

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member for Countryside and Regulatory Services
Date:	10 July 2023
Title:	Hampshire County Farms Annual Report 2022/23
Report From:	Director of Universal Services

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Purpose of this Report

1. The purpose of this report is to provide an update on progress made in 2022/23 to incorporate county farms policy priorities into operational practice.

Recommendation

2. It is recommended that the contents of this second annual Hampshire County Farms report and newsletter be noted by the Executive Member for Countryside and Regulatory Services.

Executive Summary

3. On 19 March 2021, the Executive Member for Recreation, Heritage, Countryside and Rural Affairs approved the new County Farms Policy. The decision report proposed the preparation of an annual performance report to monitor policy implementation.
4. This second annual Hampshire County Farms report sets out progress made in the 2022/23 year. Progress has, once again, been principally centred around selection of the best tenants for new farm lettings, with a further five new entrant farming opportunities marketed this year. Ongoing lettings activity has enabled further improvement to our tenant selection process and has also resulted in significantly improved levels of engagement with the service.
5. The report includes a newsletter summary of service activities at Appendix 1.

Contextual information

6. County Farms Policy was approved on 19 March 2021 by the Executive Member for Recreation, Heritage, Countryside and Rural Affairs. The [report](#) set out all the background to County Farm holdings and presented the revised policy statements.
7. The Policy, entitled '[County Farms Policy 2021 Towards 2050: A Vision for a Better Farming Future](#)' comprises a vision to support the future of farming to

contribute to Hampshire's quality of place and environment. The policy is divided into four main sections under the following strategic aims:

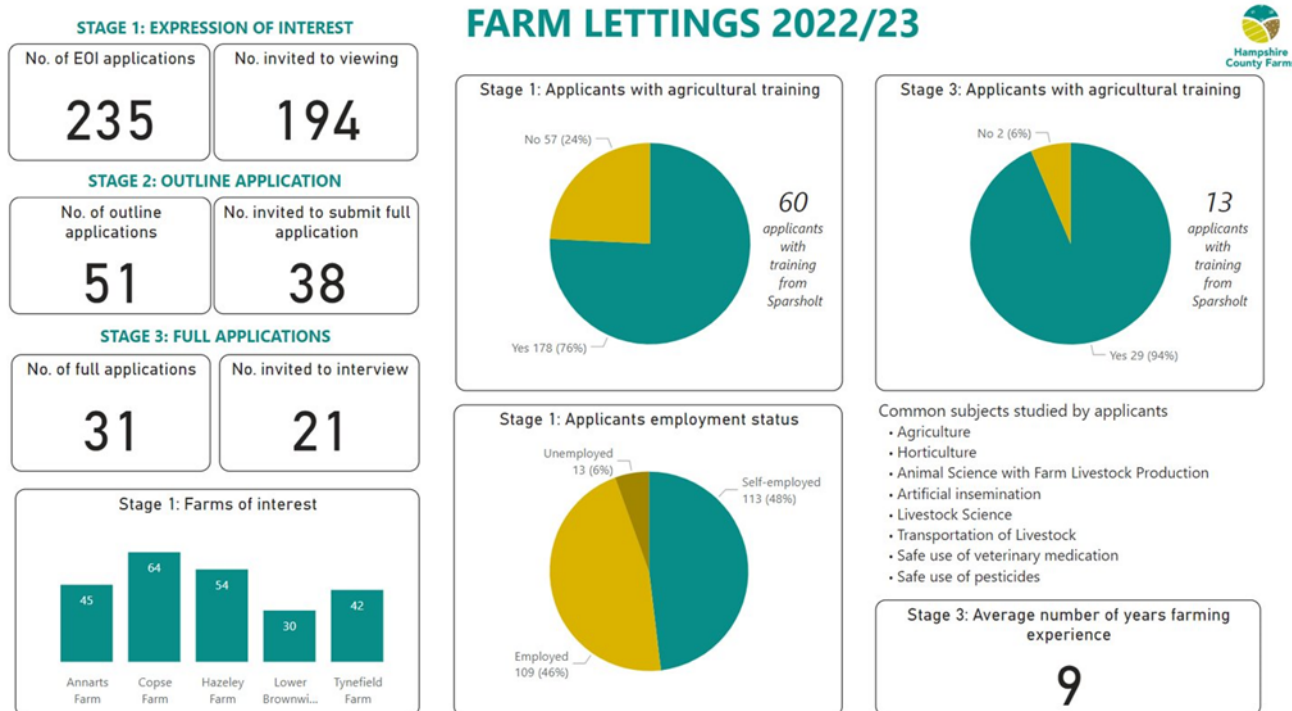
- to provide inclusive opportunities for new entrants to a sustainable and innovative farming environment and opportunities for existing tenants to progress to larger holdings;
 - to achieve sustainable and adaptive systems of farming and land management to support high quality environmental, social and economic outcomes for Hampshire;
 - to support tenants to establish and grow viable agricultural businesses by providing farms from which they can operate and thrive for the duration of their tenancy; and
 - to maintain the scale and quality of the land and assets available to the County Farms Service.
8. The County Farms policy review recognised the important contribution that county farms continue to make to farming in the UK, in particular their role in enabling new entrants to the sector, and identified:
- the increasing requirement for farmers to provide public goods for public money;
 - the role of the Hampshire County Farms estate in contributing to the environmental and social priorities of the County Council;
 - the requirement for improved focus on performance and demonstrating good practice in land management; and
 - the need for greater awareness of the county farms service and the achievements of our tenant farmers in contributing to the people and place of Hampshire.
9. Since last year's annual report, the County Council has also articulated its vision to serve the people of Hampshire, with purpose and pride, to improve lives today and for tomorrow. It is noted that the County Farms Policy aligns well with the Council's new vision and values, and that the outputs of the Hampshire 2050 Commission of Inquiry were also carefully considered during the policy review.

Performance update

Service Priority 1 - Tenancy

10. Providing inclusive opportunities to a sustainable and innovative farming environment continues to be the key service priority and this is where the team has once again focussed the most attention, to support the marketing of 5 farm opportunities in 2022/23.
11. To improve on the previous year's performance, smart IT solutions have been integrated into letting and tenant selection procedures. For example, an online bookings system has been developed to increase self-serve; electronic application forms are now mandatory, enabling faster data processing, but also in a better presented and more accessible format for applicants; and a farm lettings management app, with integrated scoring tools and dashboard, has

been developed to improve efficient access to information. The picture below demonstrates the dashboard capabilities of the new app and the value this can bring to tenant selection.



12. As shown on the dashboard above, expressions of interest (EOIs) in our farm opportunities were much higher this year at 235, representing a 191% increase on the level of interest received (123) in the previous year. The large level of interest is indicative of the ongoing scarcity of farm tenancy opportunities in the market nationally. But the steep increase year-on-year also indicates that efforts to raise the service's profile and identity, telling a wider audience about what we do, have yielded positively.
13. For applicants to be eligible they must have a minimum of 5 years relevant agricultural experience, of which up to 3 years of appropriate further education or training can be included. 76% of applicants at EOI stage had undertaken at least some agricultural training. This rose significantly to 94% at full application stage, indicating a positive causal link between technical training and application quality.
14. The very balanced split between applicants who had obtained their agricultural experience through employment, and those partly or wholly from running their own businesses, did not alter significantly through the application stages, reflecting that, in practice, good relevant agricultural experience can be obtained effectively in a number of ways. It is also noted that applicants shortlisted to full application stage had, on average, 9 years' farming experience.
15. As detailed in last year's report, application scoring is carefully considered and weighted, as follows:
 - i. Agricultural experience and qualifications – 25%
 - ii. Financial strength and acumen – 25%

- iii. Climate and environmental commitment and awareness – 25%
 - iv. Entrepreneurship and business acumen – 15%
 - v. Rent tendered – 10%
16. Scores were demonstrably better this year, potentially indicative of reaching a wider audience and the quality that a much more diverse applicant pool can bring. An introduction to the selected tenants is included within the newsletter at Appendix 1.
 17. Feedback received to date suggests that our process provides a positive learning experience to applicants whether or not they are selected for one of our farm opportunities. However, not being awarded a farm can lead to considerable disappointment in aspiring farmers. Going forward it is hoped that the service can find more ways of 'giving back' to applicants, potentially rewarding their efforts and helping them on their farming journeys with training opportunities, for example by inviting them to join some of the webinars we host for our existing tenants. This was trialled during February and March (applicants reaching interview stage were invited to some events) but we are still to formally evaluate outcomes via an exit questionnaire.
 18. Monitoring of existing tenant performance for tenancy top-up purposes (starter farms are offered on a 7-year + 3 basis) has also taken place this year and has identified a need for further engagement with existing tenants to improve their understanding of Hampshire County Farms' and wider Council priorities.
 19. A "Farmer CPD" (continued professional development) programme of webinars and other training has been trialled with tenants in 2022/23, with a view to information-sharing, provision of learning opportunities and general support. Webinars and other events were chiefly delivered during the October – March period. Our newest tenants have expressed the most interest in the events held. A tenant survey is proposed in 2023/24 to find out whether existing tenants would like to be supported further in this way, or whether our current offering is satisfactory to meet need. Training provided to date has been kindly offered by rural and industry specialists and it is hoped that we can arrange similar during the next autumn/winter period.

Service Priority 2 – Land management and farming systems

20. In parallel with our efforts to deliver to Priority 1, we have also been seeking to achieve high quality environmental, social and economic outcomes in 2022/23, by promoting sustainable and adaptive systems of farming and land management both as part of our training provision and by signposting to relevant information and resources.
21. New tenants are required (and existing tenants are encouraged) to prepare Farm Action Plans, showing us how they plan to deliver the following 'priority outcomes' as a minimum:
 - to keep sustainable food production at the core of farm activities;
 - to protect, put into and keep in good condition the farm's soil health and structure, including organic matter content;

- to protect the farm's natural resources, including the local water environment which will be vulnerable to nitrate and pesticide leaching;
- to improve on-farm biodiversity and connectivity between neighbouring farms, local sites of importance for nature conservation, and within the wider landscape through good management and by providing joined-up wildlife-rich habitats;
- to strive towards net zero greenhouse gas emissions with a well-considered plan for monitoring, mitigation and adaptation;
- to boost pollinators and promote farmland bird abundance on farm through good engagement, monitoring and land management practices;
- to farm sustainably, adopting better performance measures, and with a willingness to undergo independent accreditation and/or periodic auditing to evidence strong performance;
- to adopt and uphold exemplar animal welfare standards; and
- to engage with the public and play an active part in increasing the understanding of farming and rural Hampshire in the local community.

22. The priority outcomes were highlighted throughout the tenant selection process this year, and scoring suggests that this has also resulted in an improvement in application quality.

23. The number of farms in countryside stewardship and/or subject to other environmental grant schemes in 2022/23 has increased, although delays in the roll out of the [Agricultural Transition Plan](#) has limited uptake amongst existing tenants this year.

24. The newsletter at Appendix 1 illustrates just some of the ways in which our collaborative work with our farm tenants, together with their own entrepreneurialism, is helping to deliver to this priority.

Priorities 3 and 4 – Financial Management and The Farm Estate

25. It is anticipated that the emerging draft county farms asset strategy, yet to be finalised or approved, will contribute to shaping implementation planning, and related financial planning, for maintaining the scale and quality of the land and assets available to the service.

26. In 2022/23 every farm was inspected, at least in part, in line with the ambition for yearly inspections set out as part of performance monitoring requirements in last year's report.

27. A variable approach to inspections has been undertaken across the portfolio to facilitate this, making best use of resources and with visits split and programmed by purpose.

Tenant movements on and off the estate

28. The following movements have taken place over the 2022/23 year:

<i>Action</i>	<i>No.</i>
Tenant progression off the farms estate to farm in own right elsewhere	2
Retirements	2

Agricultural Industry leavers	0
Internal progression within farms estate (starter to progression opportunity)	0
Tenancy extensions (in line with policy)	1
New entrant opportunities granted onto the farms estate	5

Tenancy type

29. There has been a subtle adjustment in spread of tenancy types since the Policy review was undertaken, most notably a reduction in the shortest and more secure tenancy types in favour of 7-10 year starter and 10-15 year progression tenancy terms, in line with county farms policy. Please note that the table below includes bare land lettings within the portfolio.

<i>Tenancy type</i>	<i>2011/12</i>	<i>Policy Review</i>	<i>2022/23</i>
Secure tenancies (longer-term lets)	24	10	8
FBT Less than 5 years	15	11	8
FBT 5 - 10 years	14	9	14
FBT 10-15 years	3	8	10
FBT More than 15 years	4	3	2

Finance

2022/23 Financial Summary £'000	Annual budget	Year End Actual	Year End Variance
Expenditure	410	565	155
Income	(722)	(779)	(57)
Net (surplus) / deficit	(312)	(215)	97

30. Significant flood damage and drainage complications to one listed farmhouse and several in poor order after long-term occupations, some water leaks and the damage caused by Storm Eunice have all contributed to an expenditure pressure in this financial year of £155,000. The emerging draft county farms asset strategy, which proposes that one-third of the farm assets are condition surveyed per annum over the next 3 years, aims to mitigate some of these issues by prioritising the maintenance backlog and better informing new programmes of work going forward.

31. For the second year running a large number of farms have been vacated and relet compared with typical tenancy turnover during the last decade of one per annum. This has contributed towards the overspend. It is anticipated that tenancy turnover should settle to an average of three per annum from 2023/24.
32. Income exceeded the budget by £57,000 principally due to rent received from the temporary motorway compound in Compton, resulting in an overall underachievement of £97,000 against a budget of £312,000.

Capital projects

33. County Farms projects with a 2022/23 construction start date have been delayed slightly to early 2023/24, principally due to the need for additional planning requirements, including biodiversity net gain.
34. The new tenants of Lyde Green Farm have worked constructively with us to design a compliant slurry storage solution for the farm and a bid for grant funding was also attempted by them to reduce the financial burden of the infrastructure, this time unsuccessful. Works on a new lagoon are now to commence in Q1 2023/24 and complete ahead of the winter period.
35. Hollam Hill Farm buildings are in critical need of replacement, with very little watertightness and structural integrity remaining to the livestock buildings. Following some delays due in part to both the unanticipated need for biodiversity net gain to be calculated and prescribed, plus the ongoing issue of a traditional building's future, a new planning application has been submitted and a new tender pack is being prepared.
36. Some minor works are due to be completed at Hazeley Farm to resolve flooding issues. These have been rescheduled for 2023/24, to take place after the outgoing tenant's departure.

Consultation and Equalities

37. The new policy was informed by a Member Advisory Group, who met between June and October 2020, and by existing tenants through informal discussion and a targeted survey. This engagement has continued to support 2022/23 implementation activities.
38. Providing inclusive opportunities into a sustainable and innovative farming environment is a key policy aim. Engaging with such a high number of aspiring new entrant farmers during this year's letting round has again contributed to increased mobility through those engagements into the agricultural industry, and thereby supported the future of farming to contribute to Hampshire's quality of place and environment.
39. As identified by the Equalities Impact Assessment (EIA) carried out at the time of the Policy Review ([County Farms Policy EIA](#)), data sources for the farming sector in the UK highlighted a continuing increase in the average age of farmers, an under-representation of women and a lack of diversity in terms of ethnicity. The review recognised the potential for gender inequality in Hampshire's County Farms service, which had only one female tenant at the time of the review, and the importance of removing barriers for new entrants to farming. The new Policy reflects a more open and inclusive approach to the

recruitment of tenants as the first step in enabling opportunity and increasing diversity across Hampshire's County Farms estate, and the EIA identified that the Policy will therefore have a positive impact in relation to the protected characteristics of age, sex and race. Progress to date against the policy has had clear and early positive impacts for the service, with marketing and other activities attracting and retaining a much more diverse range of farm applicants than usual and in greater numbers as the profile and identity of Hampshire County Farms has increased. The EIA also identified a positive impact on rurality arising from the renewed focus of the Policy on achieving high quality environmental, social and economic outcomes that support the communities of Hampshire.

Climate Change

40. The County Farms estate forms part of the County Council's wider corporate estate and is therefore subject to the County Council's climate change strategy and targets. The approach to achieving a carbon net zero position for the County Farms estate and ensuring its resilience in response to a potential 2°C temperature rise is being considered as part of the wider approach to the County Council's internal carbon reduction programme set out in a [recent](#) report to Cabinet.
41. It is anticipated that the service's priority outcomes identified for each farm will have a very beneficial impact on reducing carbon emissions, increasing carbon sequestration and also building resilience to climate change effects. The service will continue to work with climate change programme leads and farm tenants to identify and implement appropriate actions in line with the emerging strategy.

Next steps

42. Implementation planning for 2023/24 includes the following activities:
 - draft Service Action Plan through to 2026 to help inform planning;
 - finalise the draft asset strategy for Hampshire County Farms;
 - guidance to be prepared to inform the application of tenancy extensions;
 - finalise and circulate new Community Engagement Toolkit to tenants, to include guidance on hosting events, evaluating outcomes, social media planning and presentation materials;
 - provide support and training to tenants about carbon accounting, mitigation and improving resilience to the effects of climate change;
 - further collaboration with CPRE Hampshire over a 3-year period to facilitate tenant skills training and increase hedge planting and laying on the estate;
 - 2023/24 Tenant Survey to support implementation planning;
 - engagement with rural professionals in region to promote county farms activities and obtain input into tenancy-related procedures;
 - ongoing provision of "Farmer CPD" training and support;
 - ongoing farm compliance and other condition checks;

- develop new system for the management of water supplies and associated recharging;
- preparation of new grazing procedures;
- proposal for farmhouse improvement programme to ensure compliance, and with added value of reducing carbon; and
- coastal land case study – joined-up approach to management to boost farming, biodiversity and recreational uses.

43. Spring 2024 provisional lettings:

- a. Cox Croft Farm.
- b. Hillsbrow Farm.

Conclusions

44. The purpose of this report is to provide an update on progress made in 2022/23 to incorporate the county farms policy priorities into operational practice.

45. It is recommended that the contents of this second annual Hampshire County Farms report and newsletter be noted by the Executive Member for Countryside and Regulatory Services.

REQUIRED CORPORATE AND LEGAL INFORMATION:

Links to the Strategic Plan

Hampshire maintains strong and sustainable economic growth and prosperity:	yes
People in Hampshire live safe, healthy and independent lives:	yes
People in Hampshire enjoy a rich and diverse environment:	yes
People in Hampshire enjoy being part of strong, inclusive communities:	yes

Other Significant Links

Links to previous Member decisions:	
County Farms Policy 2021 Towards 2050: A Vision For a Better Farming Future	19.03.2021
Direct links to specific legislation or Government Directives	
Agriculture Act 2020	11.11.2020
Agriculture Act 1970	25.03.1970

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

Document

Location

None

EQUALITIES IMPACT ASSESSMENT:

1. Equality Duty

The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited by or under the Act with regard to the protected characteristics as set out in section 4 of the Act (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation);
- Advance equality of opportunity between persons who share a relevant protected characteristic within section 149(7) of the Act (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic within section 149(7) of the Act (see above) and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

2. Equalities Impact Assessment:

An Equalities Impact Assessment was undertaken for the new County Farms Policy in 2021. It identified that the Policy will have a positive impact in relation to protected characteristics of age, sex and race by providing more inclusive opportunities for new entrants to farming and support to tenants to establish viable farm businesses. The EIA also identified a positive impact on rurality arising from the renewed focus of the Policy on achieving high quality environmental, social and economic outcomes that support the communities of Hampshire.