

CHESHIRE EAST COUNCIL

Cabinet Member for Finance

Date of Meeting: 6 August 2014
Report of: Cheshire Farms
Subject/Title: Farms Estate – Property Disposal
Portfolio Holder: Councillor P Raynes

1.0 Report Summary

- 1.1 This report considers the principle of disposing of property from the Gawsworth Farms estate.
- 1.2 In 2011/12 the Council conducted a full review of the farms estate leading to a policy decision to retain, modernise and restructure the service. The strategy recognised and accommodated the need for investment, identifying disposals to fully fund infrastructure requirements and the value of opportunities to improve estate structures and performance by strategic and opportunistic acquisitions and disposals.
- 1.3 A review of the assets was undertaken and it was concluded that given the nature, location, type and physical attributes, the property identified as Holding 16, Woodhouse Green Farm, Gawsworth (shown coloured red on the attached plan) would not be retained.
- 1.4 The property is let within a full agricultural tenancy that commenced in 1958 providing security of tenure for the life time of the tenant and the tenant has expressed interest in acquiring the property.
- 1.5 Whilst the disposal of surplus vacant property would normally be advertised publicly, the existence of the tenancy has a significant influence on options to secure the full value and discussions with a sitting tenant will realise a premium in excess of the market value.

2.0 Recommendations

- 2.1 The Portfolio Holder approve that Woodhouse Green Farm be declared surplus to requirements.
- 2.2 The property be sold to the tenant on terms to be approved by the Director of Economic Growth & Prosperity.
- 2.3 To authorise Officers to take all necessary actions to implement the proposal.

3.0 Reasons for Recommendations

- 3.1 The disposal of the identified property is consistent with the objectives of the farms estate management strategy providing an opportunity to improve the structure of the estate, the service it provides and the financial performance of the estate as a whole.

4.0 Wards Affected

- 4.1 Gawsworth

5.0 Local Ward Members

- 5.1 Councillor L Smetham

6.0 Policy Implications

- 6.1 The proposal is consistent with current policy to reorganise the estate.

7.0 Implications for Rural Communities

- 7.1 The Farms Estate provides opportunities to farm at an entry level for suitably qualified applicants, supporting the agricultural industry and associated supporting structures in rural areas.

8.0 Financial Implications

- 8.1 The Farms Strategy Capital Budget of £3.8m was originally approved in 2012/13 profiled over a five year time period. The strategy aims to generate £13.5m in capital receipts from the disposal of surplus assets and will therefore create a net receipt in the region of £10m to fund the Council's investment plans. The current Farms Strategy Budget was reapproved by Full Council on 27th February 2014.
- 8.2 This strategy has generated to date and this disposal would contribute towards delivering the annual average target for receipts amounting to £2.7 million.
- 8.3 The value of the property exceeds the financial limit considered to be a 'Key' Decision.

9.0 Legal Implications

- 9.1 The property must be sold in accordance with the obligation contained within section 123 of the Local Government Act 1972 to obtain the best consideration reasonably obtainable.
- 9.2 The Council is empowered to hold property for the purposes of providing opportunities to farm as a Smallholdings Authority under the Agriculture Act 1970.

10.0 Risk Management

10.1 None

11.0 Background and Options

11.1 The proposal is considered in the context of the Corporate Asset management Plan and the associated Farms Estate Management Strategy.

The alternative option is to retain the property until the death of the tenant when following resumption of possession by notice, the property could be sold with vacant possession.

12.0 Access to Information

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

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