

Rural Development Sub-Committee

RDC(3)-10-10 Paper 1

Inquiry into the Provision of Local Authority Farms : Evidence from Anglesey County Council

History And Ethos Of The Isle Of Anglesey County Council Smallholdings Estates

The Isle of Anglesey County Farm Estate extends to 2566 hectares (6399 acres) or thereabouts and is the second largest County Farm Estate in Wales. The Estate is spread throughout the County and presently has 93 tenants in 95 farms (Two are currently vacant).

The County Farm Estate was developed by the National Government after the First World War as an opportunity to provide employment and a decent standard of living from the land for ex servicemen.

The objective of the smallholdings estate is to provide opportunities for young people to set up a farming business. The Smallholdings Estate is an affordable means of entry into farming, and one that can enable progression to larger tenanted farms within the County, thus contributing to the regeneration of the rural economy by encouraging the expansion of farming businesses from smaller to larger farms.

The Estate has a total of 10 Dairy Farms ranging in size from 34 acres to 169 acres. The remaining farms are mixed stock farms.

It also provides environmental benefits including the preservation and enhancement of the landscape and the preservation of habitats such as hedgerows, woodlands and ponds.

As well as being a net contributor to the Council's finances, the Estate has been invaluable in providing employment opportunities as well as playing a vital role in supporting communities in the remoter rural parts of the Island.

Since its formation, the Council has considered that it is of paramount importance that it retains its presence in the rental land market as it essentially provides the only major source of let farms on the Island. It is also considered essential that young farmers are allowed to have a start on the farming ladder to which otherwise they would be denied.

In addition the Estate plays an important role in Environmental and public access matters being promoted by the Council.

The Isle of Anglesey County Council also acts as trustee to the Anglesey Further Education trust in running the David Hughes Charity Estate which extends to some 448 hectares (1106 acres) or thereabouts with 15 farms.

The Challenges Ahead

The County Farm Estate needs to evolve to meet the needs of today's farming industry and needs to be capable of meeting the needs of the modern agriculture and to be financially capable of implementing the modernisation process whilst retaining its objective of sustaining agriculture in the remoter rural areas of the Island, and to allow young persons a step on the agricultural ladder which would otherwise not be available to them.

The Council as Landlords are responsible for maintaining the structure of the houses in every case.

It is estimated that at least 80% of the farmhouses are in need of repair and updating. The latest condition surveys carried out on the smallholdings estate estimate a total expenditure of around 4.8 million is required on the dwelling houses of the estate. This figure does not include repair and maintenance of the agricultural buildings. (Please see the Schedule of Properties and Asset Management Data attached in Appendix 3).

In the past decade, due to financial constraints, repair and refurbishment of the farmhouses have only taken place when the holdings become vacant. This equates, on average, to approximately 3 holdings per annum. The average costs of refurbishment has been in the region of £60,000 - £80,000.

The sale of the smaller holdings has been implemented in the past but concerns were expressed that this could lead to the loss of young families from rural communities and could even lead to an increased number of second homes on the Island.

Retaining land is essential, especially on the edge of village settlements as it could be used for development of affordable housing, environmental schemes, carbon trading etc.

Only 20 farmhouses have had central heating installed by the Council, although some tenants have installed their own systems. The average cost of installing central heating systems is in the region of £7,000 to £10,000.

The lack of central heating is causing a risk to health and safety in dwellings, as highlighted in the Housing Act 2004. Damp and mould growth are common place, resulting in some rooms being incapable of occupation in numerous dwellings.

Due to increasing expectations, the poor and basic conditions of the farmhouses are deferring applications for the farms. Similarly, progression from starter units to intermediate and commercial holdings is being affected.

If the Council could finance the repair and refurbishment of more holdings, the knock on effect for local builders, builders merchants etc would be substantial.

Having a thriving smallholding estate would assist in general rural re-generation with benefits to the local schools, shops, language and culture.

In time, the Council hopes to encourage their smallholding tenants to revert to traditional and sustainable farming methods. This would require substantial investment in grain stores, slurry lagoons and manure stores etc.

New challenges and increased investment are envisaged with the possible introduction of Nitrate Vulnerable Zones (NVZ's) to parts of the Island. Such measures will require investment in slurry and rain water stores, covered yards etc.

Similarly, with the David Hughes Charity Estate, the majority of the farmhouses are in need of repair and updating. The latest condition surveys carried out on the David Hughes Charity Estate estimate a total expenditure of over £800,000 is required on the dwelling houses of the estate. This figure does not include repair and maintenance of the agricultural buildings.

Input Of The Welsh Assembly Government, The Local Authority And Other Bodies

The vision of the deposit Local Development Plan (LDP) is :

"Following the principles of sustainability to make Anglesey the island of choice by:

Creating a prosperous future through sustainable economic regeneration whilst protecting and enhancing the island's high quality environment and supporting strong, vibrant, healthy and inclusive bilingual communities where the Welsh language and culture can thrive".

In the report by Sir Donald Curry CBE FRAGS (Chair, Sustainable Farming and Food Delivery Group) The Importance of the County Farms Service to the Rural Economy (November 2008), the key message was :

"Farms, owned and managed by Local Authorities are an important, strategic, national asset that should be retained.

These farms assist Local Authorities in meeting wider regional economic, countryside and environmental objectives and provide an essential route into farming for new entrants."

The same report recommends that :

"Local Authorities should make greater effort to develop the wider benefits that their land holding could provide particularly in regard to renewable energy, local food, public access, education, employment and the broader rural economy."

The Rural Development Plan 2007-2013 is the mechanism by which the Welsh Assembly Government will deliver activities which support the countryside and rural communities. Whereby encouraging the sustainable management of agriculture and the environment.

The key objectives are to:

Create stronger agriculture and forestry sectors

Maintain and protect the environment and rural heritage

Improve the economic competitiveness of rural communities and areas

Recent Success Stories

Case Study 1

Mr & Mrs P Jones

Originally became tenants to the Council in October 1998 when they took up the tenancy of a 5 acre holding

Moved on to a 35 acre holding in June 2003

In January 2009, they progressed to 115 acre commercial holding

They have two children that attend the local Primary School

Case Study 2

Mr & Mrs C. Edwards

Originally became tenants to the Council in September 1995 when they took up the tenancy of a 18 acre holding

In January 2006, they progressed to 107 acre commercial holding

During the past 12 months, they have, jointly with the Council, invested in the construction of a new 137ft x 30ft stock shed

Case Study 3

Mr & Mrs T. Owen

Mr & Mrs Owen have recently been granted the tenancy of a 35 acre smallholding

They have two children that attend a local Primary School

Mr Owen has worked on local dairy and stock farms and hopes, in time to progress to a larger commercial unit and become a self employed farmer

Mrs Owen is originally from the village and will be able to benefit from family support

Both Mr & Mrs Owen are active with the Young Farmers Club (YFC) and intend to host stock judging workshops on the holding

Issues For Discussion

Statistical information available relating to local authority farms in Wales and the current circumstances of the network.

Statistical information gathered annually by CIPFA relating to County Council Farms and are published annually.

Trend has been a decrease in the number of farms owned by County Councils due to rationalisation of farms in many Counties.

The future contribution of the local authority farm network in Wales to providing a key access point for new entrants to farming and promoting progression of existing tenants within the public and private sectors;

The County Council farm service is the only point of entry available to young entrants who do not have a family farm to take over. Therefore the Council is offering an invaluable service to the young farmers of Wales and to the agricultural industry. The system at Anglesey County Council encourages new entrants to progress onto larger farms within the estate or onto other private estates. The framework consists of starter holdings, intermediate and commercial holdings.

How tenancy legislation can best provide a balance between the flexibility needed by new entrants and the long-term security needed for the best management of rural land;

The flexibility of the Farm Business Tenancy Agreement (FBT) introduced in 1995 has had great changes on the tenanted sector. The FBT gives greater flexibility for both the Landlord and the tenant, although the tenant does not have as much security under the FBT agreement. However, the FBT does encourage diversification etc. We at Anglesey will now be giving 10 year fixed term tenancies on our holdings which give the tenant security in terms of money lending and entering schemes such as Glastir.

How to encourage long-term investment and diversification of tenanted farms whilst maintaining the size of the local authority farms estate;

The Council aim to support on-farm diversification schemes and are supportive in terms of assisting tenants with planning issues and in attaining grants that are available. At one time the Council were matching any grants that the tenant attained from schemes such as Farming Connect. However due to lack of funding this is no longer the case.

Due to lack of funding Anglesey County Council have been unable to invest in their smallholdings estate over past years, which has resulted in a backlog of works being required on farmhouses and farm buildings. Tenants in the past have been carrying out much of the repair and maintenance work and have been investing heavily in their farms without any assistance from the Council.

This has resulted in the Council having to sell off properties in order to finance the improvement works required. At Anglesey we do have a policy to sell only the farmhouses with a few acres of land and to maintain the acreage so that the size of the estate does not decrease dramatically.

Whether a co-ordinated approach to the disposal and/or retention of local authority farms is needed;

A co-ordinated approach for disposal is required to ensure that we still have an estate in years to come. We need to modernise our estate and this requires a process of rationalisation as our commercial farms are not large enough. We need to carry out research to discover what the young farmers of today need.

Whether local authorities and the Welsh Assembly Government could take any further action to help maintain and develop the local authority farm network in the future, both in terms of improving the estates themselves and contributing to wider community and environmental goals.

The future of young farmers who have no avenues open for entry into agriculture other than through Council let farms depends on support from Local Authorities and the Welsh Assembly Government and unless both of these invest heavily in the estates there will definitely not be a County Farms Estate in years to come which would be a great loss to the rural countryside.

The smallholdings estate are pivotal in rural Wales as farming families assist in keeping the local community alive by supporting local

business, children attending rural school etc. At Anglesey, the use of existing tenants to carryout contracting works on other Council Farms, such as fencing, erection of sheds, drainage works etc is actively encouraged.

With an ageing agricultural sector it is imperative to keep the Smallholding Estates of Wales in order to breathe new life into rural communities.

Conclusion

It is felt that if funds available from The Rural Development Plan 2007-2013 or other sources can be accessed, the County Council Small holdings Estate and the David Hughes Charity Estate can be developed further to create a prosperous and vibrant rural community on the Island.

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