OFFICER: Dave Norris 01935 462382 [Item 2]

APPL.NO: 07/02775/FUL APPLICATION TYPE: Full Application

PARISH: Merriott WARD: EGGWOOD

DESCRIPTION: Conversion of existing factory buildings and erection of new dwellings to form 52 units together with alterations/improvements to access road and junction (GR: 344886/112383)

LOCATION: Merriott Plastics Ltd Tail Mill Lane Merriott Somerset TA16 5PG

APPLICANT: Mr Ian Low

AGENT: Alun Sherwood Heighway Field Associates 3 Cathedral Close Exeter Devon

EX1 1EZ

DATE ACCEPTED: 20 June 2007

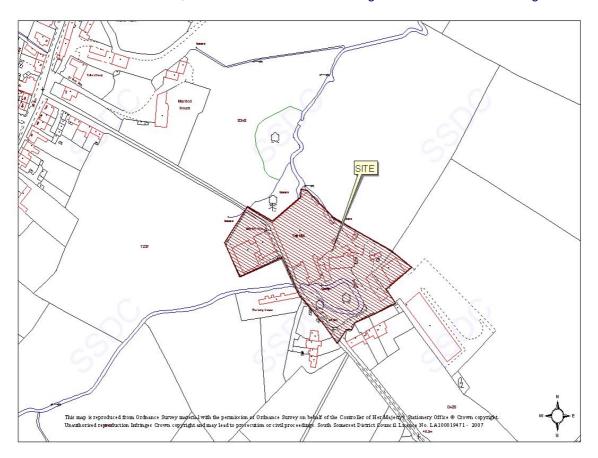
REASON FOR REFERRAL TO COMMITTEE:

This application has been brought before the Area West Committee at the discretion of the Planning Team Leader on the basis that it is a locally contentious proposal that raises significant policy issues.

LOCATION:

The Tail Mill complex lies within a small valley with land rising away from the village to the north and east across open countryside. A large section of the site is located within the designated Merriott Conservation Area and the original historic factory buildings are listed. The site also falls within the Flood Risk Area.

The site is accessed from Tail Mill Lane, a private road that links the A356 with the village. The well-used walker's route, the Parrett Trail also runs along Tail Mill Lane into the village.



PROPOSAL:

Planning permission was granted earlier this year for the erection of a large factory extension together with the conversion of the listed building into 33 residential units together with 10 new houses. This application was submitted in 2002 but due to lengthy legal agreements the decision was not issued for 4 years. The approval for this development was given on the basis that the residential development would allow the factory to fund a purpose built factory

thereby helping the viability of the enterprise. It was also considered that the conversion works would safeguard the listed buildings as they were (and still are) in need of maintenance. The approval was accompanied by a legal agreement that amongst other items, required:

- the factory to be built prior to the occupation of any dwelling
- new junction at junction of Tail Mill/A356
- improvements to condition of Tail Mill Lane
- upgrading of southern end of Tail Mill to accommodate HGV's
- scheme to include measures to prevent HGV's accessing factory from the Merriott side
- creation of a footpath alongside Tail Mill Lane

This application seeks to amend the previous approval and increase the number of dwellings on the site. The revised scheme proposes an increase in the number of conversions to 39 units and increase the new build dwellings to 13. This scheme is therefore proposing 52 units, an increase of 9 on the previous scheme. The application was accompanied by a Flood Risk Assessment, Design and Access Statement, Ecology Report and other associated documentation including a financial justification. An application for listed building consent has also been submitted.

A separate approval has recently been granted for the revised positioning of the factory extension. This approval was granted subject to a condition that required the developer to enter into a 'fresh' S106 agreement that will ensure that those requirements specific to the new factory will be carried out.

PLANNING HISTORY:

The application site has a very complex planning history. The previous occupants, Merriott Moulding Ltd, submitted an outline application in 1990 for the erection of 36 new dwellings and the conversion of the mill buildings into 43 units together with the erection of a replacement factory. The housing element of that scheme was intended to partially finance the relocation of the works into the new factory building. The siting of the new factory building and the conversion of some of the buildings was agreed in principle by the Council after a Committee site meeting in 1991.

A number of subsequent proposals were submitted between 1991 and 1993 that reduced and revised the housing layout and numbers. In 1992 the Council produced a Development Brief for the site, which set out clear development guidelines for both the new factory building, and the residential development.

In 1993 the Council resolved to grant permission for the erection of 30 dwellings, the conversion of existing buildings into 21 dwellings and the erection of a new factory subject to the completion of a detailed Section 106 Agreement, which included the occupation of the factory, highway improvements, traffic calming measures, landscaping and reclamation and management of the pond. Negotiations commenced on that Agreement but they were never completed and the application was subsequently withdrawn.

In March 2000 the historic core of buildings on the site was included on the Statutory List of Buildings of Special Architectural and Historic Interest. The list description concludes by saying the following:

"Tail Mill is a highly significant site in the history of the Somerset sailcloth industry, dating from the early 19th century. It is an evolved integrated textile factory, retaining characteristic structures from all periods of its development, including ancillary structures used for secondary and finishing processes. These, together with its mid 19th century weaving shed, and the very clear evidence of both water and steam power provision from an unusually complete and coherent survival, which despite 20th century alterations clearly demonstrates the major phases of development of a significant branch of the textile industry of South West England."

The most recent approval is referred to in the 'proposal' section. This consent for the factory and 43 units was issued approximately 8 months ago and will be extant for a further four years.

POLICIES:

The starting point for the Committee in considering this application and the related Listed Building application are the duties concerning Conservation Areas and Listed Buildings in the Planning (Listed Buildings and Conservation Areas) Act 1990. These are as follows:

Section 66: LPA shall have special regard to the desirability of preserving listed buildings or keeping any features of special architectural or historic interest

Section 72: The LPA shall pay special attention to the desirability of preserving or enhancing the character or appearance of a Conservation Area

Regional Spatial Strategy Vis 1: Expressing The Vision

VIS 2: Principles for future development

HO6: Housing Types and Density

EN3: Historic Environment

EN4: Quality in the Built Environment TRAN1: Reducing the Need to Travel

Somerset and Exmoor National Park Joint Structure Plan Review

Policy STR1: Sustainable development - development to be of high quality, good design and reflect local distinctiveness - give priority to the continued use of previously developed land and buildings.

Policy STR6: Development outside towns, rural centres and villages should be strictly controlled and restricted to that which benefits economic activity, maintains or enhances the environment and does not foster growth in the need to travel.

Policy 9: Setting, local distinctiveness and variety of buildings and structures of architectural or historic interest should be maintained and where possible enhanced. The character or appearance of Conservation Areas should be preserved or enhanced.

Policy 19: In rural areas provision should be made for development that creates or enhances local employment

Policy 49: Proposals for development should be compatible with existing transport infrastructure or if not provision should be made for improvements to infrastructure to enable development to proceed. In particular development should:

Provide access for pedestrians, people with disabilities, cyclists and public transport Provide safe access to roads of adequate standard within the route hierarchy

Policy 60: Areas vulnerable to flooding should continue to be protected from development that would cause a net loss of flood storage area or interrupt free flow of water

South Somerset Local Plan

Policy ST3: Control over development in the countryside

Policy ST4: Conversion of buildings Policy ST5: Quality of development

Policy ST6: Landscape and Architectural Design

Policy ST7: Outdoor play space
Policy EC3: Landscape Protection
Policy EC7: Habitat protection
Policy EC8: Protected species
Policy EH1: Conservation Areas
Policy EH3: Listed Buildings

Policy EH5: Development proposals affecting setting of Listed Buildings

Policy ED5: Contaminated land

Policy EP1: Noise Sensitive Development

Policy EP5: Contaminated land Policy EU1: Renewable energy

Policy EU5: Flooding
Policy EU4: Water Supply

Policy EU6: Watercourse protection

Policy ME4: Extensions to existing commercial uses outside settlements

Policy HG4: Density

Policy CR2: Open space provision

Policy CR9: Rights of way

PPS3: Housing
PPS7: Countryside
PPG13: Transport

PPG15: Historic Environment PPS24: Pollution Control

PPS25: Flooding

CONSULTATIONS:

Merriott Parish Council:

The council oppose this application to build an additional 9 dwellings at Tail Mill for the following reasons:

- No clear business case has been demonstrated in this environmentally sensitive area, which is outside of the development limit. The original case for 43 dwellings was narrowly passed on the basis that the new units were needed to ensure the viability of the factory. Since then the value of housing has far outstripped the rise in construction costs we see no commercial justification.
- The area falls within a medium-high flood risk area and would have to pass an exception test
- Tail Mill Lane is narrow, single tracked and without pavement. Pedestrians use the lane frequently and walk children to and from school. An additional nine dwellings would impose an unacceptable strain on the already existing traffic problems. There is insufficient provision for parking and parking in the lane will block access.
- 43 houses already approved constitutes an over-development and there is no provision for amenities or gardens. 9 further dwellings will exacerbate the problem.
- Concerns about on-going lack of maintenance of listed mill building.

Economic Development Officer:

Merriott Plastics employs 60 people, of which the majority live in either Merriott or Crewkerne. Only one person commutes more than 10 miles to work. A large proportion of the workforce has been with Merriott Plastics or their predecessor Merriott Mouldings for a very long time. The order books are currently very active, with some solid long-term contracts, which provides stability for the business. No longer is there a reliance on one customer for their work, reducing the risk of a poor debt or failed contract de-stabilising the business.

Having read the application and business plan, I concluded that the additional income that the proposed extra dwellings would provide will ensure the business is financially stable. I enquired what future there is for the business in Merriott if the additional residences were not approved. The response received stated quite clearly that the cashflow for the business was then a lot tighter and would probably restrict future investment in machinery and plant. An alternative could be to move the whole business to a sister company in Rochester, Kent, which would in turn create redundancies for the Merriott based employees.

A suggestion from the Economic Development service, which you may wish to consider is to make it a requirement for the new industrial building to be developed and occupied with expected highways and access improvements before any work is started on the residential development.

In summary, the additional dwellings would provide economic stability for the business, which should ensure it remains located in Merriott for many more years.

DUE TO THE CONTENTIOUS NATURE OF THIS APPLICATION AND THE COMMENTS OF THE PARISH COUNCIL AND NEIGHBOURS IT WAS CONSIDERED NECESSARY TO REFER THE APPLICATION TO AN INDEPENDENT ASSESSOR. THE OBSERVATIONS OF THE ASSESSOR WILL BE REPORTED AT THE MEETING.

Environment Agency:

Currently objecting to the proposal on the basis that the applicant has not submitted a fully compliant flood risk assessment, has not fully demonstrated that the sequential test has been explored and there are potential risks for contamination being disturbed and entering the water environment.

Highway Authority:

Raise no objection provided that the improvements that were required as part of the previous approval are the subject of a supplemental legal agreement. Do not consider that the 'uplift' of nine units would warrant any further works other than those required by the previous consent.

Landscape Officer:

Concerns about the lack of amenity space within the development.

Details required about the treatment of the approach road.

A detailed landscape management plan is required for the residential area including details of new hard and soft landscaping and treatment of mill pond.

Concerns about the 3-storey dwellings need to be overcome.

Conservation Officer:

At the time of writing the report negotiations are currently ongoing to overcome the areas of contention. These include:

- scale of new dwellings
- details of some of the alterations required by the conversions
- retention of some of the historic features
- absence of some drawings

General view is that these issues can be overcome subject to the submission of revised details and the imposition of appropriate conditions. An update will be given at committee.

Environmental Protection Unit:

Adequate water supply should be available. An investigative report shall be carried out to assess land contamination issues.

Principal Engineer:

Conditions required relating to protection/improvements to watercourse. Floor levels to be agreed. Flood protection measures to be approved. Compensatory storage measures to be agreed.

Council's Ecologist:

Happy that the majority of the issues can be dealt with by condition. However, would require the bat survey to be completed before any permission is issued.

Natural England:

Bat survey to be carried out prior to consent being granted.

Wessex Water:

The existing water supply should be sufficient to serve all of the dwellings and the existing public sewerage is also sufficient provided that surface water is excluded. Surface water disposal should be agreed with the Environment Agency.

Somerset Industrial Archaeological Society:

No objections as we believe the conversion is sympathetic. Would request that the previous conditions be imposed.

English Heritage:

The scheme is not significantly different than that previously approved and therefore do not wish to intervene.

OTHER REPRESENTATIONS:

12 letters have been received from nearby properties making the following points:

- additional impact upon village facilities
- do not believe that existing approval does not generate sufficient funds to make factory extension viable bearing in mind increase in house prices
- the area is a flood zone
- road will not withstand traffic
- who will reinforce boundary wall
- site outside development boundary
- no on-street parking
- poor public transport
- impact upon nationally important Parrett Trail
- applicant may come back for even more dwellings
- listed building needs improving
- hope road wont become a rat-run. Traffic calming required
- verges should be retained
- A356 speed limit should be lowered to 40mph
- No affordable homes
- Lack of amenity space
- Density is out of character

CONSIDERATIONS:

Members are reminded that a detailed consent exists for 43 units on this site and that the key consideration for this scheme is whether the additional 9 units are justified and whether they will have a detrimental impact.

PRINCIPLE:

The application site is located outside of the development limits of Merriott and is therefore assessed against countryside policies i.e. development is strictly resisted unless there is a clear justification.

At the time of the previous application the Area West Committee considered, that on balance, the retention of a significant local employer, together with the safeguarding of an important historic building justified development in this location.

The applicant has submitted information that he believes demonstrates that the 9 additional units are necessary to provide the income to fund the extension to the factory. Furthermore the applicant has stated that financial lenders are unwilling to provide a loan on the basis of the profit that will be generated by the 43 units and that 52 units will provide sufficient value to satisfy the risks identified. The applicant's submission is appended to this report (pages 15 – 19) and the views of the independent assessor will be reported at the meeting.

Aside from the principle of the additional dwellings, the conversion of the listed buildings into apartments is considered to be the only realistic future use for the building and plans have

demonstrated that this can be achieved at the same time as protecting its historic character. The additional 6 converted units appears, subject to details being agreed, to be acceptable and makes effective use of the buildings and provides a wider range of dwelling size.

Members should also bear in mind that this is a 'brownfield' site that is not remote from the village and that the additional units will be located within the same area as previously approved.

Impact upon the listed building/conservation area:

As has already been stated, the safeguarding of the important mill building and associated structures was one of the reasons why the previous permission was granted. The Mill is a very important building that is both architecturally and historically significant. Currently the building is of no real benefit to the business and its maintenance is therefore not a priority. Consequently the condition of the building is worsening and requiring an ever increasing amount of finance to restore it to the appropriate standard. Therefore, finding an appropriate future use for these buildings accords with government advice.

The Conservation Manager raises no objections to the principle of the development and considers that the number of units will not be to the detriment of the character and setting of the listed building - subject to the submission of amended details.

The density of the housing is not considered to be inappropriate for Merriott, especially the Lower Street area, which is characterised by groups of buildings. The form of the new dwellings is also considered to be acceptable, using simple traditional designs and materials. Negotiations are currently being undertaken relating to those dwellings that have dormer windows within the roof.

Highways:

The Highway Authority have assessed this application in relation to the planning permission that was granted earlier this year. They are firmly of the opinion that the additional nine units will not create an unacceptable situation and they consider that the required works required under the S106 from the previous consent will be adequate to mitigate the impact of this scheme.

Affordable housing/planning contributions:

Policies contained within the adopted Local Plan require the planning authority to secure planning contribution to mitigate the impact of the development. Such contributions normally take the form of affordable housing, play areas, community facilities etc and these costs are absorbed by the developer. If members do accept that the proposal for 52 units is justified in terms of safeguarding the factory then it is considered inappropriate to require such contributions as the applicant believes that 52 is the minimum number of units that will produce the required financial return. If the developer was required to provide 35% of units for affordable housing then it follows that the number of units required would increase substantially.

The Landscape Officer has also referred to the lack of defined amenity space in the locality. This concern is understandable however it is important to bear in mind that no such provision was included in the previous scheme and this application is for the same site area.

Ecology:

The council's ecologist has assessed the reports that have been submitted and considers that the majority of issues can be resolved through the imposition of appropriate conditions. These conditions will require the developer to carry out further surveys and provide suitable mitigation measures so as not to prejudice protected species.

The issue of bats within the buildings is more complex and the ecologist's initial response is that it would be appropriate to carry out a full survey prior to the application being approved. Natural England will also require the developer to carry out a survey prior to issuing a licence to begin construction works and negotiations are taking place to determine whether it is

essential for a full survey to be carried out prior to any consent being granted. An update will be given to members at the meeting.

Flooding Issues:

At the time of the previous approval the Environment Agency were satisfied that provided appropriate conditions were imposed, the development would not be at risk from flooding or create flooding issues elsewhere. Furthermore the issue of contaminated land was to be addressed through relevant conditions.

Since the approval, the Environment Agency's requirements have become more rigorous and there are other tests that have to be satisfied. It is understood that the developer is currently negotiating with the agency and the outcome of these discussions will be reported at the meeting.

Neighbour Amenity:

It is considered that the proposed dwellings will not have a significant impact upon the amenity of neighbouring properties. The increase in units from 43 to 52 will result in additional activity but it is not considered that this will cause any demonstrable harm to the locality.

RECOMMENDATION:

An oral recommendation will be made at the meeting.

Currie & Brown Widnell

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Mr David Norris
South Somerset District Council
Development Control
The Council Offices
Brympton Way
Yeovil
Somerset
BA20 2HT

Ref AK/SM/PL0835BC/L051

4 September 2007

Dear David

Tail Mill Development, Housing

As requested please find attached summary of the issues and commercial rational for the additional units now sought at Tail Mill.

Also attached are the construction cost plan summary you have requested.

I trust this is what you require however please do not hesitate to let me know if you require any thing else in this respect.

Yours sincerely Currie & Brown Widnell

Adrian King Director

Enc

DEVELOPMENT SCHEME TAIL MILL	MERRIOTT	Contractors costs - 43 Units
Preliminaries Building Regs 106 Agreement bond NHBC	474,334.00 30,000.00 20,000.00	
NIBC	41,000.00	565,334.00
Design Fees		
Engineers Architects (Heighway Field fees)	75,000.00 180,000.00	
EPR	25,000.00	
yendell	5,843.00	
technicon	2,485.00	288,328.00
demolition	120,000.00	120,000.00
Existing Buildings		
Building 1/1A - Warehouse	305,401.00	
Building 3 - Textile Mill	217,735.00	
Building 6 - Weaving Shed	282,950.00	
Building 6A - Weaving Shed	67,300.00	
Building 7/7A/7B - Ancillary Process	101,000.00	
Building 8 - Ancillary Process Building 9 - Ancillary Building	267,943.00	
Building 10 - Former Engine House	83,720.00	
Building 11/11A/11B - Ancillary	124,690.00 56,075.00	
Building 12/12A/12B/12C	169,871.00	
	100,011.00	1,676,685.00
New Build Houses		•
Piled foundations	50,000.00	
3 bed houses 2 bed houses	248,040.00	
4 bed houses	157,560.00	000 400 00
. 550 1100000	433,500.00	889,100.00
External Works		
Contaminated ground		100,000.00
External works		250,000.00
Roadworks		375,000.00
New Culvert		50,000.00
Flood Aleveation Risk		20,000.00
Incoming Services		200,000.00
Wooming Oct Alfred		215,000.00
		4,749,447.00
Contractors mark up	7.50%	356,208.53
		5,105,655.53

DEVELOPMENT SCHEME TAIL MILL MERRIOTT

Contractors costs - 51 Units

	uuoii
Preliminaries Building Regs 106 Agreement bond	474,334.00 30,000.00
NHBC	20,000.00 41,000.00
Design Fees Engineers	75.000.00
Architects (Heighway Field fees)	75,000.00 180,000.00
EPR	25,000.00
yendell	5,843.00
technicon	2,485.00
demolition	120,000.00
Existing Buildings	
Building 1/1A - Warehouse	305,401.00
Building 3 - Textile Mill	217,735.00
Bullding 6 - Weaving Shed Building 6A - Weaving Shed	282,950.00
Building 7/7A/7B - Ancillary Process	67,300.00
Building 8 - Ancillary Process	101,000.00 321,408.00
Building 9 - Ancillary Building	145,990.00
Building 10 - Former Engine House	124,690.00
Building 11/11A/11B - Ancillary	70,275.00
Building 12/12A/12B/12C	183,571.00
New Build Houses	
Piled foundations	52,000.00
3 bed houses 2 bed houses	254,427.00
4 bed houses	390,226.00
4 bed fibuses	248,067.00
External Works	
Contaminated ground	100,000.00
External works Roadworks	250,000.00
New Culvert	375,000.00
Flood Aleveation	50,000.00 20,000.00
Risk	200,000.00
Incoming Services	215,000.00
	4,948,702.00
Contractors mark up 7.5%	371,152.65
Subtotal	5,319,854.65
Balancing figure for GMP	120,000.00
Total	5,439,854.65
Extra over costs for 52 Unit scheme	
Additional bedroom to 6no. New build	161,000.00
Coach House (unit 52)	65,000.00
Total	5,665,854.65

Principle requirements for increasing the number of units at Tail Mill.

1.0 Commercial viability and ability to finance.

Table 1

	Development Costs	Sales Values	Margin	% profit
43 Unit scheme	7205911	8210000	1004089	14%
52 unit scheme	8421568	9850000	1428432	17%

Most commercial developers would require 25% as development profit in order to provide for the risks associated with a development of this nature. The banks would normally require a return for the borrowing developer in excess of 20% in order to loan against this type of development. In this instance because the owners of the site are also the developers the banks are able to take site value into account as surety against borrowing and therefore funding has been secured at a projected profit level of 17% as defined for the enhanced scheme albeit his was regarded and borderline. The original 43 unit scheme which only has a projected profit level of 14% was regarded by the banks as too low and high risk and therefore funding could not be secured.

2.0 Abnormal cost increases that have depressed project viability.

Table 2

	Original budget for 43 unit scheme at feasibility	Current Cost for either 43 or 52 units schemes
S 106 Road improvements	£100k	£500k
Electricity Upgrade	£0	£50k
Bat Protection	£0	£100k
Total	£100k	£650k

These abnormal costs are fixed irrespective of number of units and therefore the increase in the number of units has enabled the project viability to be improved. Below we have reworked table 1 ignoring the increased abnormal costs which demonstrate that without the abnormal costs the margins required by a commercial developer could have been achieved.

Table 2

	Development Costs	Sales Values	Margin	% profit
43 Unit scheme	6655911	8210000	1554089	23%
52 unit scheme	7871568	9850000	1978432	25%

3.0 Benefits to the community of enlarged scheme

3.1 Additional lower cost units.

Despite the proposed increase in residential units from 43 to 52- The actual increase in developed area is only marginal at 3.86%. The benefits in terms of the increased availability of more affordable accommodation is as set out in the table below

Table 3

Number of units	Original Scheme 43	Enhanced Scheme 52	% change 20.93%
Foot print	3134 sq mtrs	3225	3.86%
Beds	88	118	34.09 %

Principle requirements for increasing the number of units at Tail Mill.

In order to achieve the benefits the original scheme has been enhanced by refining the allocation and use of space in order to create units of a smaller size which fit more appropriately with demand and affordability.

3.2 Security of Employment at Merriot Plastic

The existing facilities located at Tail Mill are semi redundant and those remaining in use are sub-standard and not suitable for the continuation of Merriot Plastics commercial operation. A key component of the re-development of Tail mill is to re-provide the production space in bespoke accommodation that will sustain the business at Merriot in the long term.

A key component of the commercial case for Tail Mills re-development is to be able to fund the factory re-provision in suitable accommodation. This re-provision cannot be realised in the context of the 43 unit scheme. It is therefore imperative that the enlarged scheme is realised in order to secure Merriot Plastic 60 existing jobs on the site. The alternative will be to relocate the production facility in surplus space in a sister companies premises in Kent. Apart from the loss of existing jobs will be the potential growth in resource needs that is likely in future.

In the event that the 52 unit scheme is not realised, apart from loss of jobs, will be that the existing site will become redundant and buildings of historic importance will continue to deteriorate unless an alternative commercial use can be found which we believe to be unlikely. We have already demonstrated that the 43 unit residential scheme is not viable and would certainly not attract commercial developers.

3.3 Planning Policy - Meeting Housing Needs.

Clearly the Government is keen to see:-

- Optimum use of scarce land appropriate for residential development.
- The creation of more low cost housing particularly in rural locations where gentrification has priced locals out of the market.
- Sympathetic reuse of redundant brown field sites where possible relieving the demand to continually build on green field sites coupled with sustainable conservation of our architectural heritage.
- Sustainable development where residential developments organically support and enhance existing communities.
- Underpinning the critical mass in terms of sustaining and enhancing local services.
- The retention of work opportunities in locations where jobs are scarce.
- Sympathetic co-location of residential and commercial uses to maximise the potential to reduce carbon footprint in terms of for example travel to work distances.

4.0 Summary

In summary we believe that our proposals fit well with current planning criteria as well as the socio economic needs of the community and should therefore be approved.