

The applicant has relied on the report from Graham Watkins to provide evidence for his planning application. In order to analyse and question the report, we have sought the advice of a number of professional people to review the Graham Watkins and co farm Business Financial Analysis Support Documentation (GWFBASD) (paid for by the applicant).

OBJECTION to Planning application SMD/2023/0595 – Far Lakes Farm, Shaw Walls Lane

This independent report (split into Part 1 and Part 2) considers the consultation Support Documentation for Planning Application SMD / 2023 / 0011 -The Farm Business Financial Analysis Support Documentation prepared by Graham Watkins & Co, which was placed on public record on the 6th December 2023.

Part 1 of this report considers the Farm Business Financial Analysis Support Documentation. This report evaluates four key points that are contained within the **Graham Watkins & Co Farm Business Financial Analysis Support Documentation** (abbreviated to **GWFBFASD** in this report).

Part 1 of this report also revisits one of the environmental concerns identified in the Ipstones Parish Council consultation response made on the 21st February 2023.

The five key points of part 1 of this report are listed below:

1. Is the land owned and rented sufficient to support the livestock heads?
2. Is the GROSS MARGIN ANALYSIS based on actual results?
3. Is the CASH FLOW FORECAST based on actual results?
4. Is there really a severe lack of alternative dwellings locally as claimed by the Graham Watkins Farm Business Financial Analysis Support Documentation?
5. Has the impact on the local environment and the nearby watercourse been fully investigated and is it compliant with current legislation?

Part 2 of this report revisits the grazing and stocking densities proposed by the Graham Watkins & Co Farm Business Financial Analysis Support Documentation (GWFBFASD).

Part 2 then carries out an initial investigation into the environmental concerns resulting from manure and animal waste arising from the proposed Stocking Densities.

Part 1 - Introduction and Graham Watkins report summary

The Graham Watkins & Co Farm Business Financial Analysis Support Documentation assesses the financial aspects of the farm business enterprise at Far Lakes Farm. The farm operates on the site of 37.54 acres that is owned by the applicant. This is supplemented by a further 37.47 acres that is rented at two locations remote from the owned land.

A very important factor in the financial analysis is the total number of livestock as many of the financial calculations are “*based on the total number of livestock farmed over a normal year by the farm business*”.

This is equal to:

Headings from APPENDIX 1 – 4	Total No. of Head
App.1 Sheep	100
App.2 Calves	130
App.3 Store Cattle	65
App.4 Bulls	30
Stocking Density Total	325

The land requirement is stated in the table on page 2 of the GWFBFASD report as 70.80 acres (comprising all of the owned land plus all of the rented land). This is equal to the Store Cattle and Sheep total in the report table. The land requirement also lists that 130 calves and 30 bulls are also a part of the farming enterprise.

Part 1 of this report considers in turn five key points identified and uses the evidence presented within the GWFBFASD to reach its conclusions.

1. Is the land owned and rented likely to be sufficient to support the livestock heads?

The tabled land requirement on page 2 of the report is stated in the GWFBFASD as 70.80 acres of which 37.47 acres is rented locally. The period of this rental agreement is not stated and may only be on a short (annual or season) duration basis.

The requirement of 70.80 acres (comprising all of the owned land plus all of the rented land). Is equal to the Stores and Sheep total in the report table. The land requirement also lists that 130 calves and 30 bulls are a part of the farming enterprise, however their heads/acre figure is stated in the table as ‘0’*.

*A footnote to the stocking density table states the two tabled ‘0’ heads/acre figure is because these animals are reared indoors in the building onsite and as such do not require any pastureland to graze.

If as stated in the GWFBFASD the rearing of 160 animals would be carried out indoors then it is reasonable to anticipate this operation would be very exposed to any future cost inflation of animal feed. The rearing of 160 animals indoors would also result in a significant accumulation of collected manure that must be responsibly managed.

The GWFBFASD states that *“Despite the advised requirement in practice the applicants could farm all of their stock over the current provision of land owned by the farm business totalling 37.54 acres or thereabouts”*.

How the 325 livestock would be farmed using only half (50%) of the land requirement tabled in the GWFBFASD is not identified.

The GWFBFASD also does not identify how or where the 325 livestock will be taken indoors during the winter period?

However page 7 of the GWFBFASD states:

“3- The only buildings that the applicant has are on the 37.54 acres owned by the farm business enterprise”.

If buildings are not available on the rented locations and if the tenancy states animals can't occupy rented lands over the winter period, where do these animals go?

If they are to be taken indoors within the recently constructed buildings at Far Lakes, are they large enough for 325 animals?

There is also a requirement to manage the manure produced indoors.

It is noted that a consultee to this planning application spent most of her working life on the land when it was a part of a much larger farm of 100 acres. Her actual experience is contained within her consultation response where she recalled that even with outright land ownership of 100 acres, plus other additional land, it still was not enough land to sustain less animals than the 325 proposed in the GWFBFASD.

2. Is the GROSS MARGIN ANALYSIS based on actual results?

The GWFBFASD Gross Margin Analysis is based on the heads listed in the Stocking Density Table the report then includes several appendices (1-4) split by livestock type and entitled “GROSS MARGIN ANALYSIS – 4 animal types.

For example, Appendix 2 in the report shows the variable cost analysis for calves includes the line and cost for purchased bulk feeds. It is presumed this is required because page 2 of the report states *‘the calves are reared indoors and do not require pastureland to graze’*.

Appendix 4 in the GWFBFASD report also includes a variable cost analysis for bulls. This time however it does not include the line and cost for purchased bulk feeds. As page 2 of the GWFBFASD states *‘the bulls are reared indoors and are not grazed on pastureland’*. It is not clear how these animals are fed, or if the provision of this feed is costed in the report?

On page 6 of the GWFBFASD each of the four calculated gross margins are tabled and added together to give a Gross Margin Analysis. The Total Gross Margin figure of £46,821 has subtracted a number of fixed costs that total £24,150.

It is noted that in the GWFBFASD Gross Margin Calculation *“All figures are stated as being from the Agricultural Budgeting and Costing Book 2022”* indicating that actual figures are not available to confirm some of the important fixed costs part of the calculation, in practice these could be considerably higher.

It is also clear that the GWFBFASD profit figure (Total Gross Margin – Fixed costs) is very dependent upon achieving the Total Number of Heads figure of 325.

This is because:

- i. If the number of heads is lower by 50% the GWFBFA self-calculating table would then result in a Total Gross Margin figure that would also be 50% lower.
- ii. The Fixed Costs would be expected to be the same irrespective of the number of heads. For example, land rent and electric lighting for a building would be the same for a lower number of heads (animals) than the 325 proposed.

If the total Number of heads figure is lower than 325 this would impact very significantly upon profits as field rents and electric are considered as “fixed costs” with very little opportunities to reduce them.

This is the main reason why the number of animal heads within the GWFBFASD are planned to be increased far beyond what is the advised Stocking Density for the 37.54 acres that are owned.

3. Is the CASH FLOW FORECAST based on actual results?

The GWFBFASD Cash Flow Forecast is calculated by carrying out a Financial Analysis across the Normalised Year (the calendar year). Forecasting involves making predictions about the future. Financial forecasting is used to estimate earnings or other data for future periods. Financial forecasts are not actuals, as actuals are only confirmed after the closure of the relevant financial period.

The GWFBFASD report states that these anticipated profits are used as part of the cash flow forecast. Actual figures do not appear to have been used because the cash flow forecast is very different from the accounts figures that have been listed in the Graham Watkins Farm Business Financial Analysis Support Documentation for 2019/2020, 2020/2021 and 2022/2023.

The Graham Watkins Farm Business Financial Analysis Support Documentation (GWFBFASD) reports actual profit and loss figures across three previous tax years on page 3 of the report, these are shown in the table below.

Financial Year	Profit or Loss
6 th April 2019 – 5 th April 2020	(£20,148)

6 th April 2020 – 5 th April 2021	(£12,572)
6 th April 2021 – 5 th April 2022	Not reported
6 th April 2022 – 5 th April 2023	£592
Three years Profit or Loss	£32,128

These actual figures are very different from the GWFBFASD summary given on page 7 of the report which states *“the applicant draw an average of £15,000 to cover basic living costs and the farm business enterprise generates a profit of £22,671”*.

On page 3 of the GWFBFASD there is an attempt to explain this difference *“The business over the course of previous years has seen significant investment in repairs and maintenance of buildings. The applicants have erected a new building, repaired and enhanced existing buildings to improve.....”*.

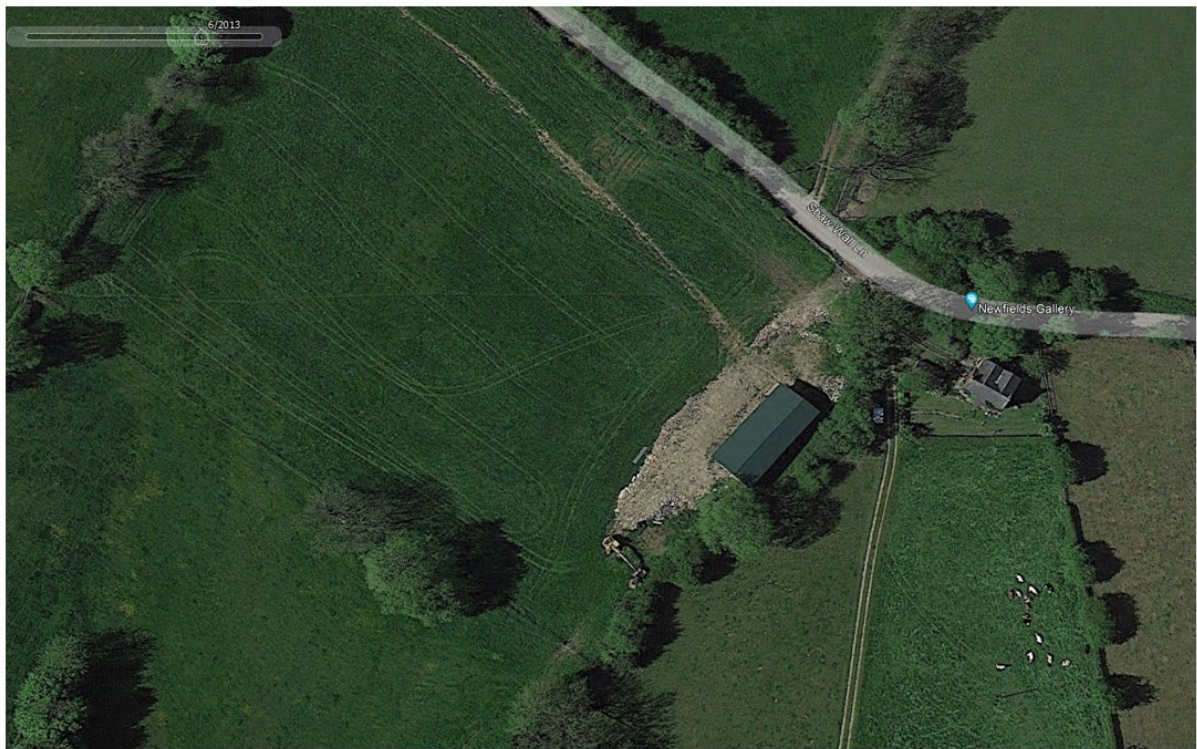
However, before the applicants purchased the land and started to build on it there were no sheds or farm buildings to repair or enhance.

The evidence for this can be seen on the photographs below, which clearly show that the 1st building appeared sometime between 2006 and 2013.

Far Lakes Farm – Google Earth Pro. (History)



2006



2013



2021

4. Is there a severe lack of alternative dwellings locally as claimed by the report?

The summary of the GWFBFASA (page 9) states that *'there is a severe lack of alternative dwellings locally, only four are available which are out of the budget of the applicant'*.

The three alternative dwellings examples given in page 9 of the GWFBFASA are in the village of Foxt. These examples can be used to calculate an average dwellings price calculation of $(£360,000 + £485,000 + £875,000)/3 = \textbf{£573,333}$.

However, these price comparisons are not only for equivalent dwellings as one of the 'alternative dwellings' is for a 4 bedroomed & 3 bathroom Manor House with almost an acre of land containing a number of existing stone outbuildings. This was initially priced at £875,000, however the current price of the Manor House has been reduced to 'offers in the region of £550,000' by Graham Watkins & Co – please see below

REDUCED FROM THE PRICE OF £875,000 AS SHOWN IN THE Graham Watkins Farm Business Analysis Support Document (GWFBFASD)




The Manor House, Foxt, Stoke-On-Trent

Detached  4  3

An impressive and elegant stone and brick four bedroom detached residence believed to date back to 1862, The Manor House offers family sized living and bedroom accommodation briefly comprising

Added on 17/11/2023 by [Graham Watkins, Leek](#)

£550,000

Offers in Region of



020 3869 5335
Local call rate

 **Contact**

 **Save**

A search was carried out on Right Move in December 2023 and resulted in a number of equivalent 3 bedroomed properties available locally within Foxt, Whiston and Ipstones. Prices for a 3 bedroomed bungalow started at £275,000 in the nearby village of Ipstones.

An average dwellings price analysis was carried out on 7 dwellings available locally (see below). This resulted in a very different average price calculation:




Black Lane, Whiston

Cottage  3  1

* This characterful three bedroom end of a row of three cottages is located in the highly sought after village of Whiston offering easy access to the market towns of Leek and Cheadle. * The property

Added on 27/02/2023 by [Bury & Hilton, Leek](#)

£275,000

Offers in Region of



01538 712525
Local call rate

 **Contact**

 **Save**




The Plain, Whiston, Staffordshire

End of Terrace  3  1

VIRTUAL 360 TOUR AVAILABLE - Newly built, HIGH SPECIFICATION 3-bedroom end-terrace property, sold with no upward chain,

NEW HOME

Added on 16/11/2023 by [John German, Ashbourne](#)

£250,000



01335 218933
Local call rate

 **Contact**

 **Save**




Copper Mill Close, Whiston, Staffordshire, ST13 2QH

Semi-Detached  3  1

"God made the country, and man made the town" If you are looking for a mixture of country living but in a modern home then this is a perfect property for you, This well maintained semi-detached

Added on 25/10/2023 by [Denise White Estate Agents, Leek](#)

£225,000



01538 712526
Local call rate

 **Contact**

 **Save**




Church Lane, Ipstones

Detached Bungalow 3 1

An excellently well presented three bedroom detached bungalow, situated in the popular village of Ipstones with its many local amenities including nursery and primary school along with village

Added on 07/11/2023 by Graham Watkins, Leek

£270,000

Offers Over

Graham Watkins & Co 020 3869 5335 Local call rate [Contact](#) [Save](#)




Ruelow Meadow, Ipstones, Staffordshire

Detached Bungalow 3 1

Situated in the picturesque moorlands village of Ipstones, this charming Three Bedroom Detached Bungalow offers the perfect blend of comfortable single story living and stunning surroundings.

Added on 02/11/2023 by eXp UK, West Midlands

£290,000

eXp UK 03304 609968 Local call rate [Contact](#) [Save](#)




High Street, Ipstones, Staffordshire, ST10

Detached 3 2

This beautifully presented three bedroom detached home was completed in 2013 and boasts from a spacious layout, a contemporary interior which includes quality fixtures and fitting and

Added on 01/04/2023 by Whittaker & Biggs, Leek

£330,000

Offers in Region of

Whittaker & Biggs 01535 288233 Local call rate [Contact](#) [Save](#)




Mount Pleasant, Foxt, ST10 2HP

Semi-Detached 3 1

**** MODERNISED COTTAGE WITH STUNNING VIEWS ****

Beautiful spot in the highly regarded village of Foxt, the property is in great condition and in brief offers a sitting room with feature multi fuel stove, open through to the fitted dining kitchen. Family room, study and garden room, three first f...

Reduced on 03/11/2023 by Abode, Staffordshire & Derbyshire

£350,000

CHARACTER FEATURES

ABODE 020 3840 3537 Local call rate [Contact](#) [Save](#)

$((£275,000 + £250,000 + £225,000 + £270,000 + £290,000 + £330,000 + £350,000)/7)$
= £284,286

The price difference between the average of the 3 properties shown in the GWFBFASD and the average of the 7 local properties identified on Right Move during December 2023 is equal to:

£573,333 - £284,286 = £289,047.

Demonstrating a significant saving over the figure claimed in the GWFBFASD. The scale of this saving is such that two separate dwellings could be purchased for less cost than the average purchase price claimed in GWFBFASD report.

The GWFBFA support documentation includes a proposed Build Cost Analysis for £203,500 to build a three bedroomed bungalow on land already owned at Far Lakes Farm for which planning permission is being sought.

A price difference between average comparable local properties and the proposed new build figure is equal to (£284,286 - £203,500) = **£80,786**. However this does not indicate that local property prices are excessive, this is because of two other factors that have not been taken into consideration:

- i. The comparable local properties for sale include the price for the plot of land while the proposed build cost analysis is on land already owned by the applicant.
- ii. The comparable local properties are priced without the restriction of any Agricultural Occupancy Condition.

Ipstones Parish Council requested in its consultation response made on the 21st February 2023 *“Further should the application be subsequently approved the parish council would request Section 106 agreement and a restriction on the property being tied to the agricultural worker for that piece of land being the inhabitant of the dwelling”*.

This is consistent with the 6th GWFBASD summary which states the justification for building outside of the adopted Staffordshire Moorlands Local Plan *“The need to reside onsite is essential, this allows the applicants to help prevent rural crime and maintain the best possible health and welfare of the livestock.....”*.

5. Has the impact on the local environment and the nearby watercourse been fully investigated?

The intended scale and farming intensity of the developing Farm Business has been identified by the Graham Watkins Farm Business Analysis Support Document (GWFBFASD) and indicates a proposed farm operation of 325 animal heads.

The Ipstones Parish Council consultation response made on the 21st February 2023 identified 3 recommendations for refusal, one of which was:

“The concerns on the impact on the local environment and the watercourse, which feeds into the Churnet via Shirley Brook and the potential for pollution of these from run-off waters”.

The 325 animals will generate large amounts of both solid and liquid manure that will accumulate either on the pastureland or on the hardstanding inside and adjacent to the recently erected farm buildings. How this amount of potentially polluting material will be managed is not included in the Graham Watkins Farm Business Analysis Support Document.

This is an environmental concern because:

- Agriculture is the main source of river pollution incidents overall. Fertilisers and livestock manure are the main source of nitrogen and phosphorus pollution in soils. 8 Aug 2023
- Agricultural waste contains a toxic cocktail of pollutants, including nitrates, phosphates, and antibiotic resistant bacteria. The volume is more than can be absorbed by the soil, so it spills into rivers causing algal blooms that choke wildlife. Every region in the UK is now in 'nitrogen surplus'.
- Some farm businesses pollute waterways by spreading excess animal waste on their land. When it rains, this runs off into local rivers, causing nutrient pollution and in severe cases, ecosystem collapse.

Part 1 SUMMARY

1. The GWFBFASD claims that *"Despite the advised requirement in practice the applicants could farm all of their stock over the current provision of land owned by the farm business totalling 37.54 acres or thereabouts"*. How the 325 livestock would be farmed using approximately half (50%) of the land requirement tabled in the report is not explained.
2. The GWFBFASD GROSS MARGIN ANALYSIS does not explain how the indoor bulls are fed and if this is costed. Also *"All figures are stated as being from the Agricultural Budgeting and Costing Book 2022"* indicating that actual figures are not available to confirm the actual fixed costs part of the calculation.
3. The GWFBFASD CASH FLOW FORECAST is calculated by carrying out a Financial Analysis across the Normalised Year (the calendar year). Forecasts are not actuals; actuals are only confirmed after the closure of the relevant financial period. Actuals are however included for three years, and these show a cumulative loss of **£32,128**. Page 3 of the GWFBFASD states *"The business over the course of the previous years has seen significant investment in repairs and maintenance of buildings. The applicants have erected a new building, repaired and enhanced existing building....."*. Prior to the applicants purchasing the land there were no existing farm buildings on this site to repair or enhance.
4. GWFBFASD claims a *"distinct lack of suitable dwellings.....with all of the properties unsuitable and too much for the applicants budget"*. A Right Move search carried out within a few miles of the application address during December revealed seven broadly equivalent dwellings to the applicants proposed dwelling are evidenced at an average price of £284,286, This is less than half of the average price of £573,333 stated in the Graham Watkins & Co Farm Business Financial Analysis Support Documentation.

5. The GWFBFASD does not consider the local environmental conditions that would arise from the scale of the proposed farming enterprise. Specifically, the pollution potential of 325 animal heads on the nearby watercourses of Shirley Brook and the River Churnet have not been documented or investigated.

The River Churnet does not currently achieve good water quality targets for phosphates. The reasons for this are known to be caused by “poor livestock management” resulting from manure water run off entering controlled waters. The intensity of animals being farmed at Far Lakes and the presence of a water course and frequent flooding of the area result in serious environmental concerns that must be evaluated as part of the planning process.

Having considered the part 1 evidence summarised above, this farm business is unlikely to be financially or environmentally sustainable in its present and proposed form and thus does not require either a temporary or a permanent dwelling onsite.

Part 2 - Initial investigation into the proposed grazing Stocking Densities in Livestock Units

The figures used are from the Graham Watkins & Co Farm Business Financial Analysis Support Documentation (GWFBASD).

<i>Number</i>	<i>Type</i>	<i>Factor</i>	<i>Livestock Units</i>
130	Calves	0.2	26
65	Stores	0.6	39
30	Bulls	0.6	18
100	Sheep	0.12	12
Total livestock units			95

Land owned and rented in acres and hectares

<i>Access</i>	<i>Acres</i>	<i>Hectares</i>
Owned	37.54	15.19
Rented	37.47	15.16
Total land	75.01	30.35

Animals stated as grazing on land outside (stores and sheep) = 51LU

- Grazing stocking density on land owned ($51/15.19$) = 3.36 LU's per Hectare, this exceeds the grazing density of 2-2.5LU/Hectare as usually recommended (Defra guidance which assumes no grazing restrictions).

If all animals were to be grazed on owned land this figure would increase to = 95LU

- Grazing stocking density on land owned ($95/15.19$) = 6.25 LU's per Hectare, this exceeds the grazing density of 2-2.5LU/Hectare as usually recommended (Defra guidance which assumes no grazing restrictions).

Therefore, if only the land owned is taken into account the grazing density far exceeds the Defra guidance figure.

Part 2 - Objection to Planning application SMD/2023/011 – Far Lakes Farm, Shaw Walls Lane

This farm business is unlikely to be financially sustainable in its present and proposed form and as a result does not require a temporary or permanent dwelling at this location.

.....

Part 2 - Initial investigation into the environmental impacts resulting from manure and animal waste arising from the proposed Stocking Densities.

The figures used are from the Graham Watkins & Co Farm Business Financial Analysis Support Documentation (GWFBASD).

Farming rules for water state that a farmer should not be applying more manure on the land than the crop or soil needs. Some of these general restrictions are identified below:

- Land is not available for spreading that is in the vicinity of a water course or water supply (10m away from a watercourse and 50m away from a borehole, spring or well).
- Manure must not be stored within the vicinity of a water course or water supply (10m away from a watercourse and 50m away from a borehole, spring or well).
- Depending on the type of land there are designated 'closed' periods, where muck spreading is strictly prohibited in order to minimise the release of nitrates into the watercourse. [The closed period ranges from mid-October to the end of January.](#)
- Manure cannot be spread where animals are already grazing or will shortly be intended to graze.

To anticipate and avoid a pollution incident the following predictive model is in common use.

Source ➡ Pathway ➡ Receptor

For example, the following are for manure and animal waste at Far Lakes Farm:

Source = Solid manure and liquid animal waste accumulating on hard standing or spread on the land.

The number of animals (325) is forecast in the GWFBASD and then also states "*The farm business enterprise is a mixed beef cattle and sheep enterprise and has an advised land requirement of 70.80 acres to graze the livestock. Despite the advised requirement in practice the applicant could farm all of their stock over the current provision of land owned by the farm business totalling 37.54 acres or thereabouts*".

The Graham Watkins Farm Business Financial Analysis Support Documentation (GWFBASD) does not cover the management of animal waste which would also be generated at levels above the advised land requirement.

Pathway = Run off from hardstanding and excessive animal waste spread on the soil. Many pathways exist on this site:

- i. Animals farmed indoors on hardstanding promoting the runoff of animal waste.
- ii. The slopes and elevations of the farmed site result in surface rain water runoff and drainage of the owned land. This can be readily seen when water spills from elevated land to the North and the West onto the Shaw Walls road and collects outside the farm entrance.

- iii. All of this water then runs along a ditch that follows the treeline shown in the photographs running alongside the new buildings on their east side. This would also receive any farm impervious surface runoff.
- iv. The ditch would be removing water run off during times of heavy rainfall in the summer. During a wet winter period when the soil was waterlogged the flow in the ditch is continuous.
- v. The ditch then continues to flow to the south before entering Shirley brook.

Receptor = While the ditch itself could be considered as a ‘controlled water’ under current regulations. Shirley Brook and the River Churnet are classified as controlled waters.

- i. The principal water pollution offence under the Water Resources Act relates to discharges into controlled waters.
- ii. Shirley Brook contains a significant population of native brown trout that have lived and bred there over very many years.
- iii. It is now known that isolated populations of brown trout adopt over successive generations to the water quality and chemistry of their environment. For example, many of the observed native brown trout in Shirley brook are almost black in colour resulting from local adaptations.
- iv. If, through a pollution incident or significant water quality changes the native brown trout were to die. It is now well understood that the water cannot be subsequently restocked with reared trout because they are unable to adapt to the local conditions.
- v. If the native brown trout are not protected from pollution or significant water quality changes and the native trout population die Shirley Brook is very unlikely to ever support fish stocks again.
- vi. At Froghall, Shirley brook then joins the Churnet Valley and the River Churnet. The river Churnet holds large stocks of Trout and Grayling in addition to coarse fish.
- vii. The River Churnet does not achieve good water quality under the water framework directive for measured phosphates. The River Churnet then flows to join the River Dove
- viii. The reason for the River Churnet not achieving good water quality for measured phosphates is identified in the report.. [Churnet from Consall to River Dove | Catchment Data Explorer | Catchment Data Explorer](#)

Reasons for not achieving good (RNAG) and reasons for deterioration (RFD)

All reasons (RFDs and RNAGs) attributed to the classification elements in this water body.

Reason Type	SWMI	Activity	Category	Classification Element	More information
RNAG	Diffuse source	Poor Livestock Management	Agriculture and rural land management	Phosphate	Details

- ix. The Churnet Valley lies within the Peak District Dales priority catchment for catchment sensitive farming.

This initial investigation also identifies additional legal requirements not identified in the Graham Watkins & Co Farm Business Financial Analysis Support Documentation (GWFBASD). The statutory regulations and Defra guidance relating to these regulations are listed below:

- The Nitrates Pollution Prevention Regulations 2015 (S.I. 2015/668)
- The Water Resources (Control of Pollution) (Silage, Slurry and Agricultural Fuel Oil) (England) Regulations 2010 (S.I. 2010/639).
- The reduction and prevention of agricultural diffuse pollution (England) regulations 2018 (SI 2018/151).
- The Defra guidance (30 March 2022) providing the Environment Agency with criteria to help it assess if an enforcement action is required under the farming rules for water. The guidance includes clarifications associated with the autumn spreading of organic materials.

Part 2 - Objection to Planning application SMD/2023/011 – Far Lakes Farm, Shaw Walls Lane

This farm business is unlikely to comply with the environmental requirements in its present and proposed form and as a result does not require a temporary or permanent dwelling at this location.