Gloucestershire COUNTY COUNCIL

Asset Management and Property Services

Rural Estate

Strategic Estate Plan 2016-2030

Programme		Consultees
Report to Cabinet seeking permission to consult on proposed amendments to the 2010 Strategic Estate Plan	December 2015	
Consultation Feedback received by	4th March 2016	Tenants, CLA, NFU, GFTA, TFA & YFC, RAU, Hartpury College, Councillors
Report to Cabinet seeking approval of 2016 Strategic Estate Plan	16th April 2016	
Proposed Implementation start date	1st May 2016	

Key Messages:

- **No wholesale disposal demonstrating the Council's continuing commitment to Agriculture**
- **Retention of core estate of 5,600 acres down from 6,400 acres**
- **Continuance of provision of service with 40 Farms identified down from 50**
- **Programmed Investment Strategy in retained estate as highlighted within MTFS February 2016**
- **Programmed realisation of development opportunities across estate**
- **Capital receipts will contribute towards MTFS savings and towards provision of core Council services**
- **Remains a contributor towards national food production, sustainability objectives & to the regional economy**

Version:24/03/2016

2016 Rural Strategic Estate Plan

1. Background

1.1 The last comprehensive strategic estate review was conducted in 2010 resulting in a progressive rationalisation approach. This approach maintains the council's on-going commitment to retaining the rural estate, whilst rationalising it to generate capital receipts and consolidate lettings to improve farming sustainability over the long term.

1.2 It is sound estate management to review estate policy in line with emerging opportunities and the existing financial climate. Accordingly, it is both timely and appropriate to review the existing Strategic Estate Plan.

An independent desk top review of the 2010 strategy undertaken in May 2014 reviewed the options available, which included;

- Retain the Status Quo
- Revise the current progressive rationalisation policy
- Progressive disposal
- Dispose the estate in its entirety

1.3 It was recommended to the 11th December 2015 Cabinet meeting that the Council's adopted policy of progressive rationalisation remains best suited to delivering the objectives set out in the 2010 review & would present opportunities for further improvement given that it offers increased flexibility and the scope for increased receipts from later sales as a result of increases in property values. It was subsequently resolved at that same meeting, that a consultation exercise be undertaken in respect of proposed amendments to the 2010 Rural Strategic Estate Plan, the results of which would be used to formulate a new 2016 Strategic Estate Plan.

2. Strategic Objectives

The 2010 review idnetified a reduction in the number of holdings to 50. The 2016 review would further reduce this number to 40 equipped farms achieved primarily through amalgamations and disposal of stand alone farms.

In doing so the following objectives have been identified:-

- Create a balanced range of mixed farms to suit potential tenants with a variety of experience and farming assets.

- Identify a stream of capital receipts.

- Re-assess the extent of fixed equipment required on holdings.
- Identify and address any backlog of repair and maintenance expenditure through a programmed investment strategy as confirmed within the MTFS.
- Maximise Estate revenue performance.
- Create potential to secure non-farming objectives for the County Council in the future.
- Continue to work (with developers as necessary) to promote the land identified as having development potential
- Support rural development and employment through diversification and the promotion of viable farm businesses
- Forge and maintain a partnership with Estate tenants and the wider rural community in order to make a positive contribution to the rural economy
- Encourage, support and provide a lead in husbandry practices, which are sustainable, environmentally sensitive and in keeping with the prevailing principles of good Estate management
- Encourage tenants to maximise production efficiency and to explore opportunities to enhance earnings by using holdings as foundations for broader based agriculturally businesses

3. Recommendations

3.1 Re-organisation of the Rural Estate, realising development potential where possible to optimise the total value of the estate to provide:-

3.1.1. 40 principal holdings (subject to where land/holdings fall for development).

3.1.2 An Estate of approximately 5,600 acres (subject to where land/holdings fall for development).

3.1.3 Updated estate management practices to facilitate the progressive rationalisation including :

3.1.3a A return to an industry favoured repairing obligations lease which is considered more realistic in the context of the size & profitability of the holdings and which will better protect the Councils asset and ensure statutory compliance is undertaken.

3.1.3b In cases where there has been a change to the 2010 policy either implicitly or explicitly, the offer of a two year extension to those tenancies with less than three years to run to enable tenants to create a sound exit strategy

3.1.3c A rural specific disposals policy providing :

i. Sales to sitting tenants at Full Market Value on holdings identified for disposal
ii. Surrender packages to secure early possession
iii. Hybrids of part sales to tenants and part lettings or part surrenders and part lettings
iv. Use of specialist agents to manage rural sales

3.1.3d Securing non-farming objectives for the County Council in the future both in terms of development and renewable opportunities.

3.1.3e Exploration and development of strategic rural housing schemes, where suitable, to facilitate estate reorganisation and provide additional modest capital receipts.

3.1.4 Programmed investment in the retained estate in line with the MTFS.

A restructured, re-serviced estate with a reduced number of enlarged holdings will create progression opportunities and maximise estate output. The proposed 2016 Strategic Estate Plan will enable the rural estate to evolve on a more sustainable footing whilst securing additional receipts which could both underpin the Councils MtC2 £60 million savings target and / or be reinvested in core Council services.