Objectives:

Involving residents in improving their local area and equality of access for all		A strong local economy	x
Clean, safe and healthy homes and communities	x	An ambitious council that does more to meet the needs of residents and the local area	

**BACKGROUND**

- 11. The 9.5ha greenfield site comprises open farmland, bounded by the M61 motorway to the north east, the former Gillet Playing Fields to the south, Cowling Road to the south west and the Moorland Gate Business Park to the west. The site is located within the key service centre of Chorley Town, a public right of way traverses the site. Figure 1 shows the location of the site and the split in ownership of the site between Chorley Council and Homes England.
- 12. Cowling Farm was originally allocated in the Chorley Local Plan Review 2003 as an employment site (EM1.7). This allocation was reviewed as part of the Chorley Local Plan Review 2012-2026 and at the preferred option stage the 9.5 ha site was allocated and subsequently adopted for mixed use development under policies HS1.5, EP1.6 and HS11.
- 13. Homes England acquired six hectares of the allocated site from Chorley Council in March 2017 as part of a land swap arrangement with the intention of enabling the comprehensive delivery of the residential element of the allocation but within the context of an approved Masterplan for the wider mixed use allocated land.
- 14. In May 2015 the final Central Lancashire Gypsy and Traveller Accommodation Assessment (GTAA) was published and established a requirement for 5 permanent pitches within Chorley equating to the allocation of 0.4ha at the Cowling site on the Council's retained land. The G & T allocation is to be delivered for a gypsy and traveller family who are currently residing at the Hut Lane site within Chorley under a temporary planning permission which expires March 2021.
- 15. In October 2018 Chorley Council, Preston City Council and South Ribble Borough Council jointly commissioned an independent study to update the Gypsy and Traveller Accommodation Assessment (GTAA) evidence base as part of the Local Plan process. This report is presented at Appendix 4.

16. The remaining 3.1 ha of employment land in Chorley Council's ownership would provide for business, general industrial or storage and distribution (Use Classes B1, B2 and B8 respectively).
17. At the time of the land swap arrangement, Homes England confirmed in writing their willingness to work collaboratively with the Council to bring forward the Cowling Farm mixed use site and agreed to work with the Council on a Masterplan across the entire allocation up to the point of approval by the Council. As a result of this agreement neither party can be ransomed (with Homes England agreeing to provide linkages residential to residential areas only, (if required)). Within this agreement Homes England did not allow access to the G & T site via their development. Once approved the parties would be free to progress planning applications for their own land in accordance with the agreed land use Masterplan.

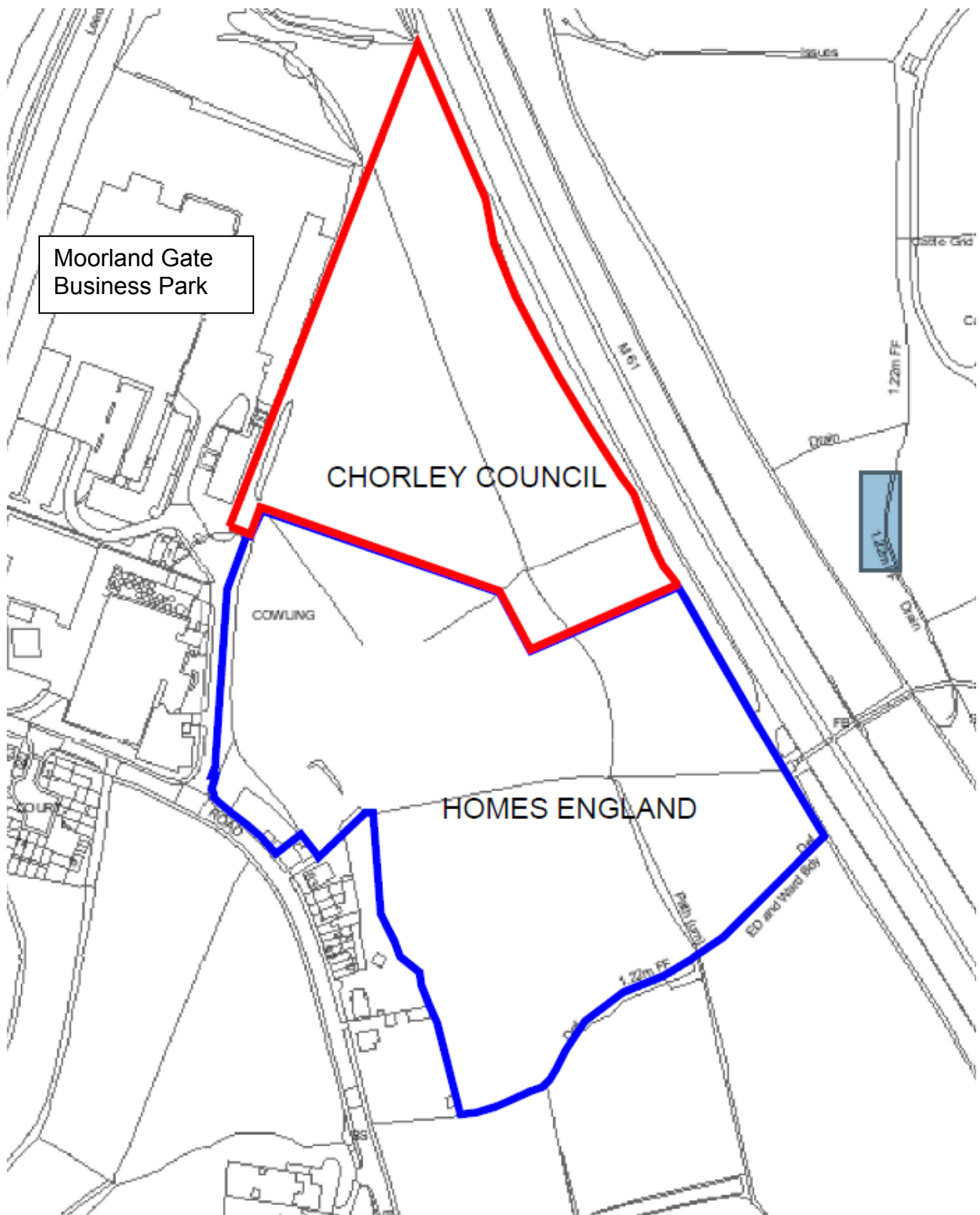


Figure 1 – Site Location and Ownership Split (Not To Scale (NTS))

## SITE CONSTRAINTS

18. A number of technical studies and site investigations have been undertaken covering noise, contamination and air quality, topography, earthworks, flood risk and utilities. The following provides a summary of potential constraints to development at the site. The technical information has been used to inform reviews of the site use.

- a. **Topography** - There is undulating topography across the site including a central point rising over 10 meters above the level of Cowling Road and a lower valley which runs parallel to the M61 creating significant slopes across the Northern section of the site. Consequently, this will require a significant level of groundworks to provide an appropriate development platform for the different uses.
- b. **Earthworks** – Preliminary assessments confirm that there will be a need to reduce the ground on the Homes England land and raise the ground along the eastern boundary adjacent to the M61 motorway. The groundworks required on the Chorley land to create a development platform is significant.
- c. **Noise Impact** – The primary masterplan issue relates to noise from the M61 motorway, which is at its greatest along the eastern side of the site. An acoustic barrier/fence/bund will be required along the eastern boundary of the site which will reduce noise levels within the site. In addition, homes which face towards the motorway will be set back from the boundary of the site by a minimum of 40m, and subject to detailed siting and design may also require enhanced glazing etc. An assessment of potential noise break-in for the caravans on the Gypsy and Traveller site has been undertaken and regardless of where in the Council owned land the caravans are sited, caravan internal noise levels would be predicted to exceed the internal night-time noise criteria. Consequently, any further reduction in noise levels would need to be provided by the caravan’s external envelope.
- d. **Contamination and Air Quality** – Contamination was low and there is no significant air quality impact.
- e. **Flood Risk and Drainage**– Flood risk is low. However, there is a need to attenuate surface water and discharge off site due to the ground’s limited capacity to absorb water (infiltration). An enquiry has been submitted to the Canal and River Trust to dispose treated surface water run-off from the site into the Leeds Liverpool Canal. The initial response to the enquiry has been positive regarding the discharge of the water into the canal. The surface water from the Homes England land will be drained via the Chorley land.
- f. **Utilities** – There is sufficient capacity within the local networks to accommodate a mixed use development of the scale proposed.
- g. **Highways/Access** – A traffic assessment has been undertaken and LCC highways have been consulted. Highways have confirmed that access to the residential development can be taken from Cowling Road with access to the employment site to be taken from Moorland Gate (subject to any planning obligations). Without Homes England’s agreement to allow access to the G & T site from their access off Cowling Road it is necessary to access the G & T site via Moorland Gate. LCC Highways have stipulated that a designated access from the employment access is to be provided for the G & T site.

## **COLLABORATIVE WORKING WITH HOMES ENGLAND**

19. Homes England have engaged with Chorley Council to deliver some of the technical information used to inform the masterplanning of the site. The conclusions from the technical works identify that the two sites are intrinsically linked, with specific reference to the earthworks and drainage. Delivering the earthworks and drainage elements of the development collaboratively would provide both economical and practical benefits for the Chorley Council and Homes England developments.

20. Whilst extensive discussions have been held with Homes England to identify the benefits of working together to deliver the two sites, Homes England are minded to progress their site independently and intend to submit an outline planning application for circa 160 houses in the coming weeks. Once outline planning permission is secured, Homes England will market the site to third party developers.

## FEASIBILITY REVIEW OF EMPLOYMENT DEVELOPMENT ON CHORLEY COUNCIL LAND

21. In March 2019 officers engaged with Harworth Estates, owners of the adjacent Moorland Gate business park after they expressed an interest in working with Chorley Council to develop the Chorley Land for employment use. Harworth committed (free of charge) to undertaking a viability review of the site that would maximise the development, setting aside the 0.4ha required to deliver the G & T allocation. The proposed development layout option provided by Harworth is shown at Figure 2.



Figure 2 – Proposed Employment Development Layout on Chorley Land (NTS)

22. A development appraisal was completed by Harworth to assess the financial viability of the scheme. The financial viability appraisals assessed both sales and rental. Both options demonstrated delivery of an employment scheme as illustrated in Figure 2 to be loss making. The details of the development appraisals are included within Appendix 1.
23. The feasibility appraisals have been independently verified. Details of their review is provided below:

*“Harworth, a property developer and property portfolio owner (part of the Peel group of companies), own an Employment Park adjacent to the Cowling Farm land. Harworth were keen to expand the development area of their Employment Park and develop out new commercial/industrial units on land owned by Chorley Council. Harworth put forward a proposition that identified 9.45 acres (gross) of land for the creation of 80,000 sq ft of employment space ranging in unit size from 1,500 to 10,000 sq ft.*

*During late 2018 early 2019 Harworth undertook a due diligence exercise to better understand the challenges of the Cowling Farm site, which although is green field is less than straight forward due to topography and ground conditions. A detailed cost plan was produced for the proposed scheme identifying all the potential costs that could be incurred if the site were to be developed for the proposed employment use.*

*Following receipt of the cost plan, Harworth then inputted the information into a development appraisal so as to assess the impact of estimated costs against potential value. The conclusion of the appraisal was that due to the impact of Abnormal costs (costs over and above what would normally be expected to be incurred when delivering development), the proposed development would not only be unable to produce a positive land value but the risk adjusted return (profit) for the developer would not provide an incentive for Harworth to want to undertake the development.*

*Following a detailed review of Harworth's findings it is clear there is a major challenge to delivering commercial/industrial development at Cowling Farm. As stated earlier the findings of the Cost Consultant are, at this stage, an estimate of what costs could be. Even if those costs were to decrease by as much as 20%, then there would still be a major challenge in achieving a positive land value, following the deduction of a risk adjusted return (15% on cost).*

*There is a viability challenge for employment use at Cowling, primarily due to topography and ground conditions. The land/ground related issues would be a challenge to any form of development on the Cowling Farm site. If higher value land uses were promoted it may be possible to generate a viability appraisal with a positive outturn with regards to both risk adjusted return and land receipt.”*

## **ALTERNATIVE USES OF THE CHORLEY COUNCIL SITE**

24. To ensure a viable scheme is delivered on the Chorley land, Officers are reviewing alternative uses for the site, incorporating the G & T allocation. There are key factors that need to be considered in reviewing the use on the Chorley land:
  - Any changes to the Local Plan;
  - Any planning obligations;
  - Delivery of the G & T allocation independently to allow delivery by March 2021 (further discussed later in the report).
25. A high level technical and financial review of housing delivery has been undertaken by Officers. The option to deliver housing on the CBC site is feasible but is subject to any planning obligations. Under Policy EP1 of the Local Plan 3.5 hectares is allocated for employment use (B1, B2 and B8 classes).
26. The Central Lancashire Core Strategy Policy 10 seeks to protect all employment premises and sites, including undeveloped employment allocations as set out in paragraph 6.8 of the Local Plan which states “It is important to protect all new allocations for employment

including greenfield sites which have no previous employment use on site and therefore Chorley Council will expect all allocated sites identified under Policy EP1 to also be covered by criteria (a) to (h) of Core Strategy Policy 10.” The criteria to be satisfied under Policy 10 for re-use or redevelopment other than B use class employment uses is as follows:

- a) There would not be an unacceptable reduction on the type, quality or quantity of employment land supply;
- b) The provision and need for the proposed use;
- c) The relative suitability of the site for employment and for the alternative use;
- d) The location of the site and its relationship to other uses;
- e) Whether the ability to accommodate smaller scale requirements would be compromised;
- f) There would be a net improvement in amenity;

Any proposals for housing use on all employment sites/premises will need to accommodate criteria (a)-(f) above and also be subject to:

- g) Convincing evidence of lack of demand through a rigorous and active 12-month marketing period for employment re-use and employment redevelopment;
- h) An assessment of viability of employment development including employment re-use and employment redevelopment.

#### **DELIVERY OF GYPSY AND TRAVELLER SITE**

- 27. Regardless of the proposed change of use for the site there is a requirement for Chorley Council to deliver a 0.4 ha G & T site for the specific use of the G & T family who are currently residing in Chorley. As noted above the G & T family are currently residing at another location within Chorley under a temporary planning permission that expires at the end of March 2021.
- 28. To achieve delivery of the G & T site at Cowling by March 2021 and to ensure that the G & T site does not restrict any future development of the site, Officers have reviewed options for the location of the G & T site within the Chorley land. Each option is detailed below. Please note that the housing layout identified on each option are indicative only and are subject to further technical and detailed design.



## Delivery Options



Figure 3 – Location of G & T Site Option 1 (NTS)

<b>Deliverability</b>	Option 1 could be delivered independent of any other development on the Chorley land by march 2021.
<b>Constraints / Benefits</b>	Delivery of Option 1 would prevent any access to the Chorley land from the Homes England site, preventing any potential future residential access on to the Chorley land, via the current proposed access. Estimated development costs lower than option 2.
<b>Approximate Cost of Delivery</b>	£920,000 (see Appendix 2 for breakdown)
<b>Approximate Annual Borrowing Costs</b>	£37k

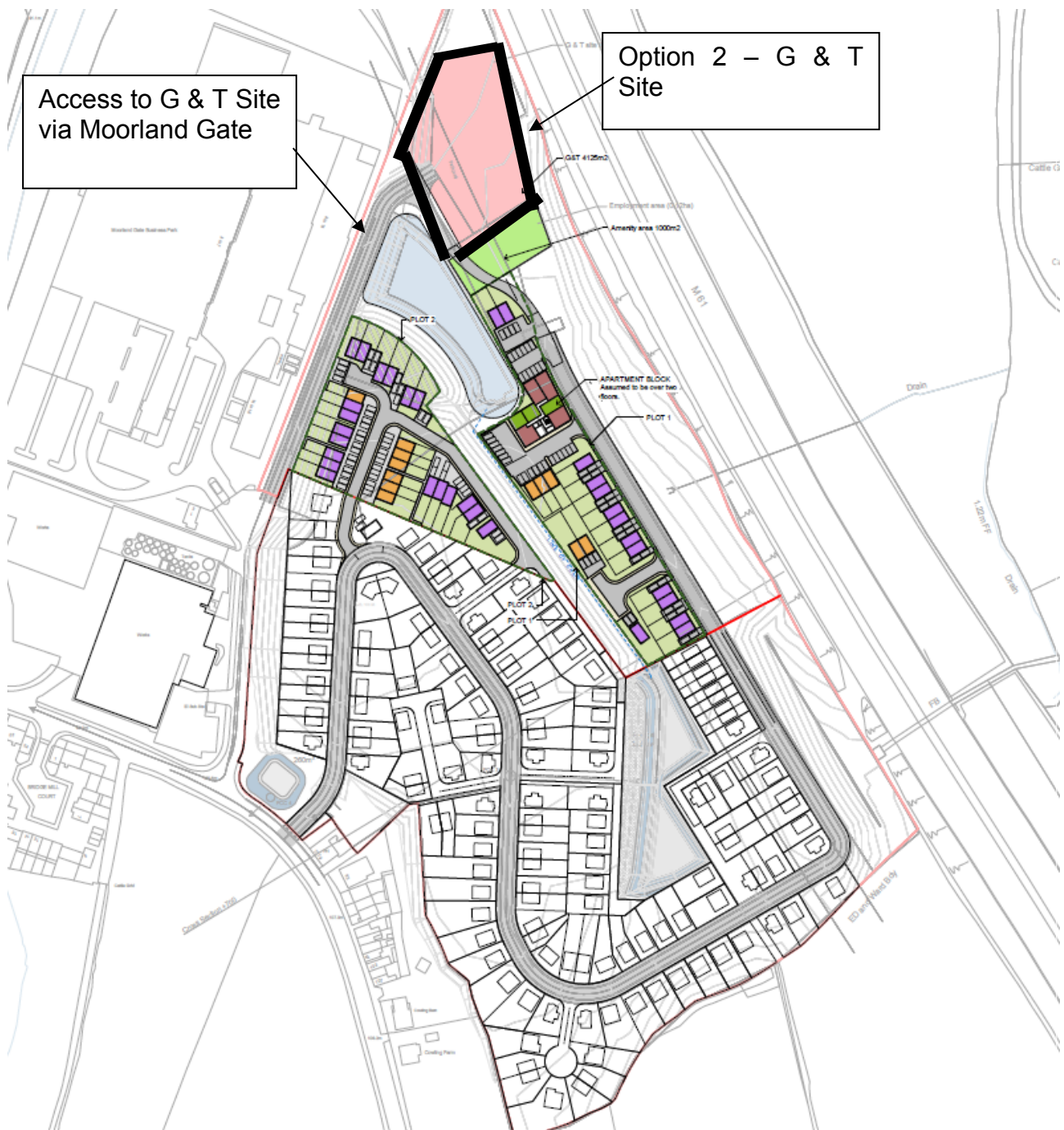


Figure 4 – Location of G & T Site – Option 2 (NTS)

<p><b>Deliverability</b></p>	<p>Option 2 could be delivered independent of any other development on the Chorley land by March 2021.</p>
<p><b>Constraints / Benefits</b></p>	<p>Delivery of Option 2 would not prevent any future residential development on the site. The site offers an independent access for the G &amp; T site, which is a requirement of LCC Highways. The site will offer minimal disruption for the G &amp; T family in the event of any future development. Estimated development costs are higher than</p>

	option 1.
<b>Approximate Cost of Delivery</b>	£1,032 million (see Appendix 3 for breakdown)
<b>Approximate Annual Borrowing Costs</b>	£40k

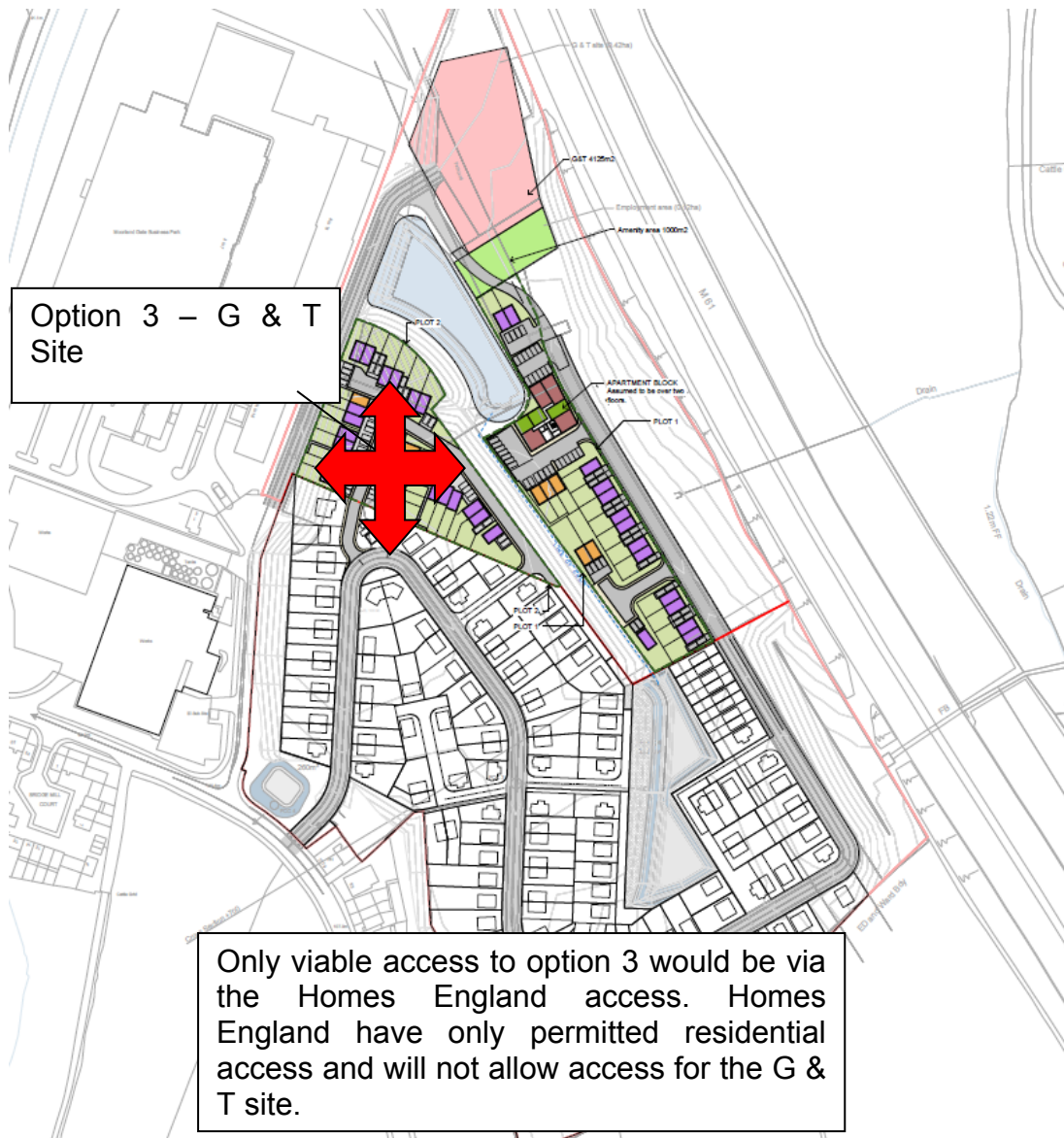


Figure 5 - Location of G & T Site – Option 3 (NTS)

<b>Deliverability</b>	Option 3 could not be delivered due to no viable access.
<b>Constraints / Benefits</b>	Gaining access from Moorland Gate would not be practicable. Homes England will not permit access to the G & T site from their residential access. The G & T family have expressed a preference not to be situated adjacent to the Moorland Gate Business Park.
<b>Approximate Cost of Delivery</b>	Not calculated as not currently a viable option.



Figure 6 – Location of G & T – Option 4 (NTS)

<p><b>Deliverability</b></p>	<p>Option 4 could be delivered independent of any other development on the Chorley land by March 2021.</p>
<p><b>Constraints / Benefits</b></p>	<p>Positioning of the G &amp; T site in this location would present challenges with surface water attenuation from the Chorley land and Homes England Land. Whilst below ground tanks could be considered to negate the need for attenuation ponds, this would increase the costs. The G &amp; T family have expressed a preference</p>

	not to be situated adjacent to the Moorland Gate Business Park.
<b>Approximate Cost of Delivery</b>	Not currently calculated due to constraints.

## Funding

29. The G & T family have secured £33,000 of revenue funding from Homes England to set up a cooperative and to progress the design and submit a planning application for the site. To guarantee this funding the planning application for the G & T site will need to be submitted by the end of March 2020.
30. Officers have discussed the opportunity of capital funding from Homes England to deliver the infrastructure for the G & T site. At present there is no capital funding available that would be applicable to this development.

## Liaison with the G & T Family

31. Officers have had regular liaison with the G & T family on the programme and development options for the G & T site. The G & T family have been consulted, the G & T family and the G & T families representative provided the following feedback on the development options:

Comments from G & T Family:

*“Paragraph 14: the Cowling Farm G&T site is a requirement of the Chorley Local Plan. If the new site is not developed within Cowling Farm may clients would need to be granted permanent permission at Hut Lane. Hut Lane is in the Green Belt and the Council would need to justify permanent permission on the basis of exceptional circumstances.”*

*“Option 1 is not a realistic option because employment use is not viable. Options 3 and 4 are not viable / realistic because of the costs & constraints. This means that Option 2 is the only realistic option. My client would welcome the opportunity to work with the Council to develop a good quality Traveller site on the basis of Option 2. A key concern for them is ownership & security of tenure. Providing they owned the site they would be willing to explore whether costs might be reduced if they took responsibility for procuring some of the works themselves using their business costs.”*

*“They are concerned that the approach to the layout of the site has been driven by Homes England not wanting access to the Traveller site through their land, which appears to be discriminatory.”*

*“The programme looks ambitious. We doubt the scheme can be delivered by March 2021.”*

The following comments were provided by the G & T families representative following a meeting on 02 September 2019 with the G & T family to discuss the options:

*“Following the meeting, one of our major concerns is that the financial costs of the scheme to the Council may not be acceptable to members. Here we would make two points. The fact that Homes England have awarded us a grant for establishing a co-operative and designing the site suggests Homes England have a positive view about the proposals for a Traveller site in this location (Officer comment - £33k noted at paragraph 28). We would strongly urge the Council to explore the potential for a capital grant for the enabling infrastructure works etc.*

*Secondly, we are aware that quotations for capital works by local authorities are often on the high side. As part of an agreement my clients are willing to explore whether costs might be reduced if they took responsibility for procuring some of the works themselves using their business contacts.*

*We are keen to move quickly to progress any scheme. If there is a positive outcome from the Cabinet meeting, we would aim to move quickly to establish a co-operative and to develop the design of the site for incorporation in a planning application either as part of a hybrid application promoted by the Council or as a standalone application for the Traveller site.*

*To be able to develop proposals for the site we will need you to share all the background technical information, including in regard to land drainage, levels, and earth movement.”*

Summarised comments from the G & T Family:

The G family feel very strongly that they do not want to be sited directly adjacent to an existing industrial or adjacent to any proposed employment site to be developed. They do not want their site to be positioned in the middle of two employment areas, whether they be existing or proposed employment areas. Their preference is that their site is incorporated/adjacent to the proposed housing developments. They strongly believe that no other community would be expected to live directly adjacent or in the middle of employment sites.

## Programme

The delivery programme for the G & T site is now critical to achieve a completion date of March 2021 the following dates need to be achieved.

Activity	Critical Milestone to achieve completion by March 2021
Agree location of G & T site	Executive Cabinet Meeting 14 November 2019
Progress planning application and design	Nov 2019 – Feb 2019
Submit Planning Application	March 2020
Planning Approval	June 2020
Appoint Contractor	June 2020
Commence on site Works	August 2020

## IMPLICATIONS OF REPORT

32. A change of use would be a departure from the local plan and would require planning policy obligations to be met.
33. The delivery of the G & T site will require significant financial input from the Council.
34. This report has implications in the following areas and the relevant Directors' comments are included:

Finance	✓	Customer Services	
Human Resources		Equality and Diversity	
Legal	✓	Integrated Impact Assessment required?	
No significant implications in this area		Policy and Communications	✓

## COMMENTS OF THE STATUTORY FINANCE OFFICER

35. Unless alternative funds are identified to fund the works to the G&T site, the costs will be funded through borrowing. The approximate revenue cost would be between £37k and £40k per annum.

## COMMENTS OF THE MONITORING OFFICER

36. The proposed uses of employment and a gypsy and traveller site are within the allocation of the site. Any change of use of the Council land would require a robust justification to go behind this allocation. A viability assessment would need to clearly demonstrate that the employment element could not be brought forward in this location.

MARK LESTER  
DIRECTOR OF BUSINESS DEVELOPMENT AND GROWTH

<b>Report Author</b>	<b>Ext</b>	<b>Date</b>
Rachel Salter	5332	23 October 2019