

The County Farms Estate

The Rock Review: Working together for a thriving agricultural tenanted sector (October 2022)

Report of the Head of Digital Transformation and Business Support (Interim)

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

Recommendation(s):

That the Committee welcomes the findings of the Rock Review and in particular the recognition of the vitally important role Council Farms play in the tenanted sector.

1.0 Background

1.1 In February 2022 the then DEFRA Secretary of State asked Baroness Kate Rock to chair the Tenancy Working Group (TWG) with two clear objectives. The first was to look at how the new government financial schemes should be accessible, open, and flexible to tenant farmers. The second was to look at longer term changes that would ensure a robust, vibrant, and thriving agricultural tenanted sector for the future.

1.2 The report, attached at Appendix A, extends to 125 pages and contains 84 separate recommendations.

1.3 This report is a very brief summary of just one small section of the report and focuses solely on the comments, observations and recommendations relating to Council Farms. It is however noted that there are far more wide ranging recommendations that if accepted and actioned would no doubt assist greatly the success of the wider tenanted farm sector.

2.0 Recommendations specifically relating to Council Farms and their tenants

2.1 It should be made possible for a public landlord, such as County Councils, to make an application [to Productivity Schemes] for an investment jointly with their tenants.

Productivity schemes are currently not open to applications from county councils who have land assets with tenant farmers. In some cases, there are investments that would benefit all tenant farmers on a public estate but no one single tenant farmer is able to provide the upfront cash to deliver the key asset.

The tenant farmers may find it hard to coordinate and collaborate on an investment at scale. All the tenants on a county council estate have one thing in common, the public landlord. Therefore, it should be made possible for

public landlords, such as county councils, to make an application for an investment jointly with their tenants. The public landlord has the long-term security over the land, a balance sheet against which to make upfront investments, and are best placed to provide critical assets that benefit all tenants on an estate.

This is even more important when public landlords, such as county councils, use their land for new entrants who are just starting out in their business and are even less financially secure.

2.2 The Government must do more to support County Councils to maintain their land assets for new entrants and the long-term security of the tenanted sector.

The review panel wants to see a geographically diverse collection of County Council starter farms accessible to new tenant farmers with connections to progression farms in the private sector.

Key observations:

- New entrants often bring new ideas, new energy, new ways of doing things, and an adaptability that is needed in the farming and land management sector.
- Access to tenancies is vital for new entrants, especially those with no background or experience in farming, to start land-based businesses, but new entrants struggle to meet the upfront business start-up costs and high rents to compete in the land market.
- Supporting new entrants relies on four pillars of advice, experience, access to finance, and access to land.
- There are three broad categories of new entrants to agriculture that require different levels of support across the four pillars [first generation, next generation, and highly experienced].
- The industry itself has a large role to play in making space for and supporting new entrants and progression opportunities from starter farms to full time tenancies.

County council farms, where they still exist, provide a low-risk, low-cost entry pathway for young farmers or new entrants who do not necessarily have the capital to begin their farming career. It is also clear that DEFRA recognises the value of county farms to new entrants and progressive tenants as well as the ability of those farms to deliver wider public benefits.

In 2020, according to the Central Association of Agricultural Valuers (CAAV) Agricultural Land Occupation Survey, around 60% of all fully equipped holdings, that tend to have longer length FBT's, were on county council land.

Unfortunately, as council budgets became stretched and councils have started to make net-zero carbon commitments, the objectives for retaining land have changed. Councils are seeing land assets as something that can be sold for short-term income or used to meet their own climate commitments. What this

means is that the council land bank, and therefore the land available to new entrants, has shrunk significantly. Many rural councils no longer have starter farms.

County council land assets have been, and deserve to be, retained as strategically important for the agricultural sector as a key resource for maintaining a pipeline of new entrants to the sector.

To ensure that these strategic assets do not continue to be sold off, the government has a role to play supporting councils to not sell their land to fill budget gaps nor take on farmers who pay the highest rent, as this will often be more established farmers than new entrants.

Councils need to be supported to integrate net zero and biodiversity targets into their land use plans and work with tenants to deliver on environmental targets and aims to level up the rural economy. Councils should also be supported to access relevant expertise and make investments in council farm infrastructure.

From a purely economic standpoint, this may look like a sub-optimal return from an asset however, when including the value to the future of the farming sector, the increase in rural opportunities and green jobs, and the potential impact on the rural economy, the return on these assets is in their long-term value to our nation's food and environmental security.

Starter farms are one aspect of the career progression. However, if farmers start and remain on county council land for their entire career, land will continue to be locked away from new entrants.

To mitigate this, the sector needs to consider how it can deliver progression pathways for successful new entrants to take farmers out of county farms and into the private rented sector. Effectively this takes 'next generation' or 'first generation' farmers towards the 'highly experienced' new entrant category. These progression farms should be supported by private, charitable, and institutional landowners and could be supported by public incentives.

The county farm acts to de-risk the new entrant by allowing them to build up experience and prove their ability to farm successfully. A private, charitable, or institutional estate should then have the confidence in the new entrant to offer a portion of their estate to these developing or aspirational farmers who want to grow their businesses.

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 have been received
 - 4.3 The technical data is believed to be true and accurate.
- 5.0 Financial Considerations
 - 5.1 The Author is not aware of any financial issues arising from this report.
- 6.0 Legal Considerations
 - 7.1 The Author is not aware of any legal issues arising from this report.
- 6.0 Environmental Impact Considerations (Including Climate Change)
 - 8.1 The Author is not aware of any environmental impact (including climate change) issues arising from this report.
- 7.0 Equality Considerations
 - 7.1 The Author is not aware of any equality issues arising from this report.
- 8.0 Risk Management Considerations
 - 8.1 The Author is not aware of any obvious risks to manage.
- 9.0 Public Health Impact
 - 9.1 The Author is not aware of any public health impact.
- 10.0 Summary/Conclusions/Reasons for Recommendations
 - 10.1 The Author has prepared this report in accordance with the findings of the County Farms Estate Strategic Review (April 2010).

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Electoral Divisions: All

Local Government Act 1972: List of Background Papers

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Background Paper	Date	File Reference
Nil		

Appendix 1 – Rock review report