

CHESHIRE EAST COUNCIL

Portfolio Holder for Regeneration

Date of Meeting:	19 th May 2016
Report:	County Land Agent
Subject/Title:	Gawsworth Farms Estate – General Management
Portfolio Holder:	Councillor Don Stockton

1.0 Report Summary

- 1.1 In accordance with the plan for the reorganisation of the Council's Farm Estate, Over Bank Farm was enlarged by adding to it, land from Underbank Farm. This has created a 207 acre farm (edged red on the attached plan).
- 1.2 With investment to provide additional housing capacity, the enlarged Over Bank Farm has potential as either a dairy or non-dairy stock unit. As a result, the Grade 2 listed farmhouse, buildings and a paddock of Underbank Farm (shaded blue on the plan) are now surplus to requirements and are recommended for disposal.
- 1.3 The enlarged Over Bank Farm was advertised to existing tenants as an Entry Level 2 opportunity, available to applicants from April 2016.
- 1.4 Portfolio Holder approval is required for leases of more than 7 years and for the approval of disposals where the value exceeds £500,000.
- 1.5 Prospective tenants were invited to submit informal tenders setting out their farming proposals and business plans. They were asked to identify the term that they propose, any investment that they propose (or require) and the rental payable.
- 1.6 An application has been received that delivers both a progression letting, albeit as a non-dairy unit, investment in the estate and releases another holding for further review in the context of the state reorganisation.

2.0 Recommendations

That the following be approved:

- 2.1 The principle of letting of Over Bank Farm (edged red on the attached plan), within a farm business tenancy for a period of 10 years (with break clauses every 3 years in respect of the main farm and every year in respect of the land shown hatched red on the plan).
- 2.2 The allocation of up to £120,000 from the existing approved capital programme (Farms Strategy) to fund building improvements, subject to the payment of an additional rental charge equating to 7% per annum of the actual cost.

- 2.3 The farmhouse buildings and paddock of Underbank Farm as shown shaded blue on the attached plan be declared surplus to requirements and sold on the open market.
- 2.5 The Assets Manager be authorised to determine the heads of terms for the disposal of Underbank Farm and whether to seek any planning approval/s prior to disposal.
- 2.6 The County Land Agent be authorised to determine the heads of terms for the tenancy of Over Bank Farm.
- 2.7 The Director of Legal Services be authorised to prepare approve and execute all necessary documentation to give effect to the heads of terms for grant of a tenancy of Over Bank Farm and the sale of the farmhouse buildings and paddock of Underbank Farm.

3.0 Reasons for Recommendations

- 3.1 The letting of the Over Bank Farm and disposal of Underbank Farm are consistent with the approved management strategy for the Gawsworth Farms Estate.
- 3.2 The stated period for the letting coincides with the potential tenants reaching the age of 65.
- 3.3 The proposal will release the prospective tenants existing holding for further consideration and hence assist in progressing the implementation of the strategy.

4.0 Wards Affected

- 4.1 Gawsworth

5.0 Local Ward Members

- 5.1 Councillor L Smetham

6.0 Policy Implications

- 6.1 None

7.0 Implications for Rural Communities

- 7.1 The letting progresses the implementation of the estate strategy and underpins the viability of the individual farm, estate and service.

8.0 Financial Implications

- 8.1 The proposal is net positive generating additional income (rent), reduced expenditure (maintenance and management) and a capital receipt.

9.0 Legal Implications

- 9.1 Relevant consideration has to be given for each transaction to the level of authority required under the Constitution.

9.2 The Council has the power to grant a lease of the land pursuant to s123 of The Local Government Act 1972 subject to any disposal for 7 years or more being at the best consideration that can reasonably be obtained.

9.3 Notwithstanding the above powers the Council has a fiduciary duty to the taxpayers and must fulfil this duty in a way which is accountable to local people.

10.0 Risk Management

10.1 Not applicable.

11.0 Background and Options

11.1 The overarching farms estate strategy was approved by Cabinet in January 2012 and supplemented by the findings of a Cabinet Review Group during 2013.

11.2 Options for the structure of the wider estate were further considered in July 2015 confirming that Over Bank and Underbank Farms should be combined to create one Entry Level 2 opportunity and release one property for disposal.

11.3 Parts of the farm shown hatched red on the plan have been identified as 'Safeguarded' land in the current Cheshire East Local Plan.

11.4 This tenancy opportunity has been advertised to all existing tenants by informal tender and applications are considered in the context of the recent lettings at Ridley, which were advertised on the open market.

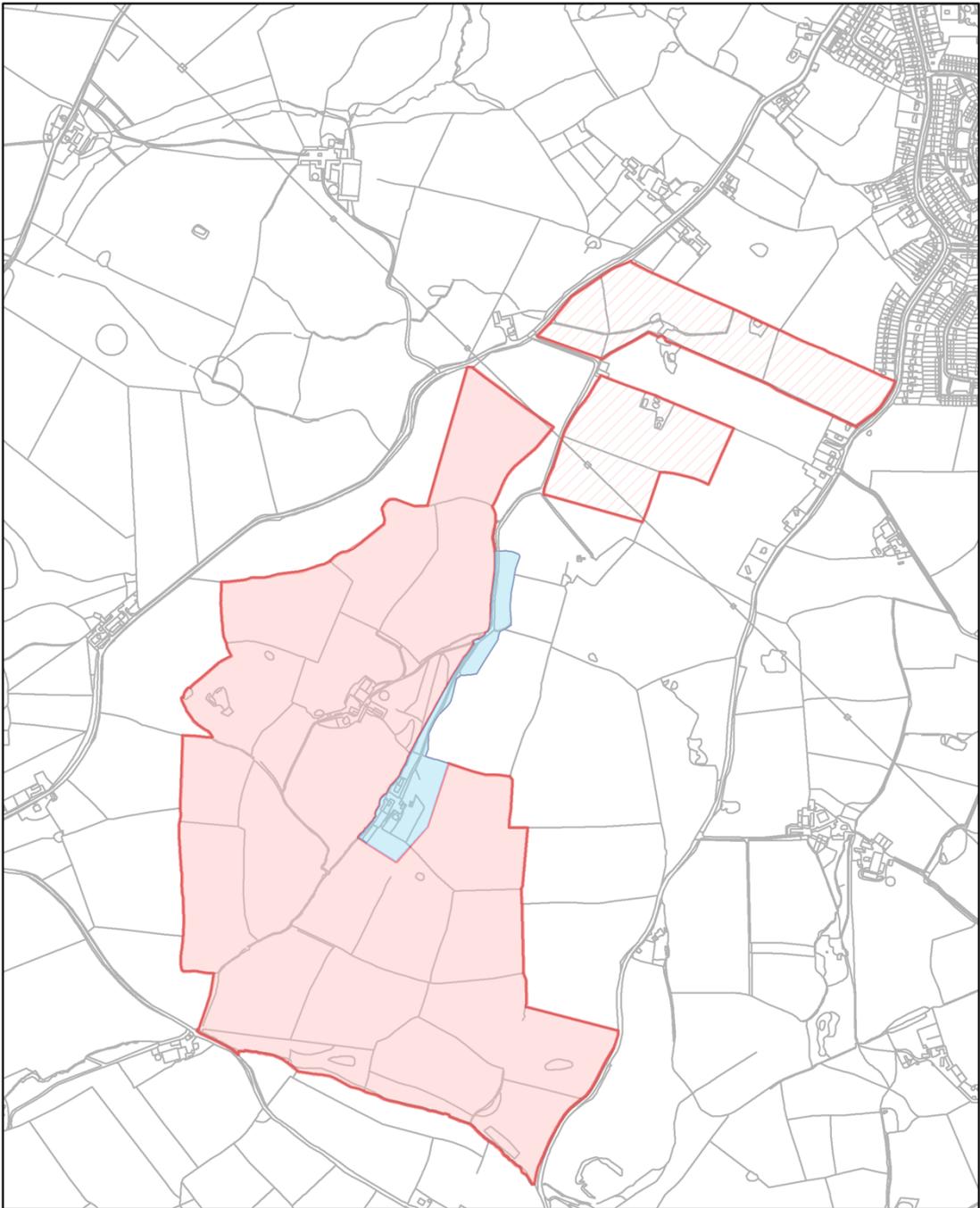
11.5 A viable proposal has been received from a tenant of an Entry Level 1 sized farm to farm the combined units as a stock farm.

11.6 Whilst the alternative of offering the tenancy on the open market could result in the farm continuing to be used as a dairy unit, the rent receivable is unlikely to be significantly greater and such an approach would undermine the further reorganizational opportunity that this approach creates within the estate. In addition the retention of the farmstead of Underbank Farm would be inconsistent with the current strategy and serve no operational purpose, retaining a property of significant value with an inherent maintenance liability and little or no potential to secure a sustainable net positive return.

12.0 Access to Information

The background papers relating to this report can be inspected by contacting the report writer:

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Over Bank Farm
Gawsworth



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