

Smallholdings Estate
Management Working Practices

In order to implement the Council's policy, the following working practices are the practices to be adopted for the Council's smallholdings estate.

1. **Surrender of Holdings**

- 1.1 Tenants who wish to surrender their tenancies early to allow them to move to another holding, whether within the Smallholdings Estate or outside, should be allowed to do so with a minimum of 6 months notice.

2. **Re-letting of Holdings**

- 2.1 Unless there is a recommendation to amalgamate, dispose of part or whole or redevelop a holding, when a holding becomes vacant, arrangements will be made to re-let. The vacant holding to be re-let will be advertised in the appropriate national and local publications. A shortlist will be drawn up and interviews will be conducted by a panel of Councillors. The Panel comprises the Cabinet Member with responsibility for smallholdings, plus a Councillor from each of the parties, chosen by the Leader of the Council, all of whom will normally have agricultural experience. The panel, which will be advised by the County Land Agent and having regard to the Council's recruitment and selection policies and practices, will make a decision as to the most appropriate candidate for the tenancy. The tenancy will be for 6 years with an option to renew for a further 12 years.

3. **Applicants for the Tenancy**

- 3.1 Applicants will normally only be considered if they are suitably qualified in that they must:

- i) Have spent at least 5 years in agriculture, which may include up to 3 years at an agricultural college studying for an agricultural qualification and have sound practical knowledge.
- ii) Have sufficient capital to farm the holding, currently a minimum of £10,000. The amount will be decided from time to time by the Director of Resources.
- iii) Except in exceptional circumstances be under the age of 40.
- iv) Succession: where it is intended to re-let the holding and a person, who is closely related to the previous tenant and who has worked on the holding, either in a full time or part time capacity, for 5 years or more, wishes to take on the tenancy, they will be offered the opportunity to take on the tenancy, subject to being deemed suitable by the Panel of Councillors at interview. While the conditions of the tenancy will be on the current terms and conditions, the holding will not necessarily remain the same size.

4. **Progression within the Estate**

- 4.1 Where a particular vacant holding is considered to be a progression opportunity for existing tenants, it will be advertised amongst the Council tenants before being advertised generally. If no suitable tenant applies, the holding will be advertised nationally in accordance with the paragraphs above. Where an internal tenant progresses to a larger unit, the vacated holding will be advertised nationally.

5. **Amalgamation of Land and Holdings**

- 5.1 Where it is deemed beneficial to estate management, holdings may be reduced or increased in size or split up as opportunities present themselves. The increased

flexibility brought about by the Farm Business Tenancy will enable more efficient estate management. Where changes in terms under pre-1995 tenancy and/or conditions are sought by tenants and it is agreed that these terms and conditions may be altered, the tenancy will be changed to a Farm Business Tenancy.

6. Other Land and Occupations

- 6.1 Previous tenancy agreements restricted tenants from farming other land or engaging in any other occupation. In recent years this has been relaxed due to changes in agriculture, and the effect that such an onerous restriction may have at rental arbitration. Tenants will be allowed to farm up to the same area again as the holding without permission of the Council, and, in exceptional circumstances, may be allowed to farm more provided that the Council's position is not being prejudiced and it is not against the objectives of the smallholdings estate. The Council is only obliged to provide facilities for the holding it lets and not extra land.
- 6.2 With respect to other employment, the Council recognises that by their nature some of the farms will be part time holdings. Other employment will be allowable provided that it is flexible enough to allow for the proper management and husbandry of crops and stock and the maintenance of the holding. This will normally preclude tenants engaging in work with fixed hours.
- 6.3 Tenants will be encouraged to acquire other land and retirement houses in order to help their progression from Council Smallholdings.

7. Tenants Fixtures and Improvements

- 7.1 The Council will give consent to tenants to carry out improvements to their holdings, where these will provide long-term benefits, which the Landlord will be prepared to compensate the tenant for at the end of the tenancy. Such improvements must be of a general nature and not specialist. In other cases where consent is not granted the tenant will be allowed to remove the items or fixtures at the end of the tenancy subject to the normal legislative requirements. (It should be noted that the Council will not take to improvements that are more than are required for the area of land let.)

8. Landlord's Repairs and Improvements

- 8.1 The Council will endeavour to set aside 50% of the rental income for repairs and improvements across the Estate. The aim will be to spend equal amounts on routine maintenance and improvements. Where improvements are carried out they should meet the following criteria, except in exceptional circumstances:
- i) Be necessary to comply with legal/statutory requirements e.g. pollution control.
 - ii) Reduce future maintenance requirements.
 - iii) Result in an economic return on the investment through increased rent.
 - iv) Add value to the Smallholdings.

9. Rent Reviews

- 9.1 Rents on all Agricultural holdings will be reviewed every three years as allowed under The Agriculture and Agricultural Holdings Acts. When farm incomes are reducing the Council will not necessarily serve the review notices, unless it is felt that a rent increase is appropriate in order to minimise the chances of the tenant taking advantage of the notice for a downward review.

- 9.2 Rents on cottages will be reviewed every year.
- 9.3 Farm Business Tenancies may be reviewed at the mid point of the six years, and every three years on 12 year Farm Business Tenancies.
10. Rent Arrears
- 10.1 A strong line will be taken with all rent arrears.
- i) For pre-1995 agreements, if the rent is not paid within one month of being demanded, a two month Notice to Pay will be issued, if payment within the two month period of the whole amount is not made then a Notice to Quit will be issued. Non-payment within two months is an irremediable breach of tenancy and the Notice to Quit cannot not be challenged, if served correctly.
 - ii) Post-1995 agreements, Farm Business Tenancies (FBT). The rent must be paid within one calendar month of being demanded and, if not, interest will be chargeable at 6% over base rate from that date. If rent is still unpaid within one month of that date, (2 months from the date of the rent being due) the tenant will be regarded as being in irremediable breach of his tenancy and a forfeiture notice will be served.
 - iii) Rent arrears are to be kept below 5% of the annual rent roll.
- 10.2 Any variation of the above working practice will have to be agreed with the Director of Resources, in writing.
11. Milk Quotas
- 11.1 Milk Quotas were introduced in 1984 and have become a tradable commodity with a value that fluctuates both for leasing and purchase. The Council as landlord has an interest in the holding and will seek to achieve the following:
- i) Agree the landlord/tenant split on all holdings. The apportionment is based on a complex formula, details of which are available from the County Land Agent.
 - ii) Normally compensate the outgoing tenant for their share of the quota in order to maintain the quota on the holding if it has been decided to keep the holding in dairy.
 - iii) The Council will sell on the open market all Milk Quota that comes in hand.
12. Cessation of Dairying
- 12.1 It is anticipated that a number of holdings will wish to give up milk production in the near future. Where a tenant wishes to give up dairy farming they will be allowed to do so on the following terms:
- i) The rent remains the same for 3 years or until it is reviewed.
 - ii) The milk quota will be taken off the farm and the Councils share of the quota sold. The tenant will sell his/her quota at the same time.
 - iii) The Council will not be obliged to provide extra buildings.

- iv) The tenant will be requested to enter into a FBT on the same terms as his present tenancy except that retirement at 65 will be compulsory, and if the tenant is over 60 the retirement age will be 5 years from that date.

- 13. Conservation Initiatives
- 13.1 The Council will encourage tenants to participate in the Countryside Stewardship Scheme, Farm Woodland Scheme and any other such initiatives.
- 13.2 At a change of tenancy, the Council will arrange and pay for a report by the Farming and Wildlife Advisory Group on the conservation potential of the holding and will encourage the incomer to maximise on that potential.
- 13.3 The Council acknowledge that this may result in lower rents.

- 14. Farm Record of Condition
- 14.1 A comprehensive record of condition shall be completed by the County Land Agent and agreed and signed by the tenant at the same time that the tenancy agreement is completed. All the repairing clauses, both tenants and landlords in the agreement will presume that the buildings, fences etc. are as per the record of condition so that in the case of disputes the record of condition shall be relied upon to give full details of conditions at the commencement of the tenancy. The farm buildings will be inspected annually to agree repairs.

- 15. Tenant Right and Tenants' Improvements
- 15.1 The incoming tenant (or their agent) will treat with the outgoing tenant (or their agent) concerning tenant right. Tenants' improvements will be agreed in writing by the tenant with the landlord, and any works not agreed or of a specialist nature will not be compensated for by the landlord but compensation may be agreed with the incoming tenant or the works removed by the outgoer leaving the site in the same condition that it was before the tenant started his works.

- 16. Health and Safety
- 16.1 The tenant will comply with all health and safety requirements, including keeping a COSHH report for the landlord to inspect. The landlord will provide the tenant with a copy of the Asbestos reports, and electrical report.

- 17. Sporting and vermin control
- 17.1 The sporting rights will run with the land and vermin control will be the responsibility of the tenant.

- 18. Insurance
- 18.1 The landlord will insure the buildings for fire provided that their use is for agricultural purposes only. The tenant will be responsible for insuring the buildings for all other uses, as well as their live and dead stock and personal effects, and for insuring the buildings for uses other than agriculture.

- 19. Farm Diversification
- 19.1 The Council will encourage tenants to develop farm based alternative sources of income, such as Bed & Breakfast, added value food products, recreational pursuits, subject to these not conflicting with the main aims of the estate and being appropriate to the locality.
- 19.2 The tenants would be responsible for obtaining all necessary consents.

20. Rationalisation

20.1 The Council will seek to rationalise the estate with judicious disposals of higher value high maintenance, redundant or surplus properties and development land investing part of those monies in land purchases or improvements to existing properties that will yield a reasonable return and or provide land for low cost housing in the future.

20.2 The County Land Agent will inform local members of the intention to dispose of a smallholdings asset.

21. Single Farm Payment (SFP) – compensation – tenant right

21.1 The capital value of the SFP to an out-goer will be compensated for by the in-goer at a value to be agreed between the in-goer and out-goer and/or their valuer/agents. If the parties fail to agree, an arbitrator from the RICS panel may be appointed or an independent valuer be appointed by the agreement of both sides to mediate.

21.2 The above paragraph will be inserted in the particulars of the holding.

21.3 The Council as landlord will only be involved where there is no in-goer and will then compensate the out-goer as appropriate.

21.4 In any new Farm Business Tenancies a new clause will be inserted to this effect.