



**PETERBOROUGH FARMS ESTATE
ACTION PLAN
2016 – 2017**



**This Action Plan has been prepared by Peterborough City Council with the
Peterborough Farm Tenants Association.**

VISION

- The vision is for the estate to consist of 6 full-time holdings of approximately 400 acres each. This would leave some 500 acres, about 1/6 of the current estate, available for new entrants into farming as starter farms and for social uses such as education. This will take time to achieve, up to 20 years. Ease of access and transport will be a consideration when letting land.
- The Council will aim to let land on longer term agreements when appropriate. A 10 year term generally be the minimum length considered when reletting land although each letting will be considered on a case by case basis which will result in some shorter-term lets as well possibly longer ones.
- Starter tenancies should be for an initial term of three to five years only. It is considered impractical to let for fewer years as investment in a new business usually requires greater security. This will be achieved by offering an initial term of five years, with appropriate break clauses and safeguards built into new entrant agreements in most cases. Stability for all tenants is important and therefore the option to extend for up to an initial period of ten years will be made available to new tenants should their enterprises prove successful.

RENT

- Rents will be set at financially sustainable levels. When letting starter holdings this might result in rents at the lower end of the market levels. Where appropriate, non-financial benefits to the Council, environment and community will be taken into account when assessing acceptable rent levels.

STARTER TENANTS

- Short-listed applicants for holdings let on the open market will be interviewed by a panel to include a representative of the wider farming community who would not necessarily be from another small holdings estate.
- On letting equipped holdings on the open market, open days will be held. Representatives of the farm tenants will be encouraged to attend to help inform prospective tenants and also provide feedback to the Council on those attending.

INVESTMENT

- Improvement of the fixed equipment on the estate is needed, in particular grain storage and general purpose buildings suitable for use by modern machinery. Up to 5 new grain stores are needed over the long-term and the Council will work with tenants to prioritise investment.
- Improving drainage remains a priority. The Council will normally expect tenants to enter into stand-alone finance agreements for expenditure on capital improvements incurred by the Council. This had been the practice on the estate for some time.
- In the short-term, investment in the renovation of Moors Farm bungalow and buildings will be undertaken before letting at October 2016.

ENVIRONMENT

- Tenants' businesses need to be financially as well as environmentally sustainable. As advised by the Royal Society for the Protection of Birds in 2010, habitat schemes should generally be directed towards low quality land. The farms estate's priority shall

be food production but there is scope for improving wildlife habitat as well as landscape without compromising the agricultural output of the estate. However, the estate at Newborough is likely to remain a largely agricultural fenland landscape for the foreseeable future.

EDUCATION

- The farm estate has a potential educational value and the Council is in discussion with a number of education providers for use of part of the estate for educational purposes.

LETTINGS

- **Grays Farm (198 acres) and Hill Farm (100 acres) at Crowland Road, Newborough**

Two adjoining areas of land without dwellings and currently let on short-term tenancies which come to an end in October 2016.

Propose let on following outline terms: -

Tenancy Type – 10 year Farm Business Tenancy (FBT). Tenant will be responsible for repairs and insurance. Offering a ten year tenancy will provide stability for tenants as well as the opportunity for them to invest in the estate and seeing a return on investment. A 10 year agreement will allow for potential reorganisation in 2026 when other land on the estate will come vacant following retirement of other tenants.

Strategy Compliance – The land will be advertised to let on the open market. Existing Council estate tenants will be invited to submit offers to be considered alongside all other offers received. Existing Council farms estate tenants with less than 400 acres of land in total will be considered favourably where extra land would provide additional stability to an existing tenant's business, adding weight to tenant's bid. Bids from existing tenants shall be supported by evidence of the benefits additional land would bring.

Objective – To provide sustainable rental income for the Council whilst taking account of the potential benefit to existing tenants' businesses where appropriate.

- **Moore's Farm (57 acres) , Crowland Road, Newborough**

A small farm equipped with bungalow and farm buildings. The bungalow is in need of repair and updating (central heating, new bathroom and kitchen fittings).

Propose let on following outline terms: -

Tenancy Type – 10 year FBT. As the tenant could be a new entrant the tenancy will allow the tenant to end their tenancy after three years if they choose to do so. The Council as Landlord will similarly to be able to bring the tenancy to an end at three and five years in the event of the tenancy proving unsuccessful. Break clauses will allow flexibility for all parties.

Strategy Compliance - Propose let on the open market as a small farm available for a new entrant into farming.

Objective – to secure an open market letting with new entrants given favourable consideration supported by a sound financial plan, evidence of available working capital, appropriate academic training and farming and business experience.

- Land at **Pepperlake** (41 acres) , Crowland Road, Newborough

Land with a farm building (no dwelling with this land) adjoining the land at Moores Farm above.

Propose let on the open market with the option for bidders for Moores Farm to take the additional land to create a larger holding.

Tenancy Type – 10 year FBT. Tenant to be able to end their tenancy after three years. Landlord similarly to be able to bring the tenancy to an end at three and five years in the event of the tenancy proving unsuccessful. Break clauses to allow flexibility for all parties.

Strategic Compliance– Open market letting with new entrants given favourable consideration supported by a sound financial plan, evidence of available working capital, appropriate academic training and farming and business experience.

Because of its location, the land could provide valuable additional productive land which would contribute to the financial viability of Moores Farm. Alternatively, the land could be a stand-alone letting either to an existing farm tenant or a new tenant without need for a dwelling.

Objective – The key is to secure a letting of this holding so if suitable new entrants or applicants from outside the estate are not found for these parcels, letting to existing Council tenants with less than 400 acres of land in total under their management will be considered.

OTHER LETTING PROPOSALS

- Reorganisation of 2 retirement tenancies where tenants are reaching the end of their contracted term. This offers the opportunity to enter into a further 3 years in accordance with the adopted strategy, subject to negotiations, allowing tenants to continue farming until 68 years of age.
- **Fletchers Farm** – Farm has alternative use potential such as education. Proposal to keep use of farm flexible for a further year by reletting for one more year to existing tenant with scope for a longer term solution in 2017/18.
- Other short-term farm assets – there are other areas of land currently let on short-term agreements. These will be relet to the existing tenants for a further year and are likely to be available for longer term letting in 2017 once a further review is undertaken later this year. Phased letting of the estate land over a period of years will help maintain variation of rental levels and rent review dates, thereby evening out peaks and troughs in the farming economic cycle for the Council as landlord.

POTENTIAL SALES IN 2016/17 (or 2017/18)

- America Farm, Fengate – proposal to split into parcels if appropriate or sell as a whole to maximise return to the Council.
- 1 and 3 Olympia Cottages, Crowland Road, Newborough – surplus farms cottages.

- Grays Farm, Peterborough Road, Crowland outbuildings.
- Garden land at Gas Lane, Thorney.

INVESTMENT PROPOSED

- Drainage – targeted drainage of wet fields to be funded by finance agreement with tenants.
- Renovation of Moores Farm Bungalow (subject to survey) and buildings – works needed to bring the dwelling and buildings into an acceptable condition for modern use.
- Other investment opportunities to be agreed on an ongoing basis as part of a new capital and revenue investment programme (within existing budget provision) which will be considered once full asset condition survey of the estate has been completed.

REVIEW OF FARM RENTS

- Rents are likely to remain unchanged this year. The position however will be regularly reviewed.

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