



Department
for Environment
Food & Rural Affairs

Sixty-sixth Annual Report to Parliament on Local Authority Smallholdings in England

1 April 2015 – 31 March 2016

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Act 1970**



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Introduction

For over a century local authority smallholdings (often known as council farms or county farms) have been an important route into farming for new entrants that do not have a link to family owned land or sufficient capital to buy land. The case study at the end of this report profiling Staffordshire's County Farm Estate shows the valuable role they still play in helping young entrepreneurs establish a new farming business and gain experience in the sector.

As required under the 1970 Agriculture Act ("the 1970 Act") this report provides statistical details to Parliament of the land let as smallholdings by councils across England for the financial year 1 April 2015 to 31 March 2016.

This year's report uses data from the annual council farm statistics survey compiled by the Chartered Institute for Public Finance and Accountancy (CIPFA) which includes information from 42 Local Authorities (county councils and unitary authorities) that let land as smallholdings and responded to the CIPFA survey. This expands the coverage compared to last year's report (the sixty-fifth annual smallholdings report)¹ which only included data from 26 county councils that let land as smallholdings². Due to this change in data sources, comparisons have not been made to last year's report.

Defra would like to see retention and innovative management of council farm assets by local authorities so they continue to provide a valuable route into farming in the future. To this end we commend the 'Rural Estate Asset Management Planning Good Practice Guidance'³ prepared by the Association of Chief Estates Surveyors and the Tenancy Reform Industry Group which sets out a holistic asset management framework for local authorities to use to ensure maximum economic, environmental and social benefits are delivered from their council farms going forward.

We would like to thank CIPFA and all the local authorities who have kindly provided the statistical information presented in this report and to Staffordshire County Council for providing the case study information.

¹ <https://www.gov.uk/government/publications/65th-annual-report-to-parliament-on-smallholdings-in-england>

² As the 1970 Act defines smallholdings authorities as county councils last year's report only collected and reported data from county councils. However as many unitary authorities also let land as smallholdings we decided it was important to include data from these authorities where possible to extend the coverage and value of this report.

³ http://www.aces.org.uk/images/editor/TRIG_REPORT-FINAL-WEBpdf.pdf

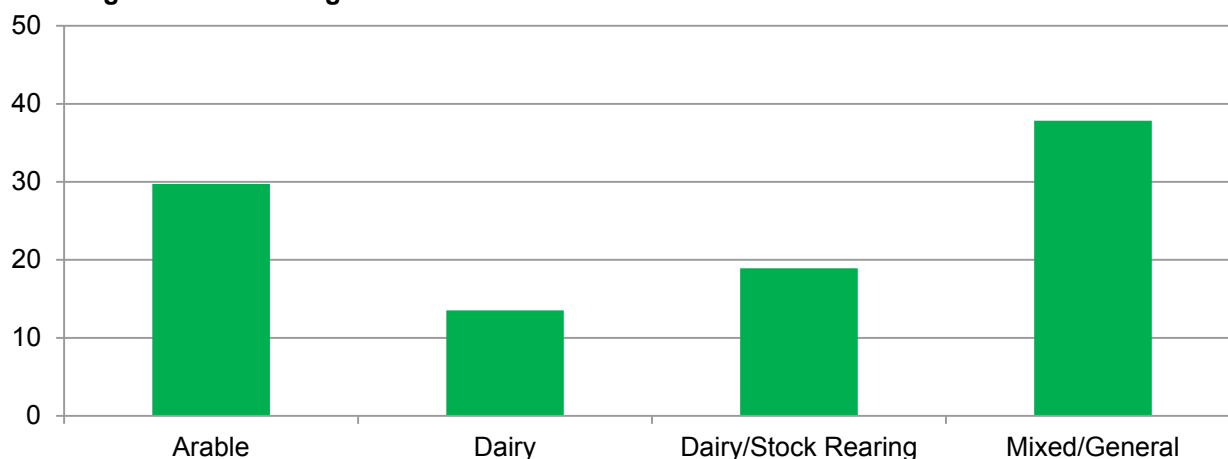
Statistical information on smallholdings provided by Smallholdings Authorities

Of the 43 smallholdings authorities approached (21 unitary authorities and 22 county councils), 42 submitted data, all of whom let land as smallholdings. However, in some cases, these submitted data sets were incomplete. The data presented in this report include only that provided by the reporting smallholdings authorities; no estimates have been made for incomplete data. Comparisons to last year's report have not been made due to changes in the data source.

Each smallholdings authority classifies themselves to a farming sector based on the predominant farming activity (by area) carried out within that Authority. The distribution (as at 31 March 2016) is shown in Figure 1. The most common sectors were Arable and Mixed/General farming and the least common was Dairy farming.

Figure 1: Percentage of Smallholding Authorities by farming sector ^{(a) (b)}

Percentage of Smallholding Authorities



- (a) Only for those 37 smallholdings authorities that provided a farm business sector. Note that 5 authorities did not classify themselves to a sector.
- (b) Each smallholdings authority is classified to one farming sector based on the predominant farming activity (by area) carried out within that authority. The farming sector definitions were established and agreed as a result of consultations between the data provider (CIPFA) and the smallholdings authorities themselves.

Total area of smallholding land

As at 31 March 2016, the total area of land held by the 42 reporting smallholdings authorities in England (unitary authorities and county councils) was 89,360 hectares (for the whole estate), of which 86,700 hectares were let as smallholdings. **Table 1** provides figures for the area of smallholdings held by smallholdings authorities.

Numbers of smallholding lets

The 41 smallholdings authorities that provided data reported that they owned and let 2,583 smallholdings as at 31 March 2016. **Table 2** provides a breakdown by each smallholdings authority.

Rent due for smallholdings

For those 39 smallholdings authorities that provided data, a total of around £23 million in rent was due for smallholdings as at 31 March 2016. **Table 3** provides figures for the rent due by each smallholdings authority. **Table 4** shows average rent/hectare values by farm business sector⁴ for those smallholdings authority farms where full data was available. Higher rent per hectare values were achieved those authorities that classified themselves as Arable and Dairy (both £292 per hectare) with lower values for those that were classified as Mixed/General Authorities (£235 per hectare).

Acquisitions and disposals

Table 5 provides figures for land acquired and disposed of by each smallholdings authority in 2015/2016: a total of 86 hectares were acquired by 3 smallholdings authorities and a total of 1048 hectares were sold or otherwise disposed of by 25 smallholdings authorities.

Number of smallholding tenants

For the 41 smallholding authorities that provided data, there were 2,081 tenants as at 31 March 2016. During 2015/2016, 115 tenancies were granted⁵ and 174 tenancies were terminated⁵. A total of 49 tenancies were granted to new tenants⁶, there were 11 internal promotions and 5 tenancies were ended due to the tenant leaving the estate in order to seek other opportunities. There were a total of 579 lifetime tenancies⁷, 330 retirement tenancies⁸, 1172 Farm Business Tenancies⁹, as well as 471 secondary lettings¹⁰. Figures for each of the authorities are provided in **Tables 6, 7 and 8**.

⁴ For those smallholdings authorities that submitted sector information and had complete rent and area information; 34 of the smallholding authorities provided this information.

⁵ Note that this data was available for 42 smallholding authorities.

⁶ Lettings to first time entrants to the individual estate, i.e. those who have not previously occupied a smallholdings authority farm.

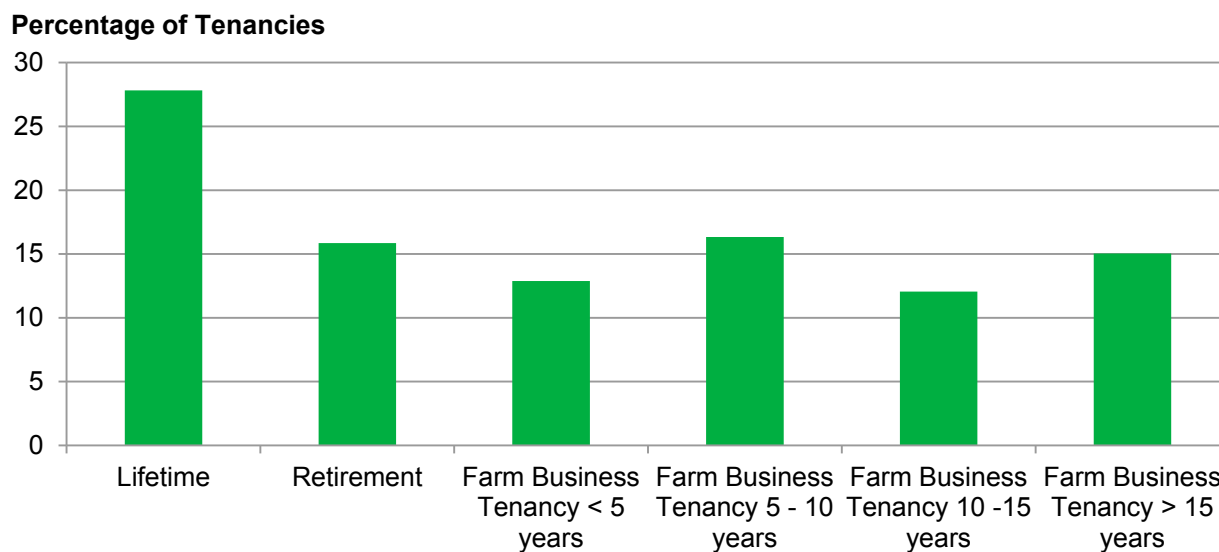
⁷ Lettings made prior to the Agricultural Holdings Act 1984.

⁸ Lettings for tenants that may be required to vacate holdings when they reach the age of 65 or prevailing retirement age, i.e. lettings made under the provisions of the Agricultural Holdings Act 1984, but before the Agricultural Tenancies Act 1995.

⁹ All principal lettings entered into under the provisions of the Agricultural Tenancies Act 1995, relating to the original term of the current letting.

¹⁰ Secondary lettings are those holdings that are managed as an integral part of the principal holding and let additionally on a Farm Business Tenancy to a tenant of the principal holding. Note that this data was available from only 37 smallholdings authorities.

Figure 2: Type of smallholdings tenancy ^{(a) (b)}



(a) Equipped and bare land farms only.

(b) For 40 out of the 42 Smallholdings Authorities that provided tenancy information.

Figure 2 shows the type of tenancy agreement in place. Lifetime tenancies were the most common (28%); 13% were Farm Business Tenancies that run for less than 5 years and 27% were Farm Business Tenancies that run for more than 10 years.

Financial position of authorities

The total revenue from land held by smallholdings authorities in England in the year ending 31 March 2016 showed a total operational income of £26,542,400 against a total operational expenditure of £10,413,700, giving an operational surplus of £16,128,800. Total non-operational income was £373,000, against a total non-operational expenditure of £861,400, giving a non-operational deficit of £488,500. Allowing for a total capital charge value of £5,847,500, the revenue account net surplus was therefore £9,585,300. This can be compared with a net deficit reported in the previous report.¹¹ **Table 9** summarises the total revenue account for land held by smallholdings authorities for the year ended 31 March 2016.

Of the total area of land let as smallholdings, the average rent per hectare was £277 per hectare.¹²

¹¹ Although a greater number of smallholdings authority entries were received this year compared to previous years, the net surplus in fact reflects the level of levied capital charges (see *Glossary of Terms*), i.e. borrowing against farm assets, where appropriate. Some smallholdings authority assets will not have depreciated in 2015/16 as these would be assessed over a longer time period. For others there will have been some depreciation or impairment, resulting in capital charges being entered against their revenue account in 2015/16.

¹² For those 37 smallholdings authorities that provided complete rent and area data.

Table 1: Area of smallholdings land held by Smallholdings Authorities as at 31 March 2016

Smallholdings Authority	Equipped farm let area	Bare land farm let area	Agriculture licence let area	Smallholdings let area ^(a)
	Hectares	Hectares	Hectares	Hectares
Bedford	130	40	70	240
Brighton & Hove	3,430	610	20	4,060
Buckinghamshire	1,340	260	20	1,630
Cambridgeshire	11,260	1,930	0	13,190
Central Bedfordshire	2,030	210	**	2,230
Cheshire East	1,840	0	130	1,970
Cheshire West and Chester	1,350	0	90	1,430
Cornwall	4,180	110	0	4,290
Cumbria	250	90	50	380
Devon	3,810	40	0	3,850
Dorset	2,320	90	110	2,510
Durham	360	0	0	360
East Riding of Yorkshire	2,050	560	*	2,610
Essex	70	10	0	80
Gloucestershire	2,700	400	10	3,100
Hampshire	1,520	230	110	1,860
Hartlepool	0	220	0	220
Herefordshire	1,900	40	0	1,940
Hertfordshire	1,680	200	40	1,920
Hillingdon	500	70	130	690
Leicestershire	2,250	60	330	2,640
Lincolnshire	6,340	1,380	0	7,720
Medway	0	30	0	30
Milton Keynes	290	20	70	380
Norfolk	4,930	1,420	100	6,450
North Lincolnshire	40	50	0	80
North Somerset	170	30	0	200
North Yorkshire	**	**	**	1,570
Nottinghamshire	380	190	0	570
Oxfordshire	40	320	1	360
Shropshire	510	0	120	620
Somerset	1,210	400	30	1,640
South Gloucestershire	~	~	~	~
Staffordshire	3,160	280	40	3,470
Suffolk	4,440	510	20	4,970
Surrey	640	160	70	870
Swindon	590	50	100	740
Warwickshire	1,790	210	0	2,000

Table 1 continued: Area of smallholdings land held by Smallholdings Authorities as at 31 March 2016

Smallholdings Authority	Equipped farm let area Hectares	Bare land farm let area Hectares	Agriculture licence let area Hectares	Smallholdings let area^(a) Hectares
West Berkshire	0	0	120	120
West Sussex	230	60	50	340
Wiltshire	1720	300	80	2090
Worcestershire	740	420	50	1200
York	0	60	0	60
Total	72,180	11,050	1,900	86,700

(a) Smallholdings let area = equipped farm area + bare land farm area + agricultural letting area (describing e.g. grazing licences, lettings under a year, etc.)

Key

- * less than 0.5 hectares
- ** data not available
- ~ no response received

Table 2: Number of smallholding lets held by Smallholdings Authorities as at 31 March 2016

Smallholdings Authority	Number of equipped farm lets	Number of bare land farm lets	Number of agriculture licence lets	Number of smallholding lets^(a)
Bedford	6	6	4	16
Brighton & Hove	16	17	6	39
Buckinghamshire	30	22	15	67
Cambridgeshire	137	44	0	181
Central Bedfordshire	38	19	**	57
Cheshire East	63	0	8	71
Cheshire West and Chester	39	0	9	48
Cornwall	92	8	0	100
Cumbria	6	9	15	30
Devon	69	7	0	76
Dorset	48	5	9	62
Durham	5	0	0	5
East Riding of Yorkshire	57	61	1	119
Essex	2	2	0	4
Gloucestershire	76	30	11	117
Hampshire	37	23	57	117
Hartlepool	0	6	0	6
Herefordshire	49	1	0	50
Hertfordshire	46	11	3	60
Hillingdon	9	6	25	40
Leicestershire	66	3	31	100
Lincolnshire	119	106	0	225
Medway	0	2	0	2
Milton Keynes	5	3	1	9
Norfolk	100	84	27	211
North Lincolnshire	1	10	0	11
North Somerset	5	7	0	12
North Yorkshire	**	**	**	**
Nottinghamshire	12	10	0	22
Oxfordshire	3	25	2	30
Shropshire	24	0	13	37
Somerset	35	13	8	56
South Gloucestershire	~	~	~	~
Staffordshire	94	18	8	120
Suffolk	70	23	8	101
Surrey	39	20	30	89
Swindon	13	1	7	21

Table 2 continued: Number of smallholding lets held by Smallholdings Authorities as at 31 March 2016

Smallholdings Authority	Number of equipped farm lets	Number of bare land farm lets	Number of agriculture licence lets	Number of smallholding lets^(a)
Warwickshire	48	21	0	69
West Berkshire	0	0	2	2
West Sussex	11	19	2	32
Wiltshire	35	19	28	82
Worcestershire	31	49	4	84
York	0	3	0	3
Total	1,536	713	334	2,583

(a) Number of smallholding lets = number of equipped farm lets + number of bare land farm lets + number of agricultural lets (e.g. grazing licences, lettings under a year, etc.)

Key

** data not available

~ no response received

Table 3: Rent due for smallholdings by Smallholdings Authorities as at 31 March 2016

Smallholdings Authority	Rent due for equipped farms	Rent due for bare land farms	Rent due for agriculture licences	Rent due for land let as smallholdings ^(a)
	£	£	£	£
Bedford	32,800	3,600	10,500	46,900
Brighton & Hove	533,900	78,700	20,300	632,900
Buckinghamshire	442,400	42,100	7,500	492,100
Cambridgeshire	3,448,200	521,000	0	3,969,200
Central Bedfordshire	577,000	48,800	**	625,700
Cheshire East	564,200	0	37,200	601,300
Cheshire West and Chester	435,200	0	25,600	460,800
Cornwall	1,165,100	32,500	0	1,197,600
Cumbria	42,400	10,600	7,600	60,600
Devon	936,900	12,000	0	948,900
Dorset	642,300	18,900	25,400	686,500
Durham	29,000	0	0	29,000
East Riding of Yorkshire	388,200	151,500	100	539,800
Essex	32,500	3,800	0	36,300
Gloucestershire	817,800	79,100	3,700	900,600
Hampshire	488,400	56,200	13,900	558,500
Hartlepool	0	9,300	0	9,300
Herefordshire	433,000	6,900	0	439,900
Hertfordshire	522,400	48,600	7,500	578,500
Hillingdon	**	**	**	**
Leicestershire	711,700	11,800	74,600	798,200
Lincolnshire	1,901,500	416,100	0	2,317,600
Medway	0	6,700	0	6,700
Milton Keynes	62,900	1,900	0	64,900
Norfolk	1,500,200	361,100	31,200	1,892,600
North Lincolnshire	8,000	7,500	0	15,500
North Somerset	44,000	3,900	0	47,800
North Yorkshire	**	**	**	284,900
Nottinghamshire	116,900	35,800	0	152,700
Oxfordshire ^(b)	12,700	**	700	13,400
Shropshire	141,400	0	21,000	162,400
Somerset ^(c)	**	**	**	**
South Gloucestershire	~	~	~	~
Staffordshire	1,130,100	65,000	9,000	1,204,000
Suffolk	1,141,600	185,800	2,300	1,329,800
Surrey	**	**	**	**
Swindon	156,300	9,300	5,900	171,500

Table 3 continued: Rent due for smallholdings by Smallholdings Authorities as at 31 March 2016

Smallholdings Authority	Rent due for equipped farms	Rent due for bare land farms	Rent due for agriculture licences	Rent due for land let as smallholdings ^(a)
	£	£	£	£
Warwickshire	598,800	65,200	0	664,000
West Berkshire	0	0	19,000	19,000
West Sussex	75,100	96,400	2,600	174,100
Wiltshire	420,400	42,700	9,500	472,600
Worcestershire	193,700	74,200	9,200	277,100
York	0	10,100	0	10,100
Total	19,746,900	2,517,200	344,400	22,893,400

- (a) Rent due for land let as smallholdings = rent due for equipped farms + rent due for bare land farms + rent due for agricultural licence farms. Rent due refers to what could be collected if every farm paid (see the "Glossary of terms" section for a definition of "rent from holdings - operational account").
- (b) Rent due for bare land farms (for which there is an associated quoted let area) was not submitted, hence the quoted value of rent due for land let as smallholdings is underestimated.
- (c) Although no rental information is quoted here, a total for "rent from holdings" (incorporated in the total rent value within Table 9) was, however, submitted.

Key

** data not available

~ no response received

Table 4: Rent/hectare values for smallholdings farms, expressed in terms of the Authority's farm business sector, as at 31 March 2016^(a)

Authority Sector	Rent/hectare due for equipped farms	Rent/hectare due for bare land farms ^(b)	Rent/hectare due for agriculture licences	Rent/hectare due for land let as smallholdings
	£/hectare	£/hectare	£/hectare	£/hectare
Arable	297	267	239	292
Dairy	297	207	249	292
Dairy/Stock Rearing	293	241	196	288
Mixed/General	241	219	170	235
All tenancies	283	251	208	278

- (a) Only for those smallholdings authorities that provided a business sector as well as complete rent and area data (i.e. 34 out of 42 authorities).

Key

** data not available

Table 5: Total area acquired and disposed of by Smallholdings Authorities between April 2015 and March 2016^(a)

Smallholdings Authority	Land acquired			Land disposed of		
	Newly acquired	Formerly leased	Total	Sold / exchanged	Leased land	Total
Bedford	0	0	0	130	0	130
Brighton & Hove	0	0	0	0	0	0
Buckinghamshire	0	0	0	95	0	95
Cambridgeshire	0	0	0	0	0	0
Central Bedfordshire	58	0	58	8	0	8
Cheshire East	0	0	0	8	0	8
Cheshire West and Chester	0	0	0	21	0	21
Cornwall	0	0	0	46	0	46
Cumbria	0	0	0	57	0	57
Devon	0	0	0	28	0	28
Dorset	0	0	0	0	0	0
Durham	0	0	0	0	0	0
East Riding of Yorkshire	0	0	0	63	0	63
Essex	0	0	0	0	0	0
Gloucestershire	0	0	0	88	0	88
Hampshire	0	0	0	0	0	0
Hartlepool	0	0	0	0	0	0
Herefordshire	0	0	0	0	0	0
Hertfordshire	0	0	0	1	0	1
Hillingdon	0	0	0	0	0	0
Leicestershire	0	0	0	4	0	4
Lincolnshire	25	0	25	2	0	2
Medway	0	0	0	26	0	26
Milton Keynes	0	0	0	4	0	4
Norfolk	0	0	0	2	0	2
North Lincolnshire	0	0	0	81	0	81
North Somerset	0	0	0	0	0	0
North Yorkshire	0	0	0	104	0	104
Nottinghamshire	0	0	0	0	0	0
Oxfordshire	0	0	0	0	0	0
Shropshire	0	0	0	4	7	11
Somerset	0	0	0	68	0	68
South Gloucestershire	~	~	~	~	~	~
Staffordshire	0	0	0	6	0	6
Suffolk	0	0	0	85	0	85
Surrey	0	0	0	0	0	0
Swindon	0	0	0	12	0	12

Table 5 continued: Total area acquired and disposed of by Smallholdings Authorities between April 2015 and March 2016^(a)

Smallholdings Authority	Land acquired			Land disposed of		
	Hectares Newly acquired	Hectares Formerly leased	Total	Hectares Sold / exchanged	Hectares Leased land	Total
Warwickshire	0	0	0	0	0	0
West Berkshire	0	0	0	0	0	0
West Sussex	0	0	0	2	0	2
Wiltshire	2	0	2	0	0	0
Worcestershire	0	0	0	98	4.0	102
York	0	0	0	0	0	0
Total	86	0	86	1,037	11	1,048

(a) Total areas, comprising freehold (the number of hectares let as council farms/rural estates and owned by the authority) and leasehold (the number of hectares let as council farms/rural estates but not owned by the authority) areas.

Key

~ no response received

Table 6: Number of smallholding tenancies, any change since 2015, as well as any granted for the first time or terminated by Smallholdings Authorities between April 2015 and March 2016^(a)

Smallholdings Authority	Number of tenants in 2016	Change since 2015	Number granted	Number terminated
Bedford	12	-3	0	3
Brighton & Hove	33	-1	0	1
Buckinghamshire	48	-5	6	11
Cambridgeshire	181	0	2	2
Central Bedfordshire	49	0	4	4
Cheshire East	58	-3	1	4
Cheshire West and Chester	35	-1	0	1
Cornwall	100	-3	5	8
Cumbria	15	-1	0	1
Devon	76	2	7	5
Dorset	53	1	5	4
Durham	5	0	0	0
East Riding of Yorkshire	118	-3	3	6
Essex	4	0	1	1
Gloucestershire	79	-7	1	8
Hampshire	60	-1	7	8
Hartlepool	2	-3	0	3
Herefordshire	41	-6	1	7
Hertfordshire	57	1	2	1
Hillingdon	11	0	0	0
Leicestershire	69	1	3	2
Lincolnshire	225	-10	17	27
Medway	2	-1	0	1
Milton Keynes	8	-1	5	6
Norfolk	123	-5	5	10
North Lincolnshire	11	-3	0	3
North Somerset	12	0	0	0
North Yorkshire	**	**	11	9
Nottinghamshire	22	0	0	0
Oxfordshire	25	0	5	5
Shropshire	24	-1	0	1
Somerset	46	-3	0	3
South Gloucestershire	~	~	~	~
Staffordshire	98	-1	8	9
Suffolk	93	-1	4	5
Surrey	54	5	7	2
Swindon	14	1	1	0
Warwickshire	61	0	0	0

Table 6 continued: Number of smallholding tenancies, any change since 2015, as well as any granted for the first time or terminated by Smallholdings Authorities between April 2015 and March 2016^(a)

Smallholdings Authority	Number of tenants in 2016	Change since 2015	Number granted	Number terminated
West Berkshire	2	0	0	0
West Sussex	30	-3	1	4
Wiltshire	46	-1	0	1
Worcestershire	76	-5	3	8
York	3	0	0	0
Total	2,081	-61	115	174

(a) Equipped and bare land farms only.

Key

** data not available

~ no response received

Table 7: Specific details of smallholding tenancies granted and ended by Smallholdings Authorities between April 2015 and March 2016^(a)

Smallholdings Authority	Granted	Internal promotion	Ended	
	New tenants ^(b)		Transfer to other estates	Leave estate for other opportunities
Bedford	0	0	0	0
Brighton & Hove	0	0	0	0
Buckinghamshire	5	1	0	0
Cambridgeshire	2	0	0	0
Central Bedfordshire	2	0	2	0
Cheshire East	1	0	0	0
Cheshire West and Chester	0	0	0	0
Cornwall	2	1	0	0
Cumbria	0	0	0	0
Devon	4	0	0	1
Dorset	2	2	0	0
Durham	0	0	0	0
East Riding of Yorkshire	2	0	0	0
Essex	0	0	0	0
Gloucestershire	0	1	0	2
Hampshire	1	0	0	1
Hartlepool	0	0	0	0
Herefordshire	0	0	0	0
Hertfordshire	1	1	0	0
Hillingdon	0	0	0	0
Leicestershire	3	0	0	0
Lincolnshire	2	0	0	0
Medway	0	0	0	0
Milton Keynes	0	0	0	0
Norfolk	5	4	0	0
North Lincolnshire	0	0	0	0
North Somerset	0	0	0	0
North Yorkshire	**	**	**	**
Nottinghamshire	0	0	0	0
Oxfordshire	0	0	0	0
Shropshire	0	0	0	0
Somerset	0	0	0	0
South Gloucestershire	~	~	~	~
Staffordshire	7	1	0	1
Suffolk	2	0	0	0
Surrey	6	0	0	0
Swindon	1	0	0	0

Table 7 continued: Specific details of smallholding tenancies granted and ended by Smallholdings Authorities between April 2015 and March 2016^(a)

Smallholdings Authority	Granted	Internal promotion	Ended	
	New tenants ^(b)		Transfer to other estates	Leave estate for other opportunities
Warwickshire	0	0	0	0
West Berkshire	0	0	0	0
West Sussex	1	0	0	0
Wiltshire	0	0	0	0
Worcestershire	0	0	0	0
York	0	0	0	0
Total	49	11	2	5

(a) Equipped and bare land farms only.

(b) Lettings to first time entrants to the individual estate, i.e. those who have not previously occupied a smallholdings authority farm.

Key

** data not available

~ no response received

Table 8: Breakdown of the number of smallholding tenancies held between April 2015 and March 2016^(a)

Smallholdings Authority	Lifetime^(b)	Retirement^(c)	Farm Business Tenancies^(d)	Secondary lettings^(e)
Bedford	4	3	5	4
Brighton & Hove	16	0	17	0
Buckinghamshire	22	3	23	3
Cambridgeshire	43	23	115	100
Central Bedfordshire	15	2	32	8
Cheshire East	25	13	20	2
Cheshire West and Chester	15	4	16	1
Cornwall	15	20	65	13
Cumbria	10	0	5	1
Devon	14	11	51	31
Dorset	8	8	37	6
Durham	5	0	0	0
East Riding of Yorkshire	36	25	57	30
Essex	0	0	4	0
Gloucestershire	18	23	38	25
Hampshire	9	14	37	9
Hartlepool	0	0	2	0
Herefordshire	11	12	18	21
Hertfordshire	16	4	37	10
Hillingdon	7	0	4	2
Leicestershire	13	17	39	26
Lincolnshire	79	32	114	0
Medway	0	0	2	0
Milton Keynes	0	0	8	**
Norfolk	19	12	92	61
North Lincolnshire	6	0	5	0
North Somerset	4	0	8	0
North Yorkshire	**	**	**	**
Nottinghamshire	3	3	16	0
Oxfordshire	2	0	23	*
Shropshire	12	5	7	13
Somerset	18	14	14	10
South Gloucestershire	~	~	~	~
Staffordshire	10	13	75	17
Suffolk	34	22	37	46
Surrey	21	0	33	**
Swindon	1	1	12	4
Warwickshire	17	12	32	8

Table 8 continued: Breakdown of the number of smallholding tenancies held between April 2015 and March 2016^(a)

Smallholdings Authority	Lifetime ^(b)	Retirement ^(c)	Farm Business Tenancies ^(d)	Secondary lettings ^(e)
West Berkshire	1	0	1	**
West Sussex	8	3	19	5
Wiltshire	17	7	22	8
Worcestershire	25	24	27	7
York	0	0	3	0
Total	579	330	1,172	471

(a) Equipped and bare land farms only.

(b) Lettings made prior to the Agricultural Holdings Act 1984.

(c) Lettings for tenants that may be required to vacate holdings when they reach the age of 65 or prevailing retirement age, i.e. lettings made under the provisions of the Agricultural Holdings Act 1984, but before the Agricultural Tenancies Act 1995.

(d) All principal lettings entered into under the provisions of the Agricultural Tenancies Act 1995, relating to the original term of the current letting.

(e) Secondary lettings are holdings managed as an integral part of the principal holding and let additionally on a Farm Business Tenancy to a tenant of the principal holding.

Key

** data not available

~ no response received

Table 9: Total revenue account for land held by Smallholdings Authorities between April 2015 and March 2016

OPERATIONAL ACCOUNT (see glossary for definitions of the terms used)^(a)	
Income	
Rent from Holdings	£23,229,300
Other Rents	£1,719,400
Other Income	£1,593,700
TOTAL	£26,542,400
Expenditure^(b)	
Repairs and Maintenance	£5,675,700
Rents, Rates, Annuities and Water Charges	£1,044,700
Net Tenant Rights Valuations	£248,300
Estate Management	£2,748,700
Other Expenditure	£696,400
TOTAL	£10,413,700
OPERATIONAL ACCOUNT SURPLUS	£16,128,800
NON-OPERATIONAL ACCOUNT^(a)	
Indirect Income^(b)	
TOTAL	£373,000
Expenditure	
Central Support Costs ^(b)	£400,800
Other Expenditure	£460,600
TOTAL	£861,400
NON-OPERATIONAL ACCOUNT DEFICIT	-£488,500
REVENUE ACCOUNT NET SURPLUS	
Operational Account Surplus	£16,128,800
Non-Operational Account Deficit	-£488,500
Net Surplus^(b)	£15,640,300
Capital Charges ^(b)	£5,847,500
Net Surplus including Capital Charges	£9,585,300

(a) For some smallholdings authorities, Operational/Non-Operational account information was not supplied.

(b) This information was not supplied by every smallholdings authority.

Case Study: Staffordshire County Farm Estate

The Staffordshire County Farms estate currently comprises 94 farms equipped with house, buildings and land across a total of 3,480 hectares. The estate is predominantly made up of 61 dairy units, but there are many opportunities for livestock and smaller arable producers. With a focus on top performing commercial food production, the estate provides agricultural entrepreneurs with the facilities needed to get the businesses up and running.

The Estate has let 19 units to new starters since 2008, 11 of those in the last 3 years up to 2016. Of the 19 new starters, 10 have been 1st generation farmers who have gone out and sought the education and experience to put them in contention to take on a tenancy.

Staffordshire County Council has an estate strategy that promotes new entrants because they have retained farms that are the right size, with the right facilities and are within the reach of new starters. The estate charges commercial competitive rents and does not subsidise rents.

The County Council continues to see a good return on investment whilst continuing to provide the county farm service. The internal rate of return achieved by the estate is in the region of 7% per annum from 2008 including the increase in agricultural land values but not including development land of which there has been 19 hectares granted permission for residential development in 2015. Some examples of the farm businesses on the county farm estate are profiled below.

Rue Barn Estate: A 2016 new starter Tom Chapman moved to Rue Barn Estate from Warwickshire. He runs two flocks in parallel, one spring lambing and one winter lambing. With his entrepreneurial attitude he also runs a contract shepherding business as well as professional working dog breeding and training; known as TMC Shepherding.

Yarlet Estate: Mike and Laura Trayte moved onto the Estate in 2015 as new starters having run their own share-milking enterprise, M & L Dairying. They are first generation farmers and continue to search for further opportunities in order to keep progressing their business on or off the Estate.

Audley Estate: Sean Landy moved on to the Estate in 2015 as a first generation, new entrant. This enabled him to grow his own produce and sell through his established butchers shop, Audley Country Meats in Audley village.

Closing Summary

Whilst the data set is incomplete this report indicates that council farms continue to play an important role in the tenanted agricultural sector across England covering approximately 86,700 hectares of agricultural land providing approximately 2,583 holdings for around 2,081 tenant farmers. About sixty percent of the lettings are equipped farms (1,536 equipped holdings) and 49 lettings were made to new entrants during 2015/16. The report shows that the reporting smallholding authorities generated a revenue account net surplus of just over £9.5 million in 2015/16.

Glossary of terms

Equipped farms	Farms with a farmhouse, farm buildings or both.
Bare land farms	Farms comprising land only, including short term farms.
Agricultural letting farms	Farms possessing, for example, contract farming agreements, grazing licences, 364 day licences/ agricultural lettings for less than one year, etc.
Smallholdings let area (hectares)	This is equal to equipped farm area plus bare land farm area plus agricultural letting area.
Number of smallholding lets	This is equal to number of equipped farm lets plus number of bare land farm lets plus number of agricultural lets.
Rent due for land let as smallholdings (£)	Rent due refers to what would be expected to be collected if all farms/licenses are occupied in 2015-2016 and if every farm paid. This is equal to rent due for equipped farms plus rent due for bare land farms plus rent due for agricultural licence farms. Abatements, allowances, rent forgone and not collected are disregarded for these figures.
Total area acquired and disposed of by Smallholdings Authorities (hectares)	This is comprised of freehold (the number of hectares let as council farms/rural estates and owned by the authority) and leasehold (the number of hectares let as council farms/rural estates but not owned by the authority) areas.
Number of smallholding tenancies	These comprise equipped and bare land farms only. Joint tenancies are counted as a single entity. Where tenants occupy more than one farm they have only been counted once. Hence the total number of tenants may be less than the number of farms.
Tenancies granted to new entrants	These tenancies are lettings to first time entrants to the individual estate, i.e. those who have not previously occupied a Smallholdings Authority farm.
Lifetime tenancies	These tenancies are for those lettings made prior to the Agricultural Holdings Act 1984.
Retirement tenancies	These tenancies are for tenants that may be required to vacate holdings when they reach the age of 65 or prevailing retirement age, i.e. lettings made under the provisions of the Agricultural Holdings Act 1984, but before the Agricultural Tenancies Act 1995.
Farm Business Tenancies	These tenancies comprise all principal lettings entered into under the provisions of the Agricultural Tenancies Act 1995 and relating to the original term of the current letting.
Number of secondary lettings to principal tenants	Secondary lettings describe additional land let as part of a Farm Business Tenancy to tenants of principal holdings, i.e. equipped or bare land holdings and managed as an integral part of principal holding.

Glossary of terms employed within the Operational and Non-Operational accounts

Operational Account

Income

Rent from holdings (£)	This is net rent from land being farmed, including grazing licenses, after deductions of allowances, abatements and rent not collected. Only farm rents are included, including secondary lettings.
Other rents (£)	This is rent from cottage tenancies, commercial lettings, staff housing, wasteland, woodland, telecom sites, wind turbines and rent received from non-Farm Business Tenancies.
Other income (£)	This includes royalties, wayleaves, easements, shooting and fishing rights, licences to extract gravel, insurance claims, sales of timber, trees, produce, materials, farm equipment and vehicles, etc., other fees and charges etc. This also includes single farm payments or environmental initiatives paid direct to the estate. This does not include contributions by tenants towards revenue improvements, repairs to equipment, rates, water charges etc..

Expenditure

Repairs and maintenance (£)	This includes revenue expenditure on repairs and maintenance of houses, buildings, drainage and ditching work. This is net of any amounts recovered from tenants but excludes grant-aided schemes of a capital nature. This also includes corporately funded property initiatives, e.g. asbestos, electrical tests and inspections, structural and tree surveys, as well as Legionnaires' disease testing. This also includes the cost of associated manual labour forces, plants and materials.
Rents, rates, annuities and water charges (£)	This includes rents, rates, utility charges (e.g. water, electricity), tithes and perpetual annuities, net of recovery of rates and water charges.
Net tenant right valuations (£)	This includes expenditure paid by the landlord to an outgoing tenant, less income received from an incoming tenant for tenant right valuations and dilapidations. This also includes any milk quota compensation payments charged to revenue. This excludes capital payments for equipment/buildings.
Estate management (£)	This includes professional (e.g. surveyors), administrative and clerical support employee costs, office accommodation charges, including expenditure on repairs and maintenance, transport costs, other sundry expenses, etc. as well as any other ad-hoc specialist advice (e.g. payments to consultants).

	Employee costs include salaries, national insurance, training, pension, removal and resettlement costs, conference expenses, etc. This also includes the net cost (e.g. client/commissioning costs) of contracting out estate management functions.
Other expenditure (£)	This includes the cost of cleaning materials, fire and farm buildings insurance, furniture and fittings, equipment, tools and materials, transport and moveable plant, vehicles and vehicle running costs, etc.

Non-Operational Account

Income (£)	This includes revenue grants, interest received and other non-operational income. This also includes publication sales, recovery of fees and charges, etc.
Central support costs (£)	This includes charges received from other departments within the estate not identified within the Estate Management section, e.g. legal/secretariat, financial (including audit), valuation (excluding corporate disposals), personnel and IT service costs.
Other expenditure (£)	This includes subscriptions, external audit fees, stamp duty, external legal and professional fees, etc.

Revenue Account Net Surplus

Capital charges (£)	This refers to any capital elements that are charged to Income and Expenditure accounts such as depreciation and revaluations/impairments. The recommended guidance for capital charges in 2015-16 are: (a) for assets carried at current value, the rate of interest in determining capital charges is 3.5%, (b) for assets carried at historical cost (infrastructure assets and community assets), the rate is 4.4%
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