



FURTHER INFORMATION ON THE IMPLEMENTATION OF THE WEP
APPLICATION SDNP/2019/03160 – LOWER YARD, NEWTON VALENCE
NEWTON VALENCE FARM ESTATE

1. The SDNPA in an email dated 20 March 2020 that sought, inter alia, additional information of the benefits to the National Park that will be delivered through this development and how necessary and proportionate is this development in the delivery of the WEP projects. Specifically, the SDNPA wishes to know how the development will secure the implementation of those actions part of the WEP that deliver multiple benefits in line with the National Park purposes and special qualities and ecosystem services. A number of specific questions were posed, they have been responded to below.
2. The SDNPA will be aware that 2020 is an extraordinary year and this note has been drafted at the peak of the Covid-19 pandemic the consequences of which are:
 - Inadown Farm Riding Centre has closed its teaching facility in compliance with government regulations severely reducing income
 - the shoot has been put on hold
 - the four holiday lets have not been open for clients and income has been reduced.
 - the price of oil seed rape has collapsed because of the closure of the restaurant trade and other farmers are having to dump milk down the drain
 - Given the uncertainties of the real world at present, which might persist after the present emergency winds down, careful thought as to timing and the amounts of contributions/ payments will need to be given in the S106 Obligation.
 - The impact of a 10% shortfall of predicted revenue of £7,962,000 is a drop in the bottom line of £796,200 bringing the projected surplus down from £1,221,000 to £425,000, a drop of 65%. If that occurred, the benefits would have to be scaled back accordingly.
 - None of the beneficiaries are at risk of a loss which would be incurred if selling prices fell more than 15.3%. This would be wholly absorbed by NVF.

PROCESS FOR LOWER YARD AND WEP DELIVERY

- 3 It is confirmed that the applicant is willing to enter into a Section 106 Obligation with the SDNPA to ensure implementation and delivery of the WEP projects. The Covid-19 pandemic has local, national and international consequences which will take many years to recover from. The SDNP should be aware that with most of the developed world currently on lock down and a forecast contraction of GDP by one third, trading conditions are likely to be very tricky post the pandemic. Whatever the Section 106 obligation NVF commits to there must be sufficient flexibility to enable the project to respond to the actual conditions encountered.

WHICH PROJECTS OF THE WEP HAVE ALREADY BEEN IMPLEMENTED?

- 4 Following the endorsement of the WEP by the SDNPA in September 2017 Newton Valence Estate has already implemented the following actions in the WEP Action Plan.

Inadown Farm Riding Centre

Covered riding school, lunge circle and horsewalker – planning permission SDNP/18/03786. Cost £269,000. The covered riding school is in operation. Despite difficult trading conditions due to poor grain prices and low consumer spending it was decided to take out a loan of £250,000 from Barclays to enable construction of the covered riding school. That loan needs to be repaid. Since the coronavirus lockdown the covered riding school has not earned any income.

Evidence – see attached selection of invoices – [Appendix 5](#)

- WEP reference: Action Plan – Farm Diversification
- National Park purposes and duty: With the riding school in general, promotes enjoyment of the special qualities of national parks by the public

Upper Yard

Centralisation and upgrading of farm workshop cost £5,000

Evidence – attached copies of bills/ invoices – [Appendix 5](#)

- WEP reference: Action Plan – Farm Consolidation
- National Park purposes and duty: contributes to fostering the economic well-being of the local community and aids the conservation and enhancement of natural beauty

Newton Valence Farm Estate

Implementation of Countryside Stewardship aka Green Infrastructure projects

- Gapping up hedgerows
- Hedge coppicing
- Wild flower planting

- Grass block planting
- 6m wide field margins
- Woodland edge margins

Evidence Countryside Stewardship maps and [see Appendix 8](#)

Costs covered by Countryside Stewardship Scheme

- WEP reference: Action Plan – Conservation Management
- National Park purposes and duty: assists in conserving and enhancing natural beauty and wildlife

Min Till - NVF has increasingly moved to minimal cultivations – Conservation Agriculture. The Joint Venture has recently purchased a stubble rake to enable further reduction in cultivations and soil movement. This has many benefits for the environment and for the economics of arable farming. The addition of this machine allows the farm to transition into direct drilling and ultimately zero till using cover crops. Organic matter is added at any opportunity and over the past 2 years NVF has applied poultry/turkey manure ahead of all OSR crops. Going forward this is a key area to develop and locate more manure to add to the farm.

Evidence: Conservation Agriculture paper by Farm Manager – [Appendix 6](#)

Costs – The Joint Venture with nearby farmers has invested £525,000 in precision farming. NVF has funded one third of this which has been absorbed in NVF's agriculture costs

- WEP reference: Action Plan – Conservation Management
- National Park purposes and duty: assists in conserving and enhancing natural beauty and wildlife

Precision Farming With recent investment in modern farm machinery NVF has been able to utilise many aspects of precision farming. All main line tractors are now equipped with GPS for accurate steering in the field – reducing overlaps.

All fields are sampled every four years for P, K, Mg, pH by SOYL who have also created soil zone maps for the farm. The soil zones are created using electro conductivity testing and then a soil scientist hand textures the samples in the field to create soil type zones. This has all come at a cost which NVF has invested £5,800. This enables data to be collected for every field on the farm. The data can then be used to variably adjust seed rates, P, K, Mg, Lime, N across the fields and allows products to only be applied where needed and seed rates reflect soil type.

NVF has also invested 30% of the money into a new sprayer and fertiliser spreader costing £110,000. Therefore, this is an NVF liability/ expenditure of £33,000 on improving the application accuracy of fertiliser and sprays.

Those costs of precision farming have been absorbed in NVF's agriculture costs

- WEP reference: Action Plan – Conservation Management
- National Park purposes and duty: assists in conserving and enhancing natural beauty and wildlife

On-going from 2014 – Selborne Landscape Partnership (sometimes referred to as the Selborne Land Management Group) aka Green Infrastructure initiatives. NVF is an active member of the SLP, a local farm cluster group of likeminded farmers, landowners, The National Trust, Hampshire and Isle of Wight Wildlife Trust and the Gilbert White House Museum. And has also been helped/supported by the Game and Wildlife Conservation Trust (GWCT) and the South Down National Park Authority (SDNPA). The SLP was a significant influence on NVF's Countryside Stewardship application.

This brings together common goals for local farmers in delivering environmental benefits – see attached webpages at [Appendix 1](#). The NVF Higher Tier scheme (see next item) was designed with local objectives in mind. Regular meetings within the SLP allow all members to discuss, progress and continue to set new objectives that benefit the local area.

The latest newsletter at [Appendix 2](#) explains some of what has been done in recent months. This includes:

- Harvest Mice surveys
- Brown Hare/Break Butterfly survey
- Winter Farmland Bird survey
- Blackthorn survey
- Pollinator mapping
- Sowing of wild bird mix
- Regular topping up of Winter bird feeders

Costs associated with SLP actions are not recorded

Evidence – see [Appendix 8](#)

- WEP reference: Action Plan – Conservation Management
- National Park purposes and duty: assists in conserving and enhancing natural beauty and wildlife and promoting opportunities for the understanding and enjoyment of the special qualities of national parks by the public

DEFRA Countryside Stewardship – Higher Tier Stewardship Scheme aka Green Infrastructure Initiatives

NVF entered the scheme voluntarily on 1/1/19 and this runs until 31/12/23. The structure and design of the NVF Countryside Stewardship application was completed with guidance and influence from the SLP's local targets and needs.

NVF has established flower rich grass margins, wild bird cover, winter bird food, leaving of over winter stubble, planting cover crops for overwinter, created grass woodland edge habitats, supplementing the wild bird food source and created a lapwing plot. Other items include hedge laying, gapping up existing hedges and some coppicing works. Further to this the farm has established tussocky grass in certain areas of to prevent run off and we have established a legume rich sward on one field that will now be grazed by sheep.

Opportunities exist for future Stewardship Schemes to build on the above and further enhance the biodiversity credentials for NVF

Evidence – see [Appendix 8](#)

Supplementary feed - NVF, through the shoot, feeds kibbled maize and a ground mix throughout the year at a cost of £1,000.

Total Spend in year 1 approx. £6,000 – on wild bird mix seed/ grass seed/ coppicing/ hedge laying/ management time.

Replacement of 3.26ha maize with wild bird mix planting

Costs off set by grant income under the scheme

- WEP reference: Action Plan – Conservation Management
- National Park purposes and duty: assists in conserving and enhancing natural beauty and wildlife

Note: the implications of splitting Ecological Focus Areas (EFAs) from the Countryside Stewardship for 2020 needs to be factored into NVF since that change affects:

- AB1 Nectar flower mix
- AB3 Beetle banks
- AB4 Skylark plots
- AB5 Nesting plots for lapwing and stone curlew
- AB6 Enhanced overwinter stubble
- AB8 Flower rich margins and plots
- AB9 Winter bird food
- AB11 Cultivated areas for arable plants
- AB15 Two year sown legume fallow
- AB16 Autumn sown bumblebird mix
- HS2 Take historic and archaeological features out of cultivation
- OP2 Organic wild bird seed mixture
- SW1 4 to 6 metre buffer strip on cultivated land
- SW3 In-field grass strips
- SW4 12 to 24 metre watercourse buffer strips on cultivated land
- SW6 Winter cover crops
- SW12 Making space for water
- WD3 Woodland edges on arable land
- WT2 Buffering in-field ponds and ditches on arable land

Broadband After lobbying by NVF and others Open Reach installed new cables to and through the village

No financial costs involved just time for lobbying

- WEP reference: Action Plan – Farm Diversification
- National Park purposes and duty: fosters the social well-being of the local community

Opera performances for charity– 4 events have been held in recent years and have proved very popular. Attendance has risen from 375 to 475 people and money has to be spent in hiring tentage for this number if the weather is against us on the day. These have cost £35,000 so far and annual expenditure of £10,000 pa for five years has been promised.

- WEP reference: Action Plan – Community Engagement
- National Park purposes and duty: assists in promoting the enjoyment of the special qualities of national parks by the public

Upgrading signage on PROWs

Work has started in consultation with HCC Rights of Way and will continue

Costs absorbed by NVF

- WEP reference: Action Plan – Community Engagement
- National Park purposes and duty: assists in promoting the enjoyment of the special qualities of national parks by the public

NVF Holiday lets – Improved literature for visitors on National Park, farming and conservation activities

Cost minimal

Defibrillator (Heart starter?) Cost £400

Evidence – copy of bill attached [Appendix 5](#)

- WEP reference: Action Plan – Community Engagement
- National Park purposes and duty: assists in promoting the enjoyment of the special qualities of national parks by the public

WHAT SHOULD BE IMPLEMENTED NEXT?

- 5 The following projects taken from the endorsed WEP would be considered next for implementation; they are not in any form of priority order.

Newton Valence Farm Estate

Conservation Agriculture. Conservation Agriculture (CA) is defined as a farming system that promotes maintenance of a permanent soil cover, minimum soil disturbance and diversification of plant species

What benefits does it bring?

- Lowers crop establishment cost. Approx. 30% less fuel/ha
- Improves soil structure and health/worms/mycorrhizal fungi
- Improves water infiltration – useful in a dry year and a wet one
- Reduces run off
- Reduces the need to apply as much Phosphate
- Reduces the need to apply insecticides
- Cover crops capturing nutrients and building soil health
- Can bring new farming opportunities

What needs to change on farm to enable CA to work?

- Change in crop rotation – more diversity
- Planting of cover/catch crops on all stubble ASAP after harvest
- Add as much organic material as possible
- No deep cultivation. Light disc pass OR stubble rake
- Correct mindset for all involved
- A drill is required to deal with trash/residue

CA would have the following implications for NVF closer management of weeds and pests (especially slug issues) CA will also require the purchase of a lower disturbance drill that can be used in a CA system e.g. the John Dale Drill - £35,000 £40,000. The cost of the drill would be absorbed in NVF's agriculture costs

- WEP reference: Action Plan – Conservation Management
- National Park purposes and duty: contributes to fostering the economic well-being of the local community and aids the conservation and enhancement of natural beauty

Timetable - implement in the first growing season after the grain store and drier has been brought into use

DEFRA Countryside Stewardship – Higher Tier Stewardship Scheme on-going aka Green Infrastructure Initiatives

Monitoring and labour for participation is provided by NVF with most costs covered by a DEFRA grant. However, NVF will bear the following costs in coming years:

Wild Bird mixes - 8.73 ha will be planted this season at a cost of £140 per ha and then planted each year thereafter - £5,000

Supplementary feed - The shoot feeds kibbled maize and a ground mix throughout the year at a cost of £1,000 pa

Woodland Management – This is not currently in the CSS but labour from the shoot is used on coppicing and maintenance of drives @ £6000 pa

SSSI Management Grant funding to fence Rifle Range (SSSI) to enable grazing by sheep - Works are due to commence summer 2020 if a contractor and materials are available due to Covid-19

Year 2-5 budgeted cost is £3,000/ annum to include renewing seed mixes/management time

The implications of splitting Ecological Focus Areas (EFAs) from the Countryside Stewardship grants for 2020 onwards needs to be evaluated and acted on

Total income is £18,000 per annum for the five years. Years 1 - 2 to includes £30,000 of capital grant funding available for fencing difficult sites, hedge gapping/ coppicing/ water troughs install/ Barn owl boxes

- WEP reference: Action Plan – Conservation Management
- National Park purposes and duty: assists in conserving and enhancing natural beauty and wildlife

New bridleway on alignment of former Meon Valley Railway – dedication of a new bridleway between Annetts Farm and Newton Lane – see project page submitted separately. This to accord with the safeguarding of the route in SDNP Local Plan policy SD20. Draft scheme to be prepared in consultation with HCC and SDNPA. The route of the bridleway would be provided for in a Section 106 Obligation. NVF is will to contribute towards the cost of providing the length of bridleway at an appropriate level commensurate to all the other calls on the capital receipt from the Lower Yard redevelopment.

Costs estimated not known at this time

- WEP reference: Action Plan – Community Engagement
- National Park purposes and duty: assists in promoting the enjoyment of the special qualities of national parks by the public

Timetable - To commence discussions with HCC and SDNPA in the autumn of 2020

New permissive path on alignment of former Meon Valley Railway – dedication of a permissive footpath on the alignment between the bridge over Newton Lane and the southern end of the estate – see project page submitted separately. To include in the S106 Obligation the dedication of the route as a future bridleway as part of the Meon Valley Trail to accord with the safeguarding of the route in SDNP Local Plan policy SD20. Draft scheme for the permissive footpath to be prepared in consultation with HCC and SDNPA. Negotiating the use of the bridge over Newton Lane is best undertaken by the competent rights of way authority.

Costs estimated not known at this time

- WEP reference: Action Plan – Cultural services
- National Park purposes and duty: assists in promoting the enjoyment of the special qualities of national parks by the public

Timetable - To commence discussions with HCC and SDNPA in the autumn of 2020

New permissive footpaths – work with the SDNPA and HCC RoW officer on provision of and apparatus for new routes

Costs estimated at £12,000

- WEP reference: Action Plan – Cultural services
- National Park purposes and duty: assists in promoting the enjoyment of the special qualities of national parks by the public

Timetable - To commence discussions with HCC and SDNPA in the autumn of 2020 with a view to implementation by 31 March 2022

Repairs and maintenance of the bridleway from the village to Selborne Common

The poor state of this ROW in winter is recorded in the Newton Valence Village Plan. NVF has agreed with the Parish Council to carry out work to repair the surface, such repair to be agreed with HCC Rights of Way and in consultation with the Parish Council and the National Trust

Cost estimated at £2,500

- WEP reference: Action Plan – Cultural services
- National Park purposes and duty: assists in promoting the enjoyment of the special qualities of national parks by the public

Timetable – summer 2020

Welfare facilities for the estate shoot and use for school farm visits – prepare draft planning application and liaise with SDNPA on how to best manage school farm visits. Costs provisionally estimated as £20,000

- WEP reference: Action Plan – Farm Diversification and Community Engagement
- National Park purposes and duty: assists in promoting the enjoyment of the special qualities of national parks by the public

Timetable - Planning application in 2020/21

Energy reduction technology across the estate – undertake an estate energy audit and put together a strategy for energy reduction through alternative energy sources (solar) for the estate as a whole – including residential buildings. The audit to also advise on the best way of re-using the 100 solar panels on the existing grain store when it is no longer required. The overall aim is to reduce NVF's consumption of energy bought from suppliers by at least 50%.

Costs unknown at present

- WEP reference: Action Plan – Conservation Management
- National Park purposes and duty: assists in the wider planning issue of contributing to reducing reliance on fossil fuels and minimise the impact of climate change.

Timetable – Undertake energy audit in 2020/21 and bring forward proposals in 2021/22

Inadown Farm Riding Centre

Viewing gallery in covered arena cost £32,000

Evidence – copy of estimate at [Appendix 5](#)

- WEP reference: Action Plan – Farm Diversification
- National Park purposes and duty: With the riding school in general, promotes enjoyment of the special qualities of national parks by the public

Timetable – within 12 months of securing planning permission SDNP/19/03160

Upper Yard

Grain store and drier. The shortcomings and problems with and about the existing grain handling on the east side of Gosport Road, near Lower Farringdon are explained in [Appendix 3](#) written by the farm manager. A pre-application advice request for a 3,000t grain store and drier at Upper Yard, Newton Valence was submitted on 17 April 2020 (SDNP/20/01592/PRE)

Cost £960,000 – cost estimate previously supplied

- WEP reference: Action Plan – Farm Consolidation
- National Park purposes and duty: contributes to fostering the economic well-being of the local community

Timetable – within 2 years of completion of the first market price dwelling

Weighbridge. This would allow the harvest from each field to be weighed into store and give NVF accurate yield data from each field. It would ensure the monitoring of NVF's precision farming efforts. It would also aid crop marketing in being able to record exactly the tonnage NVF has to sell.

Cost estimate £50,000.

- WEP reference: Action Plan – weighbridge was not included
- National Park purposes and duty: contributes to fostering the economic well-being of the local community

Timetable – before the first harvest season after the practical completion of the grain store

Other projects

Newton Valence Parish Hall

A financial contribution of 50% to a maximum of £35,000 towards repairs and upgrading of the Parish Hall is under discussion with the Parish Council and the agreed sum could be included in any Section 106 Obligation. This would be a contribution to the community as no Community Infrastructure levy contribution arises from this development

Cost: £35,000 max contribution

- National Park purposes and duty: fosters the social well-being of the local community

Timetable set by agreement with Newton Valence Parish Council

Affordable and estate housing

The proposal will also deliver two affordable homes for local people to occupy as shared equity dwellings and two more dwellings to be occupied by estate workers of Newton Valence Farm. The provision of housing for local people is a community benefit.

- National Park purposes and duty: fosters the social well-being of the local community

Timetable to be set in a Section 106 obligation

Is the amount of development adequate for the delivery of the WEP?

- 6 The current application seeks outline planning permission and it is likely that following the grant of outline planning permission it will be winter 2020/21 before the next planning stage of an application for approval of reserved matters is reached. The world and national situation will hopefully be totally different to that in April 2020.
- 7 Peter Grant LCIOB of P & GR Grant Consulting Ltd has reviewed the costs of the development project and property values that could be realised – see [Appendix 4](#) and financial summary at [Appendix 7](#). This makes no allowance for the present coronavirus state of emergency and parlous state of the national economy.
- 8 The following points are the key points from Peter Grant's spreadsheet:
 - Development costs £6,740,475.00
 - Sales £7,962,000.00
 - Margin including land cost £1,221,525
 - There is a 28% tax to be paid for the realised gain - approx. £336,000 (£1.2m x 28%)
- 9 It is the sum of £1.22m, less tax, that would be ploughed (pun intended) into Newton Valence Farm. In mathematical terms that is less than the sum of the costs of the projects explained above. It will be the case that cash flow from the Lower Yard development will take in the order of 3 years to accrue and thus a development loan will be needed to kick start the development. Given that this program of work to implement the WEP is in SDNP friendly investments and there will be a deficit of funding from the development, the applicant strongly believes that it is difficult to argue that the SDNP is not getting good value without taking any risk. Moreover, the WEP has been endorsed by the SDNPA and constitutes a material consideration for the Lower Yard planning application. That accounts for why the officer report and recommendation supported the grant of planning permission.
- 10 In response to the draft of this paper the case officer posed a number of questions. Those have been largely answered above and in the separate paper on National Park benefits with the exception of the following points which are answered below.

Point i. The WEP identifies need for affordable (staff) accommodation: a total of 6 units accommodating 11 staff/partners of the NVF. However, the proposal before us only seeks to deliver 2 of the 6 dwellings. Why has NVF discarded the delivery of the remaining 4 estate workers' dwellings at Lower Yard? This hasn't been clarified.

Response: The WEP set out the aims and ideals for NVF outside the orbit of planning policy and it included a number of residential properties for staff and partners. In the reality of

planning policy, those aims and ideals are not currently capable of being realised in the Lower Yard redevelopment scheme. That is why it includes two estate worker cottages only. Moreover, because of the shortage of finance and the band width of the development scheme (two other possible development sites having been rejected by the SDNPA) the client has put the other WEP housing projects on ice for the moment. Lower Yard will enable the Estate's pressing development need, the grain store and drier to be progressed.

Point ii. From the information provided, NVF would expect to raise from the Lower Yard development an estimate margin capital of £1,221,525, which after taxes is £885,525. However, I wonder why the two estate worker dwellings Type D (to be let to staff) are shown in the net sales. Shouldn't these be retained in the NVF? Please clarify.

Response: The estate worker dwellings will have a book value for the estate which is why they have been included to balance out the cost of building them. It would be in equitable to have those two properties on only one side of the financial equation.

Point iii. Similarly, the sales forecast does not make reference to the affordable homes in the assessment. The statement says that both affordable units would be of shared equity, however this tenure is not yet agreed. In order for the SDNPA to agree shared ownership/equity, the two workers dwellings would need to be of rented tenure and affordability should be controlled in the S106. Only when the four units (staff and strictly affordable) comply with this tenure mix, it would be policy SD28 compliant.

Response: In answer to the first point, yes it does. Secondly, the proposed shared equity tenure for the two affordable homes is as advised and requested by EHDC's Housing Services officer. The estate worker's dwellings would be rented out by NVF

Point iv. I would also query the total margin of £1,221,525, which includes land costs. I wonder where the land cost is coming from, as it is our understanding that NVF owns this site. Please clarify.

Response: Advice from Savills, Chartered Surveyors, is that the Lower Yard site has a value of £150,000 and it is usual for there to be a land value in such financial calculations.

Ian Ellis
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Southern Planning Practice

May 2020