

<b>SUSTAINABLE GROWTH AND ENVIRONMENT CAPITAL SCRUTINY COMMITTEE</b>	<b>Agenda Item No. 6</b>
<b>13 JANUARY 2015</b>	<b>Public Report</b>

## **Report of the Task and Finish Group to Review and Develop a Strategy for the Council's Farms Estate**

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### **A DRAFT STRATEGY FOR THE COUNCIL'S FARMS ESTATE – FINAL REPORT OF THE TASK AND FINISH GROUP**

#### **1. PURPOSE**

- 1.1 The purpose of this report is for the Committee to review the outcomes from the Task and Finish Group to Review and Develop a Strategy for the Council's Farms Estate and the proposed strategy it has developed. A number of meetings have been held and it is proposed to close the work of this group.

#### **2. RECOMMENDATIONS**

- 2.1 The committee are asked to:
- Note and comment on the activity of the Task and Finish Group over the last year.
  - Review and comment on the draft Strategy for the Retention and Development of the Farms Estate.
  - Comment and agree on the objectives of the draft Strategy and agree for the review and strategy to be taken forward to Cabinet.

#### **3. LINKS TO THE SUSTAINABLE COMMUNITY STRATEGY**

- 3.1 This report links to the delivery of sustainable growth through the effective management of the Farms Estate.

#### **4. BACKGROUND**

- 4.1 The Task and Finish Group to Review and Develop a Strategy for the Council's Farms Estate was established by the Sustainable Growth and Environment Capital Scrutiny Committee at its meeting on 20 January 2014. The purpose of the Group was to look at a range of matters affecting the future management of the Council's farms estate, to help inform and develop a long term strategy for the development of the estate.
- 4.2 The cross party Task and Finish group comprised of the following members:
- Councillor Judy Fox
  - Councillor Ed Murphy
  - Councillor David Harrington
  - Councillor David Over

Officers supporting the Task and Finish Group were:

- Jonathan Lewis, Assistant Director for Education, Resources and Corporate Property
- Jo Gresty, Farms Manager
- Dania Castagliuolo, Democratic Services Officer

#### 4.3 **PROCESS AND METHODOLOGY USED FOR THE INVESTIGATION**

##### 4.4 **Methodology**

- Research
- 1:1 interviews with key witnesses/technical specialists
- Information from special interest groups
- Consultation with tenant farmers
- Co-opted members from the Tenant Farmers Association Group
- Data from CIPFA
- An initial presentation on the background and history of the farms estate and a tour around the Councils Farms Estate

4.5 The work of the Group has been undertaken through the following activities:

- Attending facilitated meetings
- Observation through an initial visit to the farms estate
- Presentation on the background and history of the farms estate
- Direct contact with tenant farmers
- Consultation with tenant farmers
- Researching other local authorities strategies
- Exploring the educational aspect of farming

##### 4.6 **Process**

4.7 The timetable of the events leading to the production of this report are set out below. The Group has met on 6 occasions. Meetings concentrated on developing the Strategy for the Retention and Development of the Farms Estate.

<b>Meeting Date</b>	<b>Items discussed</b>
29 April 2014	Purpose of the Group and Terms of Reference Methodology of the Review Identification of Key Witnesses Identification of Research and Background Information Required Agreed Timescales of Review Reporting timetable Frequency of Meetings and Dates
3 June 2014	Visit to the Farms Estate Meeting with Tenant Farmers
15 July 2014	Draft Farms Estate Strategy Terms of Reference
9 September 2014	Development of the Farms Estate Strategy
27 October 2014	Draft Strategy with an Outline of the Three and Ten Year Plan Discussion with Key Witnesses
2 December 2014	Update on the Draft Farms Estate Strategy

4.8 Key Witnesses / Expert Advisers interviewed:

A key part of the Group's work has been to undertake visits to the Farms Estate and discuss the strategy with tenant farmers. These have included:

- William and Margaret Cave (Eardely Grange Farm, Speechleys Drove)
- Jonathan Woodroffe (Eardely Grange Farm, Wrights Drove)
- Alan Skeels (Hurn Farm)
- John Harris (Lodge Farm, Thorney)

The Task and Finish Group would like to thank everybody who assisted them during the course of the investigation for their support and openness. This assistance was greatly appreciated.

- 4.9 The Peterborough Farms Estate was purchased by the Council approximately 100 years ago. It is a statutory smallholdings estate held by the Council under the provisions of the Agriculture Act 1970. Section 39 of the Act states;

*"In the performance of their functions under this Part of this Act smallholding authorities, having regard to the general interest of agriculture and of good estate management, shall make it their general aim to provide opportunities for persons to be farmers on their own account".*

- 4.10 Central government policy is to encourage all smallholdings authorities, such as Peterborough, to retain and develop their farms estates with the following aims:
- *To provide opportunities for new entrants into farming*
  - *To provide examples of best practice*
  - *To provide a positive link between the city and the surrounding rural land*
  - *To support the local rural economy*

- 4.11 The most recent government report *The Importance of the County Farms Estate to the Rural Economy*, November 2008, made a number of key recommendations, including:
1. *Regional Economic Strategies should recognise the importance of the County Farm structure as a crucial entry point for new entrants to agriculture*
  2. *Local authorities should take a longer-term view when considering sale of land to seek to maximise revenue for development whilst not undermining the principle objectives of the estates*
  3. *Local authorities should develop the wider benefits of their holding with particular regard to renewable energy, local food, public access, education, employment and the broader rural economy*

- 4.12 The farms estate consists of a total land area of 1,217 hectares (3,007 acres) consisting of :-
- 15 equipped holdings (with house and buildings)
  - 7 holdings with land and some buildings (no dwelling)
  - 12 bare-land lettings (no buildings)

- 4.13 The estate is located in three areas of the city: Newborough, Thorney and Fengate. Newborough has by far the largest number of assets and accounts for nearly 90% of the estate by area.

- 4.14 The farm estate the council retains is a valued and important aspect of the work of the city council and the character of the authority. The council needs to protect these assets whilst maximising their financial benefit of these assets and enhancing the rural economy. There has not been a significant review of the farm estate for many years and at the meeting of the committee on the 20<sup>th</sup> January, it was proposed to establish a task and finish group to develop a formal strategy.

- 4.10 The agreed terms of reference for this group were to –
- Ensure that the profile of the farm estate is raised, both within the council and members

- but also to the public including the key role it has played for the City over a number of years going back to 1913.
- Develop a strategy for the farms estate and their use into the future
  - Consider options around realising maximum value from the estate, including financial, social and environmental returns. Financial considerations include options for sale, expansion, rental levels, alternative uses, attracting external funding or invest to save proposals.

## **5. KEY ISSUES**

- 5.1 In developing a formal strategy for the farms estate, the group considered strongly the areas outlined in 4.1, 4.2 and 4.3 of this report – why we have ownership of the farm estate, what we want to achieve from this land holding and what are central governments expectations. The outcome of significant deliberation can be found in the draft farm strategy in appendix 1.
- 5.2 In the early stages, the group considered the potential outright sale of the farm estate. Whilst the estate does have a realisable value in its current configuration, its value could be enhanced in two ways –
1. Selling land which is in vacant possession is more value than land which has tenancy arrangements over it.
  2. The value of the asset would be enhanced through investment and review. The strategy makes provision for this.
- 5.3 In addition, the group felt the intangible benefits that came from the effective stewardship of the farms estate were significant and therefore this option was not considered any further at this time. However, the group still felt that, where appropriate, surplus land should be considered for disposal.
- 5.4 The strategy sets out principles for the management of the estate. A further document is being developed for a 10 year budget strategy for the farm estate which looks at how to maximise return sustainable, invest in the farm estate and delivering the strategy. It considers how to continue to create a revenue return to the council whilst ensuring competitive rents and investment in the estate including the development of assets which have not been maintained for many years. An early draft has been shared with the task and finish group. This document needs further refinement and internal agreement but helps operationalise the farm strategy.
- 5.5 The strategy will need to be reviewed in light of any proposals around use of the farm estate for energy production but has been written on the basis that the land at America's Farm is either available for farming or used for a different purpose. Given it is an isolated plot from the other estate, it does not have a material impact on the strategy.

## **6. IMPLICATIONS**

- 6.1 Whilst the strategy establishes a framework for managing the farm estate, further work is required to develop the action plan that sits below these objectives. This action plan will have implications in terms of finance, legal and property considerations. Appropriate decision making processes will be undertaken and information will be shared with committees where requested and / or appropriate.

## **7. CONSULTATION**

- 7.1 The Task and Finish group has consulted with the tenant farmers of the City Council in preparing the strategy and they have supported the strategy as outlined in Appendix 1.

## **8. NEXT STEPS**

- 8.1 Providing the committee supports the proposed strategy, it is intended to take the strategy to Cabinet for approval for the next 5 year period. A more detailed action plan has been developed and this will be further developed now a strategy outlines the proposals for the farm estates. It

is proposed an annual report is brought to the committee on the farms estate.

**9. BACKGROUND DOCUMENTS**

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

9.1 None

**10. APPENDICES**

10.1 Appendix 1 – Draft Peterborough City Council Farm Strategy

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