

GROWTH, ENVIRONMENT AND RESOURCES SCRUTINY COMMITTEE	AGENDA ITEM No. 6
10th NOVEMBER 2020	PUBLIC REPORT

Report of:	Peter Carpenter, Corporate Director of Resources	
Cabinet Member(s) responsible:	Cabinet Member for Strategic Planning and Commercial Strategy and Investments	
Contact Officer(s):	Felicity Paddick: Rural Estate Manager	Tel. 07801 910971

RURAL ESTATES UPDATE

RECOMMENDATIONS	
FROM: Rural Estate Manager	Deadline date: NA
<p>It is recommended that The Growth, Environment and Resources Scrutiny Committee:</p> <ol style="list-style-type: none"> 1. Note the contents of this report 2. Note further investment may be required to remedy drainage and aging condition outcomes 	

1. ORIGIN OF REPORT

1.1 This report is presented at the request of the Committee to provide an update on the rural estate.

2. PURPOSE AND REASON FOR REPORT

2.1 This report is being presented to provide an update on the Rural Estate as a whole.

2.2 This report is for the Growth, Environment and Resources Scrutiny Committee to consider under its Terms of Reference No. Part 3, Section 4 - Overview and Scrutiny Functions, paragraph 2.1, Functions determined by the Council:

- 4. Economic Development and Regeneration including Strategic Housing and Strategic Planning
- 9. Partnerships and Shared Services

2.3 This report links to the following corporate priorities through investment in sustainable communities:

- 1. Drive growth, regeneration and economic development.
- 2. Improve educational attainment and skills
- 4. Implement the Environment Capital agenda
- 6. Keep all our communities safe, cohesive and healthy

3. TIMESCALES

Is this a Major Policy Item/Statutory Plan?	NO	If yes, date for Cabinet meeting	
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4. BACKGROUND AND KEY ISSUES

Background

Peterborough City Council has a rural estate extending to approximately 3000 acres of agricultural land which is let to twenty tenants on long term Agricultural Holdings Act Tenancies, and both short and long term Farm Business Tenancies.

The Estate generates revenue to the Council through rental income and fulfils specific corporate objectives including:

- Education;
- Environmental;
- Social & Economic.

Key Updates:

Vision:

The strategy and vision for the Rural Estate, as previously agreed, seeks to achieve six larger holdings of approximately 400 acres each. The remaining land of circa 500 acres will be available for new entrants as starter farms and/or for social uses such as education.

Rent:

The annual rent roll is currently £378,386.96. The previous rent reviews that took place in October 2018 brought rents in line with other geographic Local Authority owned Estates in the East of England. The Rent Reviews cannot be served within a period of less than three years and five have been identified for a potential review in October 2021. Notice was served in October 2020.

Brexit & Covid-19:

Following the decision of the UK to leave the EU, the UK will no longer have the benefit of the EU's Common Agricultural Policy (CAP). The Basic Payment Scheme (BPS) is the biggest of the EU's rural grants to help the farming industry under the CAP. The Agricultural Bill 2019-21 provides the legislative framework for the replacement of agricultural support schemes and it provides a range of powers to implement new approaches to farm payments and land management. The Bill is currently due for consideration of amendments on the 20th October 2020. However, there is still some uncertainty within the industry on how schemes will work and benefit the farming industry. It is understood that the Environmental Land Management (ELM) scheme will replace BPS but there is currently a lack of detail and it is making business planning very difficult. It is likely that profitability will become more variable between farms as the transition to the new scheme takes place.

Despite the national uncertainty of the ongoing Covid-19 pandemic, conversations that have taken place with the tenants across the Estate have confirmed that there has only been minor impacts on operations.

Investment:

- Two new grain stores have now been erected across the estate (one at Thorney and the other at Willow Drove, Newborough), with a third currently awaiting planning permission due on the 27th October 2020 – this will be located at Speechley's Drove, Newborough. A fourth grain store is to be submitted for planning for the 21/22 financial year;
- Condition surveys have been requested for the whole of the estate to identify works required on the existing buildings including houses, bungalows, grain stores and general-purpose buildings. This will enable a five-year programme of works to be collated and monitored;
- Following the poor weather that was evidenced at the end of 2019 and the start of 2020 there were some significant issues with high levels of water laying across the estate. Many of the tenants reported that some water was lying in areas that they had not previously witnessed, despite the tenants being proactive in maintaining the land to a high level. This therefore had a negative impact on potential yields for harvest 2020. Quotes have been requested for a drainage survey to take place across the whole of the estate to identify the main issues.

Energy and Sustainability:

The Council has pledged to achieve net carbon zero by year 2030 and the Rural Estate is working with the environmental team on how best to achieve this. Potential opportunities that have been discussed to date are as follows:

- Wind Turbines – investigations ongoing to understand if there is capacity in the area. Meetings with the Tenant Working Group were positive, though they have a preference for the smaller turbines.
- Solar Panels – following the historic issues that took place in relation the proposed solar farm, it is not recommended that solar panels are erected on land. However, there is support for investigating options to place solar panels on the new grain stores and other suitable properties.
- Tree planting – it is understood that the council is looking to plant approximately 400 trees a year within Peterborough. There is potential to identify some areas on the Rural Estate to assist with this.
- Sustainable Heat Sources – Suitable properties that may benefit from sustainable heat sources are being investigated

Lance and Amy Charity, the tenants at Flood Farm, are modelling sustainable farming and are keen to work with the Council to promote their associated benefits. The tenants are willing to discuss these methods with the environmental team and a meeting is to be arranged.

Education:

Following a Member-led meeting and a Tenant Working Group meeting, there is an appetite to expand the educational opportunities across the estate as this forms part of the ongoing Rural Estate Strategy. Concerns around appropriate facilities were raised i.e. toilets/classroom etc, engagement with Education Services will be necessary and an update report to the Working Group will be provided in due course.

Commercial Opportunities:

Surplus buildings were identified at Fletchers Farm, Newborough and these were granted planning permission in September 2019 for the conversion of agricultural dwellings to two residential dwellings. Consideration on the disposal or development of the site is currently being appraised. Additionally, there is a further site at Speechleys Drove, Newborough which is also being considered for conversion opportunities. Initial discussions with PCC's planning department are currently taking place.

Should land or buildings be identified as surplus with the potential to provide significant capital receipts, the disposal of these assets may be considered. A bungalow at Speechleys Drove was sold earlier in the year to a tenant and a small portion of grazing land at Peterborough Road is due to complete shortly.

5. CONSULTATION

- 5.1 Meetings in relation to the current strategy and its renewal have taken place with Cllr Hiller, Cllr Brown, Cllr Simons, Cllr Allen and the Tenants Working Group.

Sustainability and Energy Meetings have taken place with Charlotte Palmer (Group Manager – Transport & Environment) and the Tenants Working Group.

General Rural Estate updates are provided monthly to PCC's Head of Property and Acting Director for Resources.

6. ANTICIPATED OUTCOMES OR IMPACT

- 6.1 The outcome of this report is to update The Growth, Environment and Resources Scrutiny Committee on current matters and future prospects for the Estate.

7. REASON FOR THE RECOMMENDATION

7.1 To enable the Committee to monitor the Council's Rural Estate.

8. ALTERNATIVE OPTIONS CONSIDERED

8.1 N/A

9. IMPLICATIONS

Financial Implications

9.1 It is likely that additional investment will be required across the Estate to deliver essential works identified through condition surveys and drainage surveys, and as detailed above.

The business case for costs associated with implementing new Grain Stores will be included in Capital Programme budgets

Legal Implications

9.2 No Legal implications

Equalities Implications

9.3 No Equalities implications.

Rural Implications

9.4 Improvement of the estate following any required investment and improvement of landscape as the proposed vision develops.

Carbon Impact Assessment

9.5 The rural estate has the potential to provide a significant input to assist the Council in achieving net carbon zero by 2030. This includes possible renewable energy sources from wind turbines across the estate, solar panels to be installed on new builds, tree planting and other sustainable opportunities. Engagement has taken place with the tenants of the estate and positive feedback has been received, subject to further investigations and the type of proposals to be considered.

10. BACKGROUND DOCUMENTS

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

10.1 *The Strategy for the Management of the Farms Estate.*

11. APPENDICES

11.1 N/A