

# Warwickshire County Farms and Smallholdings

Strategy 2010 – 2025



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**Cover Photo:** Potato Harvesting at Heanley Farm, Hurley

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**Warwickshire County Farms and Smallholdings: Estate Profile 2010**  
**- published as separate document**

## Foreword by Portfolio Holder



The County Farms and Smallholdings Estate has been a part of Warwickshire County Council since the end of the nineteenth century. The key purpose of the Estate is to provide an entry into the industry for young aspiring farmers and to provide opportunities for rural enterprise. County Farms have an important role in providing such opportunities, enabling new entrants to build up stock and equipment. The Estate contributes significantly to the county in terms of promoting sustainable rural communities, biodiversity, local food production and the protection and enhancement of the Warwickshire landscape. The capital asset value of the Estate has increased significantly over the years and provides the Council with a regular and valuable source of capital receipts. This new strategy for County Farms and Smallholdings balances these priorities, giving tenants and officers a clear sense of direction and, just as importantly, ensures value for money for the Warwickshire taxpayer.

Cllr Alan Cockburn  
Lead Portfolio Holder Decision Making

### 1. Executive Summary

1.1 The Strategy sets out the current position, including the size of the council's smallholdings estate, its location, the people who work on it and the activities they undertake an includes a review of the wider national and global agricultural context. It sets out a vision and strategy for the estate over the next fifteen years in the context of the council's current policies and its corporate priority to 'develop sustainable places and communities'. It lays out a set of ten policy principles for the management of the estate and twelve policies that the council will apply in relation to tenants and the councils day to day relationship with them including the role of elected members.

### 2. Vision

2.1 The vision is for a well managed estate with thriving and sustainable farms and rural businesses. It is for an estate that places sustainable agriculture at the centre of its mission and makes a major contribution to local food and farming by supporting existing tenants and providing opportunities for new entrants into agriculture.

2.2 County farms and Smallholdings can make a significant contribution to the council's core priorities, particularly 'Developing sustainable places and communities' by:

- (i) Promoting sustainable development and opportunities for sustainable agriculture and food production, through supporting tenants in farm diversification, developing local food links and enabling local people to develop local food initiatives including allotments and community supported agriculture projects.

- (ii) Sustaining and enhancing the resilience of rural communities by providing a diverse mixture of employment and good quality housing, so contributing to narrowing the gaps in those communities
- (iii) Providing opportunities for new entrants into agriculture who lack the capital needed to purchase a farm
- (iv) Respecting and enhancing the landscape, biodiversity and historic environment of the county

### 3. Corporate Policy Context

3.1 The purpose of the strategy is to provide direction for the management of the smallholdings estate over the next fifteen years, in the context of the council's existing policies and strategies including specifically, the council's:

- (i) Asset Management Plan.
- (ii) Capital receipts strategy.
- (iii) Affordable Housing Strategy.
- (iv) Climate Change Strategy.
- (v) Biodiversity Strategy and
- (vi) Environmental Sustainability Policy.

### 4. The Estate and the Agricultural Sector

4.1 The County Council has had an interest in smallholdings and allotments since 1892 when an Allotments and Smallholding Committee was formed. A brief history of how the estate was assembled, together with a summary of recent reviews of the estate and the key national policy and legislation affecting smallholdings is set out in **Annex 1**.

4.2 The estate is diverse and a significant presence in Warwickshire's rural communities, extending to over 2,000 hectares (5,000 acres), with forty six fully equipped farms. It provides an opportunity for people without significant resources, by letting out farms and smallholdings, mostly small in size, to start careers in agriculture, horticulture and rural enterprises. The Estate Profile (see **Annex 2**) gives a comprehensive picture of the Council's current holdings, including their location, the people who work on them and the activities they undertake.



Box 1 provides a snapshot.

### Box 1

Warwickshire County Council's Farms and Smallholdings: a snapshot of the estate in 2010.

- It totals just over 2,000 hectares (5,000 acres) representing 1.3% of the agricultural land in the county.
- Had a value of £22.3million in 2009 (subject to existing land use and tenancies), an increase of 236% since 2003.
- Is made up of forty six fully equipped farms i.e. those comprising house, agricultural buildings and farm land.
- Has a further twenty cottages, many in need of renovation.
- Includes twenty six 'land only' holdings. These account for less than 15% of the estate.
- Has an annual revenue income of £540,000.
- Has a good mix of enterprises including dairying, mixed livestock, arable and horticulture.
- Is mainly composed of small 'entry level' holdings, typically 20-60 hectares.
- Has a high age profile of tenants, with many past normal retirement age.
- Has a 33% uptake of the Government's grant scheme for environmental stewardship of farm land, the Entry Level Scheme.

- 4.3 The council's farms and smallholdings operate like all other farms, in a global market, with extensive regulatory and fiscal regimes including national and European Union subsidies and incentives. Several of these are relevant to the economic health of the estate in the future.
- 4.4 The Single Farm Payment (SFP) is the principal agricultural support scheme in the European Union. Worth approximately £200 per hectare, all farm tenants on the Warwickshire Smallholdings Estate, except those on the very smallest holdings, will be in receipt of SFP support. The SFP is linked to a range of environmental and regulatory requirements under a scheme of 'cross compliance'. Together with the 'decoupling of subsidy from production' under SFP arrangements and the top up payments available through the Entry Level and Higher Level grant schemes, this affords opportunities for land to be farmed in more environmentally sensitive ways.
- 4.5 The future of the SFP is likely to be the biggest influence on the future of the sector. The subsidy is currently planned to end in 2012. It is not known if it will continue, be replaced by another form of subsidy, or end.
- 4.6 Market conditions within the sector are notoriously volatile with commodity prices subject to world markets/harvests. For stock farmers the relative value of Sterling against the Euro is significant as is the disease status of the national herd(s)/flock(s). Some small producers manage to mitigate these fluctuations by maximising 'added value', for example by secondary processing of produce, 'farm gate' sales, niche marketing, becoming organic, and/or through 'farm diversification'.

- 4.7 There is an increasing interest in food traceability, 'food miles', local and seasonal produce, community growing, allotments, the organic movement and healthy eating which the estate is in a position to contribute to.
- 4.8 All land in the county is within a Nitrate Vulnerable Zone and this places duties on both landlord and tenant, e.g. adequate storage, handling and disposal of slurry and silage effluent, mainly from dairy farms. Work is under way, with tenants, on capital improvements such as new slurry stores.
- 4.9 The levels of capital investment required to start in agriculture, makes the Council's smallholdings a vital element within the tenanted sector locally. It is often these new entrants who become the innovators that revitalise the sector and ensure growth in years to come. The tenanted sector for small farms has generally been in decline due to the amalgamation of farms since the 1960's.
- 4.10 The farmhouses and cottages on the estate have a similar status to other public sector residential properties. Decent homes are important for the health and well-being of those living in them. The condition of some dwellings on the estate is a cause for concern.
- 4.11 A pro-active approach to management of the estate is being implemented. This includes seeking to encourage tenants who are no longer actively farming a holding themselves to surrender the tenancy, in order that the holding be made available for new entrants to the industry. In some instances, this will require offering alternative accommodation e.g. through appropriate affordable housing developments, in line with the Council's recently adopted strategy, or in refurbished cottages on the estate.

## 5. Strategy

- 5.1 This Strategy for Smallholdings supports the core Council priority:

### **'Developing Sustainable Places and Communities'**

The objectives that the Council seeks to pursue in maintaining a smallholdings estate are to:-

- (i) Promote rural resilience by identifying and developing successful farming and associated small business activities, identifying and bringing forward affordable housing opportunities and enhancing local food links.
- (ii) Support sustainable development by promoting environmentally appropriate systems of farming, waste minimisation and renewable energy opportunities on farms.
- (iii) Promote good stewardship of the land and the enhancement of the landscape and biodiversity.
- (iv) Ensure high levels of animal welfare on all farms.

- (v) Develop opportunities for Education for Sustainable Development in association with local schools and colleges.
- (vi) Maintain a stream of significant capital receipts from the selective disposal of land identified as having development potential through the planning process, to support the council's wider objectives and in doing so provide value for money for the Warwickshire council tax payer.

## 6. Policy Statement

6.1 The estate will be managed according to a set of principles that reflect these objectives. These General Policy Principles are:

- a. The estate will be managed so as to optimise benefits for the people of Warwickshire both as council taxpayers and as residents, to maximise their quality of life.
- b. The estate will be retained as an important strategic asset ('land bank') for Warwickshire County Council to enable the council to maximise the benefit of the asset for the people of Warwickshire.
- c. Strategic development land within the estate will be actively promoted to provide a significant continuing source of capital receipts for the council as part of its asset management strategy. Land sold for development will not be automatically replaced.
- d. Where a sound business case can be made for acquisitions to consolidate existing holdings, land can be purchased subject to capital being available. This is with the objective of maintaining a viable smallholdings estate in the longer term for the purpose of promoting sustainable development and food security.
- e. The estate will be managed in such a way as to contribute to the 'narrowing the gaps' agenda by reducing deprivation and improving the quality of life in rural areas through:-
  - (i) Improving the housing stock,
  - (ii) Supporting farm based businesses,
  - (iii) Enabling job opportunities and skills development,
  - (iv) Developing community involvement and
  - (v) Promoting access to well managed countryside.
- f. The estate will be managed so as to provide opportunities to encourage new entrants into agriculture and for appropriate expansion of existing businesses.
- h. Alternative uses and opportunities for diversification will be considered as holdings become vacant, which reflect the council's policies and priorities, as well assisting in the process of rationalising and/or amalgamating holdings to maximise their viability.



- i. The estate will be managed in such a way as to promote good stewardship of the land, to enhance the Warwickshire landscape and to conserve and further biodiversity.
- j. The estate will be managed in such a way as to safeguard the historic landscape and environment including, Sites of Special Scientific Interest , archaeological sites, listed and vernacular buildings, wetlands, woodlands, hedgerows and ancient trees.
- k. Properties on the estate will be brought up and maintained to a Decent Homes Standard as a priority for the council. Those tenants who sub let cottages will be assisted to improve those properties and achieve better rental returns.

## **7. Smallholdings Policies**

7.1 The implementation of these General Policy Principles will be supported by specific policies towards tenants and the day-to-day relationship with them. There are three broad areas where policy translates into practice.

### **A. Tenancy Lettings**

- (i) The Council will seek to maximise the opportunities for new entrants to the farming industry by management of the estate so as to ensure a regular turnover of tenancies. All new agricultural tenancies will be let as Farm Business Tenancies (FBT), normally with a maximum duration of twenty years.
- (ii) Where a holding is available to let, consideration will be given to an existing Council tenant whose holding with the council is to be disposed of for other purposes or substantially reduced and the tenancy has two years or more remaining.
- (iii) Where moving to a newly available holding to let, would appear to present an opportunity for business growth for one or more of the Council's existing tenants, the advertisement of the tenancy may in the first instance be confined to an internal competition from existing Council tenants.
- (iv) Where a tenancy is advertised (internally or externally), applications will be short listed and tenants interviewed by a Panel against published criteria to ensure fair and open competition that also respects the Council's equalities policies. The Panel will be constituted in accordance with the Council's constitution and comprise the Portfolio Holder and up to two other Members and relevant officers.

## **B. Tenancy Management**

- (i) Tenants will be expected to occupy the holding and carry out their business in a way that respects the terms of the tenancy agreement(s). The Council will not tolerate absentee tenants and/or the subletting of land and/or buildings without express permission.
- (ii) Breaches of tenancy agreements will be addressed by direct communication with the tenant in the first instance so as to encourage the remedying of such a breach and to foster goodwill and cooperation. However, serious and/or persistent breaches will result in formal enforcement, referral to arbitration and/or legal action as appropriate.
- (iii) Significant breaches of animal welfare regulations will be subject to legal action via the Police, Trading Standards and/or other agencies as appropriate.
- (iv) For those tenants with retirement clauses at age 65 on Agricultural Holdings Act (AHA) tenancies, the Council will generally seek to invoke these clauses where alternative residential accommodation is, or can be made, available. The aim is to free up farms and make them available for new entrants to the industry.
- (v) For AHA tenancies without retirement clauses, the Council will seek to enter into constructive dialogue with tenants, and their advisors, to explore retirement options. Decisions will be made taking account of the wishes of the tenant, availability of alternative residential accommodation, the level of the tenants business activity on the holding, significant breaches and any other extenuating circumstances.

## **C. Tenant's Improvements under Farm Business Tenancies**

- (i) Only improvements appropriate to the scale of the council's holding will generally be agreed. Larger scale developments to facilitate the farming of other non council land will be at the tenants risk and if necessary we will maintain this position to arbitration.
- (ii) Compensation to outgoing tenants will be based upon the actual costs incurred by the tenant at the time of construction to be agreed by the parties in advance of any improvement.
- (iii) Diversification of farm enterprises will generally be supported including through assistance with grant applications and 'signposting' to business development and training opportunities. Diversification outside of the terms of the current tenancy agreement must be agreed in advance with the Council and all relevant consents and permissions obtained by the tenant. Where diversification is appropriate and represents business growth, the Council will seek a rent increase as part of rent negotiations and/or in variations to the terms of the tenancy. Where diversification is significant, the Council in giving its consent will seek to negotiate a new agreement as an FBT, if the tenancy is not already one.

## **8. Monitoring and Review**

- 8.1 Rental and income levels, tenant turnover, participation in recognised environmental and stewardship schemes and other indicators of the health of the estate will be monitored and benchmarked against the performance of comparable Smallholdings Authorities.
- 8.2 An Action Plan together with a review of progress on the Strategy will be produced annually as part of the Directorate business planning process. The Portfolio Holder in consultation with the Director of Environment and Economy will convene a working party of Members to meet from time to time as appropriate to scrutinise the working of the policy.
- 8.3 The Strategy will be formally reviewed every five years.

## Annex 1 - History of the Estate, National Policy and Legislative Background

1. The County Council has had an interest in smallholdings and allotments since 1892 when an Allotments and Smallholding Committee was formed, with the aim of stimulating agricultural employment and arresting the decline of the small farm unit.
2. The 1908 Smallholdings and Allotments Act enabled local authorities to purchase land to create small farms to provide employment for ex-servicemen and other unemployed persons. Assemblage of the Warwickshire estate began in earnest in 1909 with the acquisition of Northfields Farm at Priors Marston, marking the start of Warwickshire County Council as a Smallholdings authority. This 198 acre farm was sub divided into several smallholdings. By 1914 a further twenty seven farms across the county totalling 1,899 acres had been acquired and divided into 5-15 acre plots which were farmed to supplement local peoples income.
3. The 1919 Land Settlement (facilities) Act provided for the development of further smallholdings and the settlement of returning ex-servicemen from the 1914-18 War. The objectives then were to create a 'farming ladder' for agricultural workers, and to address the fear of widespread post war unemployment. By the 1930's the estate had grown to some 6,656 acres and 400 smallholdings, including one acre 'horticultural strips' eight of which exist to this day. Despite the relative inexperience of tenants, many from non farming backgrounds and the agricultural depressions of the 1930's, there were few failures. Another forty nine farms were added to the estate up to the late 1930's
4. The next development of County smallholdings came with the Agriculture Act of 1947, post World War II and the 'Dig for Victory' Campaign. The general purpose of this Act was to promote stable and efficient agriculture. The provision of smallholdings was seen as 'a ladder by which experienced and otherwise suitable agricultural workers can rise from the ranks and become farmers on their own account'.
5. Regular purchases continued up to 1960 after which they tailed off, the last equipped farm purchased being Heathcote Farm, Warwick, in 1979. The Agriculture Act of 1970 made reference to the general aim of smallholdings and to the re-organisation of smallholdings estates; to amalgamate farms to provide more viable holdings. The Warwickshire estate also saw holdings amalgamated to provide more viable units in line with increased mechanisation and changes in farming practice.
6. Tenants on the County farm estates enjoyed lifetime tenancies. However, the effect of this was to stifle opportunities for new entrants. The Agricultural Holdings Act 1986 provided for retirement clauses at age sixty five to be inserted into new tenancies.
7. The advent of the fixed term Farm Business Tenancies under the Agricultural Tenancies Act in 1995 changed the position by enabling authorities to enter into

shorter fixed term tenancies, rather than the lifetime tenancies under the previous acts. Current legislation is no longer an impediment to using county farms as starter holdings.

8. A series of reviews of the estate took place during the 1990's. A review by external consultants in 1996 resulted in a number of farm disposals to sitting tenants together with the disposal of some cottages. A review in 2001 recommended:
  - (i) Developing larger holdings through further amalgamation of holdings and land purchases.
  - (ii) Disposal of peripheral land.
  - (iii) Focusing on the most economic units which were identified as the dairy farms.
  - (iv) Identifying suitable areas for social housing.
  
9. In November 2008 Sir Donald Curry issued a report '*The importance of the County Farms Service to the rural economy*'. It recommended that:
  - (i) County council smallholdings should be considered as an important strategic national asset that should be retained.
  - (ii) More effort should be made to support existing and future tenants on these estates to sustain their businesses.
  - (iii) There should be greater collaboration between individual county farms to help effective management.
  - (iv) Local authorities should seek to manage their disposals of land from estates 'in a more patient and thoughtful way' to maximise revenue from development sales while not undermining the principal objectives of the estates.
  - (vi) Local authorities should pay attention to the wider benefits derived from owning and managing their estates.

## Annex 2 - Glossary

<b>Agricultural Holdings Act</b>	Former legislation that enabled County Council's to create and let <b>Smallholdings</b> . The act effectively created 'lifetime tenancies', many of which persist today. See also <b>Farm Business Tenancies</b> .
<b>Countryside Stewardship</b>	Scheme of grants made for farming and managing land in an environmentally sensitive manor, e.g. wide field margins for wildlife. Currently comprises an Entry Level Scheme and Higher Level Scheme (ELS and HLS respectively). Payments are to reflect the loss of income potential by farming land less intensively and/or to encourage biodiversity.
<b>Cross compliance</b>	The current scheme of regulation for farmers in receipt of the single farm payment under the <b>Single Payment Scheme</b> . Failure to comply puts payments at risk.
<b>Decent Homes Standard</b>	The Government standard stating that a home should be warm, weatherproof and have reasonably modern facilities, recognising that decent homes are important for the health and well-being of those living in them. The standard applies to all local authority and social housing.
<b>Diversification</b>	Any non agricultural business enterprise operating from an agricultural premise, e.g. farm shops, horse livery, etc.
<b>Entry Level stewardship</b>	See <b>Countryside Stewardship</b>
<b>Farm Business Tenancies</b>	Modern fixed term farm tenancy under the Agricultural Tenancies Act 1995. See also <b>Agricultural Holdings Act</b> .
<b>Higher Level Stewardship</b>	See <b>Countryside Stewardship</b>
<b>Nitrate Vulnerable Zone</b>	Legal designation for land within water catchments at risk of high levels of nitrates, recognising that over 60% of nitrates entering water courses do so as run-off from agricultural land, reducing Oxygen levels and compromising plant and animal life. Applies to all of Warwickshire.
<b>Single Payment Scheme</b>	Current scheme of agricultural support from the EU often referred to as the 'single farm payment'. It differs from previous support as the level of subsidy has been 'de-coupled' from production, i.e. payments are no longer per head of stock or per tonne of grain. Payments are linked to a scheme of <b>cross compliance</b> .
<b>Site of Special Scientific Interest (SSSI)</b>	Conservation designation and legal protection for nature and geological sites in the UK.
<b>Smallholding</b>	A small farm, often run by a sole trader or family on a full or part time basis.
<b>Vernacular buildings</b>	Built with local resources and local traditions, often contributing to the local distinctiveness and sense of place of an area.



## Annex 3 - 100 Years of Warwickshire County Farms and Smallholdings



Commemorative oak tree being planted at Swan Farm, Grendon, by Cllr Barnes with tenant, Richard White, and Assistant Land Agent, Holly Hicks



Cllr Barnes, Chair of WCC, with Martin Stott, Head of Environment and Resources, with spring lambs



Cake celebrating 100 Years of Warwickshire County Farms and Smallholdings