

Phil Norrey  
Chief Executive

To: The Chair and Members of the  
Farms Estate Committee

County Hall  
Topsham Road  
Exeter  
Devon  
EX2 4QD

(See below)

Your ref :  
Our ref :

Date : 1 December 2017  
Please ask for : Wendy Simpson, 01392 384383

Email: wendy.simpson@devon.gov.uk

## **FARMS ESTATE COMMITTEE**

**Monday, 11th December, 2017**

A meeting of the Farms Estate Committee is to be held on the above date at 2.15 pm in the Committee Suite - County Hall to consider the following matters.

P NORREY  
Chief Executive

## **AGENDA**

### **PART I - OPEN COMMITTEE**

1 Apologies for Absence

2 Minutes

Minutes of the meetings held on 18 September 2017 and 16 October 2017 (previously circulated).

3 Items Requiring Urgent Attention

Items which in the opinion of the Chairman should be considered at the meeting as matters of urgency.

### **MATTERS FOR DECISION**

4 Revenue Monitoring (Month 7) 2017/18 (Pages 1 - 4)

Report of the County Treasurer (CT/17/104) on the County Farms Estate Revenue Monitoring Statement (Month 7) 2017/18, attached.

*Electoral Divisions(s): All Divisions*

5 Capital Monitoring (Month 7) 2017/18 (Pages 5 - 6)

Report of the County Treasurer (CT/17/105) on the County Farms Estate Capital Monitoring (Month 7), attached.

*Electoral Divisions(s): All Divisions*

6 Shallowfield Farm - Transforming Lives on the Farm

Debbie Sandels, Trust Manager of Shallowfield Trust, to report on the support work and life experience offered to the young visitors from a youth and community centre adjacent to Clapham Junction in London called Providence House.

*Electoral Divisions(s): All Divisions*

7 Fresh Start Land Enterprise Centre (Pages 7 - 10)

Report of the Head of Digital Transformation and Business Support (BSS/17/16) on the Fresh Start Business Academies, attached.

*Electoral Divisions(s): All Divisions*

8 Management and Restructuring Issues (Pages 11 - 14)

Report of the Head of Digital Transformation and Business Support (BSS/17/17) on County Farms Estate Management and Restructuring issues, attached.

*Electoral Divisions(s): Combe Martin Rural*

9 The County Farms Estate - Business start-up opportunities (Pages 15 - 22)

Report of the Head of Digital Transformation and Business Support (BSS/17/18) on the potential to use surplus or potentially surplus farm buildings to provide additional rural based business start-up opportunities, attached.

*Electoral Divisions(s): All Divisions*

**MATTERS FOR INFORMATION**

10 Actions taken under Delegated Powers

Report of action taken by the Head of Digital Transformation and Business Support, in accordance with Part 3 of the County Council's Constitution, in approving the acceptance of the tenant's agreement to surrender the tenancy of Baxters Farm, Musbury.

*Electoral Divisions(s): Axminster*

**PART II - ITEMS WHICH MAY BE TAKEN IN THE ABSENCE OF PRESS AND PUBLIC**

11 Exclusion of the Press and Public

Recommendation: that the press and public be excluded from the meeting for the following items of business under Section 100(A)(4) of the Local Government Act 1972 on the grounds that they involve the likely disclosure of exempt information as defined in Paragraphs 1, 2 and 3 of Schedule 12A of the Act, namely information relating to, and which is likely to reveal the identity of, tenants and information relating to the financial or business affairs of tenants and the County Council and, in accordance with Section 36 of the Freedom of Information Act 2000, by virtue of the fact that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

**MATTERS FOR DECISION**

12 Holdings and Tenancies etc. (Pages 23 - 38)

*(An item to be considered by the Committee in accordance with the Cabinet Procedure Rules and Regulation 5 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, no representations having been received to such consideration taking place under Regulation 5(5) thereof.)*

(a) Report of the Head of Business Strategy and Support (BSS/17/19) on monitoring of tenants on an initial farm business tenancy, attached.

(b) Report of the Head of Business Strategy and Support (BSS/17/20) on requests for landlord's consent to proposed tenants' improvements, attached.

*Electoral Divisions(s): Braunton Rural; Holsworthy Rural; Salcombe; South Molton*

13 Future Meetings


Please use link below for County Council Calendar of Meetings:

<http://democracy.devon.gov.uk/ieDocHome.aspx?bcr=1>

*Notice of all items listed above has been included in the Council's/Cabinet Forward Plan for the required period, unless otherwise indicated. The Forward Plan is published on the County Council's website.*

*Members are reminded that Part II Reports contain exempt information and should therefore be treated accordingly. They should not be disclosed or passed on to any other person(s).*

*Members are also reminded of the need to dispose of such reports carefully and are therefore invited to return them to the Democratic Services Officer at the conclusion of the meeting for disposal.*

<p><b>Membership</b></p> <p>Councillors C Chugg (Chair), J Brook (Vice-Chair), J Berry, A Dewhirst, T Inch, C Whitton and J Yabsley  Co-opted Members  C Latham (Tenants' Representative) and E Quick (Devon Federation of Young Farmers Clubs)</p>
<p><b>Declaration of Interests</b></p> <p>Members are reminded that they must declare any interest they may have in any item to be considered at this meeting, prior to any discussion taking place on that item. Members of the Council have been granted a dispensation to allow them to speak and vote in any debate as a consequence of being a representative of the County Council on any County Council wholly owned, controlled or joint local authority company or Joint Venture Partnership unless the matter under consideration relates to any personal remuneration or involvement therein.</p>
<p><b>Access to Information</b></p> <p>Any person wishing to inspect the Council's / Cabinets Forward Plan or any minutes, reports or lists of background papers relating to any item on this agenda should contact Wendy Simpson, 01392 384383</p> <p>Both the Forward Plan and agenda and minutes of the Committee are published on the Council's Website and can also be accessed via the Modern.Gov app, available from the usual stores.</p>
<p><b>Webcasting, Recording or Reporting of Meetings and Proceedings</b></p> <p>The proceedings of this meeting may be recorded for broadcasting live on the internet via the 'Democracy Centre' on the County Council's website. The whole of the meeting may be broadcast apart from any confidential items which may need to be considered in the absence of the press and public. For more information go to: <a href="http://www.devoncc.public-i.tv/core/">http://www.devoncc.public-i.tv/core/</a></p> <p>In addition, anyone wishing to film part or all of the proceedings may do so unless the press and public are excluded for that part of the meeting or there is good reason not to do so, as directed by the Chair. Any filming must be done as unobtrusively as possible from a single fixed position without the use of any additional lighting; focusing only on those actively participating in the meeting and having regard also to the wishes of any member of the public present who may not wish to be filmed. As a matter of courtesy, anyone wishing to film proceedings is asked to advise the Chair or the Democratic Services Officer in attendance so that all those present may be made aware that is happening.</p> <p>Members of the public may also use Facebook and Twitter or other forms of social media to report on proceedings at this meeting. An open, publicly available Wi-Fi network (i.e. DCC) is normally available for meetings held in the Committee Suite at County Hall. For information on Wi-Fi availability at other locations, please contact the Officer identified above.</p>
<p><b>Emergencies</b></p> <p>In the event of the fire alarm sounding leave the building immediately by the nearest available exit, following the fire exit signs. If doors fail to unlock press the Green break glass next to the door. Do not stop to collect personal belongings, do not use the lifts, do not re-enter the building until told to do so.</p>
<p><b>Mobile Phones</b></p> <p>Please switch off all mobile phones before entering the Committee Room or Council Chamber</p>
<p>If you need a copy of this Agenda and/or a Report in another format (e.g. large print, audio tape, Braille or other languages), please contact the Information Centre on 01392 380101 or email to: <a href="mailto:centre@devon.gov.uk">centre@devon.gov.uk</a> or write to the Democratic and Scrutiny Secretariat at County Hall, Exeter, EX2 4QD.</p>
<p> Induction loop system available</p>

## **NOTES FOR VISITORS**

All visitors to County Hall, including visitors to the Committee Suite and the Coaver Club conference and meeting rooms are requested to report to Main Reception on arrival. If visitors have any specific requirements or needs they should contact County Hall reception on 01392 382504 beforehand. Further information about how to get here can be found at: <https://new.devon.gov.uk/help/visiting-county-hall/>. Please note that visitor car parking on campus is limited and space cannot be guaranteed. Where possible, we encourage visitors to travel to County Hall by other means.

**SatNav** – Postcode EX2 4QD

### **Walking and Cycling Facilities**

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### **Access to County Hall and Public Transport Links**

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The nearest mainline railway stations are Exeter Central (5 minutes from the High Street) and St David's and St Thomas's both of which have regular bus services to the High Street. Bus Service H (which runs from St David's Station to the High Street) continues and stops in Wonford Road (at the top of Matford Lane shown on the map) a 2/3 minute walk from County Hall, en route to the RD&E Hospital (approximately a 10 minutes walk from County Hall, through Gras Lawn on Barrack Road).

### **Car Sharing**

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### **Car Parking and Security**

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As indicated above, parking cannot be guaranteed and visitors should allow themselves enough time to find alternative parking if necessary. Public car parking can be found at the Cathedral Quay or Magdalen Road Car Parks (approx. 20 minutes walk). There are two disabled parking bays within the visitor car park. Additional disabled parking bays are available in the staff car park. These can be accessed via the intercom at the entrance barrier to the staff car park.



**NB**   Denotes bus stops

### **Fire/Emergency Instructions**

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### **First Aid**

Contact Main Reception (extension 2504) for a trained first aider.



## The County Farms Estate

### Revenue Monitoring (Month 7) 2017/18 Report of the County Treasurer

#### 1 Revenue Monitoring (Month 7) 2017/18

- 1.1 The Revenue Budget presented to Corporate Service Scrutiny Committee on 24 January 2017 included a target surplus of £382,000 for the County Farms Estate, in accordance with the targets set by Cabinet at its meeting on 11 January 2017.
- 1.2 Appendix A provides a summary of the annual budget. It also provides details of income and expenditure to date.
- 1.3 As at month 7 there is minimal actual expenditure to report. There has however been an improvement since month 5 of expenditure committed ie works ordered.
- 1.4 The Tenant Right Valuation accruals are beginning to be paid or offset as end of tenancy valuations are settled. Some new Tenant Right Valuation payments have been made in 2017. The net balance reflects an invoice raised for a large reimbursement due from an incoming tenant for a valuation recently settled.
- 1.5 The programme and unforeseen maintenance accruals from the end of 2016/17 have largely been invoiced and paid.
- 1.6 £31,000 worth of unforeseen repair works ordered in 2017 has been paid. In addition, a further £20,000 of unforeseen works have been ordered but not invoiced. Total unforeseen expenditure and commitment at month 7 is therefore £51,000.
- 1.7 £40,000 of programmed repair and maintenance works have been ordered at month 7. A further £50,000 of works have been tendered and are awaiting orders to be processed and a further estimated £20,000 worth of works are currently out to tender. At least a further £100,000 of programmed repairs and maintenance works is currently being designed and specified ready for tender with expenditure forecast to be made before financial year end.
- 1.8 £5,000 worth of testing and inspection works (service term contract budget) were ordered at month 7 but not paid.

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- 1.9 It is currently anticipated that the forecast level of income will be achieved and the target surplus delivered, albeit there may well be some fluctuations within expenditure items.

## 2 **Options/Alternatives**

- 2.1 Alternative options have been considered and discounted as they are believed to either be contrary to current Estate policy and/or not in the best financial interests of the Estate.

## 3 **Consultations/Representations/Technical Data**

- 3.1 The views and opinions of the Devon Federation of Young Farmers Clubs and the Estate Tenants Association will be presented by the two co-opted members to the committee.
- 3.2 No other parties have been consulted and no other representations for or against the proposal have been received.
- 3.3 The technical data is believed to be true and accurate.

## 4 **Considerations**

- 4.1 The Author is not aware of any financial, sustainability, carbon impact, equality, legal, risk management or public health issues arising from this report.

## 5 **Summary/Conclusions/Reasons for Recommendations**

- 5.1 The Author has prepared this report in accordance with the findings of the County Farms Estate Strategic Review (April 2010).

*Mary Davis – County Treasurer*

Electoral Divisions: All

Local Government Act 1972: List of Background Papers  
None

Who to contact for enquiries:

Name: Dan Meek, Director of Property Management, NPS South West Ltd, Venture House, One Capital Court, Bittern Road, Sowton Industrial Estate, Exeter, EX2 7FW

Contact: 01392 351066 or [dan.meek@nps.co.uk](mailto:dan.meek@nps.co.uk)



# Agenda Item 4

Name: Lisa Beynon, Head Accountant for Corporate Services, County Treasurer's, County Hall, Exeter  
 Contact: 01392 382876 or [lisa.beynon@devon.gov.uk](mailto:lisa.beynon@devon.gov.uk)

APPENDIX A

## COUNTY FARMS ESTATE - FINANCIAL REPORTS FINANCIAL STATEMENT - (MONTH 7) 2017/18

	AS REPORTED AT		ANNUAL TARGET	CURRENT FORECAST
	18 SEPTEMBER COMMITTEE	YEAR TO DATE		
	£'000	£'000	£'000	£'000
<b>INCOME</b>				
Rent	3	(495)	(1,052)	(1,052)
Other	(24)	(4)	(40)	(40)
<b>TOTAL INCOME</b>	<b>(21)</b>	<b>(499)</b>	<b>(1,092)</b>	<b>(1,092)</b>
<b>EXPENDITURE</b>				
<b>STATUTORY COSTS</b>				
Tenant Right Valuation	(42)	(35)	20	20
<b>SUB - TOTAL</b>	<b>(42)</b>	<b>(35)</b>	<b>20</b>	<b>20</b>
<b>PREMISES COSTS</b>				
Building Maintenance - unforeseen	(64)	31	100	100
Building Maintenance - programmed	68	0	210	210
Building Maintenance - Surveys	2	2	10	10
Building Maintenance - STC	0	0	20	20
Building Maintenance - other (incl. land agents initiatives, redundant buildings, asbestos and health & safety)	1	2	61	61
Grounds Maintenance	0	0	10	10
Rents & other landlord charges	0	7	14	14
Rates, Electricity and Water Charges	1	1	6	6
<b>SUB - TOTAL</b>	<b>8</b>	<b>43</b>	<b>431</b>	<b>431</b>
<b>SUPPLIES &amp; SERVICES</b>				
Insurance	0	0	0	0
Adverts	0	0	2	2
NPS Fees	61	109	230	230
Legal Fees	(2)	(2)	4	4
Professional Fees	(9)	(9)	6	6
Other Fees & Charges (DFYF, SHLAA, GPDO)	0	0	17	17
<b>SUB - TOTAL</b>	<b>50</b>	<b>98</b>	<b>259</b>	<b>259</b>
<b>TOTAL EXPENDITURE</b>	<b>16</b>	<b>106</b>	<b>710</b>	<b>710</b>
<b>NET OPERATIONAL (SURPLUS)</b>	<b>(5)</b>	<b>(393)</b>	<b>(382)</b>	<b>(382)</b>
<b>FARM IMPROVEMENTS inclusive of fees</b>				
Revenue funded Restructuring (BM other)	0	0	0	0
<b>SUB - TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL COSTS SURPLUS</b>	<b>(5)</b>	<b>(393)</b>	<b>(382)</b>	<b>(382)</b>



## The County Farms Estate

### Capital Monitoring (Month 7) 2017/18 Report of the County Treasurer

#### 1 Capital Monitoring (Month 7) 2017/18

- 1.1 The Capital programme presented to Corporate Services Scrutiny Committee on 24<sup>th</sup> January 2017 (and subsequently approved by County Council) included schemes totalling £600,000.
- 1.2 Added to this was slippage of £1,483,554 taking the total capital scheme for 2017/18 to £2,083,554.

#### 2 Nitrate Vulnerable Zone Compliance

- 2.1 One slurry store has been constructed, as at month 7.
- 2.2 Currently one new concrete box slurry store is planned to be constructed, and one clay lined lagoon is being designed and specified.
- 2.3 A number of slurry stores constructed in 2016/17 remain in contractual 'defect' periods with final retention monies due to be released before year end.
- 2.4 The budgeted programme for this area of work currently stands at £1,013,345 with a year end forecast of £494,527 due to anticipated slippage of £518,774.

#### 3 Compensation Payments (Tenants Improvements, etc..)

- 3.1 Forecast spend currently stands at nil but this excludes any liability that may yet fall due in year or at 25 March 2018. Potential for future compensation payments in year.

#### 4 Enhancements and Improvements

- 4.1 The budgeted programme for this area of work stands at £1,050,209 and it is currently forecast to come in on target

#### 5 Land Acquisitions

- 5.1 Currently no potential land purchases have been identified.

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## 6 **Options/Alternatives**

- 6.1 Alternative options have been considered and discounted as they are neither practical nor in the financial best interests of the Authority.

## 7 **Consultations/Representations/Technical Data**

- 7.1 The views and opinions of the Devon Federation of Young Farmers Clubs and the Estate Tenants Association will be presented by the two co-opted members to the committee.
- 7.2 No other parties have been consulted and no other representations for or against the proposal have been received.
- 7.3 The technical data is believed to be true and accurate.

## 8 **Considerations**

- 8.1 The Author is not aware of any financial, sustainability, carbon impact, equality, legal, risk management or public health issues arising from this report.

## 9 **Summary/Conclusions/Reasons for Recommendations**

- 9.1 The Author has prepared this report in accordance with the Councils capital funding procedures and guidelines.

*Mary Davis – County Treasurer*

Electoral Divisions: ALL

Local Government Act 1972: List of Background Papers

None

Who to contact for enquiries:

Name: Dan Meek, Director of Property Management, NPS South West Ltd, Venture House, One Capital Court, Bittern Road, Sowton Industrial Estate, Exeter, EX2 7FW

Contact: 01392 351066 or [dan.meek@nps.co.uk](mailto:dan.meek@nps.co.uk)

Name: Lisa Beynon, Head Accountant for Corporate Services, County Treasurer's, County Hall, Exeter

Contact: 01392 382876 or [lisa.beynon@devon.gov.uk](mailto:lisa.beynon@devon.gov.uk)

## THE COUNTY FARMS ESTATE FRESH START LAND ENTERPRISE CENTRE

### Report of the Head of Digital Transformation and Business Support

*Please note that the following recommendations are subject to consideration and determination by the Committee before taking effect.*

#### Recommendation(s):

That the Committee approve:

- (i) supporting the development by the Estates Land Agents, working with Alison Rickett, Managing Director of Fresh Start Land Enterprise Centre, of a Fresh Start Academy and an individual mentoring scheme, open to all County Farms Estate tenants.
- (ii) sponsoring the cost of running the Fresh Start Academy up to a cap of £5,000 per annum with the intent that attendance by Estate tenants should be free or substantially subsidised. Funding to be made available from the County Farms Estate revenue budget.

#### 1.0 Introduction

- 1.1 Fresh Start Land Enterprise CIC (Community Interest Company – not for profit) has brought together a number of national projects and initiatives aimed at supporting farming businesses from start up through to succession. Fresh Start is supported by The Prince's Countryside Fund, NFU Mutual, Elizabeth Creek Charitable Trust and Frank Parkinson Agricultural Trust.
- 1.2 Fresh Start Business Academies started in 2006 designed to support and develop the next generation of farmers and growers, land managers and land based businesses.
- 1.3 Alongside the Business Academies Fresh Start also offer mentoring on an individual basis to provide access to someone to discuss and sound out new ideas and business considerations.
- 1.4 Fresh Start have set up a Land Partnership service to match land and business owners with land and business entrepreneurs.
- 1.5 The Senior Land Agent has supported past and current Fresh Start Academies organised by the Devon Federation of Young Farmers Clubs. These Academies have, in part, existed to provide the training, knowledge and skills required by aspiring young famers to get into the industry.

#### 2.0 Fresh Start Academy for Devon County Farms Estate tenants

- 2.1 Although Estate tenants will have demonstrated sound business knowledge, acumen and experience sufficient to secure their first tenancy, competition for tenancies in the private sector remains strong and only the very best tenants, potentially those with a 'unique selling point', are likely to secure those progression opportunities.

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- 2.2 Furthermore, for some more established Estate tenants the requirement to sit down and prepare a tenancy application, business plan and cashflows and budgets may now be a distant memory and those tenants may well benefit from 'refresher' training. Those tenants may not have attended an interview for many years either and as such their interview skills and techniques may also benefit from further development.
- 2.3 It is noted that as part of a recent private estate farm letting exercise, prospective tenants were asked to prepare a video clip demonstrating their skills and experience and setting out why they should be offered the tenancy. How many tenants would be able to prepare a professional looking video clip? What other multimedia technology might be required in the future?
- 2.4 Many former tenants of this Estate have undoubtedly proven themselves capable of winning a significant number of tenancies in the private sector but it is considered a Fresh Start Academy might improve the chances of a greater number of existing and future Estate tenants to win those highly competitive tenancies advertised to let in the private sector.
- 2.5 The potential opportunity and the legal arrangements of other ways to progress such as contract farming, share farming or partnership agreements are often misunderstood but some evidence exists of an aging population within the private farming sector considering these options to move towards retirement without having to retire completely or to sell their farms. Improved understanding of how such alternative opportunities could or should work may assist a greater number of tenants to progress beyond the Estate.
- 2.6 There may also be tenants who may benefit from access to the services of a mentor and this is also something Fresh Start could potentially facilitate.

## **3.0 Tenant's competencies**

- 3.1 Attending an Academy or working with a mentor could be of significant benefit to new tenants on the Estate at the beginning of their farming careers. It is therefore suggested that attendance and participation in an Academy or working with a mentor could form part of the new entrants competency assessment.

## **4.0 Options/Alternatives**

- 4.1 Alternative options have been considered and discounted, as they are believed to either be contrary to current Estate policy and/or not in the best financial interests of the Estate.

## **5.0 Consultations/Representations/Technical Data**

- 5.1 The views and opinions of the Devon Federation of Young Farmers Clubs and the Estate Tenants Association will be presented by the two co-opted members to the committee.
- 5.2 No other parties have been consulted and no other representations for or against the proposal have been received.
- 5.3 The technical data is believed to be true and accurate.

## **6.0 Considerations**

- 6.1 The Author is not aware of any financial, sustainability, carbon impact, equality, legal, risk management or public health issues arising from this report

## **7.0 Summary/Conclusions/Reasons for Recommendations**

- 7.1 The Author has prepared this report in accordance with the findings of the County Farms Estate Strategic Review (April 2010)

Rob Parkhouse, Report of the Head of Digital Transformation and Business Support

Electoral Divisions:

All

Local Government Act 1972: List of Background Papers

None

Who to contact for enquiries:

Dan Meek, NPS South West Ltd, Venture House, One Capital Court, Bittern Road, Sowton Industrial Estate, Exeter, EX2 7FW

Tel No: (01392) 351066

Email: dan.meek@nps.co.uk





## THE COUNTY FARMS ESTATE MANAGEMENT AND RESTRUCTURING

### Report of the Head of Digital Transformation and Business Support

*Please note that the following recommendations are subject to consideration and determination by the Committee before taking effect.*

#### Recommendation(s):

That the Committee approved the recommendations as set out in the opening paragraphs of sections 1 and 2 of this report.

#### 1.0 Baxters Farm, Musbury

1.1 It is recommended that:

- (i) The Committee approves the farmhouse, buildings and 2.45 acres or thereabouts of land at Baxters Farm, Musbury being declared permanently surplus to the operational requirements of the Estate, and sold.
- (ii) The Committee approves the 68.81 acres or thereabouts of land at Baxters Farm being offered to the tenant of Waterford Farm on a fixed term Farm Business Tenancy Agreement commencing 25 March 2018 and terminating 25 March 2022, subject to terms being agreed.

1.2 The Musbury Estate comprises:

Baxters Farm	28.84 hectares (71.26 acres)
Waterford Farm	26.50 hectares (65.48 acres)
Total	55.34 hectares (136.74 acres)

1.3 The tenant of Baxters Farm, Musbury has recently indicated that he wants to vacate the holding at 25 March 2018 and has signed an Agreement to Surrender and a Deed of Surrender effective at 25 March 2018.

1.4 The Estate Asset Management Plan suggests Baxters Farm is a holding that should NOT be retained and relet in accordance with the objectives of the Estate Policy and Strategy.

1.5 The holding is located in very close proximity to the Musbury village. Furthermore the County Council has considered the farmstead has some material development potential for many years. As a consequence the farmstead has not been improved by the landlord.

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- 1.6 The former Estate plan (2002 to 2012) also suggested the Baxters Farmstead should be sold and the retained land amalgamated with and let to the tenant of the nearby Waterford Farm.

## 2.0 The Marwood Estate

- 2.1 It is recommended that:

- (i) The Committee endorses the acceptance of the tenant's early surrender of Chapel Farm, Marwood effective at 25 March 2018.
- (ii) The Committee approves the reletting of the bungalow, buildings and up to 268.23 acres (in lots) or thereabouts of land at Chapel Farm, Marwood as an equipped residential dairy holding:
  - (a) Firstly in internal competition as a progression opportunity for existing estate tenants on a Farm Business Tenancy commencing 25 March 2018 and expiring 25 March 2033 or an earlier term date affording the successful applicant a maximum 25 years on the Estate, subject to terms being agreed, but if the farm is not let internally, or if not let internally,
  - (b) To then advertise the holding on the open market to new entrants and on a Farm Business Tenancy commencing 25 March 2018 and expiring 25 March 2025, subject to terms being agreed.
- (iii) The Committee approves in principle granting landlords consent to the prospective tenants of Chapel Farm, Marwood, to install a new herringbone milking parlour and potential dairy and all associated services, plant and equipment in the landlords new building, subject to:
  - (a) the physical/structural works to construct the parlour pit, cow standings, walls, ceilings and drains, and the dairy having a life expectancy of 25 years and thus the value of this part of the improvement will be written down on a straight line basis from the approved cost of making the improvement (the lowest of three competitive quotes) to £100 over a 25 year term.
  - (b) the tubular steel work for the parlour, the plant and equipment, services and in parlour feeders having a life expectancy of 10 years and thus the value of this part of the improvements will be written down on a straight line basis from the approved cost of making the improvement (the lowest of three competitive quotes) to £100 over a 10 year term.
  - (c) should the tenant be required to replace any significant items of worn out plant and equipment such as compressors, milk pumps, plate coolers etc during the residual term of the tenancy then the cost of any such replacement will be written down on a straight line basis over a period of 10 year commencing on the date the replacement is made and added to the compensation value of the remainder of the original parlour and dairy referred to in paragraph 2 above.
- (iv) The Committee approves the reletting of the bungalow, buildings and 94.10 acres or thereabouts of land at Prixford Barton Farm, Marwood as an equipped residential mixed livestock holding (expressly excluding the use of the holding as a dairy unit) on the open market to new entrants and on a Farm

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Business Tenancy commencing 25 March 2018 (or as soon as possible thereafter) and expiring 25 March 2025, subject to terms being agreed.

- (v) That the 123.99 acres or thereabouts of land forming part Middle Winsham Farm, Braunton be temporarily offered to let to the prospective tenants of Chapel Farm and/or PRIXFORD Barton Farm, Marwood for the term 25 March 2018 to 25 March 2021, subject to terms being agreed.

2.2 The Marwood Estate comprises:

Chapel Farm	79.96 hectares (197.59 acres)
PRIXFORD Barton Farm	66.67 hectares (164.74 acres)
Total	146.63 hectares (362.33 acres)

2.3 Chapel Farm, Marwood currently comprises a bungalow, buildings and 79.96 hectares (197.59 acres) or thereabouts of land.

2.4 The current tenant of Chapel Farm has also been temporarily farming 123.99 acres or thereabouts of land at Middle Winsham Farm, Braunton in accordance with the Committee Resolution FE/45 of 22 February 2017. This land may be amalgamated with Middle Winsham Farm at 25 March 2021.

2.5 The current tenant has recently indicated that he wants to vacate the holding at 25 March 2018 and has signed an Agreement to Surrender and a Deed of Surrender effective at 25 March 2018.

2.6 The holding is a well equipped dairy unit albeit with a large number of buildings currently belonging to the current tenant. The landlord has invested in an NVZ compliant slurry store suitable for the size of the holding and a large general purpose building, part of which has been designed to accommodate a future new milking parlour, should a new tenant wish to install one.

2.7 The Estate Asset Management Plan suggests Chapel Farm is a holding that should be retained and relet in accordance with the objectives of the Estate Policy and Strategy.

2.8 PRIXFORD Barton currently comprises a bungalow, buildings and 66.67 hectares (164.74 acres) or thereabouts of land.

2.9 PRIXFORD Barton Farm is also expected to become vacant at 25 March 2018 although it is likely works will be required to the bungalow before it can be made available to occupy. This holding is a reasonably well equipped stock farm but given the narrow and blind access and very close proximity of the farmstead to neighbouring domestic properties, it is considered unsuitable for dairy farming.

2.10 The Estate Asset Management Plan suggests PRIXFORD Barton Farm is a holding that should be retained and relet in accordance with the objectives of the Estate Policy and Strategy.

2.11 Although PRIXFORD Barton was last let internally as a progression mixed livestock holding, the opportunity of both farms falling vacant at the same time provides a unique chance to carry out further more radical restructuring, by creating a larger progression dairy unit at Chapel Farm and reducing PRIXFORD Barton to a mixed livestock starter holding.

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## **3.0 Options/Alternatives**

3.1 Alternative options have been considered and discounted as they are believed to either be contrary to current Estate policy and/or not in the best financial interests of the Estate.

## **4.0 Consultations/Representations/Technical Data**

4.1 The views and opinions of the Devon Federation of Young Farmers Clubs and the Estate Tenants Association will be presented by the two co-opted members to the committee.

4.2 No other parties have been consulted and no other representations for or against the proposal have been received

4.3 The technical data is believed to be true and accurate.

## **5.0 Considerations**

5.1 The Author is not aware of any financial, sustainability, carbon impact, equality, legal, risk management or public health issues arising from this report

## **6.0 Summary/Conclusions/Reasons for Recommendations**

6.1 The Author has prepared this report in accordance with the findings of the County Farms Estate Strategic Review (April 2010)

Rob Parkhouse, Report of the Head of Digital Transformation and Business Support

Electoral Divisions:

Axminster; Combe Martin Rural

Local Government Act 1972: List of Background Papers

None

Who to contact for enquiries:

Dan Meek, NPS South West Ltd, Venture House, One Capital Court, Bittern Road, Sowton Industrial Estate, Exeter, EX2 7FW

Tel No: (01392) 351066

Email: dan.meek@nps.co.uk

## THE COUNTY FARMS ESTATE POTENTIAL FOR WIDER RURAL BUSINESS START UP OPPORTUNITIES

### Report of the Head of Digital Transformation and Business Support

*Please note that the following recommendations are subject to consideration and determination by the Committee before taking effect.*

#### Recommendation(s):

1. That wherever feasible and viable consideration be given to offering surplus or potentially surplus in hand buildings to let for wider rural business start up opportunities on a subject to contract and planning basis.
2. That existing tenants be encouraged to consider offering, with landlords conditional consent, surplus or potentially surplus in hand buildings as sublets for wider rural business start up opportunities on a subject to contract and planning basis.

#### 1.0 Background

- 1.1 Members will be aware that recommendation 3.1 (6) of the Farms Estate Strategic Review Report (March 2010) stated:

*'That the Authority should recognise the multi-functionality benefits of the Estate and acknowledge the social, economic and environmental value of the farms. Please see section 4.6 for detailed commentary'.*

- 1.2 Section 4.6 of the report noted:

*'The Estate has become a multifunctional service that provides a resource not only for agriculture but for the wider community. Diversification into alternative agricultural and non-agricultural services on the Estate can allow both tenants and landlord to provide agricultural multifunctionality and economies of scope demonstrating the County Council's commitment to achieving a sustainable rural economy'.*

#### 2.0 Tenants diversification

- 2.1 Since the 2010 review, the Estates existing and new tenants have continued to demonstrate high levels of entrepreneurial spirit through diversification. The recent successes at the Devon Farm Business Awards Ceremonies in 2015, 2016 and 2017 is a clear indicator of that entrepreneurial spirit.
- 2.2 Examples of alternative or additional businesses developed on farm by tenants since 2010 include ice cream production, community music festival, green waste composting, quail and duck egg production, asparagus production, farmshops/butcheries, haylage production and an emergency fostering provision.
- 2.2 Examples of alternative off farm diversification ancillary businesses tenants have developed since 2010 include cattle foot trimming, sheep scanning, milk haulier,

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- outside catering company, agricultural contracting, shepherding services, lecturing at Duchy College.
- 2.3 It is difficult to quantify the economic and social value of the on and off farm business activities developed by existing and new tenants. It is however clear that through these entrepreneurial tenants wider goods and services are being provided in Devon's rural economy and more jobs are being sustained on and off the Estate than would otherwise be the case but if these entrepreneurial tenants had simply farmed conventional agricultural systems on their respective holdings. Devon's economy is arguable better off as a consequence.
- 3.0 Tenants Sublet's (with landlords consent)
- 3.1 In addition to the on and off farm diversification enterprises operated directly by tenants of the Estate, there exist a number of examples of tenants subletting (with landlords conditional consent) surplus buildings to third parties on relatively simple, security of tenure excluded, 1954 Landlord and Tenant Act subleases.
- 3.2 Such sublets have been created with minimal levels of capital investment required. Some lets have required planning consent and some have required District Council Environmental Health Licences. All of which have been secured without issue. Moving forward such lets are likely to require an EPC of E or better to comply with the Minimum Energy Efficiency Standards Regulations.
- 3.3 Set out below are three case study examples of such sublet arrangements which demonstrate, in themselves, the benefits of such an approach. Although difficult to quantify, the benefits include:
- (i) Further rural based businesses being supported by the Estate
  - (ii) A greater number of jobs are sustained in rural Devon.
  - (iii) Devon's rural economy is supported directly and through further supply chain goods and services.
  - (iv) Where tenant's sublet land and buildings, the tenant's are able to generate additional income from an otherwise obsolete asset.
  - (v) Where landlords consent is granted to sublet, the landlord will receive an increased rental income from the holding.
  - (vi) Otherwise obsolete assets are brought back in to use and arguably the landlords capital asset value is enhanced.

## 3.4 Case Study 1 –Fravocado, Duckaller Farm, Dawlish



- 3.4.1 Fravocado was established in 2015 by Becky Osborne.
- 3.4.2 Fravocado is a form of vegan ice cream made from the two key ingredients of avocado and coconut milk. The product is dairy and gluten free and soya and nut free. Becky believes Fravocado will allow virtually anyone with an allergy to enjoy ice cream. Becky believes the product is unique.
- 3.4.3 Becky developed the product in her kitchen while on maternity leave. After exceptionally positive feedback from friends and family, Becky secured a Trade Mark for the Fravocado brand and began producing it in her garden shed (under District Council Environmental Health Licence).
- 3.4.4 Becky began to produce and sell Fravocado at farmers markets and events such as the Powderham Food Festival. Demand and popularity of Fravocado grew rapidly and in 2016 Fravocado featured in the Guardians Food & Drink Guide for food trends and was nominated for VegFest's most innovative vegan product and won Exeter Queen Streets 'Find a Foodie'.
- 3.4.5 Production from the garden shed was effectively limited to 1 or 2 boxes per week. Demand however rapidly exceeded supply capability. Becky investigated the possibility of renting conventional commercial premises but for a start up business commercial premises were either too large or too expensive, or both. Fortunately Becky discovered that Keith and Roz Partridge had ceased using the former butchery (converted from the former parlour and dairy) at Duckaller Farm.
- 3.4.6 With landlords consent, terms were agreed for a simple security of tenure excluded Landlord and Tenant Act 1954 sublease of the former butchery. The butchery already benefitted from a District Council Environmental Health Licence and required minimal further conversion and adaption.
- 3.4.7 Through Crowd Funding Becky raised £60,000 to purchase new and improved ice cream making plant and equipment. With the new premises and new equipment

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Becky is now producing in excess of 700 boxes of ice cream per week. Demand for the product is still increasing exponentially and Fravocado can already be found in outlets from Darts Farm to supermarkets throughout Finland!

- 3.4.8 Fravocado now employs Becky fulltime and her husband, Gabriel part time. Already in 2017, Fravocado has been shortlisted in two categories at the Exeter Business Awards; Excellence in Manufacturing and The Innovation Award.
- 3.4.9 It is arguable that without such an open approach to making best use of an otherwise potentially obsolete asset on the County Farms Estate, Becky would not have had the opportunity to develop Fravocado into the rapidly expanding and highly successful business it has already become.

## 3.5 Case Study 2- ISCA Ales, Manor Farm, Dawlish



- 3.5.1.1 Isca Ales moved to Manor Farm in 2009. The tenant of Manor Farm had previously had another small scale brewery tenant renting the former parlour and dairy building and had achieved planning permission for change of use in 2005. Andy Oakes from Isca Ales took over some of the former tenants plant and equipment and was therefore able to begin brewing straight away.
- 3.5.2 Isca Ales brewed approximately 14,300 pints last year. The beer is either bottled for retail at local farmers markets or sold in casks to festivals and outlets in Exeter. Customers include Darts Farm and Tuckers Maltings as well as pubs in Exeter such as The Old Fire House and J D Wetherspoons.
- 3.5.3 Andy says the location of the unit is ideal for him, he is able to come and go as he pleases and as and when demand dictates. It is not a full time enterprise for him and therefore if the unit was not available he is doubtful as to whether he would continue to operate the business. To find another unit as suitable as the building at Manor Farm would be very difficult and it would be a huge task to reinstall all his plant and equipment in a way that would enable the efficiency of his current operation.



## 3.6 Case Study 3 – Oinkers at Drakes Farm, Higher Fingle Farm, Drewsteignton



- 3.6.1 Oinkers and Drakes Farm have now joined to form one business called 'Oinkers at Drakes Farm'.
- 3.6.2 Oinkers was, until recently, an independent trading company and farm shop operating out of rented premises at Longdown. Oinkers has been operated by Richard Dunning, a farmer from Dreswteignton, for the past 25 years.
- 3.6.3 Unfortunately, Mr Dunning's private landlord elected to terminate the lease of the shop in 2017 leaving Mr Dunning having to search for new premises at short notice, or to close the farm shop.
- 3.6.4 Colin and Kim Drake took over Higher Fingle Farm in 2013 and in 2016 began to sell some of their own farm fresh meat from the farm, utilising the existing cutting rooms and cold stores, installed by a previous tenant.
- 3.6.5 Colin, Kim and Richard first met and discussed the idea of the two businesses working together when it was made public that Oinkers Farm Shop was shutting in May 2017. The existing cold store and food processing building on site was confirmed as an ideal premises and Richard was able to bring with him a wide range of butchery equipment, knowledge, experience and an established customer base.
- 3.6.6 A planning application was submitted in July 2017 for a farm butchery and shop, which was granted in September 2017.
- 3.6.7 A new company called 'Oinkers at Drakes Farm' was formed and the shop opened on the 25th October 2017. The new company is a separate entity to Colin and Kim's farming partnership which operates at Higher Fingle Farm. The new company has a security of tenure excluded Landlord and Tenant Act 1954 lease specifically for the cold store and food processing building.
- 3.6.8 The farm shop primarily sells meat, predominantly reared by Colin and Kim. However a much wider range of local businesses are also supported by the farm shop. Currently 11 food producers all based in Devon and 6 local craft businesses are supported through the farm shop. For example poultry is supplied by Creedy Carver,

# Agenda Item 9

Crediton and a local catering business makes a range of fresh cooked meat pies (using Colin and Kim's meat) as well as a wide range of fruit tarts and cakes for the shop. The farm shop also stocks locally made chutneys, cheeses, dairy produce, vegetables, honey & craft products including jewellery, herbs, pottery & wooden boxes.

- 3.6.9 Colin and Kim are currently busy taking Christmas orders, including Geese and Turkeys which will be supplied by two additional farms based in Devon.
- 3.6.10 The innovative partnership has not only allowed Colin and Kim to rapidly accelerate their own added value farm produce sales, but it has provided a lifeline to the long established Oinkers Farm shop. It has also secured the jobs of two-part time experienced butchers and has provided an outlet for added value sales for a significant number of other local farming businesses.

## **4.0 Options/Alternatives**

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Rob Parkhouse, Report of the Head of Digital Transformation and Business Support

Electoral Divisions:

All

Local Government Act 1972: List of Background Papers

None

Who to contact for enquiries:

Dan Meek, NPS South West Ltd, Venture House, One Capital Court, Bittern Road, Sowton Industrial Estate, Exeter, EX2 7FW

Tel No: (01392) 351066

Email: dan.meek@nps.co.uk





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