

DORSET COUNCIL

FARMS ESTATE STRATEGY

2026-2036

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DORSET COUNCIL – FARMS ESTATE STRATEGY

1 Foreword

As Dorset Council’s Cabinet Member for Property & Assets and Economic Growth, I am proud to present this Farms Estate Strategy. Our Farms Estate is a unique and valuable asset, one that not only supports the development of new farming businesses but also contributes meaningfully to our wider ambitions for Dorset’s economy, environment, and communities.

This strategy sets out a clear and ambitious vision for the next decade. It recognises the importance of supporting new entrants into agriculture, promoting sustainable land management, and ensuring that our rural holdings continue to deliver public value. By aligning with the Council Plan, the strategy helps us grow our economy through local food production and rural enterprise, respond to the climate and nature crisis through biodiversity and carbon reduction, and support vibrant communities by sustaining rural livelihoods and access to land.

I am particularly pleased that this strategy reflects the views of our tenants and stakeholders, and that it builds on the findings of a comprehensive review of the estate. It is a strategy rooted in evidence, shaped by experience, and driven by a commitment to stewardship and opportunity.

I would also like to thank the Farms Executive Advisory Panel for their valuable input and guidance throughout the development of this strategy. Their expertise and insight have been instrumental in shaping a forward-looking approach that reflects both the challenges and opportunities facing our rural estate.

Cllr Richard Biggs - Cabinet Member for Property & Assets and Economic Growth

2 Executive Summary

Rural Estates require a long-term approach to strategic planning and delivery, and there is a need to renew the Council’s strategic framework for the management of its Farms Estate.

Vision for the Farms Estate:

“To foster a sustainable and thriving agricultural estate that supports new entrants into farming, delivers continuous demonstrable environmental improvements and enables economic prosperity. Our commitment is to cultivate innovation, stewardship and growth, ensuring a resilient future for our land and our people.”

Aims and objectives of the Farms Estate:

- Support New Entrants: to provide opportunities and support for new farmers committed to sustainable agricultural and horticultural practices and sustainable food production;
- Environmental Improvement: to implement practices that conserve biodiversity, improve soil health and reduce emissions; and
- Good Estate Management: robust asset management of the estate, to ensure assets are in good condition, fit for purpose, compliant and future proofed where possible.

Delivery:

To deliver the stated aims and objectives the Council will categorise the Estate to the following categories providing focus for the management of individual properties:

- Starter Farms: Core holdings suitable for future or immediate starter farm use, providing opportunities for new entrants to set up and operate a sustainable agricultural business.
- Progression Farms: Core holdings suitable for future or immediate progression farms use, enabling the opportunity for development and expansion of a sustainable agricultural business, and generating turnover of starter farm opportunities.
- Land: Land which could be amalgamated into either starter farms or progression farms to create viable units suitable to meet the needs of a modern sustainable business, and/or to enable environmental improvements.
- Other: This category includes assets which are identified as unsuitable for starter farms or progression farms, and/or the cost of making them suitable by providing the necessary requirements is not considered viable or acceptable. This may be due to location, size, configuration, or significant infrastructure limitations.

In cases where the cost of making such assets viable for farming is disproportionate or unjustifiable, they may be identified as non-viable or redundant.

These assets would be considered for an alternative use by other Council services or considered for disposal. In the case of disposals business cases will be developed recommending a proportion of the capital re-invested into the Farms Estate.

3 Introduction

With the expiry of the previous Strategy the County Farms Estate Management Plan 2016-2021 there is a need to renew the Council's strategic framework for the management of its Farms Estate. This need has been crystallised by the changes in national policy and the adoption by the Council in October 2024 of the Strategic Asset Management Plan which refocuses the Council's approach to its assets and property.

This draft strategy aims to take into account local and national policy, and reflects the discussions to date with stakeholders, the asset review carried out by Savills and particularly the work and debates of the Farms Executive Advisory Panel.

4 National Policy Framework

There has been in recent years a range of reports and material setting out stakeholders' ambitions for the national food supply, land use and the farming sector. Most recently the government has carried out a consultation on a Land Use Framework which is due to be published in summer 2025.

The overwhelming theme of the documentation is that the agricultural sector is of critical importance to the economy, to food supply and the environment.

The strategy also reflects national agricultural policy, including the Agriculture Act 2020 and DEFRA's guidance encouraging local authorities to retain and invest in farm estates. It supports delivery of the Local Nature Recovery Strategy and aligns with the Government's Land Use Framework and Environmental Land Management schemes.

5 Local Policy Framework

5.1 Council Plan

The Council's four strategic priorities are set out in the Council Plan, which indicate where the Council want to make a significant and positive difference. These strategic priorities are:

- Provide affordable and high-quality housing;
- Grow our economy;
- Communities for all; and
- Respond to the climate and nature crisis.

This strategy is firmly aligned with Dorset Council's strategic priorities as outlined in the Council Plan. It supports 'Growing our Economy' by enabling local food production and rural enterprise, 'Responding to the Climate and Nature Crisis' through sustainable land

management and biodiversity enhancement, and 'Creating Communities for All' by maintaining active rural holdings that support vibrant local communities and food resilience.

The contribution made by the Farms Estate is important to the economy of Dorset and will help the Council grow its' economy as well as helping sustain local food production. The estate provides a platform for new and existing farmers to develop viable agricultural businesses, which in turn supports local employment and strengthens the rural economy. By enabling access to land and supporting progression through structured tenancies, the strategy fosters innovation in farming practices and encourages diversification into agri-tourism, food processing, and environmental services. This contributes to a resilient local food system, reducing reliance on external supply chains and enhancing food security for Dorset's communities.

By supporting new entrants and progression farms, Dorset Council helps ensure a resilient local food system that contributes to food security, supports local employment, and strengthens community identity across the county. This directly supports the Council Plan priority of 'Communities for All', by sustaining rural livelihoods and enhancing access to locally produced food.

By devoting some of the Farms Estate to environmental improvements the farms will help the Council respond to the climate and nature crisis.

Within the Council plan the Council has a specific target for 70% of farms to be managed using sustainable farm practices by 2030. The Farms Strategy will assist in identifying opportunities and actions to deliver this.

There may be some areas of the Council's farm estate which may either through diversifying or disposal help contribute to the provision of affordable and high-quality housing.

5.2 Strategic Asset Management Plan

Supporting the Council Plan, the Asset and Property service is governed by the Strategic Asset Management Plan (SAMP), agreed by Cabinet in October 2024.

Contributing to the Council Plan priorities, the SAMP reiterates and lists the key priorities:

- Driving economic growth and prosperity;
- Providing land to enable delivery of affordable, suitable housing;
- Responding to the Council's climate and ecology targets by maximising decarbonisation and ecological performance of the estate;
- Creating great places to work and enhancing the unique qualities of Dorset; and
- Commercial approach to driving greater income and yields to support service delivery.

One of the key principles of the SAMP is to regularly review the asset base, optimising the use and opportunities of the estate to maximise asset productivity, financial and social return, assessing potential to retain, repurpose, develop or dispose.

Dorset Council engaged Savills to conduct a comprehensive review of the Farms Estate. This instruction was to assist the Council in establishing a strategic direction for the future and reconfirm the reasons the Council should continue to own farms.

The report produced by Savills has served as a preliminary scoping exercise and has directed the discussions with the Council Farms Executive Advisory Panel, whose advice and recommendations have shaped the development of this new management strategy for the Council's Farms Estate.

6 Farms Estate Strategy

The Council's Farms Estate requires a long-term approach to strategic planning and delivery to allow sufficient time for the aims and objectives to be realised.

In a sector with such a diverse range of opportunities, it is essential to identify a clear strategic focus. This is to avoid the risk of spreading effort, resource and budget too thinly.

Instead, the Farms Estate must concentrate on delivering the key objectives to an excellent standard.

This strategy will be adopted for a 10-year strategy period, with a 5-year interim review.

6.1 Vision

"To foster a sustainable and thriving agricultural estate that supports new entrants into farming, delivers continuous demonstrable environmental improvements and enables economic prosperity. Our commitment is to cultivate innovation, stewardship and growth, ensuring a resilient future for our land and our people."

6.2 Aims & Objectives

The Council's Farms Estate will continue to be run and maintained as a Statutory Smallholdings Estate in accordance with Part 3 of the Agriculture Act 1970 and successive legislation.

Under section 39 of the Agricultural Act 1970 it states that the general aim of statutory smallholding authorities is:

"In the performance of their functions under this Part of this Act smallholdings authorities, having regard to the general interests of agriculture and of good estate management, shall

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

Therefore, the aims and objectives of the Farms Estate, will seek to combine these statutory aims with Dorset Council’s own strategic priorities:

1. Support New Entrants: to provide opportunities and support for new farmers committed to sustainable agricultural and horticultural practices and sustainable food production;
2. Environmental Improvement: to implement practices that conserve biodiversity, improve soil health and reduce emissions; and
3. Good Estate Management: robust asset management of the estate, to ensure assets are in good condition, fit for purpose, compliant and future proofed where possible.

In order to deliver against these aims and objectives, the Council has reviewed the recommendations made by Savills, through their report, and following discussions with the Council Farms Executive Advisory Panel, the following strategy has been produced for the Farms Estate.

6.3 Support New Entrants

Councils are not obliged to provide opportunities for new farming entrants, but it has been a key part of their historical remit, particularly in Dorset, and the opportunity for new entrants provided by the Farms Estate today, continues to be highly valued by the current tenants and the wider agricultural sector.

At the present time, Councils are providing the significant opportunities for new entrants into agriculture. If Councils moved away from this model, there would be a significant impact on access into the industry.

“Defra wants to encourage local authorities to retain and invest in their farm estates.”¹

The Labour Government has indicated that it will continue to support new entrants into farming. They recognise the importance of food security and the need to encourage innovation and sustainability in the agricultural sector.

¹ Defra. (July 2023). 72nd annual report to Parliament on smallholdings in England, 1 April 2021 to 31 March 2022.

Much central Government support is centred around providing business support to young farmers, to help them develop their ideas and encourage innovation. What they are not providing however, are suitable holdings for young farmers to get started.

At a local level, this is made possible by the Council's Farms Estate.

Therefore Dorset Council should be offering an opportunity to those wishing to enter the agricultural sector, and starter farms should continue to form a core policy driver for holding agricultural land.

This will continue to facilitate new entrants into the sector whilst also delivering against the Council's strategic priorities.

6.3.1 Starter Farms

The only way of achieving a successful long-term policy of starter farms is to operate them within a rigid structure, which is clear and fair to all parties. There should be a fixed term length that gives the tenant clarity around business planning as well as facilitating a realistic turnover of tenants.

The Council will therefore operate a maximum of a 12-year term for new starter farm tenancies, with clear communication from the outset that this is fixed in order to ensure adequate turnover so the opportunity can be subsequently made available to others.

Food production and the skills required to deliver high quality, high welfare agricultural goods within the context of environmental enhancement will be the focus for starter farms.

However, the Council will view starter farms as the potential to offer wider agricultural based rural business opportunities as well as the more traditional dairy or other livestock-based enterprises.

6.3.2 Progression Farms

Whereas a policy for allocation of land to starter farms is part of the overall land strategy, it is not the only function of holding land. Within the Farm Estate there should also be the ability to offer progression tenancies.

These are likely to be on the larger holdings and will be let for a longer term, with provision for the tenant to invest in the holding, as well as where required diversify away from the main agricultural operations of the holding and into alternative supplemental enterprises.

The Council will operate a 20-year term for progression farm tenancies (a maximum of a 25-year term in exceptional circumstances), with clear communication from the outset that this

is fixed in order to ensure adequate turnover so the opportunity can be made available to others coming through the system.

6.3.3 Discretionary Extension of Tenancy

The Council will consider requests for extensions to occupation in exceptional/special circumstances. Such requests will be considered on the basis of the individual circumstances of each case, the farming performance of the tenant, the tenant's forward plan and what is in the best interests for the management of the Estate.

Consent to remain will normally be by way of a further fixed term tenancy. It is expected that the maximum term for a discretionary extension of either starter or progression farm tenancies would be 5 years.

6.3.4 Asset Categorisation

In order to deliver this element of the management strategy, the Council will review all of its current holdings to identify the following:

- Core holdings suitable for future or immediate starter farm use (Starter Farms);
- Core holdings suitable for future or immediate progression farms use (Progression Farms);
- Land which could be amalgamated into either starter farms or progression farms to create viable units suitable to meet the needs of a modern sustainable business, and/or to enable environmental improvements (Land); and
- Assets which are identified as unsuitable for starter farms or progression farms, and/or the cost of making them suitable by providing the necessary requirements is not considered viable or acceptable (Other). This may be due to location, size, configuration, or significant infrastructure limitations.

These assets could be considered for potential to deliver environmental improvements, or for an alternative use by other Council services or considered for disposal. In the case of disposals business cases will be developed recommending a proportion of the capital re-invested into the Farms Estate.

The Council remains committed to transparency and meaningful engagement before any disposals are progressed, with the Farms Executive Advisory Panel playing a key role in advising and informing these decisions to ensure they reflect the priorities in the Council Plan and this strategy.

6.4 Environmental Improvement

Dorset is known for its natural beauty and is home to lots of nature areas with a variety of wildlife. But over the years the amount and variety of wildlife has reduced and many areas for nature have been split up or lost.

Prioritising the delivery of environmental benefits by changes in land management on Council farms has the potential to generate income, reduce costs and meet a wide range of the Council's strategic priorities and obligations including the authority's legal Biodiversity Duty.

6.4.1 Local Nature Recovery Strategy

At a strategic level the [Local Nature Recovery Strategy \(LNRS\)](#), currently out for consultation until 30 July 2025, sets out 12 priorities to restore, enhance and connect spaces for nature in the county.

Priority 7 on sustainable farming is about producing good quality food, in harmony with nature – it was written by the farmers in the LNRS advisory groups.

The LNRS emphasises that these two things go together; it's not a case of nature vs food.

The activities in the LNRS are based on what local farmers attending events highlighted they are already doing for nature or would like to do, changing to more sustainable farming practices whilst ensuring financial viability. The LNRS recognises farm businesses are a key part of the local economy.

The LNRS contains maps that show High Opportunity Areas for nature that farmers and landowners can refer to, but it is not a regulatory document that seeks to force particular actions.

There are also maps to help guide the delivery of wider natural capital benefits. This could provide a basis for further study, overlaying Dorset Council farms with the maps that show where environmental benefits such as water regulation and nature-based solutions could be delivered and translated into an implementation plan for each farm.

6.4.2 Sustainable Farming Practices

Sustainable farming practices incorporate many different approaches to farming that aim to reduce environmental impacts and increase environmental benefits. How farmland is managed impacts the diversity and abundance of wildlife it provides space for, and how easily wildlife can move across the landscape between areas of nature-rich habitat.

Sustainable farming practices minimise the impact of farming on habitats and ecosystem functions, with a focus on soil health, water quality, increasing diversity, minimising chemical use and improving habitat connectivity.

Sustainable farming practices need to be both economically and environmentally sustainable, providing good quality local food, local jobs, profit for the farmer, and an increased abundance and diversity of wildlife and habitats.

As part of the Council Plan, the Council has an aspiration that 70% of Council Farms will be managed using sustainable farming practices that balance food production and nature by 2030.

Tenants will be encouraged and supported to consider and adopt sustainable farming practices.

6.4.3 Environmental Improvement Grant Schemes

There is an increasing range of formal schemes emerging designed to protect the environment and climate, many of which present opportunities for landowners and tenants to contribute environmental benefits in a commercially viable structure.

This is a sector that is developing fast and is currently in a state of considerable flux, with many different options available in specific localities. These opportunities will continue to change in response to national and local requirements and may well present new opportunities for the Farms Estate.

The changes in UK policy towards Agricultural Support payments being based on the benefit they bring to the wider public good, rather than just an underlying payment based on the area of agricultural land held, provides new opportunities for land use.

Government support is broadly split into 3 main areas:

1. Woodland grants for management of existing and creation through new planting;
2. Countryside Stewardship Scheme (CSS) split into Mid and Higher Tier schemes – principal main scheme offering wide ranging payments and management options as well as a broad range of capital payments towards standard or specialist works; and
3. Sustainable Farming Incentive (SFI) – newest scheme based on 3-year agreement with many CSS options as well as bespoke SFI options.

These schemes can provide access to payments for tenants as well as landlords targeting environmental enhancement and increasing biodiversity.

As part of the aim and objective to see environmental improvement to the Farms Estate, the Council will actively encourage tenants to engage with these schemes.

This promotion can be achieved through knowledge transfer facilitation with support for tenant farmers seeking to maximise the outcome from a scheme.

It would be expected that tenants actively seek to enter their land into a scheme even if only at a basic or minimum level.

New tenants will be encouraged and supported to contribute towards the Council's aim to see environmental improvements across the Farms Estate through such grant schemes.

Existing tenants could be incentivised by the provision of additional adjoining land where possible, to enable the commitment of land to nature recovery without impacting upon the productive capacity of the holding.

6.4.4 Biodiversity Net Gain

Work is currently underway on a study to show the potential to deliver Biodiversity Net Gain on land at Clapcott's Farm, Spetisbury. This case study will be incorporated into an options appraisal setting out the potential income generation and how other benefits including education and access to nature could be provided at the same time.

In summary, this work involves:

1. Establishing the ecological baseline and potential BNG uplift (currently being undertaken);
2. Identifying priority ecosystem services in Dorset; and
3. Quantify opportunities for habitat enhancement to deliver priority Ecosystem Services and natural capital benefits aligned with the Council's strategic priorities.

If this pilot yields positive results, then the Council will consider investigating other opportunities across the Farms Estate, working with tenants to deliver biodiversity net gain.

6.4.5 Climate Change

The Council's Climate strategy identifies three key challenges:

1. carbon emission reduction,
2. biodiversity loss, and
3. adaptation to the impacts of climate change.

The Council is committed to working with partners to develop and deliver strategic approaches to each of these challenges.

Sustainable agricultural practices and appropriate land management are critical to all three of these challenges.

6.4.6 Carbon Emission Reduction

Agriculture accounts for a third of Dorset Counties Carbon emissions.² Facilitating the reduction of these emissions by 2045 is a Council strategic priority.

Although the Farms Estate represents a small proportion of Dorset agricultural businesses, the Council has the opportunity to support tenants to move towards sustainable business practices.

Many tenants are already considering their business's carbon footprint as a requirement of their supply chain. Where tenants have not yet considered their business's carbon footprint, the Council will encourage and support tenants to undertake a carbon foot printing exercise and assist in considering how carbon emissions could be reduced.

The Council's Sustainability Team are currently developing an approach to resilience and agricultural carbon mitigation, and will offer the opportunity for Farms Estate tenants to be involved in the development of this approach. They will seek to encourage the sharing of best practice.

6.4.7 Renewable Energy Opportunities

The Council is currently working to develop a project to explore how low carbon technologies can best be integrated into farms.

A funding bid has been submitted via the South West Net Zero Hub for the project. If successful, the project will explore different renewable energy opportunities for a range of farm types, in order to develop a best practice approach to support farms in reducing costs and carbon emissions, and/or maximising alternative income streams from energy generation.

It is anticipated that the project will identify business models and case studies which would be shared at national level, and to enable access to national funding to support installation.

The project will likely consider a range of technologies at a variety of different scales. If there was interest from tenants, farms within the Farms Estate could be offered the opportunity to form part of this project, and act as a pilot or case study.

At a larger scale, a study into opportunities for large scale renewable energy generation on land within the Farms Estate was commissioned by the Council several years ago. A number of farms were identified as potential opportunities for larger Megawatt scale projects. However, grid connections were identified as an issue for some of those sites.

² UK local authority and regional greenhouse gas emissions statistics ([UK local authority and regional greenhouse gas emissions statistics, 2005 to 2022 - GOV.UK](#))

Reported in Dorset Council, Natural Environment, Climate and Ecology: Progress Report – Autumn/Winter 2024 (p.20) ([Public Pack\)Agenda Document for Place and Resources Scrutiny Committee, 14/11/2024 18:30](#))

It is likely that this study will need to be revisited and updated, but at the current time, the Council are proceeding to investigate one site in Weymouth which was identified as the best potential site for large scale renewable energy generation.

6.5 Good Estate Management

There is a clear need to achieve a better standard of management across the Council's Farms Estate, as well as an acceptance that targeted investment will be required to prevent a 'cliff edge' scenario of non-compliance and breach of legislation in relation to environmental and safety standards.

The following core principles of good estate management will underpin the Council's approach:

1. Take a strategic estate management approach
2. Plan and organise the Farms Estate's resources
3. Understand the Farms Estate's condition, performance and capacity
4. Meet health and safety requirements
5. Maintain the Farms Estate
6. Plan and carry out estate projects
7. Improve tenancy management and tenant communication

7 Funding the Farms Estate

7.1 Current Financial Performance

In the context of Dorset Council's wider property portfolio, the Farms Estate is not regarded as providing a particularly compelling revenue return and this was identified as a weakness by several stakeholder groups.

Farmland has however been a very secure store of capital for many decades. As can be seen from the graph in Figure 2, values have increased about fivefold over the last 20 years.

Figure 3 shows that over the past 100 years average England farmland values have returned 5.7 per cent per annum. In real terms, this equates to just under 2 per cent compound annual growth rate over the same period³.

³ Savills Rural Research; The impact of historical events on farmland values; <https://www.savills.co.uk/landing-pages/rural-land-values.aspx>

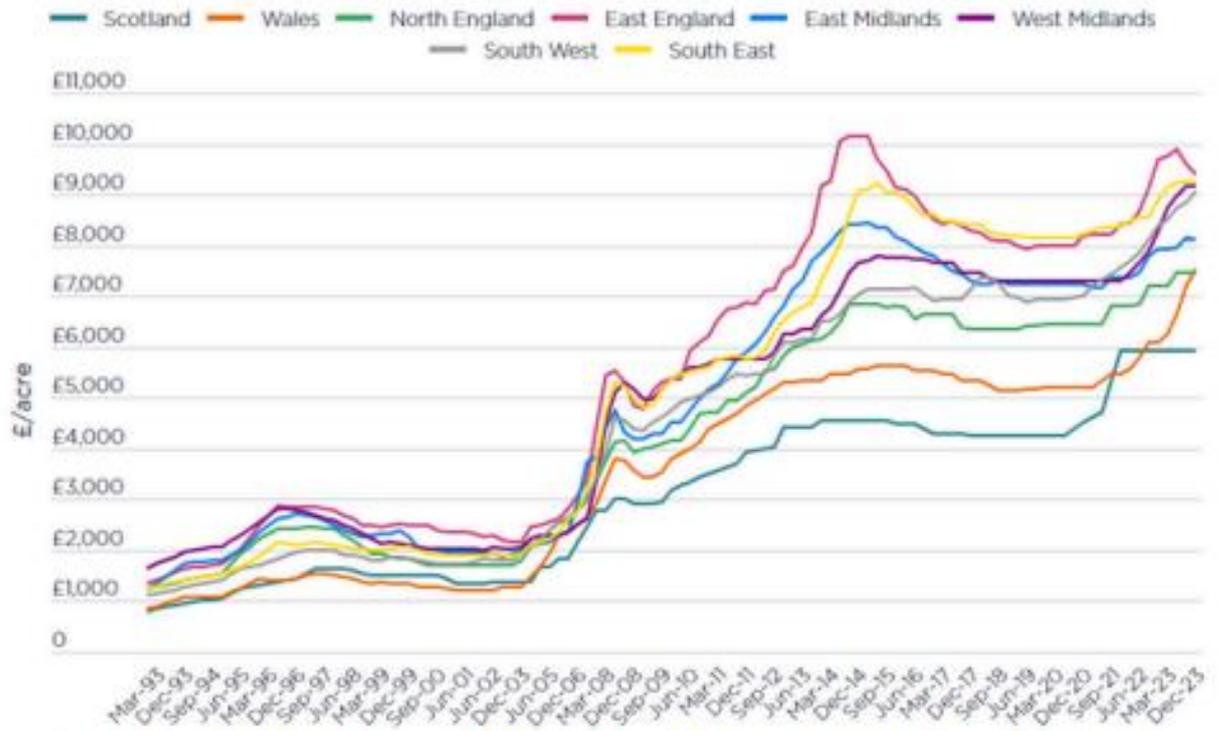


Figure 2 - Land Values by Region since 1992[12] (Savills Research, 2023)

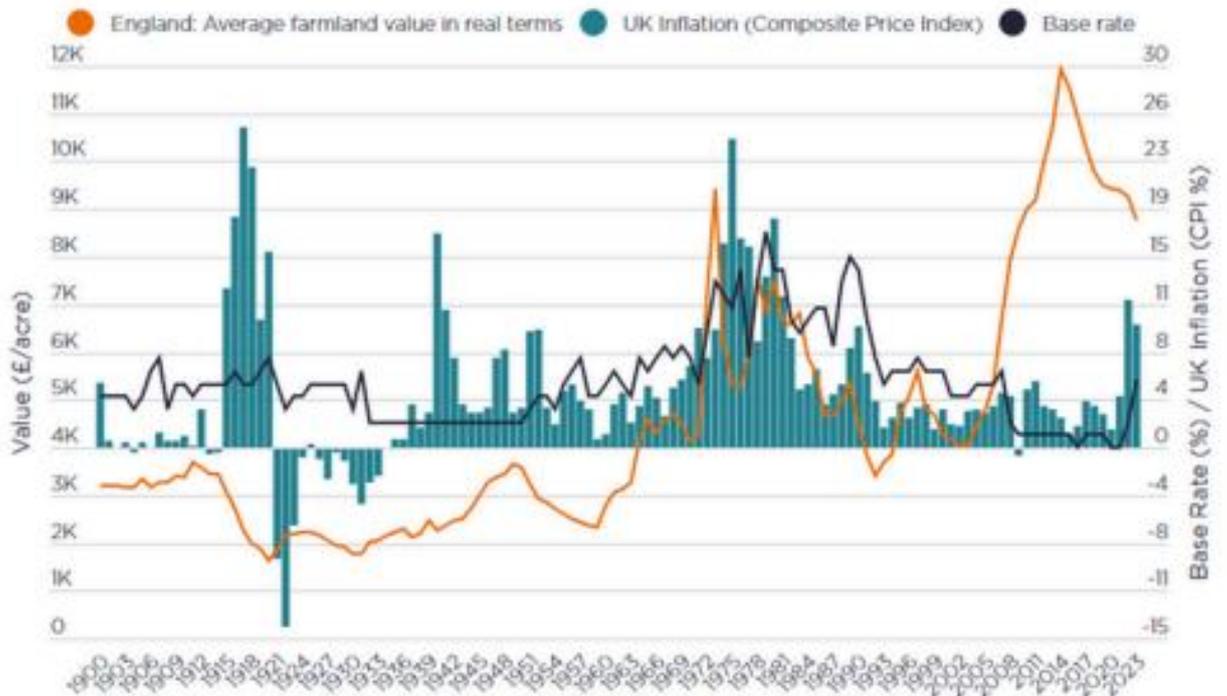


Figure 3 - Historic Average Land Values in England (Savills Research, ONS, Bank of England[13], 2023)

If analysis of financial performance is centred around net revenue contribution, there is a danger that the benefits of long-term capital growth and its potential to support a balance sheet are not recognised. Any decision around these assets must be looked at in the long-term context, rather than just the year-to-year revenue performance in isolation.

Over the past 5 years, UK land values have plateaued in general terms due to uncertainty caused by leaving the European Union. In 2024 values have increased by less than 1% overall, but this masks regional variations. Strong demand for bare land in the south-west led to grade 3 arable land values increasing by 5.7% over the year.⁴

A significant change in the industry, driven in part by the transition away from area-based payments, is likely to result in an increase in the supply of land to the market over the next few years which may reduce short term inflationary movement on values. Overall, however, the fundamentals indicate that substantial long-term appreciation remains likely because:

- the supply is finite (or in practice, reducing);
- the demands upon land (such as food production, environmental improvement, development, tourism and leisure, general amenity, etc.) are steadily increasing.

The evidence demonstrates that farmland is a strong and secure long-term investment, however for Dorset Council the most pressing financial requirement is to generate sufficient revenue each year to fund essential public services, with less emphasis on the importance of capital growth.

It is therefore essential that the Farms Estate is structured to minimise management costs and potential reputational damage, through the use of appropriate tenancy or other management structures, so it can realise its potential to provide a sustainable net revenue surplus whilst at the same time delivering non-financial benefits.

7.1.1 Benchmarking

Benchmarking is a useful tool for understanding the relative performance of the Farms Estate when compared with other similar portfolios. It is particularly effective for measuring financial performance but can also be helpful to understand property management performance.

The table below is taken from Defra statistics on county farms let for the period 2021-2022.⁵

⁴ Savills Rural Research; Spotlight: The Farmland Market;
https://www.savills.co.uk/research_articles/229130/371153-0

⁵ [72nd annual report to Parliament on smallholdings in England, 1 April 2021 to 31 March 2022 - GOV.UK](#)

Local authority	Total let area (acres)	Total rent (£)	Rent £/acre
Warwickshire	9,330	1,567,800	168
Hartlepool	210	31,700	151
Staffordshire	6,736	1,014,600	151
Cheshire East	4,744	710,700	150
Cambridgeshire	32,778	4,711,000	144
Norfolk	16,529	2,320,900	140
Leicestershire	6,733	943,200	140
Hertfordshire	4,109	566,400	138
Somerset	2,671	360,800	135
Lincolnshire	16,311	2,102,000	129
Cornwall	10,534	1,351,500	128
Devon	9,533	1,190,900	125
Dorset	5,797	708,600	122
Suffolk	11,977	1,463,800	122
Cheshire West & Chester	1,932	235,600	122
East Riding of Yorkshire	6,074	724,000	119
Nottinghamshire	1,255	147,400	117
North Somerset	410	45,000	110
Herefordshire	499	48,100	96
Wiltshire	4,561	426,400	93
Cumbria	220	17,100	78
Oxfordshire	872	58,600	67
North Lincolnshire	35	2,100	61
Essex	195	11,300	58
TOTAL	157,284	20,759,500	Average: 119

It shows a summary of the total land areas let and the total rents received by each council for those holdings.

The total rents received in Dorset were at £122 per acre, which is just over the average (a blended average including FBT and AHA tenancies).

It is worth noting however that several counties with similar land types and a similar weighting towards dairy and livestock enterprises are achieving slightly higher rent per acre (e.g. Cornwall, Devon).

Although this analysis is very high level and does not take into account any specifics of the let holdings or tenancy terms, it suggests that it may be possible to achieve modest increases in rental income.

Comparison with the 2023 Savills Financial Rural Performance Report (formerly known as the Estate Benchmarking Survey) shows similar figures. That dataset records average rents in England as £122 per acre for FBTs and £83 per acre for AHAs, with a net revenue surplus of 59%.

7.2 Future Funding

In recent times there has not been sufficient maintenance budget available to adequately maintain the Farms Estate.

Concern over a lack of routine maintenance and capital investment on the holdings over recent years was highlighted as a weakness and a threat by a number of stakeholders, and has been highlighted as a concern within the condition reports produced by HTC following their inspections of the Farms Estate.

Funding will be required to tackle repairs and maintenance, and to invest into the Farms Estate for the future.

It has been highlighted above that in order to fund these works, it is likely that there will be a requirement to raise some capital from within the Farms Estate.

The categorisation of assets will identify assets which do not assist in meeting the aims and objectives of this strategy, and if there is no viable alternative Council use for the assets, then they will be considered for disposal.

To ensure this investment strategy is effective, it will be requested that a significant proportion of the capital released from the Farms Estate in this way should be ring-fenced and re-invested into the portfolio.

8 Measuring progress

The Farms Estates Strategy will be the cornerstone of the management work on the Farms Estate during the strategy period. Progress against the stated aims and objectives of the strategy will form the basis of internal performance management.

Key performance indicators will be developed specifically relating to the aims and objectives identified within this strategy.

Appendix 1 – The Farm Estate

Dorset Council (DC) have a long history of holding farms and associated properties across the County, dating back to the acquisition of the first farm in 1911 in Marnhull.

The primary function of these holdings has been to provide a gateway into farming and today the County Farms Estate (CFE) comprises 40 predominantly livestock farms spread over approximately 5,400 acres of Dorset.

In recent years, the aims of the CFE, as set out in the County Farm Estate Management Plan 2016-2021 (Dorset County Council, 2015), have been to:

- provide a gateway into agriculture for persons to farm on their own account, whilst ensuring a financial return to Dorset Council;
- provide Dorset Council with a direct interest in the land management of the county, promoting the integration of good environmental and farming practices as well as best practice and innovation in estate management and agriculture; and
- sustain rural communities whilst providing opportunities for greater public access and understanding of agriculture and the countryside.

To achieve this, the CFE has been notionally split into two tiers with smaller 'starter' farms providing a point of entry into the agricultural industry with larger 'promotion' farms enabling progression to larger units, thereby facilitating career development. The estate is run for the taxpayer on a commercial basis.

Appendix 2 – Asset Categories

Starter Farms

Core holdings suitable for future or immediate starter farm use.

Any holding identified as a starter farm will be of a scale that it is economically viable as a modern unit but also within the financial means of the applicant giving consideration to the likely availability of working capital to new entrants.

Starter farms will be well-equipped efficient units (appropriate to the size of the holding) with little capital investment requirement by the tenant into new infrastructure (although units where there is scope for investment within pre-set returns and affordable requirements, will not be discounted.)

Progression Farms

Core holdings suitable for future or immediate progression farms use.

These are likely to be on the larger holdings, with opportunities for the tenant to invest in the holding and if required diversify away from the main agricultural operations of the holding and into alternative supplemental enterprises.

Land

Land which could be amalgamated into either starter farms or progression farms to create viable units suitable to meet the needs of a modern sustainable business, and/or to enable environmental improvements.

Other

Assets which are identified as unsuitable for starter farms or progression farms, and/or the cost of making them suitable by providing the necessary requirements is not considered viable or acceptable. As examples this might include (although is not limited to):

- Off-lying land;
- Poorly equipped holdings or those in a poor condition that require significant investment to become operationally effective;
- Houses which require significant investment or are expensive to maintain;
- Redundant buildings, or land parcels, with development potential.

An initial assessment of the farm assets has been undertaken and indicates:

Category	No. of assets	Notes
Starter farms	14	
Progression farms	20	3 parcels of land are proposed for amalgamation into existing farms to improve viability as progression farms
Land	18	
Other	7	

This initial categorisation is subject to refinement as detailed individual asset reviews are undertaken, in line with the principles detailed in this strategy.

Appendix 3 - Core principles of good estate management

Strategic Approach

Rural estates require a long-term approach to strategic planning and delivery.

The Council's management strategy will be adopted for a 10-year strategy period, with a 5-year interim review.

This should allow sufficient time for the management strategy to be embedded in the Council's ways of working, and see some delivery against the stated aims and objectives.

Estate Governance

Oversight of the Farms Estate is provided by the Council Farms Executive Advisory Panel.

The Panel is a non-decision-making body chaired by a cabinet member.

The Panel has recently reformed, but the intention is for the panel to meet 6 times per year to discuss and make recommendations regarding policies and issues relating to the Farms Estate.

The Panel comprises elected members together with local representatives of the Country Landowners and Business Association, National Farmers Union, Tenant Farmers Association and Dorset Council's Farm Tenants.

Representatives of the Panel are also involved with the selection process for new tenants.

Decision making authority in relation to the Farms Estate will follow the delegation of authority through the local scheme of nomination.

Asset Management

Asset management plans are vitally important to ensure that assets within the Farms Estate are used for the right purpose and all parts of the strategy can be delivered on.

Therefore, detailed records will be maintained to provide clear visibility of what is owned, if it is occupied or vacant, and what condition it is in.

Assets will be categorised as indicated above, and asset management plans will be produced to provide key asset information and outline how each asset will help to meet the vision, aims and objectives set out in this strategy and those of the Council's Strategic Asset Management Plan.

The asset management plans will help to provide clear actions and directions for individual assets, and enable consistent and timely decision making across the Estate.

Tenancy Management

Lease records will record all necessary information for the management team to successfully manage the Estate, for example tenant details, tenancy type, rent, term dates, rent review dates, and details of any Tenant's Improvements.

The Council's Estate team have recently migrated to using a new property database system which is hoped will assist with the day-to-day management of the Estate. For example, within this system there is capacity for it to notify the management team of all important lease events, in particular, any time-sensitive events such as deadlines for notices to be served at the relevant time.

Tenant Communication

Effective communication is an essential part of building collaborative relationships with tenants. Many of the weaknesses and threats identified during Savills' stakeholder engagement sessions could be improved by better communication.

The Council will endeavour to improve communication with all stakeholders.

The Council will ensure each farm is visited at least once a year, providing an opportunity for an inspection of the farm, and to build a positive relationship with tenants about opportunities and particular issues at the individual farm.

The Farms Executive Advisory Panel will undertake visits to farms to further familiarise themselves with the Farms Estate, and to explore opportunities and understand any issues which arise.

The Council will look to develop communication with tenants about environmental improvement opportunities and will encourage the sharing of knowledge and good practice amongst tenants around sustainable farming practices.

The Council will seek the views of tenants as to how they may best wish to communicate with the Council on an individual or collective basis.

Regulatory Compliance

A detailed record of the relevant statutory compliance and best practice safety requirements for each property will be maintained with auditable records of certificates and other

documentation as well as providing the management team with advance notification of due dates.

Repairs and Maintenance

Concern over a lack of routine maintenance and capital investment on the holdings over recent years was highlighted as a weakness and a threat by a number of stakeholders.

This issue is likely to impact the short-term performance of the portfolio but, if addressed promptly and effectively, the Farms Estate has the potential to perform at least in line with the benchmarking data.

The focus here should be on quantifying the scale of the problem, confirming the necessary budget needed to prevent further depreciation, and identifying a sustainable strategy to fund it.

Dorset Council commissioned Hartnell Taylor Cook (HTC) to undertake inspections of the Estate and produce planned preventative maintenance reports for each asset (38 farms have been inspected and assessed at the date of writing).

The surveys have recommended budget costs for the identified works which are the Council's obligation as landlord. The Council are continuing to review the reports and instructing necessary repairs and maintenance work.

Before undertaking works, the Council are considering the purpose and business justification for each project. For example, it may be more cost effective to change the operational approach on a farm instead of replacing a building or facility like for like.

Once all outstanding works have been completed, annual inspections of all holdings will be completed to ensure routine maintenance is identified and acted upon before undue deterioration and depreciation occurs.

8. Investment

Once the farms have been categorised and asset management plans for each farm have been produced, the investment requirements for each farm should be clear. Decisions on the level of investment for each farm will be considered.

Small levels of investment can be made through the use of the existing repairs and maintenance budget, although this remains under pressure. Significant capital investment will also be required.

Currently there is no capital investment allocated from the Council's capital budget to the Farms Estates. Therefore, it will be necessary for bids to be submitted and these will be

considered alongside any other bids from other Council departments and services. The Council's capital budget is already fully allocated for the coming years and so bids are prioritized accordingly.

Alternative funding arrangements are being considered, and following the asset categorisation, those assets which are classified as "Other", and no longer necessary for the Council to retain in order to deliver the aims and objectives of the Farms Estate, could be considered for disposal. In these instances business cases would be developed recommending a proportion of the capital be re-invested into the Farms Estate.

Appendix 4 – Action Plan

1. Support for New Entrants

Undertake a review of all assets to categorise them to starter farms, progression farms, land and other

Consider and if appropriate negotiate a transition to FRI tenancies on progression farms to reduce Dorset Council's maintenance obligations, and enable the Council to target resource to starter farms

Consider establishing business support and mentoring schemes for tenants

Support business planning and ensure sufficient turnover of occupation to allow opportunities for new entrants and progression

Introduce environmental management plans for each holding to support the aspirations for environmental improvements

2. Environmental Improvement

Undertake baseline surveys of all holdings and map priority habitats to highlight opportunities for environmental improvement

Pursue the concept of establishing a BNG Habitat Bank to support Dorset Council development schemes as well as third parties if there is sufficient capacity

Undertake a Carbon Baseline Survey for all holdings and work with tenants to map individual pathways towards net zero

Review all holdings for opportunities for woodland creation and hedgerow improvement

3. Good Estate Management

Review management practices and identify key performance indicators to measure performance

Produce asset management plans to provide clear actions and directions for individual assets

Implement a Communications Plan to improve engagement with tenants and other stakeholders

Audit the current lease position and property compliance for each holding to identify any overdue or missed actions

Complete condition surveys for all holdings and consider findings in the context of strategic aims and objectives to create a planned maintenance and investment programme

Identify suitable assets for disposal, and create business cases recommending a proportion of the capital re-invested into the Farms Estate

Annual report on performance of the Estate to the Farms Executive Advisory Panel

Appendix 5 – Resources

[Reimagining council farms: a vision for 2040 \(cpre.org.uk\)](https://cpre.org.uk)

[The Rock Review - Working together for a thriving agricultural tenanted sector.pdf \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

[NFU25: A Mission for Farming – The NFU's Blueprints for Growth – NFUonline](#)

[National Food Strategy Independent Review](#)

[25-year-environment-plan.pdf](#)

[Government launches “national conversation” on land use - GOV.UK](#)

[A Land Use Framework edges closer – what you need to know about the Land Use Consultation • CLA](#)