

POLICY FOR GRANTING OF FIXED TERM TENANCIES ON STAFFORDSHIRE COUNTY COUNCIL FARMS HOLDINGS

Definitions

Starter Holding – A starter holding is defined as a holding offered to let on the open market, normally above 60 acres and equipped with house, buildings and land

Progression Holding – A progression holding is defined as a holding in excess of 90 acres and equipped with house buildings and land, which is offered to let primarily to existing tenants.

Amalgamation Holding – An amalgamation is when the land from two or more holdings, starter or progression is combined to form one holding equipped with a single house, buildings and land.

Break Clause – A clause in the tenancy giving the Landlord the ability to bring the tenancy to an end under specific circumstances.

1. Tenancies for new occupiers

i) Tenancies on Starter Farms 60-90 acres

To grant a 10 Year fixed term Farm Business Tenancy.
The tenancy will have a break clause which can be used to terminate the tenancy by the landlord on the 6th anniversary of the tenancy.

Notice to quit will be served at 6 years unless the tenant requests to remain in occupation for the remaining 4 years. The tenant will be given the ability to stay in occupation subject to a satisfactory business review with the landlord which will include the submission of past accounts and a business plan to the County Farms Panel.



ii) **Tenancies on Progression Farms 90 acres+**

To grant a fixed term Farm Business Tenancy with a term to be calculated as follows:

26 Years
less
Term already expired in occupation
of any other County Council Holdings

The tenancy will have a break clause which can be used to terminate the tenancy by the landlord on the 12th anniversary of the term and every 4 years thereafter.

Notice to quit will be served at each break clause unless the tenant requests to remain in occupation for the remaining term of years. The tenant will be given the ability to stay in occupation subject to a satisfactory business review with the landlord which will include the submission of past accounts and a business plan to the County Farms Panel.

2. **Tenancies for existing occupiers on units undergoing amalgamation**

i) **Starter tenancies of up to 10 years**

If the holding is to be expanded beyond the 90 acre threshold for a progression farm the landlord will request that the tenant provide past accounts and a business plan for the expansion of their business and make an application to extend the tenancy to the County Farms Panel.

If approved a fixed term Farm Business Tenancy will be granted for a term to be calculated as follows:

26 Years
less
Term already expired in occupation
of any other County Council Holdings

The tenancy will have a break clause which can be used to terminate the tenancy by the landlord on the 12th anniversary of the term and every 4 years thereafter.

Notice to quit will be served at each break clause unless the tenant requests to remain in occupation for the remaining term of years. The tenant will be given the ability to stay in



occupation subject to a satisfactory business review with the landlord which will include the submission of past accounts and a business plan to the County Farms Panel.

ii) **Progression tenancies of all lengths**

The additional land will be offered subject to the tenant providing past accounts and business plan for the expansion of the business. Subject to the approval of the plan the County Council will grant a term of years that will enable the tenant to have occupation of their progression holding for a period to be calculated as follows

26 Years
less
Term already expired in occupation
of any other County Council Holdings

The tenancy will have a break clause on the 12 anniversary of the first occupation of the unit and thereafter every 4 years

Notice to quit will be served at each break clause unless the tenant requests to remain in occupation for the remaining term of years. The tenant will be given the ability to stay in occupation subject to a satisfactory business review with the landlord which will include the submission of past accounts and a business plan to the County Farms Panel.

Should the tenant not wish to accept the land in order to carry out the amalgamation then the land will be offered to let by tender on a five-year farm business tenancy to tenants of nearby County Council holdings subject to the 5 years not extending beyond the termination date of the successful tenants primary tenancy. In situations where it is likely the holding of the tenant who has declined to take the land will become available in less than 3 years, the land should be let on a shorter term as appropriate.

3. **Tenancies for existing occupiers not undergoing amalgamation**

The policies set out in section 1. and 2. above will be applied retrospectively to all current Farm Business Tenancies Granted under the Agricultural Tenancies Act 1995.



4. **Tenancies terminated under other circumstances**

i) **Death of the Tenant leaving Son/Daughter occupying the holding**

Notice to quit will be served on the personal representatives of the deceased tenant and vacant possession gained at the expiration of the notice to quit.

If the house and buildings of the holding are due to be sold, vacant possession will be gained at the expiration of the notice to quit. Any application for a tenancy for the son or daughter on the holding beyond the expiration of the notice to quit will be at the discretion of the County Farms Panel and will be for no more than 3 years.

If the holding is to be retained and re-let, the son or daughter in occupation of the holding when it is advertised will be able to make an application subject to the holding being advertised on the open market and that application would be judged against the applicable criteria, and any other applications received.

ii) **Marriage breakdown**

Under the terms of the tenancy it is a requirement for the tenant to reside on the holding. In a situation of a marriage breakdown the situation may arise where the tenant is forced to leave the family home being the house situated on the holding to which they hold the tenancy.

Should the tenant not wish to return to the holding Notice to Quit will be served on the tenant with vacant possession being obtained following the expiration of the Notice to Quit. The spouse remaining in the house on the holding would have the ability to make an application subject to the holding being offered to let on the open market. The application would be judged against the applicable criteria, and any other applications received

If the tenant does intend to return to the holding, a Notice to Remedy a Breach of the Terms of the Tenancy will be served giving the tenant suitable timescales to enable his/her spouse to find alternative accommodation.



iii) **Death of the tenant leaving a Widow/Widower occupying the holding**

Following the death of a tenant the personal representative and executor will be served a Notice to Quit the tenancy in line with the terms of the agreement.

Should the widow/widower wish to remain in the holding consideration will be made as to their capability to run the farming business as set out in the selection of tenants criteria, and subject to them fulfilling the criteria, a tenancy term would be granted in order to give occupancy for the widow/widower for a term no longer than the remainder of the tenancy of their late spouse or 6 years which ever is the shorter.

5. **Additional Policy Options**

In addition to the policy set out above further options may be considered as follows.

- i) To consider extensions to tenancies which would allow individual tenants more than 26 years aggregated occupation of County Council holdings. When making a decision on the need for an extension the County Farms Panel will consider the following:

Tenants investment in the holding approved by the Landlord.
Timing of investment in the holding.
Previous Business Growth.
Tenants documented and proven aspirations.
Tenants investment off the Holding in land or agricultural property or business assets.
Business case for specified extension to be submitted by the Tenant to Landlord giving past performance, future targets and plans.

- ii) To allow tenants to progress from a progression farm to a further progression farm where this would see expansion and development of the business. This would be covered by the normal letting procedure currently in place and scrutinised by the County Farms Panel. The tenancy term granted will be in line with section 1. and 2. above.

- iii) To take individual decisions on tenancy arrangements which may need to be bespoke in their nature in order to fulfil objectives beyond agriculture, for example renewable



technologies, educational services or specialist value added enterprises.

6. **County Farms Panel**

The panel will be made up as follows:

Voting Members

At least three Staffordshire County Council members which may include the Portfolio Holder, each of which has an equal vote on any decision set out in this policy. Members to be appointed by the Portfolio Holder

Advisor Members

Officers from the County Farms Management Team
An independent farm management consultant.
An independent financial/business advisor.

The County Farms Panel Decision will be made as a recommendation for delegated approval by the Portfolio Holder as set out in Section 6 of the Constitution.

