

Council

22 March 2016

Earmarking of Smallholdings Capital Receipts to maintain the Council's Land Bank

Recommendations

- (1) That Council approves earmarking of up to 5% of capital receipts generated from the sale of smallholdings land and buildings to provide capital to purchase agricultural land and buildings to prevent erosion of the land bank, in accordance with the Warwickshire County Farms and Smallholdings Strategy 2015-2025.
- (2) That Council approves that the Capital Receipts Policy is amended in accordance with Recommendation 1. above.

1.0 Key Issues

- 1.1 Cabinet approved the revised Warwickshire County Farms and Smallholdings Strategy 2015-2025 (the Strategy) at its meeting on 10th December 2015. Subsequent to the Cabinet meeting, various delegation responsibilities were amended or added to the Deputy Leader and Strategic Director of Resources via a report to the Leader which was approved on 22nd January 2016. Cabinet also agreed to recommend to Council recommendations 1 and 2 above.
- 1.2 The Strategy was considered by the Corporate Services Overview and Scrutiny Committee on 4th September 2014 and 15th July 2015. At the 15th July 2015 meeting comments were made in support of the Council retaining the existing size of the Smallholdings Estate (the Estate).
- 1.3 The report in the exempt part of this agenda (entitled Capital Programme provision for Strategic Site Promotion and Planning Applications) identifies a number of farms within the Estate which have potential for redevelopment and generation of significant capital receipts. The total area of these sites is over 165 hectares (408 acres) which comprises approximately 8.25% of the Estate. The Estate currently comprises approximately 2,000 hectares (5,000 acres).

2.0 Options and Proposal

- 2.1 Purchase of replacement land to maintain the existing size of the Estate will require capital. It is proposed that capital is generated from earmarking up to 5% of any capital receipts from disposal of property within the Estate.
- 2.2 The earmarking figure of 5% represents an average of estimated development land values for the identified Strategic Sites and estimated values of replacement agricultural property and associated acquisition costs. The 5% represents a ceiling figure per disposal. If the acquisition of agricultural property to maintain the existing size of the Estate does not require the full 5% of capital receipts to be expended any surplus will continue to be used to repay debt, in accordance with the current capital receipts policy.
- 2.3 It is recognised that acquiring replacement agricultural property is dependent on availability and there may be a considerable delay from disposal of property and the acquisition of replacement property. In a number of circumstances property may become available for acquisition by auction, or off market. This was recognised in the report to Cabinet on 10th December 2015 and delegation powers and responsibilities were amended or added via a report to the Leader approved on 22nd January 2016 as summarised below:
- 1) Amends the delegation to the Deputy Leader to authorise the purchase of land and property for agricultural purposes where the value is over £100,000 and below £500,000.
 - 2) Delegates to the Strategic Director of Resources in consultation with the Portfolio Holder responsible for Property (currently the Deputy Leader), where time constraints do not permit reporting to a member body, authority to purchase land and property, including by auction subject to the following:
 - (a) where the purchase price exceeds £500,000 the consent of the relevant Overview and Scrutiny Chair or appropriate Chair to an urgent decision will be required and.
 - (b) any purchases made under these powers will be reported for information to the next available Cabinet

3.0 Next steps

- 3.1 Following disposal of any part of the Estate, the Estates and Smallholdings Service will seek to acquire replacement agricultural property seeking authority as in 2.3 (1) above where possible; or in accordance with 2.3 (2) above if time constraints do not permit reporting timescales to be met.

4.0 Background papers

4.1 None.

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