

Fifty Seventh Annual Report to Parliament on Smallholdings in England

1 April 2006 – 31 March 2007



Cover photograph – The trial ground at Vickers Farm, Spalding, Lincolnshire by kind permission of Matthew Naylor

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Foreword

I am delighted to have been asked to write the foreword for the Annual Report to Parliament on Smallholdings for 2006/2007.

The legislation which set the foundation stones for statutory smallholdings or county farms as they are more usually known was the Smallholdings and Allotments Act, which celebrated its centenary anniversary in 2008. The current legislation, the Agriculture Act 1970 allows smallholding authorities to let land to enable people to become farmers in their own right. Today there are fifty smallholding authorities which let around 95,000 hectares to approximately 2,900 tenants.

There is no doubt about the value attached to county farms by the agricultural industry. Their role in helping new entrants gain a first step on the farming ladder is widely recognised and was highlighted in the research by the University of Plymouth on the evaluation of the Agricultural Tenancies Act 1995 and the Report of the Tenancy Reform Industry Group. County farms also provide opportunities and benefits to the wider public through educational visits, agri-environment measures, and local food and by building a link between town and country.

Defra fully supports the continuation of the county farm system and I welcome the recent paper by Sir Don Curry on "The Importance of the County Farms Service to the Rural Economy". I fully support Sir Don's views and his recommendations for preserving the future of local authority estates. I appreciate that local authorities face many competing pressures for resources, particularly so in the current economic climate. However, as Sir Don's paper illustrates the county farm estate is a national asset. As with all assets, if properly managed, it is still possible to yield income, but without disposing of the family silver, leaving the estate intact for future generations to enjoy.

I hope that you will enjoy reading this new style annual report and that the articles will give some insight of what can be achieved through the county farm service and the opportunities that can be offered for both new entrant farmers and rural businesses and communities.

Jane Kennedy

Minister for Farming and the Environment

Introduction

Under section 59 of the Agriculture Act 1970, the Minister of Agriculture, Fisheries and Food (now the Secretary of State for Environment, Food and Rural Affairs) is required to present an annual report to Parliament summarising for each financial year his/her proceedings and those of local authorities in relation to smallholdings in England. This continues the similar obligations imposed on the Minister of Agriculture by the Agriculture Act 1947. The report, for the year 1 April 2006 to 31 March 2007, is the fifty seventh annual report.

Statutory smallholdings, or county farms as they are now more commonly known are administered under Part III of the 1970 Act. Under this legislation smallholdings authorities are required to make it their general aim to provide opportunities for persons with sufficient experience to be farmers on their own account. The smallholdings must be capable of providing full-time employment for not more than two people, including the occupier.

Throughout the 2006/2007 financial year farming continued to experience significant change and the county farms service was not immune from this. The majority of the county farm estate is made up of what are regarded as smaller farms and these can often feel financial pressures more acutely than larger enterprises.

Although the number of holdings and the land area of the county farm estate has continued to decline during 2006/2007, this is in some respects a factor of proactive estate rationalisation practised by Councils to improve the commercial viability and attractiveness of holdings as it is a conscious decision by Authorities to reduce the size of their estates. An example of this is Staffordshire County Council, which during the financial year carried out a review and public consultation on the future of its county farm estate. The review put forward the options of either reducing the size of the county farm estate or disposing of it altogether. The review concluded that retaining a county farm estate would not only meet the needs and aspirations of a new generation of farmers, but would also offer local taxpayers economic, social and environmental benefits as well.

This year the annual report to Parliament has been prepared in a revised format to include specific case studies of county farm tenants as well as statistical data. We hope that the revised format will help promote interest in county farms amongst the wider public and will provide a means of disseminating best practice amongst smallholding authorities.

We would like to thank all of those who have helped in the preparation of the report and kindly given permission for articles and photographs to be included.

The Ashton House Farm Story – Cheshire



Mr & Mrs Coar with (on the right) Caroline Morgan of Cheshire County Council – Photograph by kind permission of Cheshire County Council

Pre 2000. At the age of 35 when Martin Coar took on the tenancy of Ashton House Farm on the Cheshire County Council's Wervin Estate, near Chester, he had already gained a wide variety of experience in managing livestock and land taken on short term agreements.

2000 – 2005. Along with his wife and children he moved to Ashton House on a 15 year tenancy in 2000. Starting with approximately 45 cows with targets of 7,500 litres/head, the herd expanded to 105 producing 10,000 litres/head. So successful was he in building up a herd and business that he featured in the "British Dairying" magazine.

Investment. Cheshire County Council was able to add land to bring the farm up to 103 acres and invest in the construction of a new silage clamp. Martin Coar also invested in improving the parlour, housing and the land.

2006. Martin Coar and his family moved onto a 300 acre dairy farm on a privately owned estate hoping to milk 225 cows.

The story continues today. After sending out over 40 sets of particulars and a successful viewing day with over 20 interested parties, Cheshire County Council has granted the tenancy of Ashton House Farm to another young farmer.

Country Meeting Room: Waterend Farm - Gloucestershire

Waterend Farm is a working sheep farm in the village of Coaley, on the edge of the Cotswolds. Spread over 80 acres, with a flock of 260 breeding ewes; the farm offers a picturesque setting, whilst also having nearby transport links to the M5 and the local railway network.

It was the transport links and the layout of the farmhouse and buildings that inspired tenant Hilary Mann to come up with the idea of a Country Meeting Room for up to 30 people. With her Public Relations background, Hilary knew what the expectations of future clients would be and aimed to exceed them. She and her

husband also realised that the income from an 80 acre sheep farm would be insufficient to support their family, without some form of additional income.

The former poultry incubator room, stable and garage, whilst not lending themselves to modern agriculture, provided the ideal accommodation for the proposed venue. And thanks to a Defra Rural Enterprise Scheme (RES) Grant and lots of hard work the Manns have created a light, airy and flexible space with all up to date equipment and good home cooked food using local produce, in turn supporting local businesses.

Photograph by kind permission of Hilary Mann & Charles Coats, Gloucestershire County Council



From Small Beginnings to a Flourishing Business in Spalding, Lincolnshire

Against the advice of teachers and career advisers, Matthew Naylor left school when he had just turned sixteen and began working on the family farm. He rented a 2 acre allotment from the Parish Council and grew a crop of potatoes using his grandfather's machinery. When he was 17 he took on another 4 acre allotment and began growing flowers and established his own stock of daffodil bulbs, which he began selling into Covent Garden. The business flourished and following an approach by a flower supplier to Sainsbury's Matthew planted delphiniums and peonies in 1996.

Over the next few years, Matthew applied for a number of tenancies on small farms,

including county council farms. Despite a number of rejections, Matthew was successful in 1999 in becoming the tenant of Vickers Farm, Moulton Marsh. After the death of his grandfather in 2000, Matthew and his father became equal partners and increased the area of the farm by 30%. They joined the Farm Assurance Scheme and began growing potatoes for supermarkets. They are now a LEAF marquee producer and supply flowers to Waitrose and potatoes to Marks and Spencer. Part of Vickers Farm has now been turned into a trial ground in a joint venture with a Kenyan flower company and they are developing new products for a number of supermarkets.

Matthew Naylor and some of the produce of Vickers Farm – Photograph by kind permission of Matthew Naylor



Stepping Stones to a Bigger Future - Andrew and Judith Fewings

The story of Andrew and Judith Fewings is a perfect example of progression from a small scale county farm tenancy with Wiltshire County Council to a much larger holding with the Crown Estate.

- ▶ Both from farming families, Andrew and Judith began their joint farming career in 1991 when they took on the tenancy of a 64 acre starter farm at Keevil, near Trowbridge in Wiltshire with 22 cows.
- ▶ After just over 5 years, they took on another county council farm at Pittom, near Salisbury on a 20 year Farm Business Tenancy. The farm comprised 108 acres, and they took on another 40 acres 2 years later.
- ▶ At Pittom, they built their herd up to 90 cows, plus replacements.
- ▶ Five years later, they had outgrown Pittom and moved again to Lower Marsh Farm on the Crown Estate.
- ▶ At Lower Marsh, the Fewings farm 336 acres in total, milk 150 cows plus 100 followers and also grow maize and Spring barley.

Higher Fingle Farm Rural Study Centre - Devon

An exciting partnership between Devon County Farms Estate and organic farmers Rona and Nevil Amiss has taken place in West Devon. With the start of Food and Farming Year in September 2007, plans were submitted for a unique sustainable new build education centre providing a quality assured and safe facility for schoolchildren and adult learners across Devon. This includes a classroom and kitchen in a sustainable building which became fully operational in Spring 2008.

Higher Fingle Farm Study Centre offers a rural resource based on and integrated within a commercial working farm. It provides an education facility for primary and secondary schoolchildren, rural workforce and disadvantaged groups through a mixture of curriculum based activities and rural courses. Working with the county education department ensures that maximum benefit is gained from each visit.

The building is a sustainable log cabin with full disabled access. It includes a classroom suitable for 30 children, toilets and wash facilities and a demonstration kitchen. The building is also an opportunity to demonstrate exciting developments with renewable energy.

'We are grateful to the county farms committee for taking the bold step in backing our project', said Rona Amiss. 'By building this classroom we hope to offer many Devon children the chance to experience life on the farm and learn the vital link with the food they eat and the countryside'

Nevil Amiss who has built a premium organic poultry and meat business from Higher Fingle Farm adds 'that the kitchen will be an important feature broadening the range of subjects that will be taught'.



Photograph by kind permission of Rona and Nevil Amiss

Mr Dan Meek, Senior Land Agent says 'Devon County Council recognised the importance of the farm environment in its "Changing our Futures: Learning for Sustainability in Devon" strategy as a key resource to deliver a wide range of curriculum areas. Working in partnership with the education department to make

best use of the County Farms Estate resource to deliver this important corporate objective seemed a natural progression and enabled us to provide a purpose built, quality assured, sustainable and safe outdoor learning experience'.

Statistical Information on Smallholdings provided by Local Authorities

Area

At 31 March 2007 the total area of land held by local authorities in England for smallholdings purposes was 99,988 hectares of which 94,603 hectares were let as smallholdings. **Table 1** gives figures for individual authorities. Authorities review and update their records from time to time; consequently some figures may not correspond with the figures in previous reports after taking into account acquisitions and purchases.

During 2006/2007 a net decrease in the total area held by authorities was recorded. **Table 2** shows the areas acquired and disposed of by individual authorities. 72 hectares were acquired in 2006/2007 and a total of 1,729 hectares were sold or otherwise disposed of during the year.

Numbers of Holdings

At 31 March 2007 local authorities were providing 3,138 smallholdings (compared with 2,942 in the previous year) of which 1,267 (40%) were 20 hectares or less in size; 977 (31%) were between 20 and 40 hectares; and 894 (29%) were over 40 hectares. The number of holdings provided by individual authorities and their size distribution is given in **Table 3**. Since 1966 the total number of local authority smallholdings in England has fallen from 12,882 to 3,138 (a reduction of 76%).

Tenants

There were 2,906 tenants of local authority smallholdings in England at 31 March 2007. During 2006/2007 81 tenancies were granted to new entrants and 194 tenancies were terminated. Figures for individual authorities are given in **Tables 3 and 4**.

Financial position of Authorities

The total revenue of smallholdings authorities in England in the year ended 31 March 2007 showed a total income of £20,410,782 as against a total expenditure of £10,941,742 giving an operational surplus of £9,469,040. This compares with a surplus of income over expenditure in 2005/2006 of £9,716,227. **Table 5** summarises authorities' combined revenue accounts for the year.

Additional Information

Additional data has been supplied by industry to give current information on the state of smallholdings and examples of good practice on county farms around England.

General

Key to Tables 1 – 4

- “-“ nil or not applicable.
- ** data not available.
- .. authority did not submit a return.
- * data is too small to be recorded.

Table 1: Area of smallholdings land held by smallholdings authorities as at 31 March 2007

	Land let as smallholdings	Land held but not let as smallholdings	Total small- holdings land	Rent roll of land let as smallholdings	Rent roll of total small- holdings land
County / Unitary Authority	Hectares	Hectares	Hectares	£	£
Bedfordshire	2,641	371	3,012	418,298	587,535
Berkshire West	117	-	117	17,210	17,210
Bournemouth	100	3	103	34,925	47,137
Brighton & Hove	4,263	26	4,289	435,025	458,009
Buckinghamshire	1,467	109	1,576	305,929	362,376
Cambridgeshire	12,275	1,632	13,907	2,523,656	2,533,262
Cheshire	3,920	212	4,132	917,346	1,017,795
City of York	103	31	134	15,095	33,471
Cornwall	4,461	109	4,570	828,019	1,051,193
Cumbria	261	98	359	57,558	63,309
Devon	4,146	-	4,146	805,811	805,811
Dorset	2,792	54	2,846	595,732	595,732
Durham	897	204	1,101	77,370	90,998
East Riding of Yorkshire	2,826	7	2,833	509,218	551,041
East Sussex	43	21	64	5,750	5,750
Essex	102	9	111	13,698	25,948
Gloucestershire	3,491	9	3,500	778,349	795,687
Hampshire	1,806	132	1,938	466,091	539,024
Hartlepool	88	-	88	9,887	9,887
Herefordshire	2,029	96	2,125	393,174	394,813
Hertfordshire	1,944	93	2,037	385,003	584,163
Lancashire	27	77	104	7,380	34,330
Leicestershire	2,909	67	2,976	641,343	675,451
Lincolnshire	8,156	21	8,177	1,540,245	1,540,245
Medway	82	-	82	5,335	5,335
Milton Keynes	447	-	447	53,291	53,291
Norfolk	6,710	233	6,943	1,069,959	1,102,989
Northamptonshire	335	1	336	63,114	63,299
North Lincolnshire	424	-	424	86,140	86,140
North Somerset	333	-	333	**	**
Northumberland	337	7	344	36,918	36,919
North Yorkshire	2,228	111	2,339	395,417	395,417
Nottinghamshire	270	534	804	96,028	121,706
Oxfordshire	381	19	400	68,291	69,602
Peterborough	1,242	1	1,243	192,636	199,497
Shropshire	714	25	739	160,572	160,572
Slough	3	-	3	4,160	4,160
Somerset	2,863	383	3,246	636,778	647,364
South Gloucestershire	491	3	494	88,831	99,574
Staffordshire	3,474	48	3,522	959,283	981,000
Suffolk	5,157	286	5,443	804,732	874,910
Surrey	854	157	1,011	208,376	221,407
Swindon	828	-	828	133,000	133,000
Thurrock	202	-	202	23,060	23,060
Torbay	25	**	25	2,815	2,815
Warrington	28	35	63	2,865	4,055
Warwickshire	2,001	21	2,022	368,820	368,820
West Sussex	304	59	363	143,239	143,239
Wiltshire	2,404	27	2,431	443,047	485,111
Worcestershire	1,602	54	1,656	319,638	342,941
TOTAL	94,603	5,385	99,988	18,148,457	19,446,400

Table 2: Land acquired or disposed of by smallholdings authorities during year ended 31 March 2007

County / Unitary Authority	Land acquired Hectares			Land disposed of Hectares		
	Newly acquired, appropriated etc.	Formerly leased	Total	Sold, appropriated etc.	Leased land given up	Total
Bedfordshire	-	-	-	4	223	227
Berkshire West	-	-	-	-	-	-
Bournemouth	-	52	52	-	-	-
Brighton & Hove	-	-	-	-	-	-
Buckinghamshire	-	-	-	*	-	-
Cambridgeshire	-	-	-	21	-	21
Cheshire	-	-	-	43	-	43
City of York	-	-	-	*	-	-
Cornwall	14	-	14	49	-	49
Cumbria	-	-	-	5	-	5
Devon	-	-	-	53	-	53
Dorset	-	-	-	29	-	29
Durham	-	-	-	162	-	162
East Riding of Yorkshire	-	-	-	-	-	-
East Sussex	-	-	-	-	-	-
Essex	-	-	-	77	-	77
Gloucestershire	4	**	4	6	**	6
Hampshire	-	-	-	-	-	-
Hartlepool	-	-	-	-	-	-
Herefordshire	-	-	-	18	-	18
Hertfordshire	-	-	-	1	-	1
Lancashire	-	-	-	2	*	2
Leicestershire	-	-	-	37	-	37
Lincolnshire	-	-	-	32	-	32
Medway	-	-	-	-	-	-
Milton Keynes	-	-	-	-	-	-
Norfolk	-	-	-	69	-	69
Northamptonshire	-	-	-	-	-	-
North Lincolnshire	-	-	-	-	-	-
North Somerset	-	-	-	-	-	-
Northumberland	-	-	-	242	-	242
North Yorkshire	-	-	-	122	-	122
Nottinghamshire	-	-	-	29	-	29
Oxfordshire	-	-	-	*	-	-
Peterborough	-	-	-	-	-	-
Shropshire	-	-	-	52	-	52
Slough	-	-	-	-	-	-
Somerset	-	-	-	171	-	171
South Gloucestershire	2	-	2	-	-	-
Staffordshire	-	-	-	7	-	7
Suffolk	-	-	-	1	-	1
Surrey	-	-	-	1	-	1
Swindon	-	-	-	-	-	-
Thurrock	-	-	-	-	-	-
Torbay	**	**	**	**	**	**
Warrington	-	-	-	-	-	-
Warwickshire	**	**	**	**	**	**
West Sussex	-	-	-	15	-	15
Wiltshire	-	-	-	209	-	209
Worcestershire	-	-	-	49	-	49
TOTAL	20	52	72	1,506	223	1,729

Table 3: Analysis of smallholdings by size at 31 March 2007

County / Unitary Authority	Number of holdings				Number of tenants			
	0 – 20 ha	20 – 40 ha	Over 40 ha	Total	0 – 20 ha	20 – 40 ha	Over 40 ha	Total
Bedfordshire	83	30	25	138	33	30	25	88
Berkshire West	-	2	1	3	-	2	1	3
Bournemouth	5	1	1	7	5	1	1	7
Brighton & Hove	24	4	23	51	24	4	23	51
Buckinghamshire	35	17	14	66	35	17	14	66
Cambridgeshire	137	67	140	344	82	46	136	264
Cheshire	58	51	28	137	50	50	28	128
City of York	2	-	2	4	2	-	2	4
Cornwall	10	51	51	112	10	51	51	112
Cumbria	6	8	-	14	5	8	-	13
Devon	6	32	53	91	6	32	53	91
Dorset	6	28	32	66	6	28	32	66
Durham	1	2	12	15	1	2	11	14
East Riding of Yorkshire	65	54	17	136	61	53	17	131
East Sussex	-	1	1	2	-	-	1	1
Essex	8	3	-	11	6	3	-	9
Gloucestershire	56	49	31	136	31	46	30	107
Hampshire	40	8	18	66	40	8	18	66
Hartlepool	-	1	1	2	-	1	1	2
Herefordshire	4	48	9	61	4	48	9	61
Hertfordshire	23	18	21	62	23	18	21	62
Lancashire	2	-	-	2	2	-	-	2
Leicestershire	10	52	20	82	10	52	20	82
Lincolnshire	120	84	76	280	120	84	76	280
Medway	2	-	1	3	2	-	1	3
Milton Keynes	5	2	5	12	5	2	5	12
Norfolk	116	54	70	240	72	41	66	179
Northamptonshire	8	5	2	15	8	4	2	14
North Lincolnshire	17	1	-	18	15	1	-	16
North Somerset	5	1	5	11	5	1	5	11
Northumberland	1	-	6	7	1	-	6	7
North Yorkshire	16	44	18	78	16	44	18	78
Nottinghamshire	12	6	1	19	12	6	1	19
Oxfordshire	34	5	2	41	31	5	2	38
Peterborough	12	1	15	28	10	7	12	29
Shropshire	25	17	1	43	23	16	1	40
Slough	1	-	-	1	1	-	-	1
Somerset	17	41	31	89	17	41	31	89
South Gloucestershire	8	6	4	18	8	6	4	18
Staffordshire	48	68	19	135	51	70	19	140
Suffolk	15	20	67	102	15	20	67	102
Surrey	41	13	6	60	41	13	6	60
Swindon	4	9	6	19	4	9	6	19
Thurrock	6	3	2	11	6	3	2	11
Torbay	2	-	-	2	2	-	-	2
Warrington	3	2	-	5	3	2	-	5
Warwickshire	36	19	20	75	42	19	24	85
West Sussex	14	2	5	21	14	2	5	21
Wiltshire	22	27	22	71	22	28	21	71
Worcestershire	96	20	10	126	96	20	10	126
TOTAL	1,267	977	894	3,138	1,078	944	884	2,906

Table 4: Tenancies granted by smallholdings authorities for the first time and those terminated during the year ended 31 March 2007

County / Unitary Authority	Number Granted	Number Terminated
Bedfordshire	-	4
Berkshire West	-	-
Bournemouth	-	-
Brighton & Hove	1	-
Buckinghamshire	-	2
Cambridgeshire	16	22
Cheshire	1	5
City of York	-	-
Cornwall	3	7
Cumbria	-	-
Devon	1	4
Dorset	7	7
Durham	-	3
East Riding of Yorkshire	2	4
East Sussex	-	1
Essex	-	1
Gloucestershire	1	2
Hampshire	4	4
Hartlepool	-	-
Herefordshire	-	4
Hertfordshire	2	2
Lancashire	-	2
Leicestershire	4	5
Lincolnshire	1	17
Medway	-	-
Milton Keynes	3	3
Norfolk	1	41
Northamptonshire	-	-
North Lincolnshire	-	-
North Somerset	-	-
Northumberland	-	-
North Yorkshire	2	3
Nottinghamshire	-	1
Oxfordshire	9	8
Peterborough	1	1
Shropshire	-	2
Slough	-	-
Somerset	-	2
South Gloucestershire	-	-
Staffordshire	10	12
Suffolk	2	11
Surrey	3	6
Swindon	2	2
Thurrock	-	-
Torbay	1	-
Warrington	2	-
Warwickshire	**	**
West Sussex	-	1
Wiltshire	-	4
Worcestershire	2	1
TOTAL	81	194

Table 5: Total revenue account of smallholdings authorities for year ended 31 March 2007

	£
OPERATIONAL ACCOUNT	
Income	
Rent from Holdings	17,705,700
Other Rents	1,123,857
Other Income	1,581,225
TOTAL INCOME	20,410,782
Expenditure	
Repairs and Maintenance	5,755,576
Rents, Rates, Annuities and Water Charges	638,562
Net Tenant Rights Valuations	214,164
Estate Management	3,800,488
Other Expenditure	532,952
TOTAL EXPENDITURE	10,941,742
OPERATIONAL ACCOUNT SURPLUS	
	9,469,040
NON-OPERATIONAL ACCOUNT	
Income	
TOTAL	134,640
Expenditure	
Central Support Costs	824,187
Other Expenditure	274,991
TOTAL	1,099,178
NON-OPERATIONAL ACCOUNT DEFICIT	
	964,538
REVENUE ACCOUNT NET SURPLUS/(DEFICIT)	
Operational Account Surplus	9,469,040
Non-operational Account Deficit	964,538
Net Surplus/(Deficit)	8,504,502
Capital Charges	10,298,049
Net Surplus/(Deficit) including Capital	(1,793,547)

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Published by the Department for Environment, Food and Rural Affairs. Printed in the UK, January 2009, on 100% recycled paper.

Further copies of this publication are available from:

Defra Publications
Admail 6000
London
SW1A 2XX

This document is also available on the Defra website.

PB 13196

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