

Report To: Performance Scrutiny Committee

Date of Meeting: 12th June 2014

Lead Member / Officer: Lead Member – Finance and Assets/
Head of Finance and Assets

Report Author: Property Manager

Title: Agricultural Estate.

1. What is the report about?

1.1 The long term strategic vision for the Council's Agricultural Estate holdings.

2. What is the reason for making this report?

2.1 To update Performance Scrutiny regarding the development of a long term strategic plan for the Council's Agricultural Estate holdings and the governance issues for delivery of the strategy.

3. What are the Recommendations?

3.1 That the Committee provides observations on the contents of the report and the proposed long-term vision for the Estate.

4. Report details.

4.1 In March 2014, the Council's Performance Scrutiny Committee requested a report outlining the progress made in the rationalisation of the estate with the anticipated outcome being:

Identification of any risks relating to the rationalisation of the estate that may impact on the Council's priorities of ensuring access to good quality housing and modernising the authority to deliver efficiencies.

4.2 Discussion at the meeting culminated in the opinion that while the extant approved strategy for the future management and rationalisation of the Agricultural Estate Portfolio was considered suitable at the time of ratification (2010), the current economic climate would not have been predicted at that time. Consequently, a review of the strategy aligned to the current and future financial constraints the Council faces, together with an evaluation of the current governance arrangements in respect of the Agricultural Estates Working Group was requested.

4.3 A meeting of the Agricultural Estates Working Group was convened on 12th May 2014 to discuss the development of a revised long term strategy on the basis of the Council's legal obligation to retain the estate, the identified

purpose of the estate aligned to the delivery of the Council's Corporate Priorities and the Council's Economic and Community Ambition Strategy 2013 – 2023. A copy of the report for consideration at the meeting is included in Appendix 1.

- 4.4 Following discussion the resolution of the group was that the existing relocation and disposal programme should continue generating anticipated capital receipts of £1.3Million early 2015. This effectively delivered the outcomes of the existing strategy.
- 4.5 It was also agreed that the remaining agricultural estate was far from sustainable given the levels of investment required to bring the buildings into a reasonable state of repair (circa £1.5 - £2Million) and, given the competing priorities for investment, the retention of a sizeable agricultural estate was not a viable option.
- 4.6 It was resolved that the only realistic option was to continue with a prioritised and targeted disposal programme aligned to a focus on income generation and sustainability. This could include selective open market disposal, disposal to existing tenants and consideration of diversity in terms of stimulating rural economies.
- 4.7 In order to facilitate the detailed development and implementation of the long term strategy, Property have recruited a chartered land agent with experience of managing a large and diverse agricultural estate. Anticipated start date mid/end June 2104.
- 4.8 The Group agreed to meet again on the 11th July 2014 to consider and discuss:

The development of a prioritisation matrix to target and programme potential disposals and the resultant draft prioritised list;

Communication and consultation proposals;

Opportunities for diversification/alternative use/investment;

- 4.9 The role of the existing Agricultural Estates Working Group (see Appendix 2) will ostensibly remain the same – i.e. to assist with the development of the strategy and monitor progress against agreed timelines. The operational management of the estate would remain with officers from Property. Any operational issues brought to the attention of Members to be reported to the Property Manager in the first instance for response & resolution.

5. How does the decision contribute to the Corporate Priorities?

- 5.1 No decision is required.

6. What will it cost and how will it affect other services? *Additional Resources needed (staffing or financial)*

6 Anticipated staff costs - 0.5 FTE = £20,846.50 p/a.

ICT

N/A

Legal

There is potentially an increased workload for the Legal department, but the utilisation of a chartered land agent will minimise the impact as tenancy agreements etc. can be drafted/reviewed within Property.

Biodiversity

N/A at present. Each disposal/relocation will be assessed individually.

Effects on the Environment

N/A at present. Each disposal/relocation will be assessed individually.

7. What are the main conclusions of the Equality Impact Assessment (EqIA) undertaken on the decision? The completed EqIA template should be attached as an appendix to the report.

N/A at present. Each disposal/relocation will be assessed individually.

8. What consultations have been carried out with Scrutiny and others?

None, this report is at the request of Performance Scrutiny.

9. Chief Finance Officer Statement

N/A at present. Proposals for investment aligned to capital generation will be assessed individually through the development of specific business cases.

10. What risks are there and is there anything we can do to reduce them?

10.1 Rationalisation of the estate to a manageable level in terms of available capital and revenue budgets is hampered by the fact that reducing the number of lettable units reduces the income stream from them. This inevitably impacts negatively on funds available for upkeep of the estate leading to a further decline in its sustainability. The focus on disposals and increased revenue income will offset this to some extent and specific business cases will highlight any onerous proposals.

11. Power to make the Decision

11.1 Articles 6.1 and 6.3.4(b) of the Council's Constitution

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