

Corporate Services Overview & Scrutiny Committee

15th July 2015

County Farms and Smallholdings Strategy 2015 – 2025 Review

Recommendations:

That the Corporate Services Overview and Scrutiny Committee is asked to:

1. Consider this report and comment upon the draft revised Smallholdings Strategy appended to this report.
2. Recommend to Cabinet that the draft revised Smallholdings Strategy excluding paragraphs 7.3 to 7.12 is adopted.
3. Recommend to Cabinet that paragraphs 7.3 to 7.12 of the draft revised Smallholdings Strategy are adopted.
4. Note and comment on the financial performance of the Smallholdings Team and management of the Smallholdings Estate

1.0 Introduction

1.1 At its meeting on 4th September 2014 the Corporate Services Overview and Scrutiny Committee (the Committee) received a report regarding the County Farms and Smallholdings Strategy 2010 - 2015 (the Strategy). Following discussions and questioning the Committee resolved:

- 1) That the Committee support a strategy for County Farms and Smallholdings which retains the status quo but incorporates estate enhancement, in terms of investment, to support the rural economy.

1.2 The Committee also noted the following points:

- 1) The current Strategy was working well to develop smallholdings and help rural communities' economy by providing new opportunities and sustainability.
- 2) The Committee supported an approach which retained the status quo whilst exploring estate enhancement opportunities. However, it was acknowledged that opportunities would be limited in light of budget pressures.
- 3) An in depth financial analysis would be provided to the Committee, when completed.

2.0 Purpose

- 2.1 The purpose of this report is to consider the financial performance for the Smallholdings Estate (the Estate), in particular including capital maintenance expenditure.
- 2.2 This report also seeks the views of the Committee to the draft revised Strategy for 2015 to 2025 (the Revised Strategy). There are 3 Appendices to this report:-

Appendix A The draft Revised Strategy (amendments to the existing Strategy are highlighted for ease of reference)

Appendix B Financial summary (Outturn performance including Capital Expenditure)

Appendix C Summary of Capital Receipts generated from disposal of smallholdings land and future forecasts

3.0 Financial analysis

- 3.1 An in depth financial analysis of the Smallholdings Service was requested by the Committee.

Past Performance Revenue

- 3.2 Significant increases in rental income have been generated since 2008/9 as highlighted in Table 1. Rent debts have also been reduced over a similar period – see Table 1.

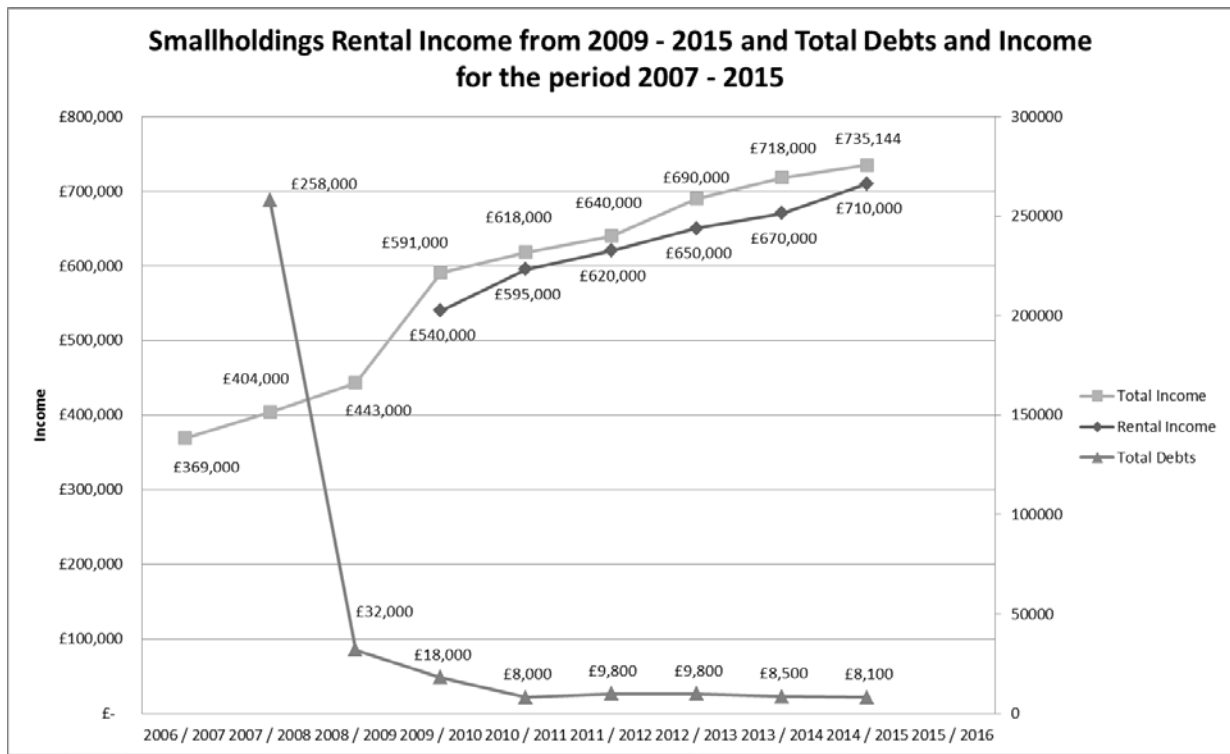
Table 1 – Rental and other income from the Estate

Year	Rental	Misc. Income	Total Income	Debt
2006 / 07	Only recorded total income		£369,000	
2007 / 08			£404,000	£258,500
2008 / 09			£443,000	£32,000
2009 / 10	£540,000	£51,000	£591,000	£18,000
2010 / 11	£595,000	£23,000	£618,000	£8,000*
2011 / 12	£620,000	£20,000	£640,000	£9,800*
2012 / 13	£650,000	£40,000	£690,000	£9,800*
2013 / 14	£670,000	£48,000	£718,000	£8,500*
2014 / 15	£710,000	£25,144	£735,144	£8,100*

* Debt since 2011/12 is in respect of one former tenant. Debt + interest is being paid in instalments following court action.

3.3 Table 2 shows revenue performance in graph form. Appendix B provides a more detailed financial performance summary for the Estates Service.

Table 2 – The rental income and total debts over the 2008 – 2015 period.



3.4 Appendix B shows a more detailed financial analysis for the Estates Service. Net revenue has increased annually.

3.5 Employee costs have increased from 2012/13 due to the use of agency building surveyors delivering capital maintenance projects. This cost is recovered as internal income by charging their costs against capital maintenance projects.

Capital Expenditure

3.6 The Council, as Landlord, has the responsibility to maintain landlord owned buildings in accordance with lease obligations. Capital expenditure to address backlog maintenance has been approved from 2012/13. In the first year, capital development funding was approved to address improvements to upgrade farmhouses and cottages to Decent Homes Standards with further funding to complete works required for Nitrate Vulnerable Zone (NVZ) compliance at the Estate dairy farms. Further funding has been approved up to 2017/18 which will address remaining backlog maintenance at non-sensitive sites (sensitive sites are those identified for potential strategic development in the short to medium term). Capital Expenditure is summarised shown in Table 3.

Table 3 Capital Expenditure / reduction in backlog maintenance

Description	Expenditure £000's				
	2010/11	2011/12	2012/13	2013/14	2014/15
Maintenance	£488.2	£879.3	£678.6	£1,035.1	£580.4
Decent Homes			£428.6	£84.6	
NVZ	£413.6	£454.1	£268.0	£21.4	£11.9
New Builds	£70.0		£8.4	£1.4	£29.9
Total Cap Ex	£971.8	£1,333.5	£1,383.6	£1,142.4	£622.1
Estimated cost of remaining works					
Backlog Maintenance Poor Condition	£1,128.0	Not recorded – new stock condition survey completed March 2015			£884.0
Backlog Maintenance Bad Condition	£2,123.0				£1,370.0
Total Backlog Maintenance	£3,251.0				£2,254.0

- 3.7 A revised stock condition survey of the Estate was completed in March 2015. This survey more accurately identifies condition and required repairs and estimates maintenance costs. Table 3 summarises the reduction in backlog maintenance from 2010/11. The revised stock condition surveys completed in March 2015 and more accurately reflects current condition and cost of repairs.

Capital Receipts

- 3.8 Disposal of parts of the Estate have generated capital receipts for the Council as shown in Table 4. The Smallholdings and Estates Team are seeking planning consent for development of a number of strategic development sites to generate significant receipts over the next five years.

Table 4 Summary of Capital Receipts generated from disposal of smallholdings land and future forecasts

	Outturn					Projection					
	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Smallholdings Capital Disposals	£0.243M	£0.276M	£0.75M	£8,912M	£0.485M	£0.48M	£8.25M	£2.5M	£5.0M	£5.0M	£5.0M

Future projections

Revenue

- 3.9 Net Revenue surpluses have increased year on year see **Appendix B1 and Appendix B2**. This trend is forecast to continue but at a slower rate to reflect market predictions. Rental growth is more likely to fluctuate than follow a steady small increase with the possibility that nil growth, or a decrease in rent, may occur in some years. The Estate is currently let at good rental levels made possible by the current approach to building maintenance. Furthermore, with potential disposals of parts of the Estate for development there will be a corresponding reduction in rental income levels unless land is acquired as replacement. Replacement accords with the proposed Smallholding Strategy 2015-2025. Alternative income projections are shown on line 4 of **Appendix B1 and Appendix B2**.

Net income (cash flow) including Capital expenditure

- 3.10 Capital maintenance funding continues to address the maintenance backlog in respect of the Estate – see lines 19 and 20 of **Appendix B1 and Appendix B2**. Maintenance expenditure is currently focussed on minimising risk to the Council and tenants, in accordance with statute and the Council's responsibilities as Landlord.
- 3.11 The Smallholdings Team are prioritising electrical, safe water, asbestos removal and heating maintenance requirements for the Estate. In addition external insulation cladding of solid wall farm houses and cottages is being progressed not only to reduce energy consumption and improve thermal insulation but also to address future maintenance of the existing external elevations.
- 3.12 Continued capital maintenance funding of £789,000 per annum up to March 2018 will significantly reduce outstanding backlog maintenance. From 2018/19 onwards capital maintenance funding requirements will be reduced. Alternative Total Expenditure is shown on lines 21 and 22 in **Appendix B1 and Appendix B2** reflecting previous years' actual costs and future approved costs up to 2017/18. Alternative forecasts for Capital Maintenance costs after 2017/18 are shown at levels of £150,000, or £600,000 per annum.
- 3.13 The continued reduction in backlog maintenance at a level of £789,000 per annum over the next three years will reduce the future capital maintenance requirements after March 2018 to an estimated £150,000 per annum. This reduction in maintenance expenditure would produce a surplus in the cash flow for the Smallholdings budget – shown on line 23 of **Appendix B1 and Appendix B2**. An alternative worst case forecast of £600,000 per annum is also shown on line 24 of **Appendix B1 and Appendix B2** this would produce a deficit in the cash flow for the Smallholdings budget. The current policy results in continued capital maintenance funding of the Estate from the Council's budget.

- 3.14 There will continue to be a level of backlog maintenance. It is proposed to reduce the Council's liability for maintenance by taking the following steps:
- 3.14.1 Tenant repairing obligations and tenant 'owned' buildings have now been accurately defined and recorded thus reducing the Council's maintenance costs for the Estate.
- 3.14.2 When new Farm Business Tenancies (FBT) are granted the opportunity to transfer more maintenance responsibilities to the tenant in the lease is being taken. Rent reductions to reflect responsibilities are expected to be less than the cost of maintenance to the Council if responsibility were not transferred. Tenants will be responsible for all decoration work with the Council retaining mechanical, electrical and structural maintenance to address risk issues.
- 3.14.3 To seek other opportunities to reduce the Council's maintenance responsibilities and costs by removing, rather than retaining, uneconomic farm buildings and disposing of properties not required as a result of any farm amalgamations.
- 3.15 As referred to in 3.12 backlog maintenance will significantly reduce over the next three years and therefore reduces the risk of tenants serving repair notices on the Council.
- 3.16 As part of the Resources Transformation review process a set of performance measures for the Smallholdings Service has now been approved, including financial performance. The relevant financial performance measures are as follows:
- 1) Achieve total net revenue surplus target
 - 2) Achieve gross revenue income target
 - 3) Zero overspend of revenue expenditure target
 - 4) increase (%) in net income for service over previous years (adjusted for disposals)
 - 5) Decrease % mgmt. costs against rent income
 - 6) Increase CIPFA £ rent per Acre
 - 7) Decrease CIPFA £ cost per £ rent
- 3.17 These performance measures will be recorded quarterly as part of the Resources Report Card.

Revenue and Capital Strategic recommendations

3.18 The draft Revised Strategy sets out the commitments and policies for the Smallholdings Service. Financial aspects of the policy statement include:

- 1) Retaining the Estate and maximising net income.
- 2) Seeking opportunities for strategic development to generate capital receipts.
- 3) Reinvesting in the Estate to replace land disposed of for strategic development and thus maintaining income.
- 4) Seek to minimise revenue costs of the Estates Team in accordance with the Resources Transformation review.
- 5) Seek to reduce maintenance expenditure (capital and revenue) after addressing the maintenance backlog.
- 6) Seek to generate alternative income streams from the Estate such as renewable energy and minerals extraction.

4.0 Proposed revisions to the Strategy 2015 - 2025

4.1 Following the recommendation made by the Committee at its meeting on 4th September 2014 for the Council to retain the Estate, officers have considered the current Strategy. It is considered that the Strategy policies need to be prioritised to assist implementation and reflect the outcomes, performance measures and targets referred to in the previous section.

4.2 Proposed amendments (excluding minor grammatical or date related amendments) to the current Strategy are shown highlighted within the attached draft at **Appendix A**. The outcomes framework for the policy objectives are included as Annex 5 to the Revised Strategy. Also included are the key performance measures for the Smallholdings Service at Annex 6 to the Revised Strategy.

4.3 The proposed draft Strategy also considers replacement of smallholding land 'lost' as a result of disposal for residential, or commercial development. Acquiring replacement agricultural land would retain the current scale of the Estate, rental income and maintain a land bank into the future.

5.0 Request for comment by the Committee

5.1 The Committee is asked to:-

- 1) Consider and comment on the Revised Strategy in **Appendix A**.
- 2) Present its findings to Cabinet for adoption of the Revised Strategy in **Appendix A**.
- 3) Consider and comment on the more detailed financial information provided.

6.0 Next Steps

6.1 That the findings and recommendations of the Committee inform the preparation of a report to Cabinet to adopt the Revised Strategy.

7.0 Background papers

7.1 27 May 2010 Cabinet Report Agenda 6 “County Farms and Smallholdings Strategy 2010 – 2025”

7.2 4 September 2014 Corporate Services Overview and Scrutiny Committee “County Farms and Smallholdings Strategy 2010 - 2015 Review”

List of Appendixes:

Appendix A County Farms and Smallholdings Strategy 2010-2025 draft revised

Appendix B Financial summary (Outturn performance including Capital Expenditure)

B1 External Income based on maintaining the Estate at 5,000 acres

B2 External Income based on reducing acreage following disposals

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Warwickshire County Farms and Smallholdings

Strategy 2015 – 2025

DRAFT Revised Strategy



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Cover Photo: Herberts Farm, Tysoe

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**Warwickshire County Farms and Smallholdings:
Estate Profile - 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 revised 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 & Deputy Leader

1.0 Executive Summary

- 1.1 This Strategy makes statements regarding the policies for managing the Council's County Farms and Smallholdings Estate (the Estate) and is in line with the Council's One Organisation Plan and measures to address public sector austerity, is consistent with the principles of a Commissioning Council and supports the Council's Growth Agenda. It replaces the 2010 Strategy and incorporates various new policies approved since that date.

2.0 Background

- 2.1 The 2010 Strategy set out the position of the Estate including its size, location, tenants and the activities undertaken. It also included a review of the wider national and global agricultural context. It set out a vision and strategy for the Estate over the next ten 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 policy principles for the management of the Estate and policies that the Council will apply in relation to tenants and the Council's day to day relationship with them, including the role of elected members.
- 2.2 Since the 2010 Review the Existing Strategy has proved successful, resulting in significantly improved holdings, which command good levels of interest when available to let and an improved financial return for the Council. The summary of enhancements to the Estate since 2010 comprise:
- 1) Farm houses and cottages that are to be retained have been brought up to Decent Home Standards
 - 2) All Dairy Farms that are to be retained are NVZ compliant
 - 3) Maintenance backlog is being addressed. Stock Condition Surveys completed in March 2015 show maintenance liability decreasing.
 - 4) Rental Income up by 30% since 2010.
 - 5) Reduction in protected tenancies and age profile of Tenants
 - 6) Surplus properties identified in the Estate Asset Plan
 - 7) Process of amalgamation started to make viable full-time holdings

3.0 Vision

- 3.1 For the Council to hold a well-managed Estate with thriving and sustainable farms and rural businesses.

An Estate that places sustainable agriculture at the centre of its mission making a major contribution to local food and farming by supporting existing tenants.

Providing opportunities for new entrants into agriculture

Respecting and enhancing the landscape, biodiversity and historic environment of the county.

An Estate that is also a land bank providing the Council with opportunities to realise significant capital receipts from strategic development sales with the benefit of long term capital growth.

4.0 Corporate Policy Context

4.1 The purpose of this Strategy is to provide direction for the management of the Estate over the next ten years, in the context of the Council's existing policies and strategies including specifically, the Council's:

- 1) Asset Management Framework.
- 2) Capital receipts strategy.
- 3) Housing Policy.
- 4) Climate Change Strategy.
- 5) Biodiversity Strategy and
- 6) Environmental Sustainability Policy.

5.0 The Estate and the Agricultural Sector

5.1 The 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**.

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

Table 1 below provides a snapshot of the Estate as at June 2015.

Table 1 – The Council's County Farms and Smallholdings Estate as at June 2015
<ul style="list-style-type: none">• Totals just over 2,000 hectares (5,000 acres) representing 1.3% of the agricultural land in the county.• Has a capital asset value of £25.71million (subject to existing land use and tenancies). This has increased from £22.3million in 2009 but now accurately reflects the Council assets within the Estate.• Is made up of forty eight fully equipped farms i.e. those comprising house, agricultural buildings and farm land.• Has a further nineteen cottages.• All of the farmhouses and cottages to be retained now meet Decent Homes Standard criteria apart from those that are listed.• Includes twenty one 'land only' holdings. These account for 10% of the Estate the majority are let to Estate tenants with equipped farms to improve the size and viability of their holdings.• Has an annual revenue income of £715,000 which represents an increase of £175,000 since 2010; including the loss of income from assets sold.• 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 reducing age profile of tenants with a reduction in the number of Agricultural

Holdings Act Tenancies

- 5.3 The Council's Estate operates 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.
- 5.4 The Single Farm Payment (SFP) was replaced in January 2015 by a new direct payment made up of a basic payment, a payment for greening and a further payment for young farmers. All farm tenants on the Estate meeting the Active Farmer criteria, except those below 5 ha (12.35Acres), will be in receipt of basic payment scheme support. A few of our tenants will be eligible to be part of the 'young farmers scheme' and will receive an additional payment. The payment will be approximately 25% of their payment under the Basic Payments Scheme for each of the first 5 years. Greening is the requirement to follow specific environmental farming practices. 30% of the direct payments to farmers will be linked to a new set of 3 greening requirements:
- 1) crop diversification
 - 2) maintenance of permanent grassland
 - 3) the need to establish Ecological Focus Areas on 5% of arable land
- 5.5 The aim of this scheme will be to support measures to restore, preserve and enhance our natural environment. The existing Environmental Stewardship and English Woodland Grant schemes will be replaced with a new environmental land management scheme (NELMS). The aim of this scheme will be to support measures to make farming, forestry and land-based businesses more competitive and efficient.
- 5.6 Market conditions within the sector can be 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'.
- 5.7 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.
- 5.8 All land in the county is within a Nitrate Vulnerable Zone (NVZ) 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. All of the Council's existing dairy holdings with a long term future are NVZ compliant.
- 5.9 The high 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.

- 5.10 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. All of the farmhouses and cottages programmed to be retained in accordance with the Estate Asset Plan meet with the decent homes standard.
- 5.11 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 smallholding themselves to surrender the tenancy, in order that it be made available for new entrants to the industry or enable an existing Estate tenant to step up to a larger holding. In some instances, this will require offering alternative accommodation e.g. through appropriate affordable housing developments or in refurbished cottages within the Estate.

6.0 Strategy

- 6.1 This Strategy supports the core Council priorities.
- 6.2 The objectives that the Council seeks to pursue in maintaining the Estate are to:-
- 1) Generate a revenue income for the Council
 - 2) Act as a land bank.
 - 3) 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.
 - 4) Promote rural resilience by identifying and developing successful farming and associated small business activities, identifying and bringing forward affordable housing opportunities, including rural housing exception sites, and enhancing local food links.
 - 5) Support sustainable development by promoting environmentally appropriate systems of farming, waste minimisation and renewable energy opportunities on farms.
 - 6) Promote good stewardship of the land and the enhancement of the landscape and biodiversity.
 - 7) Develop opportunities for Education for Sustainable Development in association with local schools and colleges.
 - 8) Provide community allotments
- 6.3 The objectives and policies of the Strategy have been summarised and prioritised as Smallholdings Outcomes, key performance questions and indicators as set out in Annex 5 of the Revised Report. Key performance measures and KPI targets have been developed as set out in Annex 6.

7.0 Policy Statement

- 7.1 The Estate will continue to be managed according to a set of principles that reflect these objectives. These General Policy Principles are:
- 7.2 The Estate will be managed to optimise benefits for the people of Warwickshire both as council taxpayers and as residents, to maximise their quality of life.
- 7.3 The Estate will be retained as an important strategic asset ('land bank') for the Council to maximise the benefit of the asset for the people of Warwickshire.
- 7.4 Strategic development of land within the Estate as part of its asset management framework and strategy will continue to be actively promoted. Upon securing planning permission for sites, disposals will provide a continuing source of significant capital receipts for the Council. (The Estate is forecast to provide the Council with a significant source of capital receipts and it is estimated that a further 411 acres, equating to just over 8% of the Estate has the potential for development in the next 15 years).
- 7.5 To retain an Estate of approximately 5,000 acres utilising part of capital receipts to acquire suitable land to replace strategic land when disposed. This will be done by earmarking and reinvesting some of the capital receipts received to acquire replacement land and not erode the 'land bank'. A proportion of capital receipts achieved from disposals within the Estate to be made available to facilitate amalgamations and future opportunities. This could include the purchase of land close to existing holdings with long term development potential. This land can be included within existing farm holdings and generate rental income, improving holdings viability, until such time as opportunities arise to maximise the receipts from development.
- 7.6 Restructure the Estate in line with the criteria specified in Annex 4, improving the standard and level of fixed equipment thereby enhancing the viability of opportunities that are offered and promoting movement through and off the Estate. This will assist in delivering a more sustainable service. Restructuring opportunities have been identified in the Estate Asset Plan.
- 7.7 Consider the construction of modern buildings to replace traditional buildings that have potential to be redeveloped and disposed of. (There are a number of traditional farm buildings across the Estate that require substantial refurbishment and are uneconomic to repair for farming purposes but may have future development potential).
- 7.8 The Estate will be managed in such a way as to contribute to the Growth Agenda' agenda by:-
- 1) Improving the housing stock (e.g. physical improvement such as external cladding insulation for solid walls)
 - 2) Supporting farm based businesses (e.g. redevelopment of traditional buildings)
 - 3) Enabling job opportunities and skills development (as part of business plans proposed by incoming tenants)

- 4) Developing community involvement (e.g. community allotments)
- 5) Promoting access to well managed countryside (as part of business plans proposed by incoming tenants)

7.9 The Estate will be managed to provide opportunities and encourage:

- 1) new and young entrants into agriculture
- 2) appropriate expansion of existing businesses
- 3) existing tenants to plan for moving on.

7.10 Alternative uses and opportunities for diversification will be considered as holdings become vacant, which reflect the Council's policies and priorities, as well as assisting in the process of rationalising and / or amalgamating holdings to maximise their viability.

7.11 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. (Prospective tenants will be asked to address stewardship in their Business Plans. Existing tenants will be encouraged to enhance the farms).

7.12 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. (Safeguarding is secured via lease terms and monitored as part of the farm inspection process).

7.13 Farm houses and cottages within the Estate will be maintained to a Decent Homes Standard. Those tenants who sublet cottages will be assisted to improve those properties and achieve better rental returns.



Top Farm, Weddington Taken 2013

8.0 Smallholdings Policies

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

Tenancy Lettings

- 8.2 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 a Farm Business Tenancy (FBT), normally with a maximum duration of twenty years or until the Tenant reaches the age of 65, whichever shall be sooner.
- 8.3 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 they hold a FBT that has five years or more remaining.
- 8.4 Where a holding is available to let and presents an opportunity for business growth for one or more of the Council's existing tenants, advertisement of the tenancy may in the first instance be confined to an internal competition for existing Estates tenants.
- 8.5 Where a tenancy is advertised (internally or externally), applications will be considered on their own merits in accordance with the tenants selection criteria contained in Annex 3.
- 8.6 Pre 1986 lettings granted by the Council do not entitle relatives to any succession rights. However, legislation dictates that where a County Farm was let before 1984, close relatives must be considered for the tenancy in the event of the tenant's death. They will however, have to meet the criteria for selection of tenants and be interviewed in the normal way, along with other candidates.
- 8.7 Where the incoming tenant satisfies the evaluation criteria for new Council smallholdings tenants, including providing a viable business plan to the Council a new FBT can be granted. This proposal also gives the Council the opportunity to seek to write off the existing tenant's capital improvements over the period of the FBT to minimise any compensation payments by the Council.

Tenancy Management

- 8.8 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.
- 8.9 Formal Farm inspection reports will be produced at least every three years in conjunction with rent review patterns utilising the recent Stock Condition Survey and visual inspection. Tenants will be made aware of their repairing obligations.

- 8.10 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.
- 8.12 Significant breaches of animal welfare regulations will be subject to legal action via the Police, Trading Standards and/or other agencies as appropriate.
- 8.13 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.
- 8.14 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 tenant's business activity on the holding, significant breaches and any other extenuating circumstances.
- 8.15 New tenants will be monitored against their business plan submitted when tendering for the smallholding. If after three years the business plan has not been followed then the tenant will be given 12 months to remedy this otherwise the five year break clause to end the tenancy will be utilised.

Tenant's Improvements under FBT's

- 8.16 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 owned or leased by the tenant will be at the tenants risk and if necessary we will maintain this position to arbitration.
- 8.17 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.
- 8.18 Diversification of farm enterprises will generally be supported including through assistance with grant applications and 'signposting' to business development and training opportunities. Diversification outside 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 at rent review and when varying 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 existing tenancy is not already one.

9.0 Monitoring and Review

- 9.1 Rental 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 using DEFRA and CIPFA returns.
- 9.2 A County Farms and Smallholdings report indicating progress on implementation of the Strategy, financial performance, rent reviews, re-lettings and case studies will be produced annually in May with the offer of a day of farm visits in June/July given to Members.
- 9.3 The Strategy will be formally reviewed every five years by the Council's Overview & Scrutiny Committee and Cabinet structures.



Poplars Farm, Hurley Taken 2013

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

1. The 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. Assembly of the Warwickshire Estate began in earnest in 1909 with the acquisition of Northfields Farm at Priors Marston, marking the start of The Council becoming 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 incomes for local people.
3. The 1919 Land Settlement (facilities) Act provided for the development of further smallholdings and the settlement of returning ex-servicemen from World War I. 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'. Despite the relative inexperience of tenants, many from non-farming backgrounds, and the agricultural depression 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 could 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 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, Agricultural 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.
 - (v) Local authorities should pay attention to the wider benefits derived from owning and managing their estates.
10. In March 2008 Nick Prince issued a report 'County Farms and Rural Restructuring: a review of the county farms estate in England and Wales. It shows that:
 - (i) The rental returns from the County farms sector have shown an increase over the past ten years and have out-performed the general tenanted sector.
 - (ii) Suggests that up to one third of new entrants enter farming through the County Farms system.
 - (iii) It has highlighted areas that need additional research.

11. In July 2013 Defra issued the 'Future of Farming Review Report 2013' which highlighted that:

- (i) The loss of county council farms is concerning. Government and industry should work together to identify how much these farms contribute to entry and progression in the industry and make further recommendations at that point. In the meantime they should issue guidance that will illustrate the value of these farms and encourage local authorities to both retain them and manage them in innovative ways.

Annex 2 - Glossary

<i>Agricultural Holdings Act</i>	Former legislation that enabled County Council's to create and let <i>Smallholdings</i> . The act effectively created 'lifetime tenancies', many of which persist today. See also <i>Farm Business Tenancies</i> .
<i>Countryside Stewardship</i>	Scheme of grants made for farming and managing land in an environmentally sensitive manor, e.g. wide field margins for wildlife. Previously comprised of Entry Level Scheme and Higher Level Scheme (ELS and HLS respectively) and due to be replaced with a new environmental land management scheme (NELMS). Payments are to reflect the loss of income potential by farming land less intensively and/or to encourage biodiversity.
<i>Cross compliance</i>	The current scheme of regulation for farmers in receipt of the <i>Basic Payment Scheme</i> farm payment which replaced the Single Payment Scheme in January 2015. Failure to comply puts payments at risk.
<i>Decent Homes Standard</i>	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.
<i>Diversification</i>	Any non agricultural business enterprise operating from an agricultural premise, e.g. farm shops, horse livery, etc.
<i>Entry Level stewardship</i>	See <i>Countryside Stewardship</i>
<i>Farm Business Tenancies</i>	Modern fixed term farm tenancy under the Agricultural Tenancies Act 1995. See also <i>Agricultural Holdings Act</i> .
<i>Higher Level Stewardship</i>	See <i>Countryside Stewardship</i>
<i>Nitrate Vulnerable Zone</i>	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.
<i>Basic Payment Scheme</i>	Current scheme of agricultural support from the EU often referred to as the 'bps'. Payments are linked to a scheme of <i>cross compliance</i> .
<i>Site of Special Scientific Interest (SSSI)</i>	Conservation designation and legal protection for nature and geological sites in the UK.
<i>Smallholding</i>	A small farm, often run by a sole trader or family on a full or part time basis.
<i>Vernacular buildings</i>	Built with local resources and local traditions, often contributing to the local distinctiveness and sense of place of an area.

Annex 3 - Selection Criteria for Prospective Tenants

1. The Council intends that no applicant shall receive less favourable treatment or be disadvantaged by any condition or requirement which cannot be shown to be justifiable. The Council's commitment is to Policies, Procedures and Practices which are non-discriminatory.
2. No person shall be selected as a tenant of a County Farm unless he/she shows to the satisfaction of the Council that for a period of not less than five years (whether continuous or not) he/she has been engaged in full-time practical farm work; provided that any period during which a person was attending a full-time course in agriculture at a University, College or other Further Education Establishment shall, up to a maximum of three years, be taken into account.
3. Prospective tenants should be able to demonstrate their health and fitness, aptitude and commitment to farm the holding.
4. Prospective tenants should be able to demonstrate that their personal circumstances do not impede their ability to manage the holding.
5. Prospective tenants will be expected to provide documentary evidence of sufficient working capital to run the holding and, where their own resources are inadequate, will be expected to make their own arrangements to make up any shortfall.
6. Preference may be given to prospective tenants who are able to show satisfactory evidence of some formal agricultural training.
7. Preference may be given to applicants who have immediate past experience in the form of agriculture to be practiced on the holding.
8. No undue preference will be given to applicants resident in the County at the date of submission of an application and the Council shall reserve the right to select an applicant irrespective of their present place of residence.
9. Whilst due regard will be had for the level of rental offers submitted, the Council shall reserve the right not to accept the highest or any offer made.
10. Prospective tenants will be expected to indicate their commitment to progressing from the County Farm system during the currency of their occupation of the holding.
11. No application will be entertained from applicants who are already in occupation of a holding unless a written commitment is given that their interest in that holding will be surrendered upon taking up occupation of the subject holding, unless it is in the interest of the Council.
12. The Council aims to not discriminate against ex-offenders whose convictions are spent but will not consider applications from person/s with an outstanding court order or debt register against him/her.
13. Prospective tenants will be expected to make provision for a private pension scheme to assist financing their eventual retirement.

Annex 4 -Restructure Process

1. The physical criteria for the retention of full time holdings will include:
 - Compact blocks of land with good internal access between fields
 - Modern dwellings with basic accommodation and amenities
 - Located conveniently in relation to the dwelling with good access and yard
 - Modern farm buildings of a general purpose type with good eaves height and easy entry for the highest and widest vehicles.
2. Selection of holdings using these criteria will reduce the Councils maintenance liability in respect of
 - Farm buildings especially those of traditional construction which may have consequential Health and Safety liabilities;
 - Dwellings, including routine maintenance and periodic structural repairs.
3. The reduced number of holdings should lead to a gradual reduction, in real terms, in maintenance costs by selling surplus farmsteads
4. The economic criteria for the retention of land and property will be as follows
 - An overriding presumption against the premature sale of land which has long term development value and which might otherwise be sold.
 - Property will not be identified for sale where it would have a serious adverse effect on value or management of retained land.
 - Good and reasonable quality land in compact or closely related blocks will be retained.
5. Retirement holdings on the Estate will only be offered where property is retained for sound estate management reasons. The provision of retirement housing within the Estate is currently being pursued with nomination rights on affordable housing sites.

Annex 5 – Smallholdings Outcomes, Key performance Questions and Indicators

OOP Outcome	Relevant Transformation Principles*	Outcome	Source of Outcome	Key Performance Question	Priority of Outcome	Proposed KPI	Freq. of Measure
Resources and services are targeted effectively and efficiently whether Delivered by the local authority, commissioned, or in partnership.	2 & 3	The Council's smallholding estate is well managed	Smallholdings Strategy	<p>Is the service meeting the objectives of the Smallholdings Strategy?:-</p> <p>Is the service maximising income and minimising management costs to realise the best net income for WCC?</p> <p>How does WCC Smallholdings compare to other Authorities?</p> <p>Is the condition of our smallholdings property improving?</p> <p>Is Smallholdings property maintenance managed effectively?</p>	High	<p>Achieve total net revenue surplus target</p> <p>Achieve gross revenue income target</p> <p>Zero overspend of revenue expenditure target</p> <p>% increase in net income for service over previous years (adjusted for disposals)</p> <p>Decrease % mgmt. costs against rent income</p> <p>Increase CIPFA £ rent per Acre</p> <p>Decrease CIPFA £ cost per £ rent</p> <p>Decrease £ Total backlog B, C D (1-3) less sensitive sites</p> <p>Decrease £ C2 and D2 condition & % C2 and D2 against Total backlog less sensitive sites</p> <p>Zero D1 condition backlog</p> <p>Planned revenue and capital maintenance completed on time / budget</p>	<p>Monthly & quarterly</p> <p>Quarterly</p> <p>Annually</p> <p>Annually</p> <p>Annually</p> <p>Quarterly</p> <p>Quarterly</p> <p>Quarterly</p> <p>Quarterly</p> <p>Annually</p> <p>Quarterly</p>

OOP Outcome	Relevant Transformation Principles*	Outcome	Source of Outcome	Key Performance Question	Priority of Outcome	Proposed KPI	Freq. of Measure
Resources and services are targeted effectively and efficiently whether delivered by the local authority, commissioned, or in partnership.	2 & 3	A valuable source of capital funding is provided to the Council	1. Smallholdings Strategy 2.Strategy for disposal of strategic land 17.10.13. 3. Capital Strategy	Are capital receipts identified from the smallholdings estate in the Rural Asset Management Plan meeting capital targets?	High	No. of hectares identified for strategic development via the Rural Asset Management Plan	Quarterly
				Are Capital receipts targets met?		Estates KPI	Quarterly
Resources and services are targeted effectively and efficiently whether delivered by the local authority, commissioned, or in partnership	2 & 3	Alternative income streams from the Smallholding Estate contribute to OOP Savings		What incomes have been delivered and at what cost? Methods of alternative income generation e.g.: <ul style="list-style-type: none"> • Larger scale renewable energy (Ground mounted solar) • Minerals extraction 	High / Medium	Increase net income from alternative income streams £ (reflecting cost of capital and lost rental income from smallholding tenant)	Annually
Our economy is vibrant, residents have access to jobs, training and skills development.	2	Opportunities for young aspiring farmers are maximised	Smallholdings Strategy	How many opportunities are we offering each year to young farmers? What criteria do young, or other tenants need to meet to be granted a tenancy? (NB Young farmers defined as up to 35 years old in accordance with the Basic Payment Scheme)	High / Medium	Increase % of young tenants (at grant of lease) occupying smallholdings against no. of smallholdings tenancies	Annually

Annex 6 – Key Performance Measures

Smallholdings KPI (PA Report Card)					
KPI	Freq of Measure	Target	Figure	% Actual	Actual
Achieve total net revenue surplus target	Quarterly	More than	£411,361	100.13%	£411,880
Achieve gross revenue income target	Quarterly	More than	£800,950	100.74%	£806,850
Zero overspend of revenue expenditure target	Quarterly	Less than	100.00%	101.45%	£5,651
% increase in net income for service over previous years (adjusted for disposals)	Annually	More than	5.00%	5.61%	£21,880
Decrease % mgmt. costs against rent income	Annually	Less than	10.00%	9.73%	£70,000
Increase CIPFA £ rent per Acre	Annually	More than	£140	8.30%	£144.54
Decrease CIPFA £ cost per £ rent	Annually	Less than	£0	-6.19%	£0.38
Decrease £ Total backlog less sensitive sites	Annually	Less than	£2,400,000	-12.50%	-£300,000
Decrease £ C2 condition Total backlog less sensitive sites	Annually	Less than	£833,916	-4.07%	-£33,916
Decrease £ D2 condition Total backlog less sensitive sites	Annually	Less than	£1,370,334	-27.03%	-£370,334
Zero D1 condition backlog	Annually		£0.00	0	£0
Planned revenue and capital maintenance completed on time	Quarterly		100%	100.00%	nil
Planned revenue and capital maintenance completed within budget	Quarterly		100%	100.00%	nil
No. of hectares identified for strategic development via the Rural Asset Management Plan	Quarterly	More than	0	nil	100
Increase net income from alternative income streams £ (reflecting cost of capital and lost rental income from smallholding tenant)	Annually	More than	0	nil	£0
Increase % of young tenants (at grant of lease) occupying smallholdings against no. of smallholdings tenancies	Annually	More than	9.84%	9.84%	nil

External Income based on maintaining the Estate at 5,000 acres

Line No.		Outturn					Projection					
		2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/2020	2020/2021
		£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's
1	Smallholdings - Cash Flow											
2	Revenue:											
3	Internal Income	1.8	25.4	92.7	113.4	51.8	53.1	54.4	55.7	7.1	7.3	7.5
4	External Income (based on replacement of land disposed of for strategic development)	642.4	623.9	707.1	694.7	758.8	777.8	797.3	817.2	837.6	858.6	880.0
5	Total Cash Income (Revenue)	644.2	649.3	799.8	808.0	810.6	830.9	851.6	872.9	844.7	865.8	887.5
6	Expenditure											
7	Employees	149.1	121.5	181.9	218.6	184.3	185.9	190.5	195.3	150.2	154.0	157.8
8	Premises-Related Expenditure	167.5	207.6	219.6	158.5	135.0	164.3	168.4	172.6	176.9	181.4	185.9
9	Transport-Related Expenditure	5.1	2.2	2.7	2.0	1.8	2.1	2.2	2.2	2.3	2.3	2.4
10	Supplies & Services	21.2	6.7	78.5	20.3	34.0	36.6	37.5	38.5	39.4	40.4	41.4
11	Third Party Payments	0.5	8.7	2.1	1.6	0.5	0.0	0.0	0.0	0.0	0.0	0.0
12	Depreciation and Impairment Losses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
13	RCCO	40.0	0.0	0.0	40.6	40.0	0.0	0.0	0.0	0.0	0.0	0.0
14	Capital Financing costs	28.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
15	Revenue Expenditure	411.5	346.7	484.8	441.6	395.6	388.9	398.6	408.6	368.8	378.0	387.5
16	Net Revenue Surplus (Deficit)	232.7	302.6	315.0	366.5	415.0	442.0	453.0	464.3	475.9	487.8	500.0
17	Capital Expenditure											
18	Range provided £150k - £600k for Estimates											
19	Estimates @ £150k	971.8	1,333.5	1,383.6	1,142.4	622.1	789.0	789.0	789.0	150.0	150.0	150.0
	OR											
20	Estimates @ £600k	971.8	1,333.5	1,383.6	1,142.4	622.1	789.0	789.0	789.0	600.0	600.0	600.0
21	Total Expenditure (Capital & Revenue) @ £150k per year Capex	1,383.3	1,680.2	1,868.4	1,584.0	1,017.7	1,177.9	1,187.6	1,197.6	518.8	528.0	537.5
	OR											
22	Total Expenditure (Capital & Revenue) @ £600k per year Capex	1,383.3	1,680.2	1,868.4	1,584.0	1,017.7	1,177.9	1,187.6	1,197.6	968.8	978.0	987.5
23	Cash Flow - Surplus / (Deficit) before Disposals for Capex at £150k for estimated years	(739.1)	(1,030.9)	(1,068.6)	(775.9)	(207.1)	(347.0)	(336.0)	(324.7)	325.9	337.8	350.0
	OR											
24	Cash Flow - Surplus / (Deficit) before Disposals for Capex at £600k for estimated years	(739.1)	(1,030.9)	(1,068.6)	(775.9)	(207.1)	(347.0)	(336.0)	(324.7)	(124.1)	(112.2)	(100.0)

External Income based on reducing acreage following disposals

Line No.		Outturn					Projection					
		2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/2020	2020/2021
		£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's
1	Smallholdings - Cash Flow											
2	Revenue:											
3	Internal Income	1.8	25.4	92.7	113.4	51.8	53.1	54.4	55.7	7.1	7.3	7.5
4	External Income (amended to account for reduction of the Estate by disposal for strategic development)	642.4	623.9	707.1	694.7	758.8	777.8	767.7	761.3	754.9	748.5	746.9
5	Total Cash Income (Revenue)	644.2	649.3	799.8	808.0	810.6	830.9	822.0	817.0	762.0	755.7	754.3
6	Expenditure											
7	Employees	149.1	121.5	181.9	218.6	184.3	185.9	190.5	195.3	150.2	154.0	157.8
8	Premises-Related Expenditure	167.5	207.6	219.6	158.5	135.0	164.3	168.4	172.6	176.9	181.4	185.9
9	Transport-Related Expenditure	5.1	2.2	2.7	2.0	1.8	2.1	2.2	2.2	2.3	2.3	2.4
10	Supplies & Services	21.2	6.7	78.5	20.3	34.0	36.6	37.5	38.5	39.4	40.4	41.4
11	Third Party Payments	0.5	8.7	2.1	1.6	0.5	0.0	0.0	0.0	0.0	0.0	0.0
12	Depreciation and Impairment Losses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
13	RCCO	40.0	0.0	0.0	40.6	40.0	0.0	0.0	0.0	0.0	0.0	0.0
14	Capital Financing costs	28.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
15	Revenue Expenditure	411.5	346.7	484.8	441.6	395.6	388.9	398.6	408.6	368.8	378.0	387.5
16	Net Revenue Surplus (Deficit)	232.7	302.6	315.0	366.5	415.0	442.0	423.4	408.4	393.2	377.7	366.8
17	Capital Expenditure											
18	Range provided £150k - £600k for Estimates											
19	Estimates @ £150k	971.8	1,333.5	1,383.6	1,142.4	622.1	789.0	789.0	789.0	150.0	150.0	150.0
	OR											
20	Estimates @ £600k	971.8	1,333.5	1,383.6	1,142.4	622.1	789.0	789.0	789.0	600.0	600.0	600.0
21	Total Expenditure (Capital & Revenue) @ £150k per year Capex	1,383.3	1,680.2	1,868.4	1,584.0	1,017.7	1,177.9	1,187.6	1,197.6	518.8	528.0	537.5
	OR											
22	Total Expenditure (Capital & Revenue) @ £600k per year Capex	1,383.3	1,680.2	1,868.4	1,584.0	1,017.7	1,177.9	1,187.6	1,197.6	968.8	978.0	987.5
23	Cash Flow - Surplus / (Deficit) before Disposals for Capex at £150k for estimated years	(739.1)	(1,030.9)	(1,068.6)	(775.9)	(207.1)	(347.0)	(365.6)	(380.6)	243.2	227.7	216.8
	OR											
24	Cash Flow - Surplus / (Deficit) before Disposals for Capex at £600k for estimated years	(739.1)	(1,030.9)	(1,068.6)	(775.9)	(207.1)	(347.0)	(365.6)	(380.6)	(206.8)	(222.3)	(233.2)