

APPENDIX 4

Draft Minutes from Performance Scrutiny Meeting 26th February 2015

LONG TERM STRATEGY FOR THE AGRICULTURAL ESTATE

A copy of a report by the Valuation and Estates Manager (VEM), which provided information on the proposed strategy for the Agricultural Estate (AE) from 2015 onwards, had been circulated with the papers for the meeting.

The Lead Member for Finance and Assets introduced the report and draft long term strategy for County's Agricultural Estate. He advised that the Agricultural Estate Working Group, on which each Member Area Group (MAG) was represented, had drawn up a future strategy for the estate which would remove onerous maintenance and management liabilities and ensure greater efficiency of Council resources whilst mitigating the impact of cuts in corporate areas. He explained that, if the strategy was approved and adopted, there would be a managed disposal of agricultural holdings, with sitting tenants being given the first option to purchase their entire holding or part of it. (where appropriate). If they opted initially to buy part of it, the remainder of it would be rented to them for a set period of time under a short-term tenancy agreement on the understanding that they would be expected to buy the remainder of the land at the end of the short-term tenancy, or otherwise relinquish it. Any holdings or land relinquished would be sold on the open market to realise a capital receipt. All disposals would be as agricultural holdings, with appropriate covenants and overage agreements being applied to the sales.

In response to Members' questions officers confirmed that overage agreements could legally be applied to the sale of agricultural holdings and land for specific periods of time. Any holdings which became vacant would be disposed of on the open market under powers delegated to officers/Lead Member/Cabinet dependent upon the estimated value of the holding. The Lead Member for Finance and Assets referred to discussions underway with a local college with respect to facilitating a process to enable interested new entrants to the industry to gain experience of a practical nature through assistance provided by the Council. These discussions were currently at the negotiation stage, no agreement had yet been reached. The Lead Member for Education suggested that it would be worthwhile to approach other organisations where new entrants into the industry were given an opportunity to run a farm for a year to gain valuable practical and managerial experience.

In response to members' questions the Lead Member and officers confirmed that:

- covenant and overage agreements could be applied for a specific period of time;
- for 'market rents' to be charged the dwellings, farm buildings, boundaries and land etc. had to be in 'market condition';
- the majority of the Council owned holdings were outside any designated LDP sites and therefore could not benefit from LDP land value;
- a lot of the recent investment on the Estate had been financed either via Nitrate Vulnerable Zone (NVZ) grant funding or by the tenants themselves;
- the last new fresh re- letting on the estate took place approximately 10 years ago;

- private estates could benefit from tax advantages for re-investment, these were not available to public estates;
- the Council had written to tenants outlining the contents of the proposed strategy and to date 13 tenants had expressed an interest in purchasing their holdings or part of their holdings;
- it was anticipated that the Strategy would be a long-term one due to the terms of current tenancies, some tenancies were due to expire next year, but it would probably take another 10 to 15 years to deliver the entire strategy as some tenants had longer term tenancies;
- the length of tenancies could not be renegotiated without valid legal reasons;
- all undertakings made under the 2010 Agricultural Estate Strategy would be honoured

Councillor Eryl Williams referred to a Council owned holding which had been bequeathed to the Council under a covenant that it be let to a new entrant into the farming industry. The local Community Council had long held concerns that the County Council would attempt to dispose of this holding as part of a future strategy. He requested that it be placed on record that if the County Council decided to dispose of this holding the Community Council had indicated that it would instigate a legal challenge to that decision on the basis of the covenant in the original bequest.

Following an in-depth discussion the Committee by a majority vote:

Resolved: - to recommend to Cabinet

*(i) that it approves and adopts the future strategy for the Agricultural Estate; and
(ii) the Committee noted that covenants(s) relating to the above mentioned holding, and any other Estate holdings would be researched and clarified prior to the disposal of the holding(s)."*