

Research Briefing **Local Authority Farms in Wales**

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Research Briefing

Local Authority Farms in Wales

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Local Authority Farms in Wales

Introduction

Local authority farms have been a way of entering the farming industry for young people for over a century, since the ***Small Holdings and Allotments Act (1908)***. This briefing explores the current numbers of local authority farms in Wales and provides a summary of stakeholder views on the issue.

What are Local Authority farms?

Local authority or county council farms are agricultural units owned by a local authority and rented out to farmers. They were conceived in the early 20th century due to falling entry numbers into farming and **were found useful** as a way of providing employment opportunities to returning servicemen after the two world wars.

The farms are supported by various Acts, for example the ***Agriculture Act (1970)***, which states that local Authorities should:

...make it their general aim to provide opportunities for persons to be farmers on their own account by letting holdings.

This is providing the person mentioned is deemed by the authority to have sufficient 'agricultural experience to farm the holding on his own account' or the local authority reasonably believes they will be able to gain the required experience within a short time.

Due to the financial pressures faced by some local authorities they have undertaken sales of some of their smallholding assets in order to raise capital funds. Some stakeholders have expressed concern that this may have an adverse effect on the ability of new entrants to start a career in the farming industry due to the high initial capital outlay required otherwise.

How many Local Authority farms are there in Wales?

The Welsh Government **collects and publishes annual statistics** on the area and number of smallholdings in each local authority in Wales, as well as records of new and terminated tenancies, disposal of land, and the overall accounts of the national local authority agricultural estate.

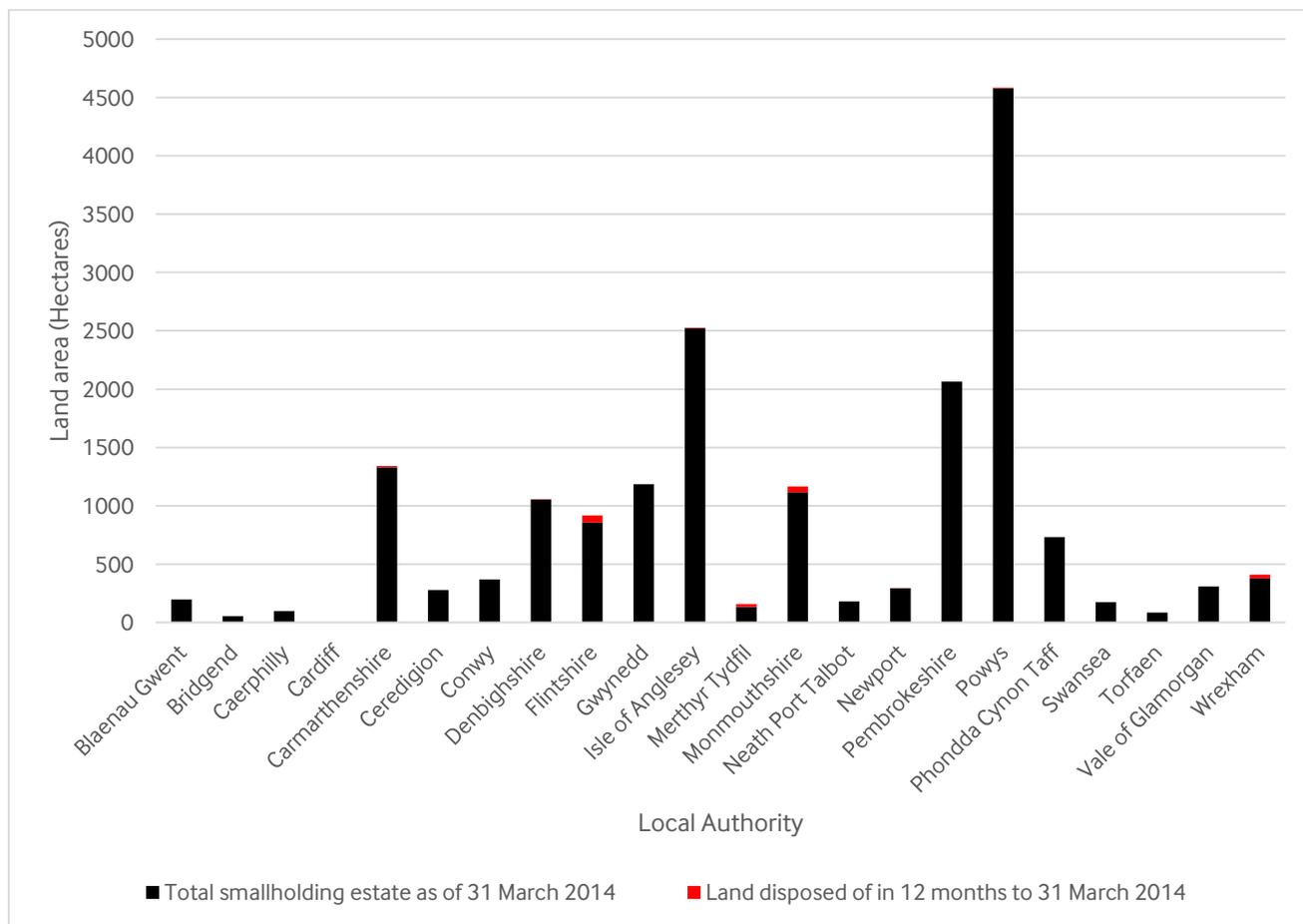
At the last count **in March 2014, local authorities in Wales provided 1,022 smallholdings, covering an area of over 18,000 ha**. This accounted for just over 1 per cent of the total area of land rented in Wales. As of 31 March 2015 there were 920 tenants on local authority smallholdings. During 2014-15 257 new tenancies were granted of which 211 were granted to new entrants. Local authority smallholdings provided an annual net income for Welsh authorities of over £1.1 million.

There was significant variation among local authorities in terms of the area of farmland they held. For example, Bridgend, Caerphilly and Torfaen local authorities each held less than 100 ha of smallholding land; whereas Carmarthenshire, Denbighshire, Gwynedd and Monmouthshire held over 1,000 ha each. The Isle of Anglesey and Pembrokeshire held over 2,000 ha each, and Powys County Council had the largest smallholding estate at over 4,500 ha.

During the 2013-14 financial year, some local authorities disposed of land previously used as smallholdings. For example, Newport County Council sold 0.27 ha in the period between 1 April 2013 and 31 March 2014, receiving £6,000 for this, and Monmouthshire County Council disposed of 49 ha of land raising £1.2 million.

In total, **nine of the 22 local authorities sold** or otherwise disposed of land in this period, totalling over 185 ha with receipts of over £3.7 million.

Figure 1: Smallholding land sold by Local Authorities in Wales in 12 months to March 2014 (absolute figures)



Source: Welsh Government, March 2016

Consideration by the Assembly

Third Assembly

The issue was last considered in detail in the Third Assembly by the Rural Development Sub-committee. The Sub-committee **made several recommendations** to the Welsh Government. The Sub-committee recommended that the Welsh Government should:

- Work with local authorities to forge better links with private landowners in order to better integrate the sectors.
- Work with private landowners to identify and overcome barriers to letting, and identify means of providing more secure, longer-term leases to tenants.
- Use examples of best practise from elsewhere to inform and guide local authorities in the management and disposal strategy of their estates.
- Help local authorities develop a co-ordinated approach to management of the local authority smallholding estate, including networking and information sharing.

- Investigate means of supporting local authorities in the upgrading of housing on the smallholding estate without necessitating disposal of land to fund it.

The Committee heard evidence to support these recommendations from a range of stakeholders including county councils, farming unions, the Tenant Farmers Association and young farmers.

Stakeholders suggested to the Committee that without access to local authority farms young people without significant capital or a chance to inherit a family farm would be unable to access the industry. They stated that demand for local authority farms outstripped supply for entry-level tenancies.

The Committee heard that the funds raised through disposal of land were not always reinvested in the estate by local authorities. It was therefore suggested that the Welsh Government should provide advice to local authorities on how they take a longer-term approach to farm estate management.

Fourth Assembly

In its **Fourth Assembly Legacy Report**, the Environment and Sustainability Committee identified new entrants to the farming industry and skills as a priority area for a future Assembly. It proposed a review of the local authority farm estate and its role in providing access to land for young farmers and new entrants as an area of work for a future committee.

Welsh Government position

In her evidence to the Fourth Assembly Environment and Sustainability Committee **on 2 March 2016** the then Deputy Minister for Farming and Food, Rebecca Evans stated:

Of course, local authority smallholdings are really important in terms of helping young people, particularly, and being an entry into farming for people who have perhaps not had a background in farming as well. The last two winners of our Brynle Williams memorial award have actually been tenant farmers in that situation, so it does show the kind of quality of people who can come through in that way. The responsibility of this really does lie with local authorities themselves. However, they do have responsibilities under the Agriculture Act 1970, in order to make it their general aim to provide opportunities for persons with experience to be farmers in their own account, by letting smallholdings that are capable of sustaining, you know, a sustainable living on that smallholding. So, there is that responsibility there.

Stakeholders

Anglesey County Council

As part of evidence given to the Third Assembly Sub-committee, **The Isle of Anglesey County Council highlighted**, at that time, the challenges faced by the Council in funding the extensive repair and refurbishment of farmhouses on the council estate. The Council stated that, due to the poor quality of some of the housing available on the council farm estate, applications for new tenancies had reduced.

Tenant Farmers Association

The Tenant Farmers Association has expressed its continued support for the local authority farm estate and its role in helping new entrants to the industry. The Chief Executive of the Tenant Farmers Association, George Dunn, **has stated**:

With the capital requirements of agriculture, it is one of the most difficult industries to enter. Tenancies offer a very effective way of bringing in new entrants and sustaining businesses into the long term. The county council farm structure has provided a major contribution to this.

NFU Cymru

NFU Cymru **in its manifesto** for the Assembly elections in May 2016, sets out its views on the local authority farm estate:

The Council farm system provides a valuable means of entering the industry for many young farmers. The size of the council farm estate in Wales has declined in recent years as hard pressed local authorities have sold off their council farms. Although we understand why selling off assets in this way may appear tempting in order to meet short term financial needs, we also consider this policy to be misguided. Council farms are a valuable asset, which offer a potential on-going revenue stream.

NFU Cymru has called on the Welsh Government to take action. NFU Cymru recommends that the Welsh Government should highlight the career opportunities available in agriculture as well as helping local authorities preserve the council farm estate.

Farmers Union Wales (FUW)

FUW has expressed its concerns about the sale of farm estate by local authorities. In 2013, the chairman of the FUW Younger Voice for Farming Committee, Darren Williams, **expressed concern** over the disposal of local authority farms. He described them as a “valuable and essential” route into the farming industry for new entrants. He said:

For many, county council holdings remain one of the only entry routes in the industry. They must be kept as a legacy for future generations.

He also raised the problem of the lack of movement between tenancies, particularly of older, more established tenants being unable or reluctant to move from medium or larger sized council holdings, meaning that the younger generation of farmers are unable to access them.

Powys County Council

In its evidence to the Third Assembly Sub-committee **Powys County Council considered** at that time:

... the primary objective of the Estate should be to make a financial contribution to Council services proportionate to the value of the asset employed.

The Council also noted that an important part of the role is to facilitate the entry of young and first-time farmers into the industry, despite limited opportunities on the current estate.

Carmarthenshire County Council

In its evidence to the Third Assembly Sub-committee the **Council listed at that time** its 'recognised aim' as being to

... provide affordable opportunities for persons who would otherwise not be able to enter into agriculture by purchasing or renting in the private rented sector & to establish themselves as farmers and rural business entrepreneurs. Also for tenants to progress on their own account & to move off the Estate on to larger farms in the private or institutional sectors.

The Council suggested that one of the reasons that County farm estates no longer provide as many opportunities was that moving on from starter units to privately tenanted holdings had become difficult, and therefore tenants tend to stay on the same farm for long periods, even beyond retirement age in some cases.

Young Farmers Club

In its 2016 **manifesto for the Assembly** elections the National Federation of Young Farmers' Clubs identifies the retention of county council farms as the top area of interest and concern to the Federation. The Steering Group indicates that local authority farms bring environmental, educational and economic benefits, as well as opening up the farming industry to new entrants. The National Agriculture and Rural Affairs Committee of the NFYFC has lobbied in favour of local authority farms and made recommendations for local authority farm estate review policies.

Key Sources

- The **Agriculture Act 1970**
- Sir Donald Curry, **The Importance of the County Farm Service to the Rural Economy**, November 2008
- Welsh Government, **Local Authority Smallholdings Annual Report 2014-15** (PDF 259 KB), March 2016
- National Assembly for Wales, Third Assembly Rural Development Sub-committee, **Local authority farms in Wales**, December 2010
- National Assembly for Wales, Fourth Assembly Environment and Sustainability Committee, **Fourth Assembly Legacy Report**, March 2016