

SMALLHOLDING POLICY AND MANAGEMENT PRINCIPLES

PORTFOLIO RESPONSIBILITY: CORPORATE AND CUSTOMER SERVICES AND HUMAN RESOURCES

CABINET

25 JUNE 2009

Wards Affected

County-wide

Purpose

To agree the smallholdings policy framework.

Key Decision

This is a Key Decision because it is likely to be significant in terms of its effect on communities living or working in Herefordshire in an area comprising one or more wards.

It was included in the Forward Plan.

Recommendation(s)

THAT:

- (a) the Smallholdings Policy framework contained in the report be agreed;
- (b) the attached action plan be agreed;
- (c) the creation of a £25k allocation from existing rental income to create a match funded enterprise development fund be agreed; and
- (d) Cabinet receives an annual update on progress delivering the action plan.

Reasons

1. The Council holds a significant smallholdings estate that makes a valued contribution to the local economy and allows people to enter farming. Smallholdings estates provide “starter units” that can also allow tenants to progress to larger farms. This report outlines the policy framework and provides an action plan to deliver the policy.

Financial Implications

2. The smallholdings estate has been largely funded through the rental income received. This approach is not affected by the report.
3. The report proposes to allocate £25k on a match funded basis to support enterprise development on the estate. This will be funded from the existing rental income.

4. As part of the 2009/10 budget setting process, an additional £1.5m of capital expenditure at a rate of £500k per annum was made available for improvements to the estate. It is important that the council demonstrates value for money for such a significant capital programme and this will be market tested via a contract seeking maximum return on the available funding.

Considerations

A. Background

5. According to the latest available annual report to Parliament on smallholdings in England, 50 local authorities owned and managed 96,200 hectares (237,700 acres) of agricultural land as statutory smallholding authority as at 31 March 2006. This land was let to 2,836 tenants under tenancies governed by the Agricultural Holdings Act 1986 and the Agricultural Tenancies Act 1995.
6. Herefordshire's statutory smallholdings estate amounts to some 1,950 hectares (4,826 acres). The following table analyses current tenancies by tenure as at 31 May 2009:

Type of Tenure	Number
Life tenancies	17
Retirement tenancies	18
Farm business (fixed term) tenancies	31
Secured cottage tenancies	2
Buildings only fixed term business tenancies	2
Total	70

7. Rental income from the council's smallholdings estate has averaged £420k over the last three financial years. The trend has been for rental income to remain static. This is a similar trend to other smallholdings estates and reflects market conditions in recent years. Over the same period, the council spent an average of £240k per annum on the day to day management, repair and maintenance of the estate.
8. Over the same time period, average annual capital spending has been £200k. There have been unusually high levels of capital investment in the smallholdings estate over the last three financial years, due to a major works programme (upgrading electrical wiring) and investment in properties prior to disposal to maximise the capital receipt.
9. The former smallholdings estate policy included a capital receipts target of achieving £10m of capital receipts within 10 years from 1 April 2005. This requirement has now been removed and no such target is in place. As a result, the financial driver of generating capital receipts is removed.

10. Backlog maintenance on the smallholdings estate, identified through a 5-year rolling programme of condition surveys, totalled £900k as at 31 March 2008.
11. The smallholdings estate could realise somewhere between £20m and £40m on disposal, depending on the approach adopted. It is clear that agricultural land has historically proved to be a reliable capital investment, with values increasing over the long run. The capital value of the estate is currently calculated by capitalising rental values or on the basis of development value as appropriate.
12. Local authority smallholdings estates have their origins in central government policy of the early 20th century when there was a major concern about the decline in agricultural employment and a desire to provide farming opportunities for ex-servicemen returning from the two world wars
13. The 1970 Agriculture Act enabled statutory smallholding authorities to provide much wider opportunities for individuals to farm in their own right. The rules for the administration of statutory smallholdings were set out in Part III of the 1970 Act, and gave statutory smallholding authorities the power to provide farms to anyone who wanted to become a farmer.
14. The Agriculture (Miscellaneous Provisions) Act 1976 introduced the right of up to two successions of tenancy on death for close relatives for new smallholdings tenancies. This meant that a smallholding could remain within the same family for up to three generations.
15. The House of Lords, in debating what would become the Agricultural Holdings Act 1984, emphasised the role smallholdings estates had in providing 'starter units' which would encourage tenants to move onto larger holdings elsewhere. The 1984 Act was designed to help farmers progress in their chosen career. However, achieving this objective was difficult for smallholding authorities, because existing tenancy arrangements severely limited the opportunities for smallholding authorities to review their estates and increase the number of 'starter unit' opportunities for new farmers. The 1984 Act helped smallholdings authorities tackle this barrier by removing a new tenant's automatic right to a life tenancy with succession. The 1984 Act also introduced the right of succession on reaching retirement age rather than waiting for death to help 'farmers in waiting' progress their career.
16. The next significant piece of legislation was the Agricultural Holdings Act 1986 and it provided smallholding authorities with further opportunities to review their estates in support of the national policy objective of providing a 'starter unit' service. This introduced retirement tenancies for smallholding authorities who were now able to issue incontestable Notices to Quit.
17. Smallholdings authorities were given yet more flexibility in the Agricultural Tenancies Act 1995. A new form of tenancy, known as the Farm Business Tenancy (FBT), was introduced which applies to the vast majority of tenancies granted since 1 September 1995. FBTs can be granted for a fixed period of time without creating security of tenure.

18. The legislative framework provides county and unitary authorities with the power rather than a duty to provide a smallholdings service. When a smallholdings service is provided, it must be open to all and it should encourage career progression through the provision of starter units. There is nothing in law that prevents a smallholdings authority from disposing of its smallholding properties. Whilst it is not permissible to allocate smallholdings to people with a Herefordshire connection, the majority of our tenants have tended to come from the county.

B. Options brought forwards by the Review

19. Councils have the legal power to provide a smallholdings estate rather than a legal duty to do so. Therefore, given the discretionary nature of the smallholdings service, the next stage of the review set out to establish whether the council should continue to provide the service. This was necessary because councils have a statutory duty to secure and demonstrate best value in the use of their resources. A key assumption underpinning this part of the review was that there was no over-riding corporate objective to realise the capital value of the estate.

20. Three key options were identified as follows:

Option 1	Retain the smallholdings estate in its current structure as part of the council's managed property portfolio.
Option 2	Retain the smallholdings estate as part of the council's managed property portfolio, developing it in line with strategic aims, objectives and outcomes.
Option 3	Disposal of the smallholdings estate.

21. Disposal of the smallholdings estate, Option 3 above, could be managed in three ways as identified in the following table:

Method of disposal	Comments
Option 3a - disposal as a single estate with sitting tenants in place	Disposal with sitting tenants will reduce the price the potential purchaser is willing to pay. This problem is compounded by the fact that smallholding authority tenants with a retirement tenancy are entitled to a life tenancy when they transfer to the private sector. There may be a limited market for the sale of such a large land holding as one lot, and possibly no interest at all. It is estimated that a discount on full market value in the region of 50% would result from this method of disposal.
Option 3b -	This option would give sitting tenants the opportunity to buy

disposal of each holding separately with sitting tenants in place	their own holding, subject to a competitive sale process. However, disposal with sitting tenants reduces the price the potential purchaser is willing to pay. This problem is compounded by the fact that smallholding authority tenants with a retirement tenancy are entitled to a life tenancy when they transfer to the private sector. There is likely to be a better market for separate disposals although it is possible that some smallholdings would not attract any interest. It is estimated that a discount on full market value in the region of 25% would result from this method of disposal.
Option 3c - disposal as and when tenancies come to an end	This option would give sitting tenants the opportunity to buy their own holding, subject to a competitive sale process. The estate would become fragmented over time. It is anticipated that this option would achieve full capital value over time.

22. Having identified the potential options for the future of the smallholdings estate, each option was evaluated using a two-part option appraisal process, comprising a financial and a non-financial assessment. These were not weighted as any presumption about the importance of either element would have affected the outcome.

C. Financial Assessment of Options

23. The work undertaken in 2008 also looked at the net present value of each option over a 30-year period. The technique is a valid one as it compares options at today's prices by removing the effect of inflation in future years. The 30-year time period was chosen because some of the existing life tenants could run until 2038.
24. In summary, the net present values for the options range from £20.8m to £40.7m. The results are summarised in the following table.

Discount Factor: 3.5%	Net Present Value	Rank
Option 1 - retain the smallholdings estate in its current structure as part of the council's managed property portfolio.	£32.1m	3
Option 2 - retain the smallholdings estate as part of the council's managed property portfolio, developing it in line with strategic aims, objectives and outcomes.	£40.7m	1
Option 3a - disposal as a single estate with sitting tenants in place.	£20.8m	5
Option 3b - disposal of each holding separately with sitting tenants in place.	£29.9m	4
Option 3c - disposal as and when tenancies come to an end.	£36.2m	2

25. The options with the two highest rankings by a clear margin over the others are options 2 (retain and rationalise) and 3c (disposal as tenancies end). Retaining and rationalising the smallholdings estate will generate a net present value that is £4.5m higher than that generated by disposing of the estate as tenancies end.
26. The results produced by the financial model can only ever be illustrative, due to the assumptions that have to be made about the value and timing of cash flows for each variable. The generally accepted way of testing how sensitive the results are to changes in those assumptions is to change the discount factor. The sensitivity of the model was tested by re-running the calculation for each option using 4.5% as the discount factor. The effect of this change is shown in the table below:

Discount Factor: 4.5%	Net Present Value	Rank
Option 1 - retain the smallholdings estate in its current structure as part of the council's managed property portfolio.	£24.6m	4
Option 2 - retain the smallholdings estate as part of the council's managed property portfolio, developing it in line with strategic aims, objectives and outcomes.	£32.5m	2
Option 3a - disposal as a single estate with sitting tenants in place.	£20.8m	5
Option 3b - disposal of each holding separately with sitting tenants in place.	£29.9m	3
Option 3c - disposal as and when tenancies come to an end.	£33.4m	1

27. The options with the two highest rankings, by a clear margin over the others, remain options 2 (retain and rationalise) and 3c (disposal as tenancies end). However, the order of their ranking has reversed. Disposing of the estate as tenancies end will generate a net present value that is £900k higher than that generated by retaining and rationalising the estate.
28. On the basis of the financial assessment alone, option 2 (retention and rationalisation of the estate) is the most favourable option in the absence of a corporate objective that requires wholesale disposal. However it must be stressed that the financial assessment can only be one aspect of the assessment.

D. Non-Financial Assessment

29. Herefordshire's provision of smallholdings is affected by wider considerations and the national government policy context for farming forms part of the appraisal. This

element along with the contribution the smallholdings estate makes towards local policy objectives was also examined.

30. The 2001 foot and mouth crisis saw the government respond by setting up an independent Policy Commission on the Future of Farming and Food, to reassess the place of farming and the food industry in the rural society and economy. The Policy Commission was led by Sir Don Curry, CBE, FRAgS, and his report set out a new vision and some proposals on how it might be pursued. The vision was of a '*sustainable, competitive and diverse farming and food sector, playing a dynamic role in the rural economy and delivering effectively and efficiently on environmental goals*'.
31. The Department for Environment, Food and Rural Affairs (DEFRA) published *The Strategy for Sustainable Farming and Food: Facing the Future*, in response to the Curry Commission report in December 2002. The Strategy set out the following key principles for sustainable farming and food:
 - a. Produce safe, healthy products in response to market demands, and ensure that all consumers have access to nutritious food, and to accurate information about food products.
 - b. Support the viability and diversity of rural and urban economies and communities.
 - c. Enable viable livelihoods to be made from sustainable land management, both through the market and through payments for public benefits.
 - d. Respect and operate within the biological limits of natural resources (especially soil, water and biodiversity).
 - e. Achieve consistently high standards of environmental performance by reducing energy consumption, by minimising resource inputs and by use of renewable energy wherever possible.
 - f. Ensure a safe and hygienic working environment and high social welfare and training for all employees involved in the food chain.
 - g. Achieve consistently high standards of animal health and welfare.
 - h. Sustain the resource available for growing food and supplying other public benefits over time, except where alternative land uses are essential to meet other needs of society.
32. DEFRA published *Sustainable Farming and Food Strategy: Forward Look* in July 2006. The Forward Look built on the 2002 strategy document and set out the government's updated vision for sustainable farming and food. The updated vision was '*to develop a profitable and competitive domestic farming industry which is a positive net contributor to the environment, while reducing the environmental foot print – at home and abroad – of our food consumption*'. The Forward Look provided the policy and regulatory framework required to achieve a sustainable future structured around five key priority themes:

- a. **Succeeding in the market** – helping farm businesses and the food chain to reduce dependency on subsidies.
 - b. **Improving the environmental performance of farming** - continuing to build environmental responsibility into mainstream farming practices (e.g. landscape management, wildlife and biodiversity, soil, air and water quality, environmental protection, resource management and pollution control).
 - c. **Sustainable consumption and production** – meeting consumers’ demands for more environmentally sustainable food and reducing the environmental footprint of the farming and food sector.
 - d. **Climate change and agriculture** – managing the land to reduce the likelihood and impact of climate change.
 - e. **Animal health and welfare** – to ensure strong economic, environmental and social performance – the three key pillars of sustainability.
33. The Forward Look document noted that successful delivery of the Sustainable Farming and Food Strategy required an effective partnership working and a shared understanding and ownership of the Strategy’s objectives. A Delivery Group, chaired by Sir Don Curry, was established to work with government departments and delivery partners to tackle barriers to progress and provide an early steer during policy development. The Delivery Group membership includes a representative from the National Farmers Union.
34. The Delivery Group has recently reviewed the future of local authorities’ land holdings, publishing a document entitled *‘The Importance of the County Farms Service to the Rural Economy’* in November 2008 (Background document.). The document provides up to date guidance for local authorities recognising the strategic importance of their land holdings and the economic, environmental and social benefits they can provide and its key messages are:
- a. Farms owned and managed by local authorities are an important, strategic, national asset that should be retained.
 - b. These farms assist local authorities in meeting wider regional economic, countryside and environmental objectives and provide an essential route into farming for new entrants.
35. Regionally, the Strategy for Sustainable Farming and Food is co-ordinated by the Government Office for the West Midlands and Advantage West Midlands. These two bodies are charged with the responsibility of developing the national policy framework into regional implementation plans.
36. The council’s corporate plan 2008 – 2011 makes no specific reference to the contribution that the smallholdings estate makes to the council’s own priorities, including those for sustainability. This is clearly an area for development and to illustrate the point, the smallholdings estate currently contributes to: the sustainability of the economy and rural communities in Herefordshire; the protection of the countryside and environment; the protection of habitats and flora and fauna; the

reduction of the carbon footprint; education for all about the countryside and farming; and improving access to the countryside.

37. There are clear and wide benefits that occur from owning and managing a smallholdings estate. The following outlines those benefits:

Economic

- It is a valuable source of rural employment on farms, diversified enterprises, ancillary farm services and rural businesses.
- It generates income from tourism through desirable landscape management.
- It makes an invaluable contribution to the wider economic wellbeing and development of the countryside.

Community Benefits

- It provides a stake in the countryside, benefiting the whole community through access and education opportunities leading to improvements in health and the quality of life.
- It acts as a strategic land bank and potential location for rural development projects.
- It is an educational resource with opportunities for school visits to support the national Think Food and Farming Campaign.
- It provides equitable opportunities through a mixed economy of lettings, farms types, and wider rural business opportunities.
- It provides a vital niche service to the communities of Herefordshire.

Food Supplies

- There are opportunities to improve the local food supply chain through farmers markets.
- There are opportunities to use produce from the estate for local food procurement.
- There is potential to promote collaborative ventures between both estate tenants and the Council.
- There are opportunities to act as an exemplar of best agricultural management practice to other farming businesses, both locally in Herefordshire and across the country.

E. Environmental Benefits

38. Herefordshire Smallholdings tenants help to protect and enhance the environment in a number of ways.
- The single farm payment is paid to some tenants and has a compulsory requirement to keep farms in 'good agricultural and environmental condition'. This scheme requires farming that protects the soil, hedgerows, trees, etc. This scheme was introduced in 2005 and is enforced by DEFRA.
 - Tenants who sign up to the optional Entry Level Stewardship scheme, take on additional environmental responsibilities. These include only cutting hedgerows every two years and leaving wider margins at the edge of fields. Farmers can undertake a range of measures for which they gain points, and as long as they retain a certain points score they receive an additional payment per acre.

- Herefordshire has numerous Nitrate Vulnerable Zones (NVZ), which aim to reduce the amount of nitrates filtering into groundwater or running off into streams. All County tenants in NVZs abide and support these requirements to protect the environment.
 - The estate could address the carbon footprint of Herefordshire through sustainable land management of the estate.
 - The estate and its tenants can provide appropriate environmental management of a sizeable part of the Council's property.
 - There is potential to promote diversification opportunities to address key concerns such as environment management and climate change mitigation.
39. The farms estate itself and the way it is managed can assist in protecting and enhancing the landscape. Such measures as maintaining and protecting footpaths fall into this category.

F. Social Benefits

40. An increasing number of County farms are occupied by younger farmers who often have families. This trend will probably increase further as the proportion of farms let on retirement and lifetime tenancies declines to be replaced by farms let on shorter term Farm Business Tenancies
41. It is evident that young families with children support local facilities. Children attend local schools and nurseries. Expenditure by tenants and their families also provides support for various local services such as village shops.
42. Farms can play a role in supporting education as well as operating under the core farm concept.

G. The Assessment's Conclusions

43. The financial assessment supports the view that the smallholdings estate should be retained and developed in the absence of a corporate policy driver for disposal.
44. The non financial analysis summarises the national policy agenda for farming and noted that the council's corporate plan does not refer to the smallholdings service although it clearly makes a contribution to a number of corporate plan themes.
45. The options appraisal process therefore supports the view that the smallholdings estate should be retained in the absence of a requirement to realise significant capital receipts and that it should be developed in support of national and local priorities.
46. The overall position is that there is good evidence that the smallholdings estate creates a range of benefits in terms of supporting jobs and businesses, training and developing the next generation of farmers, as well as a number of environmental and social benefits.

H. Actions following the Strategic Monitoring Committee

47. The findings of the smallholdings estate strategy review were considered by the Strategic Monitoring Committee (SMC) in December 2008. The comments of SMC helped inform a further review undertaken in Spring 2009. This further review arose because the level of communication that was generated by the decision to sell part of the Nieuport Estate meant it was necessary to take stock of the position and review the proposed approach. This was particularly relevant given the decision to fund £1.5m of capital expenditure on the smallholdings agreed as part of the budget set by council in March 2009.
48. The decision to invest £1.5m in the estate was strong evidence of the Council's commitment to provide an effective smallholdings estate that provided an entry into farming. It is fair to state the level of communication and debate that followed the decision to sell part of the estate was evidence of public and specifically the farming community's wish to see the Council continue to manage a sizeable estate.
49. Subsequently the further review led to a renewed commitment to improve communication with our tenants; the gathering of further information and advice from other local authorities and the opening of effective and useful dialogue with the National Farmers Union (NFU) that included their regional policy advisor.

In addition, a meeting was chaired by the Cabinet Member with responsibility for smallholdings, which brought together Members with a farming connection to seek their views on the policy.

50. A meeting and visit was made to Staffordshire County Council, who have recently reviewed their smallholdings policy. Their review was completed in 2008 and recently their officers reported back to Members on progress. It was evident that our approach could be enhanced by drawing on the experience and approach of Staffordshire.
51. In early June the first of a regular series of tenants meetings was held in Hereford. Whilst this was not a formal consultation it did allow a brief update to be given to 27 tenants present and was attended by the Deputy Leader, the Director of Resources and other senior officers involved in supporting the smallholdings estate.
52. On 10 June, a meeting was held with Herefordshire Young Farmers. Their views strengthened some of the proposed elements of the policy framework.

I. Moving to a Balanced Estate

53. Strategic Monitoring Committee received the report on the Smallholdings Estate Strategy Review on 10th December, 2008, and its views were sought on the following specific points:
 - a. The extent to which the evidence provided in the report supports the rationalise for retaining the smallholdings estate in the absence of a corporate priority that requires disposal to be considered; and
 - b. The proposed smallholdings strategy, including strategic aims, objectives and the key principles for developing and managing the estate. It had been intended to take a report into Cabinet early in the New Year, but, following the

appointment of a new Director and a new Cabinet Member for smallholdings, it was appropriate to reflect on the proposed approach.

54. The balance between smaller “starter” farms and larger “progression” farms is a key requirement if Herefordshire is to operate a farms estate. SMC noted this issue.
55. It is clear from discussions that the reason for holding an estate, namely to allow a start in farming, is widely accepted.
56. The boundary between the size of a starter farm and progression farm cannot be precise. It is appropriate that we work to general definitions covering two types of farm, “starter” and “progression” farms.
57. Under Herefordshire’s policy, it is therefore appropriate that a starter farm should be between 50 and 100 acres. This is a relevant definition, as it is big enough to support up to one full-time employee and the size allows entry into farming for people with limited capital.
58. The second category of farm can be defined as a progression farm. These are farms that allow movement to the next stage of the farming ladder. The size is between 100 and 160 acres. Progression farms require an upper limit, as the legislative framework restricts statutory smallholdings to provide work for up to two workers.
59. The two size ranges must have an appropriate balance and there is general agreement that starter farms should outnumber progression farms. Progression farms tend to be let for overall longer periods. It should be possible for those seeking entry into farming to be considered for progression farms but in the first instances any such progression farm that becomes available will be notified to existing tenants in the farms in the starter category.
60. The ratio of starter farms to progression farms should be approximately 2:1.

J. Developing and Managing the Smallholdings Estate – a policy framework

61. The Council is clear that its policy aims to assist people seeking a career in farming and also to allow progression.
62. The council’s statutory powers are limited to providing smallholdings that require one or, at the most, two people to run and manage them effectively. To remain within the law, the development plan must produce starter smallholding units ranging in size from 50 to 100 acres and larger smallholding units ranging from 100 acres in size.
63. The Council will maintain an appropriate mixture of dairy, stock and arable farms.
64. It is appropriate that the overall number of smallholdings reduces over time whilst maintaining the current amount of land. The intention being to pursue estate restructure to increase opportunities for new entrants and support career progression for existing smallholders both within the estate and in other sectors.
65. When tenancies come to an end, either through expiry or mutual agreement, the first priority will be to consider that property in the context of the agreed size of farms, so that every opportunity to develop the estate is taken as soon as it arises.

66. Performance targets will be used to track performance of the smallholdings estates. Performance will be managed in line with the council's performance management arrangements.
67. The strategic aim is to support tenants in their career progression and help them prepare for their next move.
68. The letting of smallholdings will be supported by a standard tenancy agreement. Tenancy documentation should include obligations on tenants to comply with good practice in order to support the council's smallholdings estate strategy and wider corporate priorities. The tenancy agreement will have clearly defined and detailed information on maintenance responsibilities.
69. All tenancies will be let on the basis of open competition, with no preference given at interview stage to individuals who might have had a right of succession under now defunct statutory provisions.
70. All tenancies will be let for a fixed term of up to six years but this can be less by mutual agreement. The council will only consider requests from tenants to sub-let in exceptional circumstances.
71. Following an initial six year tenancy, farmers will be offered a second six year tenancy subject to a sound business plan and good management of the farm. Consideration will be given to further six year renewals.
72. Candidates for new tenancies will need to demonstrate their commitment to and plans for career progression in line with the council's policy of providing one tenancy opportunity in a starter unit and one subsequent tenancy in a larger unit before moving into the private sector.
73. Tenants with life or retirement tenancies will be offered a without prejudice and without obligation opportunity to discuss at a time convenient to them options for early termination of their tenancy where this would assist delivery of the development of the estate. The Council will assist the process on a case by case basis.
74. The rents of the smallholdings will be regularly reviewed and will be based on comparative rents achieved throughout the country for similar smallholding properties and no other type of property.
75. There will be a presumption against the disposal of productive agricultural land.
76. Whilst retaining the current holding of productive agricultural land, it will be necessary to continue to look at surplus farm houses and farm buildings, such as barns. This may also require planning consents to be sought where it is felt that this will enhance the value of surplus property to be sold. Where appropriate any disposal of surplus buildings will include a small amount of land to provide an adequate outside area.
77. The Cabinet Member and local ward members will be informed of all such disposals.
78. The Council will be able to purchase land to enlarge the estate if appropriate.

79. The council will comply with all relevant legislation governing the terms and conditions of smallholdings tenancies. The statutory provisions for smallholding tenancies give smallholding tenants certain rights that are not available in law to other types of council tenant (e.g. length of the period of notice).
80. The council will comply with all relevant legislation governing the council's maintenance responsibilities for its smallholdings properties. This will include a rolling programme of condition surveys completed over a five-year period, as a basis for developing a planned maintenance programme. Approval for the funding of all capital spending proposals for the smallholdings estate must be obtained via the council's capital planning procedures. The council's capital planning procedures prioritise allocation of the available capital resources proposals where non-compliance with statutory requirements is, or would become an issue.
81. The council will encourage and support career progression for its tenant farmers. Training for tenants may be provided by the council where specific personal development needs have been identified that if met will help the tenant develop their agricultural business and / or support their plan for career progression in agriculture.
82. The council's smallholdings team will provide additional advice and support to those tenants whose tenancies are due to expire to help them plan and prepare for progression through the council's smallholdings estate or into the private sector.
83. The Council will provide advice and support on associated aspects of running a smallholding, such as business planning. Clearly, the smallholdings estate needs to remain focussed on supporting entry into farming, but it would appear reasonable to make tenants aware of related activity that can add value to the local economy. The Council will take steps that may include match funded financial support to help deliver these opportunities.
84. The council will continue to develop its approach to the estate by ensuring it has strong and effective contact with its tenant farmers. The Council recognises tenants have a contribution to make to the way the Council runs the estate and develop policy into the future. It is in the interests of all parties that there is effective management of the estate. This will require regular contact with tenants' representatives and national bodies such as the National Farmers' Union (NFU). This will be enhanced by the setting up of a Members' Smallholdings Group to help support policy development. This group will comprise members with a knowledge of farming, to help develop policy.
85. The profile of the estate will be maintained with all elected members. The opportunity for elected members to visit farms and hear from officers about policy development will be a key part of the policy.
86. Housing contained within the smallholdings estate should meet relevant "Decent Homes" standards.

Risk Management

87. Adoption of the revised smallholdings estate strategy outlined in this report will mitigate the risk that this asset is under-utilised in terms of supporting improved outcomes, customer experience, services and value for money.

Alternative Options

88. There are no alternative options

Consultees

National Farmers Union

Tenants Farmers Association

Appendices

Appendix 1 – Action Plan

Background Papers

- Department for Environment, Food and Rural Affairs – Sustainable Farming and Food Strategy: Facing the Future (December 2002)
- Department for Environment, Food and Rural Affairs – Sustainable Farming and Food Strategy: Forward Look (July 2006)
- Tenant Farmers' Association – Policy on County Council Smallholdings.
- Minutes of the Council meeting – 17th February, 2009.
- 'The Importance of the County Farms Service to the Rural Economy' (November 2008)