

# Appendix 3 - Final Independent Consultant Report



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Your Ref: 23/02799/FUL  
Our Ref: 10273-Im2

06 March 2024

**For the attention of Lydia Mather**  
Planning and Development  
West Berkshire Council  
Market Street  
Newbury  
Berkshire  
RG14 5LD

Dear Ms Mather,

**Site: Watery Lane Farm, Hamstead Marshall, Newbury, RG20 0JH.**  
**Application: 23/02799/FUL**  
**Proposal: Application for a temporary dwelling for a rural worker**

Thank you for your instruction dated 1 March 2024 requesting Reading Agricultural Consultants Ltd (RAC) provide additional comments on the above application.

In preparing this additional response I have had regard to further financial information provided by the applicants for the business development over a four year period (September 2023 to October 2027) which include direct costs for the alpaca breeding and rearing enterprise.

RAC previously appraised the application (RAC ref 10273-Im dated 19 January 2024) and concluded:

*“The proposal before the Council is for the siting of a mobile home to provide accommodation for a full-time agricultural rural worker for a temporary three year period.*

*The applicants will reside in the temporary dwelling. As such the property will be occupied by a full-time rural worker employed in the agricultural business at the application site.*

*The dwelling will be sited in close proximity to the existing building approved under 20/00770/AGRIC. It will meet the proposed essential needs of the developing enterprise and ensure that the management, health and welfare of all livestock kept on the holding is not compromised.*

*RAC considers that the increase in numbers of breeding alpacas on site would lead to an essential need for a full-time worker to reside on site.*

*RAC does not consider at this stage that the Financial Projections included in Appendix 2 of the Business Statement have been planned on a sound financial basis. The Projections do not take into account the Direct Costs associated with the alpacas on site.*



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*There are no other suitable and available dwellings in the locality that can meet the identified established essential needs of the farming business.”*

## **Appraisal**

### Financial Viability and Sustainability

1. The NPPF deals with the concept of sustainable development at a strategic rather than an individual enterprise level. In terms of economic development, it is concerned with contributing to and building a strong, responsive and competitive economy, by ensuring that sufficient land of the right type is available in the right places and at the right time to support growth and innovation.
2. RAC considers that in order for any business to demonstrate viability, it should be generating profits sufficient to provide a return on the capital invested – in agriculture/equestrian a figure of 2.5% is usually cited; reward the owner for any unpaid labour – equivalent to the national minimum wage; a notional return on land and, provide for the build cost of the proposed dwelling.
3. A Confidential Business Plan had been provided with individual budgets and gross margins for each year. However, the basis for the figures used in the calculations was unknown as no reference data is provided. This remains the case with the additional financial forecasts now provided to the Council in February 2024.
4. For reference, RAC would calculate that the notional return to land is equivalent to £1,230 (8.2 ha of owned land at £150/ha), the notional charge for a full-time worker at minimum wage is £22,600 and sensitivity analysis for £100,000 of capital invested in the business would be a return of £2,500. If the business is demonstrated to be viable and sustainable after a temporary permission period being granted, build costs for the dwelling would be calculated at an interest charge of 4%.
5. The Whole Farm Forecast (WFF) profit and loss projections submitted to the Council in February 2024 for the alpaca enterprise include the notional costs as set out above. The inclusion of these notional costs in the WFF now show that the business will be first profitable in Year 4 of the business plan, which is based on the following alpaca numbers:
  - 43 retained alpacas (31 breeding females, 9 females aged 11-18 months and 3 males);
  - 25 cria born (16 female and 9 male); and
  - 18 alpacas sold (6 breeding females, 3 females 12-18 months, 2 females 0-12 months, and 7 males)
6. The 4 year projections in the WFF demonstrate the minimum wage labour costs in each year of the developing alpaca business, however RAC would note that labour costs are typically not withdrawn from the business until the third year of a business plan when relating to a temporary permission.
7. Overall, RAC considers that with the additional details and the 4 year financial information now provided that the alpaca business is planned on a sound financial basis.
8. RAC would note that if the Council were minded to approve the planning application for a temporary rural worker's dwelling then the applicant's business plan and developing enterprises as now detailed would be thoroughly tested over the temporary permission. However, the applicant needs to be aware that if approval were to be granted for a temporary dwelling, then the alpaca enterprise needs to have developed as proposed and full financial business accounts would be required. These would be fully scrutinised where an application for a permanent dwelling for a rural worker is submitted.
9. In the event that at the end of the temporary time period and the applicant's business has not clearly demonstrated that it is sustainable and viable, the Council will have the authority to have the temporary dwelling removed and the land restored to its original condition.

## Conclusion

10. The proposal before the Council is for the siting of a mobile home to provide accommodation for a full-time agricultural rural worker for a temporary period.
11. The applicants will reside in the temporary dwelling. As such the property will be occupied by a full-time rural worker employed in the agricultural business at the application site.
12. The dwelling will be sited in close proximity to the existing building approved under 20/00770/AGRIC. It will meet the proposed essential needs of the developing enterprise and ensure that the management, health and welfare of all livestock kept on the holding is not compromised.
13. RAC considers that the increase in numbers of breeding alpacas on site would lead to an essential need for a full-time worker to reside on site.
14. The applicant has provided an updated Business Plan which provide details of the intended gross and net profit for the whole farm over a 4 year period for the alpaca enterprise.
15. RAC has reviewed the updated financial figures and considers the applicant's business has been planned on a sound financial basis. Approval for the siting of the mobile home for a temporary period will fully test the applicant's business plan and proposed development of the agricultural business and its financial viability.
16. There are no other suitable and available dwellings in the locality that can meet the identified established essential needs of the farming business.

I trust these comments are helpful.

Yours sincerely

