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| Subject: | Disposal of Land in Falmer | | |
| Date of Meeting: | 14 July 2016 | | |
| Report of: | Acting Executive Director for Economy, Environment & Culture | | |
| Contact Officer: | Name: | Angela Dymott | Tel: 291450 |
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| Ward(s) affected: | None | | |

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1 Following the death of the tenant farmer of Park Wall Farm, the council served Notice to Quit and obtained vacant possession. Options were considered to lease or dispose of the vacant land and following a marketing exercise completed by our agents an offer has been made to purchase the land which is recommended for acceptance. The capital receipt will support the council's corporate Capital Investment Strategy and Medium Term Financial Strategy. This report is supplemented by a separate part two report.

2. RECOMMENDATION

- 2.1 That Committee authorises the freehold disposal of Park Wall Farm to the preferred bidder identified and recommended as part of the marketing exercise and tender evaluation completed by the council's agents Savills.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 Park Wall Farm is a 9.92 acre smallholding in 2 fields with 2 barns, water and electricity connection located on the edge of Falmer Village, outside the Brighton & Hove City Council boundary, within the South Downs National Park (see plan attached as Appendix 1). The tenant, Henry McDavitt, died on 7th July 2013 with an Agricultural Holdings Act (AHA) tenancy over the holding and a second holding, Land at Ridge Road. Mr McDavitt's daughter and son, Sharon and Kevin, applied to the HM Courts and Tribunal Service to succeed both tenancies which Brighton & Hove City Council opposed to and agreed a settlement. This brought the AHA to an end and provided vacant possession of Park Wall Farm for the Council to explore alternative uses to meet corporate objectives. A Farm Business Tenancy was granted to Sharon and Kevin McDavitt on the Land at Ridge Road.
- 3.2 At an early stage the land was identified as suitable for local food production and a planning appraisal was commissioned. In July 2015 the council invited growers

to take part in a consultation event, which included a site visit and a listening event facilitated by Food Matters, to offer growers the opportunity to see the land and for the council to learn from the experience of growers. From the event the council identified the opportunities and barriers growers face when trying to deliver a food growing enterprise, as well as obtaining a better understanding of what could be delivered on the site. A summary from the consultation exercise was prepared setting out recommendations to support local food production.

3.3 The proposal has been reviewed looking into income generation and capital receipt benefits and priorities and further options are set out below : -

- Option 1 Equine paddocks
Let the land for equine paddocks (consistent with the previous use) would produce an income in the region of £3500pa to £4000pa, which would generate a gross yield of 2.5%.
- Option 2 Local food production
Let the land for local food production would produce a rental income equivalent to Option 1. The potential to satisfy the council and SDNP policy on job creation, local food production, and environmental management is high. This would produce an income in the region of £3500pa to £4000pa, which would generate a gross yield of 2.5%.
- Option 3 Local food production (with lower rent during start up)
As Option 2 but taking a flexible approach to rental values to assist a food growing enterprise becoming established on the site. Lower initial rental rates could subsidise the enterprise during the expensive establishment phase over the first few years.
- Option 4 Glamping/camping
The land and buildings may be of interest to a glamping/campsite operator and a number of the council's existing farm tenants operate sites. The income is likely to be similar to that of letting for equine use or food growing and offers for the site would be subject to the prospective tenant obtaining planning permission for the specified use.
- Option 5 Disposal
The land is classified Non Core under the council's Asset Management Plan and Agricultural Strategy. It does not form part of the key land holding and could be disposed of without damaging the integrity of the Estate. The land could be sold for food production or as equine paddocks to produce a capital receipt for the council contributing to the Capital Investment Strategy and Medium Term Financial Strategy. Disposal would include a covenant restricting future use to enable the council to negotiate a share of any future uplift in value if development takes place.

3.4 Following the decision to dispose of the land the council's agents Savills marketed the farm on the open market widely with a guide price of £175,000. The site was advertised in The Argus and South East Farmer, with 2 well attended viewing days. There was a high level of interest and all interested parties were invited to provide best and final offers and to complete a response form providing specific information on both their offer (to include price and

overage) as well details on use, planning, social and environmental benefits and proposed sustainability actions. All offers were evaluated with a weighting of 70% for the offer including overage and 30% for planning compliance, and social, environmental and sustainable impact. Details of the council's evaluation criteria were provided to all interested parties prior to the submission of their offer.

- 3.5 Fourteen offers were received and evaluated against the criteria and the agents Savills made a recommendation in their tender evaluation report based on the highest scoring bid

The highest scoring bid identified included: -

- Overage provision of 20% for 80 years of any uplift in value if a change of use is achieved.
- Use for horse stabling, grazing and exercising with potentially some non-commercial horticulture and small-scale animal husbandry.

4 ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 The alternative options are set out in paragraph 3.3 and were considered prior to the marketing of the site for disposal. Consideration was given to whether the priority is to raise capital or generate maximum revenue and it was determined that as the properties were non-core it was a priority for the council to dispose of the site for a capital receipt in line with the Corporate Property Strategy & Asset Management Plan (AMP) agricultural portfolio strategy.

5 COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 A consultation event was carried out in July 2015 as detailed in paragraph 3.2.

6. CONCLUSION

- 6.1 The site was initially considered for local food production but following the consideration of further options it was agreed that the site would be disposed of to raise a capital receipt contributing to the Medium Term Financial Strategy. A marketing exercise has been completed and a preferred bid identified that achieves best consideration.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 The disposal of the land will generate a capital receipt less any disposal costs and loss of rent. The net receipt will be used to support the council's corporate capital strategy as part of the Medium Term Financial Strategy.

Finance Officer Consulted: Rob Allen

Date: 08/06/2016

Legal Implications:

The Council has general powers to dispose of land under Section 123 of the Local Government Act 1972 ("the Act") provided it does so for the best price/consideration reasonably obtainable.

Paragraph 3.4 and 3.5 of the report confirms that appropriate steps have been taken by the Council to achieve best consideration as required by the Act.

It is not considered that any individual Human rights Act rights would be adversely affected by the recommendation in this report.

Lawyer Consulted:

Joanne Dougnaglo

Date: 09/06/2016

Sustainability Implications:

- 7.3 As part of the marketing exercise, tenderers were asked to confirm as part of their submission whether their proposed use included the adoption of sustainable principles and to detail what actions would be taken to support this. This part of the submission was scored and fed into the evaluation criteria to determine the preferred bid.

SUPPORTING DOCUMENTATION

Appendices:

Location Plan

Documents in Members' Rooms

None

Background Documents

None

