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Making Land Available for Woodland Creation

Matt Lobley, Hilary Winter, Nick Millard, Allan Butler and Michael Winter

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The views expressed in this report are those of the authors and are not necessarily shared by other members of the University, by the University as a whole, the Forestry Commission or any of the organisations that have contributed to the project.

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1. INTRODUCTION

In order to support the Forestry Commission in achieving woodland planting targets, the overall aim of this research was to better understand the availability of land in England for afforestation, reflecting the interests and motivation of land owners and occupiers. In particular the research has attempted to identify where (either in a geographical sense and/or in terms of owner 'type') the Forestry Commission might focus its efforts in terms of accessing land for woodland creation. The specific objectives of the research were to:

1. Identify the extent of agricultural land currently under private, institutional and public ownership

2. Characterise the nature, scale and geography of the agricultural land market

3. Explore land owners' policies for woodland creation and woodland use in the context of government policies on landscape change, woodfuel, climate change and energy

4. Analyse the motivations for afforestation amongst private and institutional land owners and the policy instruments (financial, fiscal, energy) that might facilitate the availability of land for woodland creation.

Information on rural land occupancy and ownership is notoriously hard to assemble. Consequently a number of methodological approaches were employed in order to meet the objectives of this study. These included:

- Analysis of data sources such as the Defra June survey to explore geographical patterns of owner occupied and tenanted land;
- Analysis of reports on the tenanted farm sector by the Central Association of Agricultural Valuers (CAAV);
- Analysis of data on land sales (e.g. published by RICS);
- Reanalysis of data sets held by the CRPR (e.g. our 2006 survey of agricultural land tenure in England and Wales);
- Data gathering from websites and telephone interviews with key informants.
- Freedom of Information requests.

In addition to characterising agricultural land ownership and occupancy, analysing trends in the rural land market and identifying the land holdings of major categories of rural land owners, we have examined the policies and dispositions of major land owners, our aim being to identify policy towards land disposal and also, importantly, how policy regarding issues of carbon and renewable energy, for instance, might influence attitudes towards woodland creation on rural land.

Inevitably there are gaps in our analysis. For instance, although we have examined the estates of the Duchy of Cornwall and Duchy of Lancaster, we have not examined the multitude of other large private estates. Similarly, although the MoD is a large owner of land, we have not included it in this report as we were aware that the Forestry Commission was already in negotiations with the MoD. Other gaps have arisen as a result of a lack of cooperation from some landowners or simply due to the time and financial resource limitations imposed on a piece of contract research such as this. Further, there are other groups, particularly in the private sector and, not least, the vast number of small landowners about whom very little is known, who may provide a worthwhile source of new planting land. It is important to stress that whilst the data sets deriving from the Defra, CAAV, RICS and CRPR surveys contain reasonably robust data from rigorous empirical surveys, our case studies of particular categories of landowner - the Church, Oxbridge colleges, etc, - are only

as good as the data that we have managed to uncover from web sources and/or key informants. It has not always been possible to verify all aspects of these data. Typical problems include websites that are un-dated and hence may or may not be up to date. Or there may be variations in the level of detail available within data sets that have been provided to us. For example land occupancy, as shown in Chapter 2, is a complex issue and there are variations in the level of detail and sophistication within the data pertaining to some of our categories of landowner.

Notwithstanding these caveats, the analysis in this report covers over 8 million hectares of rural land shedding some light on the somewhat opaque realm of rural land ownership and occupancy in England. It is also seeks to provide important guidance for the Forestry Commission in taking forward afforestation targets.

2. AGRICULTURAL LAND OCCUPANCY IN ENGLAND

2.1 Introduction

This chapter examines the structure of agricultural land occupancy and tenure in England using data from Defra's June Survey of agricultural holdings, supported by a reanalysis of the Centre for Rural Policy Research's (CRPR) 2007 survey of land tenure, which applies weighted data to explore both formal and informal types of tenure agreements.[1] These data sources complement each other, with Defra's data providing a broad overview while the CRPR data supply greater depth about land tenure and different types of tenure agreements. In addition to this aggregate overview of agricultural land tenure, we have used the Location Quotient (LQ) approach in order to allow us to examine the relative spatial concentration of different types of land occupancy and tenure across England at the regional, county and unitary authority level (CUAs).

In order for a land owner or occupier to decide to embark upon woodland creation, long-term security of occupation is required. Owner-occupancy is the most obvious form of occupancy that allows this and our data show the extent and spatial distribution of owner-occupancy. Long term (2-3 generation) tenancies might not automatically preclude woodland planting as a rational land use decision for a tenant. However, most such tenancy agreements preclude woodland planting by tenants. This has traditionally been reserved to the landlord in the English landlord-tenant system. Our own data show that Defra data are inadequate in highlighting the extent of unconventional tenures, some of which may be recorded as owner-occupancy in Defra figures. Unconventional tenures tend to be short term and agricultural in nature. Superficially, they may serve to reduce the area of pure owner-occupation theoretically available for woodland planting. Land in share or contract farming, for example, is not available for planting during the term of the agreement. However, these and other unconventional agreements often take place in the context of the owning party no longer wishing to farm his/her own land on a day to day basis. So these unconventional arrangements may, in fact, be a very good place to look for potential land for planting.

2.2 Data sources and definitions

In order to understand the pattern and structure of agricultural land occupancy it is important first to understand the data sources available and the different types of tenure arrangements pertaining to agricultural land.

Since 1866, Defra and its predecessors have conducted an annual census of agricultural holdings. For various reasons, from 1995 the June Agricultural Census became a sample survey, albeit a very large sample survey, of some 20-30% of agricultural holdings. A full census is conducted every 10 years, the latest being 2010. While this is undoubtedly a rich and unique data source it should be noted that the June survey and the June Census do not report data on 'farms', the unit of enumeration being the 'holding' instead. Holdings are not synonymous with farms. A single farm for example, can consist of several holdings. For example, Grigg[2] identified 125 separate holdings in the June Census that were actually run

[1] In 1990, the Royal Institution of Chartered Surveyors (RICS) published a major study of land tenure in England and Wales led by Michael Winter, then a member of staff at the Royal Agricultural College, Cirencester (Winter et al 1990). This study of 1,790 farmers found that unconventional tenures, that is land not either owned or rented under a full agricultural tenancy, was a highly significant element of farming in the late 1980s. The CRPR'S 2007 study repeated the 1989-90 postal survey to explore tenurial change that had resulted from subsequent legislative and structural change (see Butler, A. and Winter, M. (2008). *Agricultural Land Tenure in England and Wales, 2007*. Centre for Rural Policy Research, University of Exeter, Exeter).

[2] Grigg, D. (1987) Farm size in England and Wales from early Victorian times to the present. *Agricultural History Review*, 35 (2) 179-189.

as only 59 separate farms. Defra officials are well aware of this and strenuous efforts are made to ensure that only single returns are made in cases where more than one holding is farmed as a single unit (i.e. multiple holding farms). A final point to note in terms of the data collected by the June Survey is that from 2010 most data refers only to what Defra term "commercial holdings". For many years what had been known as "minor holdings" were excluded from the then June Census. Eventually minor holdings were included in the Census which led to an apparently significant increase in the number of very small holdings, many of which were classified as 'other' in terms of farm type and were associated with little or no commercial agricultural activity. In an effort to remove the distorting effect of a large number of very small holdings, from 2010 Defra's data are presented for 'commercial holdings' (see Table 2.1 for relevant thresholds). The impact of limiting analysis to commercial holdings is to exclude some 40% of all holdings but just 1% of commercial agricultural activity.[3]

Table 2.1 Thresholds for 'Commercial Farms'

Characteristics	Description	Threshold
Utilised agricultural area	Arable land, kitchen gardens, permanent grassland, permanent crops	>5 ha
Permanent outdoor crops	Fruit, berry, citrus and olive plantations, vineyards and nurseries	>1 ha
Outdoor intensive production	Hops	>0.5 ha
	Tobacco	>0.5 ha
	Cotton	>0.5 ha
	Fresh vegetables, melons and strawberries, which are outdoors or under low (not accessible) protective cover	>0.5 ha
Crops under glass or other (accessible) protective cover	Fresh vegetables, melons and strawberries	>0.1 ha
	Flowers and ornamental plants (excluding nurseries)	>0.1 ha
Bovine animals	All	>10 Head
Pigs	All	>50 Head
	Breeding sows	>10 Head
Sheep	All	>20 Head
Goats	All	>20 Head
Poultry	All	>1,000 Head
Hardy nursery stock		>1 ha
Mushrooms	All mushroom holdings to be included	>0

Source: Defra June Survey.

Turning now to agricultural tenure, owner occupancy (or freehold tenure) is where both ownership and occupancy are vested in the same individual or business; tenanted farms are where occupancy is separated from ownership; and mixed tenure farms are those with both these types of tenure. Tenanted land may be let under a variety of arrangements with

[3] Defra (2010) June Survey of Agriculture and Horticulture: Methodology. http://www.defra.gov.uk/statistics/files/defra-stats-foodfarm-landuselivestock-june-results-methodology.pdf

greater or lesser degrees of security of tenure for the tenant. There are also a number of hybrid arrangements, such as share farming, which are not easily classified and are likely to be subsumed under owner-occupation in Defra statistics. Agricultural tenancy arrangements can be both varied and complex. For the present purpose it is useful to distinguish between Full Agricultural Tenancies (FATs), established and revised under a succession of post-war agricultural holdings acts[4], and much more flexible Farm Business Tenancies (FBTs) introduced under the Agricultural Tenancies Act 1995. Unlike FATs, which may extend to two successions, FBTs can be of long or short duration and can consist of bare land only, land and buildings, or land, buildings and house[5]. In addition to FBTs, there is a range of unconventional or quasi tenures such as short-term grass keep letting or variants of share or contract farming.

2.3 Agricultural land tenure in England

According to the 2010 June agricultural Census, there were 105,449 registered holdings in England. Of these, 58.1% of holdings were owner-occupied, 13.8% were tenanted and 25.5% were of mixed tenure.[6] While, in terms of the number of holdings, owner-occupied holdings are dominant, in terms of the area farmed mixed tenure is of greater significance accounting for 41.5% of the total area farmed compared to 40.3% for owner-occupied holdings (See Tables 2.2 and 2.3).

Table 2.2 Number and percentage of holdings in England and the English regions under different farm tenure arrangements

Regions	All holdings	Owner-occupied holdings		Wholly Tenanted holdings		Mixed tenure holdings	
	Number	Number	%	Number	%	Number	%
East Midlands	11 866	6,061	51.1	1,725	14.5	3,764	31.7
East of England	12 223	6,956	56.9	1,607	13.1	3,388	27.7
North East	4 182	2,162	51.7	1,004	24.0	914	21.9
North West	12 336	6,833	55.4	1,858	15.1	3,259	26.4
South East (& London)	13 589	8,697	64.0	1,672	12.3	2,831	20.8
South West	25 421	15,787	62.1	3,027	11.9	5,782	22.7
West Midlands	13 689	8,296	60.6	1,803	13.2	3,183	23.3
Yorkshire & the Humber	12 143	6,494	53.5	1,898	15.6	3,432	28.3
England	105 449	61,286	58.1	14,594	13.8	26,553	25.2

Source: Defra June Survey 2010

[4] For further details see Winter, M. (2007) Revisiting landownership and property rights, pp72-83 in Clout, H. ed. *Contemporary Rural Geographies, Land, Property and Resources in Britain: Essays in Honour of Richard Munton*, London: UCL Press.
[5] Butler, A. and Winter, M. (2008). Agricultural Land Tenure in England and Wales, 2007. Centre for Rural Policy Research, University of Exeter, Exeter.
[6] A further 2.9% of holdings (1.3% of area) were classified as seasonally rented in or let out land. The first type describes holdings who do not own any land but rent in land only on a seasonal basis while the second type are those holdings who had rented out all of their land on a short term basis on 1 June.

Table 2.3 Area and percentage of area in England and the English regions under different farm tenure arrangements

Regions	All holdings	Owner-occupied holdings		Wholly Tenanted holdings		Mixed tenure holdings	
	Hectares	Hectares	%	Hectares	%	Hectares	%
East Midlands	1 176 807	413,305	35.1	169,475	14.4	584,425	49.7
East of England	1 380 809	592,206	42.9	192,860	14.0	609,113	44.1
North East	570 420	186,664	32.7	189,683	33.3	189,361	33.2
North West	878 791	318,891	36.3	162,980	18.5	357,242	40.7
South East (& London)	1 140 878	489,394	42.9	187,962	16.5	455,992	40.0
South West	1 758 096	769,578	43.8	273,440	15.6	661,868	37.6
West Midlands	915 412	407,236	44.5	130,829	14.3	368,552	40.3
Yorkshire & the Humber	1 066 077	407,416	38.2	185,617	17.4	465,368	43.7
England	8 887 290	3,584,690	40.3	1,492,846	16.8	3,691,922	41.5

Source: Defra June Survey 2010

Across the English regions, the South East had the most holdings farmed under owner-occupied tenure (64.0%) with fewest in the East Midlands (51.5%). Nearly one-quarter of holdings in the North East of England were farmed as wholly tenanted holdings and this rose to one-third when considering the area farmed. In other regions, wholly tenanted holdings accounted for less than 20% of both holdings and land area. In the East Midlands, nearly one-third of holdings were under mixed tenure, accounting for half of the farmed area in this region. Table 2.4 gives the average area farmed per holding in the English regions and it is evident that mixed tenure holdings were larger in all regions. In particular, in the South East, mixed tenure holdings were nearly three times larger than those that were owner-occupied. One explanation for this is that expansionary farm businesses extend their land holdings through land acquisitions under a variety of tenure arrangements.

Table 2.4 Average area (ha) of holdings of different tenures arrangements

Regions	All holdings	Owner-occupied	Tenanted	Mixed tenure
East Midlands	101	68	98	155
East of England	117	85	120	180
North East	139	86	189	207
North West	70	47	88	110
South East (& London)	86	56	112	161
South West	69	49	90	114
West Midlands	68	49	73	116
Yorkshire & the Humber	90	63	98	136
England	86	58	102	139

Source: Based on Defra's June Survey 2010

2.4 Structure of land tenure and tenancy agreements in England

In 2010 41,000 holdings in England held nearly 50,000 different tenancy agreements (other than freehold) suggesting an average of 1.2 tenancy agreements per holding. As such, 39.0% of holdings had at least one non-freehold tenancy agreement (see Table 2.5). In terms of the area farmed, 3,124,464 of the 8,887,289 ha (35.2%) were managed under some form of non-freehold tenancy agreement (see Table 2.6) with the remainder farmed under owner-occupancy.

Table 2.5 The tenure arrangements of commercial holdings in England

	Number of Commercial holdings	Percentage of commercial holdings	Percentage of all tenancy agreements*
Commercial holdings	105,449	100.0	n/a
Full Agricultural Tenancies	21,675	20.6	43.1
Farm Business Tenancies	14,174	13.4	28.2
Other Tenancy Agreements	14,248	13.7	28.7
All holdings with non-freehold tenancy agreements	41,147	39.0	n/a

* While 41,147 of holdings have non-freehold tenancy agreements, there are 50,277 agreements on these holdings and it is this latter figure that is used to calculate the percentage of all tenancy agreements.

Source: Defra June Survey 2010

Table 2.6 The tenure of commercial agricultural land in England

	Area farmed	Percentage of commercial area farmed	Percentage of commercial tenanted land
Commercial area farmed	**8 887 289**	**100.0**	**n/a**
Area of FATs	1 589 550	17.9	50.9
Area of FBTs	1 063 198	12.0	34.0
Area of other agreements	471 716	5.3	15.1
Area of all tenancy agreements	**3 124 464**	**35.2**	**100.0**
Area of owned land	**5 762 825**	**64.8**	**n/a**

Source: Defra June Survey 2010

Table 2.7 illustrates the number of commercial holdings with non-freehold tenancy agreements while Table 2.8 gives the area farmed under such agreements across the English regions. From these tables and Table 2.9, a north/south divide is apparent. For example, in North East England, 49.2% of agricultural land was under some sort of tenancy arrangement other than freehold, while this falls to 32.0% in the West Midlands (see Table 2.9). However, in terms of absolute area farmed, the North East had the smallest area of commercial farmland, 570,420 ha compared to 1.76 million ha in the South West. Furthermore, as the South West has the greatest relative area of land, because of its large absolute size, it has the most land farmed under some form of non-owner-occupied tenancy agreement (573,585 ha).

Table 2.7 The non-freehold tenancy arrangements of commercial holdings in England by region (Number of holdings)

English Region	Total number of commercial holdings	Holdings with FATs	Holdings with FBTs	Holdings with other tenancy agreements	Total number of tenancy agreements
Eastern	12 223	2 718	1 828	1 584	4 995
East Midlands	11 866	3 197	1 918	1 768	5 489
North East	4 182	1 139	700	489	1 918
North West and Merseyside	12 336	2 815	1 560	1 801	5 117
South East (incl. London)	13 589	2 064	1 619	1 892	4 503
South West	25 421	4 143	3 110	3 388	8 809
West Midlands	13 689	2 466	1 781	1 758	4 986
Yorkshire and The Humber	12 143	3 133	1 658	1 748	5 330
England	105 449	21 675	14 174	14 428	41 147

Source: Defra June Survey 2010

Table 2.8 Area farmed commercially under different tenancy agreements in England by region

English Region	Total commercially farmed area (ha)	Area of FATs (ha)	Area of FBTs (ha)	Area of other agreements (ha)	Total tenanted area (ha)
Eastern	1 380 809	221 427	142 047	63 284	426 757
East Midlands	1 176 807	232 534	135 597	56 258	424 389
North East	570 420	168 893	92 323	19 537	280 753
North West and Merseyside	878 791	183 753	105 922	52 180	341 856
South East (incl. London)	1 140 878	170 625	147 948	62 919	381 492
South West	1 758 096	248 061	209 195	116 330	573 585
West Midlands	915 412	130 062	115 306	47 923	293 291
Yorkshire and The Humber	1 066 077	234 196	114 860	53 286	402 342
England	8 887 289	1 589 550	1 063 198	471 716	3 124 464

Source: Defra June Survey 2010

Table 2.9 Percentage of area farmed commercially under different tenancy agreements in England by region

English Region	FATs	FBTs	Other agreements	All tenancy agreements
Eastern	16.0%	10.3%	4.6%	30.9%
East Midlands	19.8%	11.5%	4.8%	36.1%
North East	29.6%	16.2%	3.4%	49.2%
North West and Merseyside	20.9%	12.1%	5.9%	38.9%
South East (incl. London)	15.0%	13.0%	5.5%	33.4%
South West	14.1%	11.9%	6.6%	32.6%
West Midlands	14.2%	12.6%	5.2%	32.0%
Yorkshire and The Humber	22.0%	10.8%	5.0%	37.7%
England	17.9%	12.0%	5.3%	35.2%

Source: Defra June Survey 2010

Moving to the CUA level, the number of non-freehold tenancy agreements was greater in relative terms in more urban areas (such as the Wirral, Leeds and both inner and outer London), although the actual area farmed commercially in these areas was very small. For brevity, Table 2.10 details the top ten CUAs for FATs, FBTs and other agreements in terms of the percentage of the total area of agricultural land farmed under such agreements.[7]

Table 2.10 Counties of England with the greatest percentage of area farmed under different tenancy agreements*

Top ten counties for FATs	%	Top ten counties for FBTs	%	Top ten counties for any tenancy (area farmed)	%
Inner London (East) & Outer London (East and North East)	37.8	Wirral	31.0	Wirral	74.0
Wirral	37.2	Medway	27.7	Medway	58.0
Leeds	36.9	Swindon	25.1	Coventry	55.9
Darlington	33.2	Sunderland	21.6	Swindon	55.2
Northumberland	31.9	Blackburn with Darwen	20.3	Leeds	54.4
South Teesside	28.5	Northumberland	18.4	Northumberland	53.2
East Derbyshire	27.7	Birmingham & Solihull	18.2	Blackburn with Darwen	50.3
Outer London (South)	27.3	Dudley and Sandwell & Walsall and Wolverhampton	17.4	Inner London (East) & Outer London (East and North East)	48.7
Peterborough	27.1	Peterborough	16.9	Sunderland	47.4
Medway	27.0	Tyneside	16.7	East Merseyside	47.2

* For a complete list of the number of holdings and areas farmed under non-freehold tenancy agreements see Appendix A.
Source: Defra June Survey 2010

[7] Appendix A presents a complete list of the number of holdings and land area farmed under different tenure agreements for each county and unitary authority in England.

2.5 The relative spatial concentration of non-freehold land tenure in England

The location quotient (LQ) is a ratio measure that controls for variations in the size of counties and unitary authorities (CUA) thereby providing an indication of the relative spatial concentration of different forms of land tenure in England. To calculate LQ ratios, also called LQ statistics, two sets of secondary data are required, which were provided by Defra. The first is the number of holdings and agricultural area in each CUA from Defra's June 2010 Survey returns.[8] The second set of data necessary for the LQ ratio is the number and area for different types of non-freehold tenure (Full Agricultural Tenancies, Farm Business Tenancies, and other types of agreements).[9]

LQ ratios quantify the relative concentration of a phenomenon (e.g. number/area of farms with particular land tenure agreements) in a particular area by comparing that phenomenon with the total number of farms and agricultural area in that CUA. For this, the calculation of the LQ statistic (detailed in Box 2.1.) follows the method demonstrated by Ilbery and colleagues.[10]

Box 2.1 LQ ratio measures for land tenure and farm woodland

(1) LQ ratio measure for the number of farms with a particular type of land tenure agreement

$$\frac{\text{Number of farms with a particular type of land tenure agreement in CUA 'x'}}{\text{Number of farms in CUA 'x'}} \div \frac{\text{Number of farms with that type of agreement in England}}{\text{Number of farms in England}}$$

(2) LQ ratio measure for area under particular types of land tenure agreement

$$\frac{\text{Area of a particular type of land tenure agreement in CUA 'x'}}{\text{Number of farms in CUA 'x'}} \div \frac{\text{Area with that type of agreement in England}}{\text{Number of farms in England}}$$

From these measures, an LQ statistic of 1.0 signifies that an area has neither more nor less of its share of a particular type of land tenure than its overall number of farms would suggest. If an area's LQ statistic exceeds 1.0 it has relatively more of a particular type of land tenure. Conversely, values less than 1.0 indicate areas with less than their fair share. Therefore, the LQ statistic illustrates a relative spatial concentration between regions and CUAs. However, one weakness of the LQ statistic is that it is sensitive to small numbers and the results for some of the undersized geographical units (particularly unitary authorities) should be treated with caution.

On a regional basis, the relative distribution of FATs, FBTs, other tenancy agreements and owner occupancy are illustrated in Tables 2.11 and 2.12. From both tables it is evident that the pattern of land tenure differs across England. For instance, the relative concentration of holdings with FATs in North East and the East Midlands was greater (with LQ ratios of 1.33 and 1.31 respectively). However, in the South East (0.74) and South West (0.79) regions

[8] The data for commercial holdings rather than total holdings is used for reasons previously discussed.

[9] For brevity the description of the methodology is restricted to land tenure, although LQ statistics are also calculated for the number of holdings and land that is owner-occupied.

[10] Ilbery, B. , Holloway, L. and Arber, R. (1999) The geography of organic farming in England and Wales in the 1990s. *Tijdschrift voor Economische en Sociale Geografie* 90, pp. 285-295.
Ilbery, B. and Maye, D. (2011) Clustering and the spatial distribution of organic farming in England and Wales. *Area* 43: 31–41.

there are relatively fewer FATs. A similar pattern was apparent for Farm Business Tenancies (FBTs) although the North West region had relatively less than its fair share despite the relative high concentration of FATs. The LQ ratios for other types of tenancy agreements were less pronounced. The one noticeable exception was for the North East. Whereas this region had a relative concentration of FATs and FBTs, it had the lowest concentration of 'other agreements' (0.85). As could be expected, the LQ statistics for holdings that were owner-occupied displayed a near opposite distribution to holdings with some other form of land tenancy agreement. As such, the South East (1.10), South West (1.07) and West Midlands (1.04) regions had a marginally greater concentration of owner-occupied holdings.[11]

Table 2.11 Regional LQ statistics for the number of holdings with a particular type of land tenancy agreement

English Region	LQ ratio for holdings with FATs	LQ ratio for holdings with FBTs	LQ ratio for holdings with 'Other Agreements'	LQ ratio for holdings with any tenanted land	LQ ratio for owner-occupied holdings
Eastern	1.08	1.11	0.95	1.05	0.97
East Midlands	1.31	1.20	1.09	1.19	0.88
North East	1.33	1.25	0.85	1.18	0.89
North West and Merseyside	1.11	0.94	1.07	1.06	0.96
South East (incl. London)	0.74	0.89	1.02	0.85	1.10
South West	0.79	0.91	0.97	0.89	1.07
West Midlands	0.88	0.97	0.94	0.93	1.04
Yorkshire and The Humber	1.26	1.02	1.05	1.12	0.92

Source: Based on Defra June Survey, 2010

Table 2.12 Regional LQ statistics for the area of land under particular types of land tenancy agreement

English Region	LQ ratio for total area of FATs	LQ ratio for total area of FBTs	LQ ratio for total area of 'Other Agreements'	LQ ratio for total area of land with any tenanted land	LQ ratio for total area of owner-occupied land
Eastern	0.91	0.87	0.87	0.89	1.10
East Midlands	1.12	0.97	0.91	1.04	0.99
North East	1.67	1.37	0.65	1.41	0.79
North West and Merseyside	1.18	1.02	1.13	1.12	0.89
South East (incl. London)	0.84	1.09	1.05	0.96	1.04
South West	0.80	1.00	1.26	0.94	1.01
West Midlands	0.80	1.06	1.00	0.92	1.05
Yorkshire and The Humber	1.24	0.91	0.95	1.08	0.97

Source: Based on Defra June Survey 2010

[11] Appendix B reports the LQ statistics for county and unitary authorities. The limitations of the LQ method are evident since the greater relative spatial concentration of FATs, FBTs and other agreements tend to be in small metropolitan areas.

2.6 Unpacking farm tenure and types of tenancy agreements: a reanalysis of the 2007 land tenure survey data

The CRPR's 2007 land tenure survey (see Appendix C) provides greater depth to the national and regional perspectives than is provided using Defra data alone. Turning first to the association between farm tenure and types of tenure agreements, it is clear from Table 2.13 that wholly tenanted farms were much more likely to have FATs compared to mixed tenure farms. On the other hand, both wholly tenanted and mixed tenure farms were equally likely to have FBTs of 2 years duration or more. Mixed tenure farms were much more likely to occupy land under contract farming arrangements, grass keep arrangements or informal or gentlemen's agreements. There may be many reasons why mixed tenure farms were associated with so many different forms of tenancy agreements. The desire to provide a farm for future generations was a major driver with 81.1% of farmers of mixed tenure farms indicating this was either 'very' or 'quite' important compared to 61.7% of wholly tenanted farms, and 65.6% of owner-occupied farms. Furthermore, 70.4% of farm expansion over the previous five years to 2007 occurred on mixed tenure farms and 69.9% of future farm expansion was expected to occur on mixed tenure farms.

Table 2.13 The association between farm tenure and types of tenancy agreements

	Wholly Tenanted		Mixed Tenure		All farms	
	Number	%	Number	%	Number	%
Full Agricultural Tenancy with no share in ownership***	128	78.5	193	42.2	321	51.8
Full Agricultural Tenancy with share in ownership	9	5.5	20	4.4	29	4.7
Farm Business Tenancy of more than two year in length*	59	36.2	148	32.4	207	33.4
Farm Business Tenancy of less than two year	12	7.4	64	14	76	12.3
Contract Farming**	6	3.7	57	12.5	63	10.2
Partnership Farming	5	3.1	11	2.4	16	2.6
Share Farming	3	1.8	13	2.8	16	2.6
Gentleman's or Informal agreement**	23	14.1	122	26.7	145	23.4
Grass Keep***	20	12.3	145	31.7	165	26.6
Sub-tenancy	2	1.2	6	1.3	8	1.3
Other	4	2.5	24	5.3	28	4.5

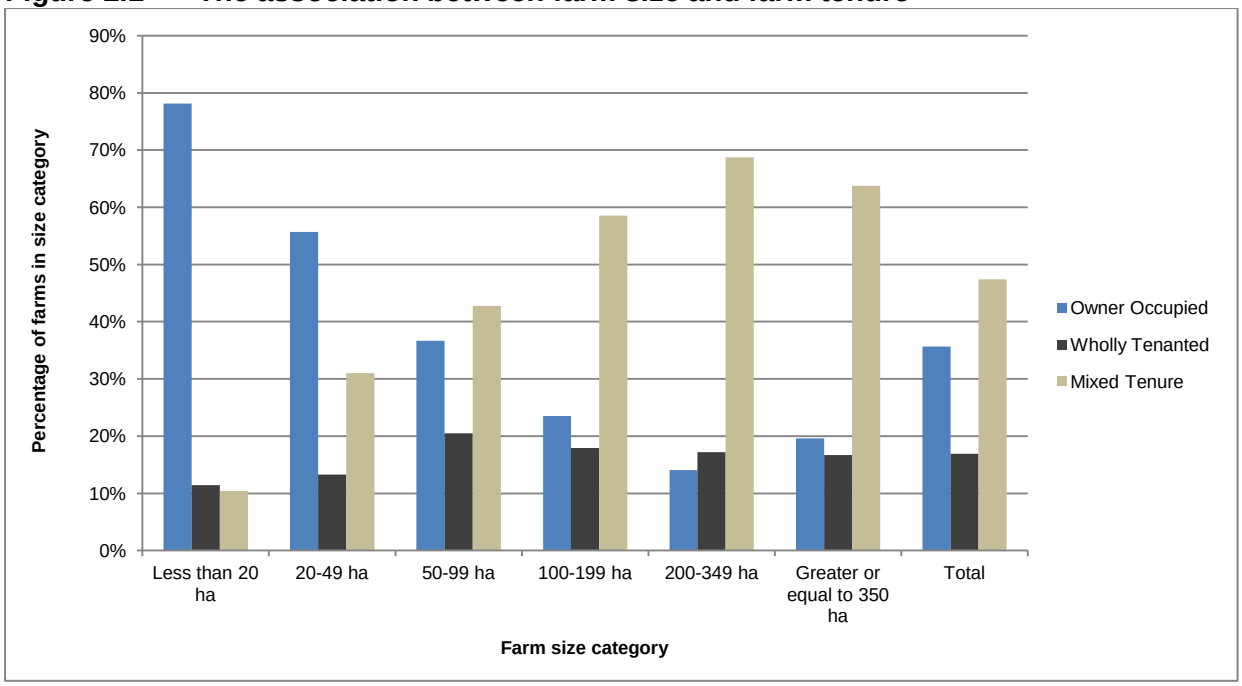
The association between farm tenure and type of tenancy agreement is statistically significant when *** P<0.001, **P<0.01 and *P<0.05.
Source: Based on CRPR's 2007 land tenure survey

By examining the different types of tenure agreements it is evident that larger farms and farms of mixed tenure status were (statistically) associated with particular tenancy agreements. In considering the association between farm tenure and farm size first, Figure 2.1 illustrates how owner-occupied farms were statistically associated with smaller farm size whereas mixed tenure farms were associated with much larger farm size.[12] Wholly tenanted farms, on the other hand, were more or less normally distributed across the farm size

[12] The categories of farm size in Figure 2.1 are subdivided by using positive and negative standard deviation from the mean. For example, the category '100-199 ha' represents farms that are between the mean and one standard deviation from the mean.

categories although these statistically were weakly associated with farms between 50 and 99 ha in size.

Figure 2.1 The association between farm size and farm tenure



Source: Based on CRPR's 2007 land tenure survey

The particular focus of the CRPR's 2007 land tenure survey was on unconventional tenure and occupancy arrangements, some of which, but by no means all, would be covered in the Defra data as 'other agreements'. In the 2007 report, FATs and FBTs were referred to as '*formal conventional*' agreements whereas '*formal unconventional*' agreements included contract farming,[13] partnership farming and share farming. '*Informal unconventional*' agreements comprised gentleman's agreements, grass keep agreements and sub-tenancy. A reanalysis of these data using the weighted data methodology (see Appendix C) offers richer insights into the pattern of other types of land occupancy.[14] One caveat to this approach is the implicit assumption that the structure of land tenure has not changed much since 2007. This is perhaps not too bold an assumption given that the overall area of tenanted land changed by less than 3% between the 1990 and 2007 surveys.

The results of the weighted data analysis suggest that 52.0% of agricultural land in England was farmed under freehold tenure with the remainder (48.0%) under either formal or informal tenancy agreements. This compares to Defra's June 2010 sample data which indicates that 39.0% of holdings and 35.2% of farmed land was tenanted. Therefore, the weighted data were adjusted to reflect the relative proportions of the Defra data (see Table 2.14). Furthermore, reanalysing these data established that farms over 100 ha were more likely (in a statistically significant sense) to have entered into more tenancy agreements and had a greater proportion of their land area farmed under such tenancy agreements (see Table 2.15).

[13] Contracting out land is not strictly a tenancy agreement since, although it an agricultural arrangement between a landlord and tenant, the 1986 Agricultural Holding Act has no bearing on the tenancy. See Megarry and Wade (2008). The Law of Real Property, by Charles Harpum with Malcolm Grant and Stuart Bridge. Sweet & Maxwell, London.
[14] The 2007 land tenure survey reported 1157 respondents across England and Wales. Since this report focuses exclusively on England, the reanalysis reflects this and the number of respondents is reduced to 964 (see Appendix C).

Table 2.14 Farm size – Defra's June sample data and the 2007 land tenure survey compared

Size of holding	Number of holdings (Defra)	As a percentage of commercial holdings (Defra)	Number of farms in 2007 land tenure survey (CRPR)	% of holdings 2007 land tenure survey (CRPR)
Less than 5 ha	9 181	8.7%	32	3.3%
Between 5 and 19.99 ha	28 693	27.2%	64	6.6%
Between 20 and 49.99 ha	22 244	21.1%	158	16.4%
Between 50 and 99.99 ha	19 072	18.1%	229	23.8%
Equal or greater than 100 ha	26 259	24.9%	481	49.9%
Total	105 449	100.0%	964	100.0%

Source: Based on Defra's June sample 2010 and CRPR's 2007 land tenure survey

Table 2.15 Farm size and non-freehold tenancy agreements

Farm size	Average number of agreements*	Percentage of farmland under tenancy agreements*
Up to 5 ha	0.19	16.1%
5 to 19 ha	0.27	18.4%
20-49 ha	0.56	28.4%
50-99 ha	1.01	41.2%
Greater or equal to 100 ha	1.52	45.1%
All farms	1.11	38.7%

* Using ANOVA, there is a statistical difference between means when $p<0.001$.
Source: Based on CRPR's 2007 land tenure survey

Defra's 2010 June survey data indicates that 'other' tenancy agreements were present on 13.7% of holdings and accounted for 5.3% of the land farmed. Our reanalysis of the 2007 land tenure data indicates that 15.2% of the area farmed was described as being under unconventional tenure and that this land was held by 19.3% of holdings. Table 2.16 extrapolates the number of holdings and extent of land coverage for different types of land occupancy agreements for England. This suggests that 28.7% of holdings had formal conventional agreements (FATs and FBTs) covering over 2.08 million ha. Turning to 'other agreements', 3.4% of holdings engaged in formal unconventional agreements whereas 15.9% managed informal unconventional types. However, this distribution differs markedly when area farmed is examined. The formal unconventional agreements covered over 0.56 million ha of farmland, and the informal unconventional agreements accounted for 0.49 million ha (or 8.1% and 7.2% respectively). This suggests that while informal unconventional agreements were more numerous, their size was much smaller (30 ha compared to 156 ha for the formal unconventional agreements).

Table 2.16 Land tenure using weighted data raised to national level†

	Holdings or Agreements		Area (hectares)		
	Number	%	Hectares	%	Average size
Summary					
Owner-occupied holding only	61 286	59.1	3 584 690	40.3	58.5
Holdings with tenancy agreements (incl. mixed tenure)	41 147	39.0	5 184 768	35.2	91.4
Number and area of tenancy agreements	50 277	-	3 124 464	39.0	62.1
Formal Conventional					
Full Agricultural Tenancy with no share in ownership	16 099	15.4	1 269 587	18.4	78.9
Full Agricultural Tenancy with share in ownership	1 341	1.3	104 589	1.5	78.0
Farm Business Tenancy of more than two year in length	9 161	8.7	574 309	8.3	62.7
Farm Business Tenancy of less than two year	3 459	3.3	127 627	1.9	36.9
Total Full Agricultural Tenancy	30 059	28.7	2 076 112	30.1	69.1
Formal Unconventional					
Contract	2 179	2.1	464 768	6.7	213.3
Partnership	828	0.8	56 846	0.8	68.7
Share Farming	562	0.5	34 031	0.5	60.5
Total Formal Unconventional	3 568	3.4	555 645	8.1	155.7
Informal Unconventional					
Gentleman's or Informal agreement	7 422	7.1	176 491	2.6	23.8
Grass Keep	7 521	7.2	217 985	3.2	29.0
Sub-tenancy	344	0.3	10 133	0.1	29.5
Other	1 363	1.3	88 097	1.3	64.6
Total Informal Unconventional	16 649	15.9	492 707	7.2	29.6

Source: Based on Defra's June Survey 2010 and CRPR's 2007 land tenure survey

Within these two groupings of 'other agreements', three types of tenure accounted for much of the area farmed. In particular, the 2,179 contract farming agreements, while fewer in number than FATs or FBTs,[15] were much larger, averaging 213 ha (compared to 79 ha for FATs and 63 ha for FBTs). Furthermore, contract farming was almost exclusively concentrated on farms over 100 ha and thus on the largest farms. Grass keep and sub-tenancies, while much more numerous (over 7,000 separate agreements in each category), tended to account for only small areas of land. More generally, the CRPR analysis shows that farms of over 100 ha are statistically more likely to enter into more non-freehold tenancy agreements and have a greater proportion of their land under such agreements.

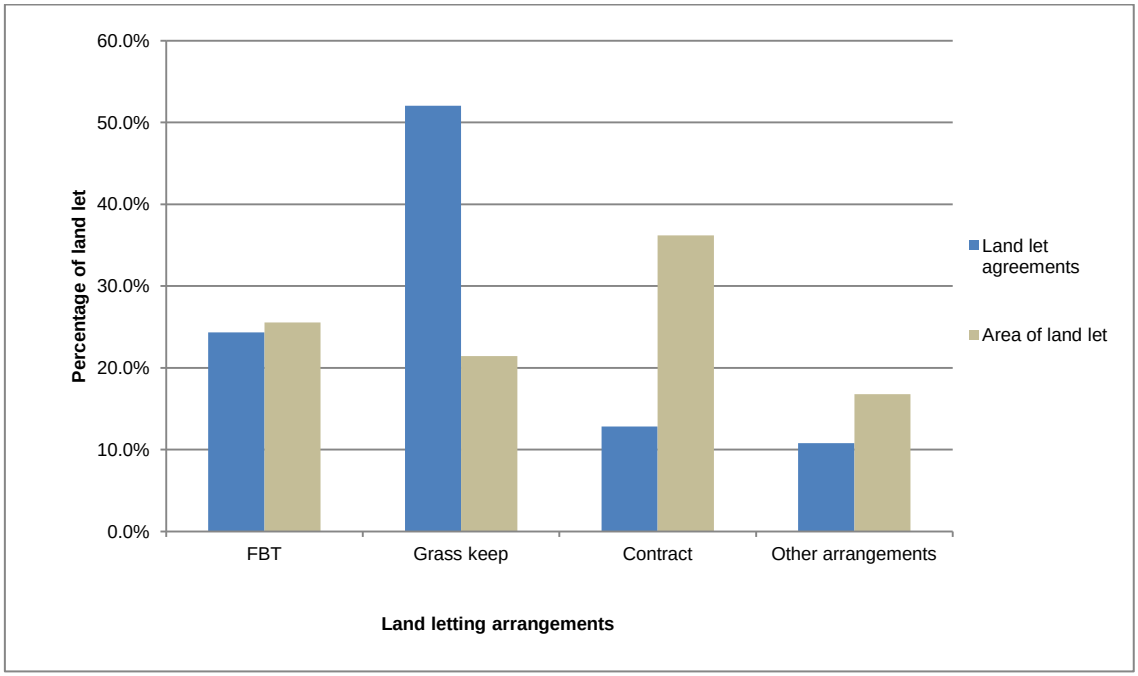
2.7 Land letting to other farmers

Finally, the CRPR's 2007 land tenure survey provides a distinctive examination of land letting by farmers who are also landowners. From the survey, 16.1% of respondents (129 in total) let out land, thereby acting as landlords, with the distribution between owner-occupied

[15] These are for FATs with no share in ownership and FBTs of more than two years in length.

and mixed farm tenure being broadly similar (18.6% and 14.2% respectively). The average size of land unit let was 55 ha although the median was 24 ha. This suggests that most parcels of let land were relatively small with a few lettings of much larger tracts of land. The majority (52.0%) of land let was let as grass keep (see Figure 2.2). In terms of land area, 7,078 ha of land was let, which accounted for just 4.4% of the land area in the survey. Of the land let, while only 12.8% of arrangements were contract-farming agreements, this accounted for 36.2% of let land. This illustrates the importance of contract farming as a means to let land while keeping control of ownership. Indeed, as this analysis has shown, although the various forms of occupying land under non-freehold conditions are significant, and undoubtedly play an important role in the expansion plans of many farmers, freehold ownership accounts for the majority of farmed land. Consequently, the next section considers the market for agricultural land.

Figure 2.2 Land letting arrangements on English farms



Source: Based on CRPR's 2007 land tenure survey

2.8 An introduction to the agricultural land market

Attempts to undertake a rigorous analysis of the market for agricultural property in England or the wider UK commonly flounder on three distinct imponderables; the propensity of farmers to make land ownership decisions on family rather than economic grounds, the dislocation between land value and productive capacity, and those twin rural dicta – 'they aren't making land anymore' and 'this may be the only opportunity we get to buy it'. The position is further complicated by the number of sales, typically of small areas of land, which take place either privately or in highly localised markets and hence are not necessarily recorded in national surveys.

However, a succession of publications from both institutions and leading consultancies have given an informed insight into the performance of the rural land market for properties for sale and, of less relevance here, to rent, both in terms of supply and, commonly of greater interest to the actors involved, price levels. The latest incarnations, particularly the Royal Institution of Chartered Surveyors (RICS) Rural Land Market Survey, provide a valuable insight into the performance of the market over time and enable some commentary on the

two issues of particular relevance to anyone looking to acquire land for whatever purpose, namely:

- What is the supply – particularly is there land available to buy?
- What is the demand - is it available at a viable price?

The market for agricultural land is highly diverse and driven by a wide range of local, national and, indeed, international issues. In the last ten years this complex market has been further influenced by two particular events:

- The growing interest of non-farmers in agricultural land; and
- The significant disruption caused to the market by the Mid Term Review of CAP and the haphazard introduction of the Single Farm Payment.

Non-farming buyers have heard of the potential tax benefits of farmland but more particularly have found that more flexible land management arrangements make owning land far less challenging than was previously the case. Coupled with the rapid increase in residential property values, city bonuses and footballers' wages in the last 10 years this has seen wealthy external buyers both able to buy the farm as well as the farmhouse and willing to take on the role of landlord or landowning partner. The market has reacted in turn, with vendors and agents often more inclined to offer farms as a whole than has previously been the case.

The confusion around the introduction of the Single Farm Payment, with detailed guidance on transfers of Entitlements[16] only arriving some 18 months after the EU published the architecture of the scheme, created a hiatus in the land market in 2003, 2004 and 2005 as neither vendors nor purchasers knew how transfers of Entitlements might be achieved. The extent to which sales contemplated at the time were merely postponed or lost is unclear but the full potential of this uncertainty was offset to a degree either by the parties gambling on a satisfactory outcome or creating arcane arrangements to maintain some semblance of the status quo.

In understanding the demand and supply of agricultural land in England, two sets of data are used in this analysis – the RICS Rural Land Market Survey and Savills' Agricultural Land Survey.[17] While these surveys are not compatible as they derive their data using different methods, they complement one another to give a rich picture of the agricultural land market.

The market for agricultural land ranges from small blocks of bare land to complete farms and estates. Given the scale of land anticipated to be required for woodland planting, this analysis focuses on the farm market which is likely to include larger areas of land, often, despite the trend noted above, lotted separately from the house and farmstead.

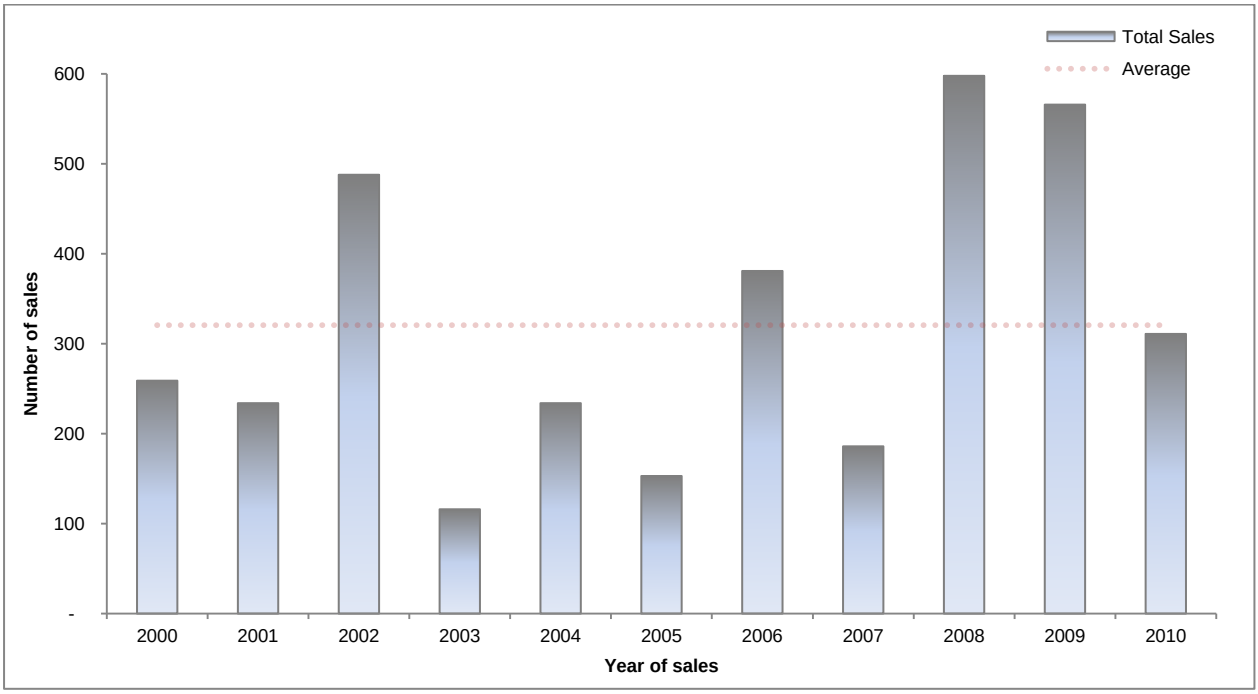
2.9 The supply of agricultural land

Over the period 2000 to 2010, total sales of all vacant possession farms averaged 321 per year and only in the years 2002, 2008 and 2009 were sales greater than this (See Figure 2.3). This shows a significant reduction from levels of sales reported in the mid to late 1990s which peaked at over 500. This reflects a common theme amongst farm agents that far less agricultural property is available in England now than in the past. Whilst this may be

[16] Entitlements provide eligibility to receive the annual Single Farm Payment subject to appropriate land husbandry.
[17] These data sets were collated from Farmland Market magazine that is published in association with RICS, which is published twice a year (spring and autumn) and provides an independent and authoritative guide to agricultural land prices and trends in the UK.

obscured slightly in reported figures through the impact of unreported local and private sales, this seems a reasonable conclusion given the general consolidation of farms into larger units. Breaking these sales down into farm type, as presented in Table 2.17, it is evident that the majority of sales (73%) were agricultural.

Figure 2.3 Total sales of all vacant possession farms from 2000 to 2010



Source: RICS Rural Land Market Survey

Table 2.17 Vacant possession sales by farm type from 2000 to 2010

Farm Type	2000	2001	2002	2003*	2004	2005	2006	2007*	2008	2009	2010*	Mean
Dairy	7	10	12	4	5	6	10	4	13	2	5	7
Mixed	25	17	38	14	23	-	36	21	59	56	40	33
Arable	86	72	152	35	63	54	118	32	188	170	120	99
Beef & Sheep	90	66	152	26	54	38	109	65	221	174	79	98
Total Farm Sales	**208**	**165**	**354**	**79**	**145**	**98**	**273**	**122**	**481**	**402**	**244**	**234**
Residential	41	55	106	33	67	41	93	60	90	150	49	71
Other	10	14	28	4	22	14	15	4	27	14	18	15
Total Sales	**259**	**234**	**488**	**116**	**234**	**153**	**381**	**186**	**598**	**566**	**311**	**321**

* In these years, only six months of data was available.
Source: RICS Rural Land Market Survey

Focusing specifically on agricultural sales (see Table 2.18), 84% of sales were distributed among beef and sheep farms and arable farms. In terms of beef and sheep farms, it is not unsurprising this farm type accounts for 41% of sales since Lobley and Butler identified that

farmers 'withdrawing from agriculture' mainly consisted of small beef and sheep farms.[18] The limited number of dairy farms sold is perhaps a reflection that farmers give up dairying and switch to other enterprises before farms are sold.

Table 2.18 Percentage of vacant possession sales by farm type, 2000-2010 (agricultural sales only)

Farm Type	2000 %	2001 %	2002 %	2003* %	2004 %	2005 %	2006 %	2007* %	2008 %	2009 %	2010* %	Mean %
Dairy	3	6	3	5	3	6	4	3	3	0	2	4
Mixed	12	10	11	18	16	0	13	17	12	14	16	13
Arable	41	44	43	44	43	55	43	26	39	42	49	43
Beef & Sheep	43	40	43	33	37	39	40	53	46	43	32	41
Total Farm Sales	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

* In these years, only six months of data was available.
Source: RICS Rural Land Market Survey

Table 2.19 illustrates where most sales have occurred.[19] In absolute terms, approximately one-quarter of sales over the last decade occurred in the South West region. Other regions where the number of sales was significant were the Eastern region, East Midlands and South East, which account for a further 40% of sales during this period. Fewer sales of farmland occurred in the Northern regions of England and in Wales.

Table 2.19 Number of vacant possession sales by region from 2000 to 2010 (excluding 'residential' and 'other' farm types)

Region	2000	2001	2002	2003*	2004	2005	2006	2007*	2008	2009	2010*	Mean
West Midlands	-	18	33	4	30	18	22	9	36	44	20	21
East Midlands	9	17	42	13	30	35	64	23	86	95	44	42
North West	-	-	-	6	12	27	27	23	42	45	17	18
South East	30	32	58	27	31	24	35	16	58	71	13	36
South West	71	47	87	54	73	63	88	27	114	122	62	73
Eastern	25	17	35	15	22	38	54	9	66	76	31	35
Yorkshire and Humberside	5	12	35	18	23	8	14	4	49	26	42	21
North East	5	-	15	2	6	15	23	7	9	16	14	10
Wales	45	14	36	7	14	45	23	4	21	26	1	21
Total sales	**190**	**157**	**341**	**146**	**241**	**273**	**350**	**122**	**481**	**521**	**244**	**279**

*In these years, only six months of data was available.
Source: RICS Rural Land Market Survey

Table 2.20 shows the area of farmland sold between 2005 and 2010 on a six monthly basis. Again this shows a relatively stable area of transactions through the period, averaging 186,500 ha with a range between 147,000 ha in 2005, influenced by the delays with Single Farm Payment, and 247,000 ha in 2006 as the delayed sales were released. Again this

[18] Lobley, M. and Butler, A. (2010). The impact of CAP reform on farmers' plans for the future: Some evidence from South West England. *Food Policy* 35, (2010) 341–348
[19] Total farm sales and total sales in the regional data should equate. However, suppressed data in the regional tables prevents reconciliation between the tables 2.17 and 2.19.

shows a marked reduction in average from earlier years with areas transacted generally being in excess of 200,000 ha.

Table 2.20 Farmland area sold between 2005 and 2010

Period	Reported Sales	Area Sold ('000 ha)
H1 2005	141	6.0
H2 2005	164	8.7
H1 2006	173	9.4
H2 2006	234	15.0
H1 2007	141	7.0
H2 2007	230	10.8
H1 2008	233	8.9
H2 2008	278	11.7
H1 2009	159	5.6
H2 2009	256	11.4
H1 2010	162	6.6
H2 2010	244	10.8

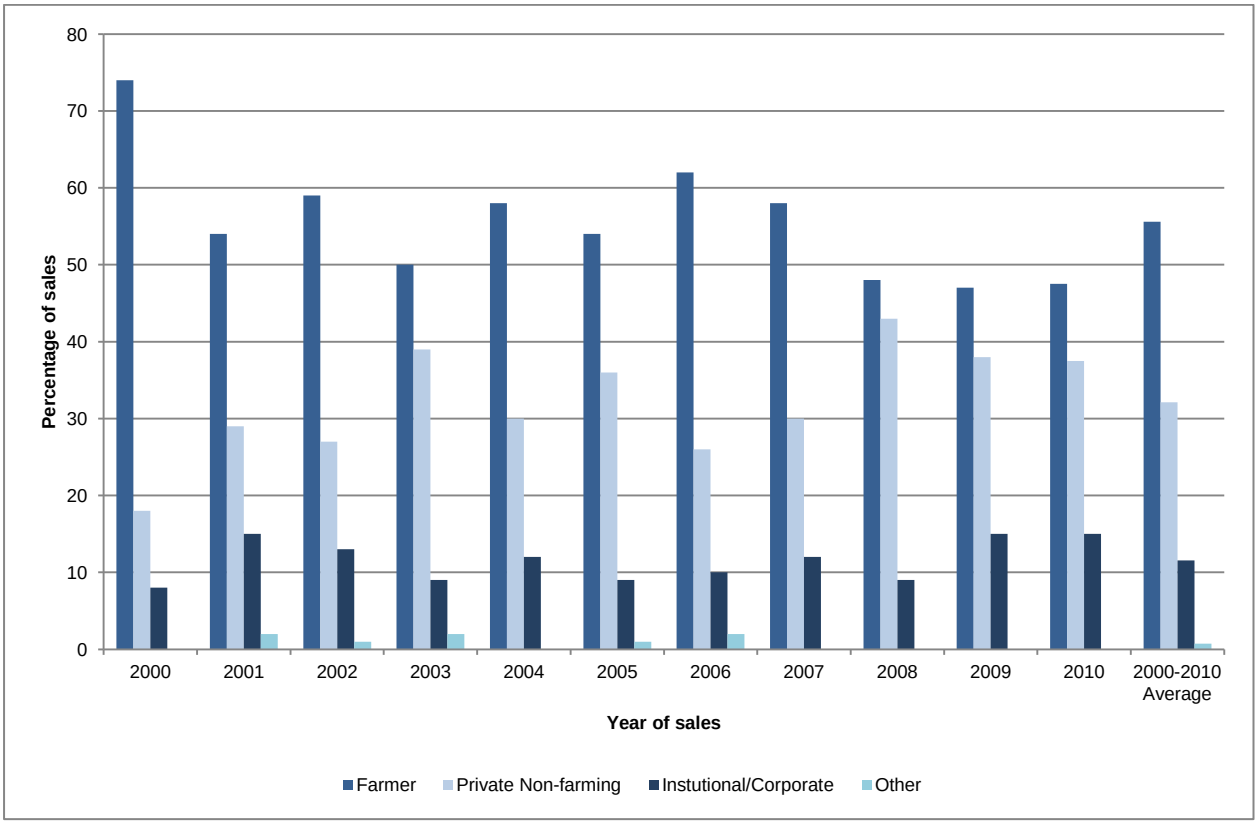
Source: RICS rural land market survey (2011)

2.10 Who is selling agricultural land and why?

As could be expected, farmers are most likely to sell agricultural land. Figure 2.4 (and Table 2.21) illustrate those who sold farm land between 2000 and 2010 using data from Savills' Agricultural Land Survey for Great Britain. On average, 56% of sales per year were by farmers, although in recent years (2008 to 2010) the proportion of farmers selling their farms had dipped below 50% of all sales. According to Savills[20], in 2010 farmers continued to be reluctant sellers with sales significantly lower than in 2006 and 2007 when around 60% of all sellers of agricultural land were farmers. Private non-farming owners were the second largest sellers of farmland, averaging 32% of sales per year. Furthermore, in recent years (2008 to 2010) the number of sales increased peaking at 43% in 2008, although this has since declined to 38% in 2010. The final significant vendors of land were institutional and corporate bodies. While these accounted for fewer sales, an average of 12% per year, sales from this sector remained relatively constant over the last decade.

[20] Agricultural Land Market Survey 2011. http://pdf.euro.savills.co.uk/uk/rural---other/savills-agricultural-land-market-survey-2011.pdf last accessed 27 July 2011.

Figure 2.4 Who sold agricultural land between 2000 and 2010



Sources: Savills' Agricultural Land Surveys 2001 to 2011

With three broad regions – East, West and Northern – Savills' survey illustrates regional differences (see Table 2.21). In the North region, over the last decade farmers have been the dominant vendors averaging 66% of all sellers per year compared to 48% in the West and 50% in the East. However, in all cases, the number of farmers selling land is less towards the end of the decade than during its earlier years. In the West, private non-farming sellers accounted for 42% of the annual market while in the East institutional and corporate vendors were more abundant (19% compared to 11% in the West and 6% in the North), reflecting perhaps their traditional interest in investment in the higher quality arable areas and greater exposure to these markets.

Table 2.21 Who *sold* agricultural land in the regions (East, West and North), between 2000 and 2010

	2000 %	2001 %	2002 %	2003 %	2004 %	2005 %	2006 %	2007 %	2008 %	2009 %	2010 %	Mean %
East												
Farmer	67	38	60	52	62	53	66	49	42	45	50	50
Private Non-farming	21	41	19	33	26	38	15	36	48	35	31	31
Institutional/Corporate	12	21	19	15	10	9	15	15	11	20	19	19
Other	0	0	2	0	2	0	4	0	0	0	0	0
Total	100	100	100	100	100	100	100	100	100	100	100	100
West												
Farmer	72	65	26	50	33	35	51	66	47	44	41	48
Private Non-farming	20	29	57	40	67	45	41	26	39	43	50	42
Institutional/Corporate	8	6	17	5		20	5	9	14	13	9	11
Other	0	0	0	5	0	0	3	0	0	0	0	1
Total	100	100	100	100	100	100	100	100	100	100	100	100
North												
Farmer	83	77	81	47	57	65	71	70	64	57	50	66
Private Non-farming	13	0	19	47	39	29	22	22	36	39	38	28
Institutional/Corporate	4	15	0	6	4	3	7	9	0	4	12	6
Other	0	8	0	0	0	3	0	0	0	0	0	1
Total	100	100	100	100	100	100	100	100	100	100	100	100
Average												
Farmer	74	54	59	50	54	54	62	58	48	47	48	56
Private Non-farming	18	29	27	39	40	36	26	30	43	38	38	32
Institutional/Corporate	8	15	13	9	5	9	10	12	9	15	15	12
Other	0	2	1	2	1	1	2	0	0	0	0	1
Total	100	100	100	100	100	100	100	100	100	100	100	100

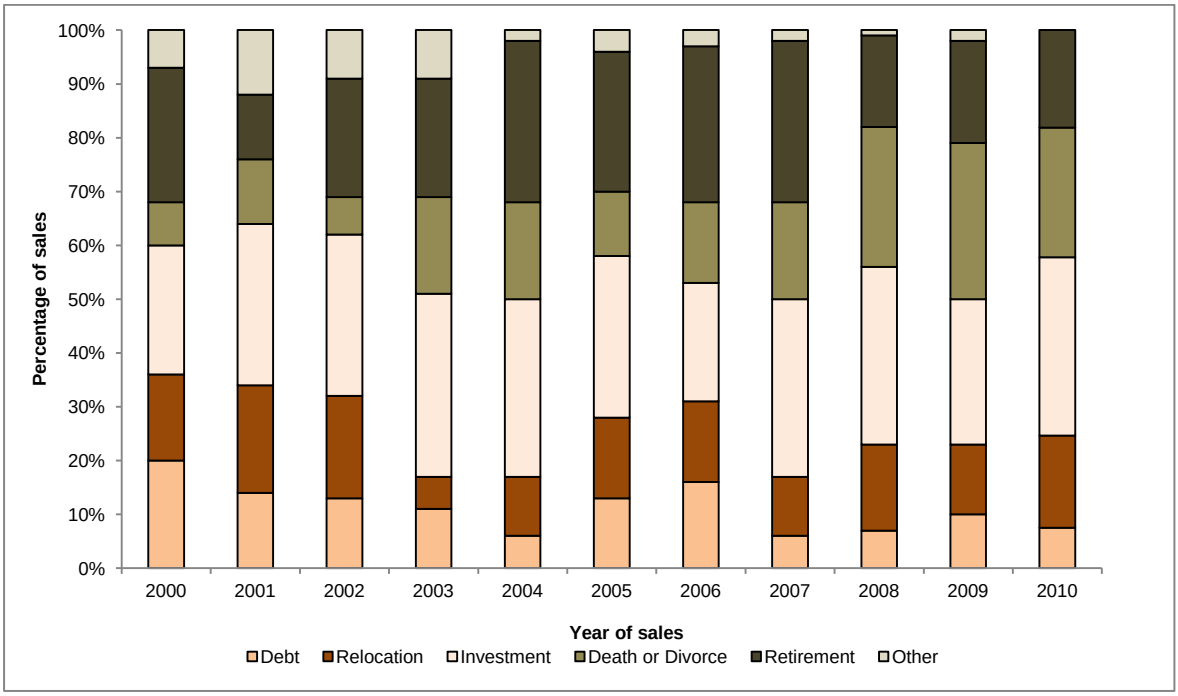
Sources: Savills' Agricultural Land Surveys 2001 to 2011.

Finally, in this section, the reasons for sales are explored (see Figure 2.5). Investment (investing capital elsewhere) was one of the main reasons for land sales, averaging 30% between 2000 and 2010, followed by retirement at an average of 23%. According to Savills[21], in 2010 90% of sellers were either non-farming, institutional or corporate vendors that were taking the opportunity to cash-in on the significant rises in the capital values of farmland. Furthermore, some investors were taking funds out of farmland to boost other business interests that were struggling in the recent economic recession.

Approximately one in 10 sales of farmland each year was related to debt. In 2000, this was as high as 20% but by 2010 this had reduced to 7.5%. This is significantly low despite UK farm debt reaching a record £12 billion in December 2010[22], which is explained partly by the continuation of low interest rates that reduce the bank service charges as a proportion of total debt. However, sales resulting from death or divorce gradually increased from 8% in 2000 to 24% in 2010, peaking at 29% in 2009. This may not reflect a higher incidence in these events but rather suggests again land being retained longer into retirement, possibly let on farm business tenancies or managed through contracting arrangements.

[21] Agricultural Land Market Survey 2011. http://pdf.euro.savills.co.uk/uk/rural---other/savills-agricultural-land-market-survey-2011.pdf last accessed 27 July 2011.
[22] Agricultural Land Market Survey 2011. http://pdf.euro.savills.co.uk/uk/rural---other/savills-agricultural-land-market-survey-2011.pdf last accessed 27 July 2011.

Figure 2.5 Reasons for the sale of agricultural land between 2000 and 2010



Sources: Savills' Agricultural Land Surveys 2001 to 2011

The reasons for sale differ between regions. Investment was cited as the main reasons for sale with 35% in the East and 25% and 24% respectively in the West and North regions (see Table 2.22). Also notable, was the regional divergence in sales because of debt, which was lowest in the West at an average of 8% as compared to 18% in the North.

Table 2.22 Reasons for sales between 2000 and 2010 in the regions

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Mean
	%	%	%	%	%	%	%	%	%	%	%	%
East												
Debt	4	7	14	11	19	21	15	6	4	13	8	11
Relocation	4	17	17	0	14	15	13	9	21	15	16	13
Investment	42	45	33	48	29	26	28	40	25	30	40	35
Death or Divorce	8	7	10	8	17	15	13	16	27	21	18	15
Retirement	33	7	19	19	14	23	30	25	23	17	18	21
Other	9	17	7	14	7	0	2	3	0	4	0	6
Total	100	100	100	100	100	100	100	100	100	100	100	100
West												
Debt	24	12	13	5	0	0	5	6	14	3	6	8
Relocation	28	18	9	10	48	15	26	14	18	13	19	20
Investment	16	24	39	30	10	45	21	20	32	23	13	25
Death or Divorce	8	29	9	20	10	5	16	20	29	44	40	21
Retirement	16	12	22	35	29	30	33	40	7	17	22	24
Other	8	5	8	0	3	5	0	0	0	0	0	3
Total	100	100	100	100	100	100	100	100	100	100	100	100
North												
Debt	32	31	13	18	14	14	32	4	14	13	8	18
Relocation	14	31	29	12	14	14	4	13	5	9	15	15
Investment	14	8	16	18	25	26	14	30	41	26	42	24
Death or Divorce	9	0	3	29	18	14	22	22	18	26	19	16
Retirement	27	23	26	11	29	26	21	30	18	26	16	23
Other	4	7	13	12	0	6	7	0	5	0	0	5
Total	100	100	100	100	100	100	100	100	100	100	100	100
Average												
Debt	20	14	13	11	6	13	16	6	7	10	7.5	11
Relocation	16	20	19	6	11	15	15	11	16	13	17	14
Investment	24	30	30	34	33	30	22	33	33	27	33	30
Death or Divorce	8	12	7	18	18	12	15	18	26	29	24	17
Retirement	25	12	22	22	30	26	29	30	17	19	18	23
Other	7	12	9	9	2	4	3	2	1	2	0	5
Total	100	100	100	100	100	100	100	100	100	100	100	100

Sources: Savills' Agricultural Land Surveys 2001 to 2011

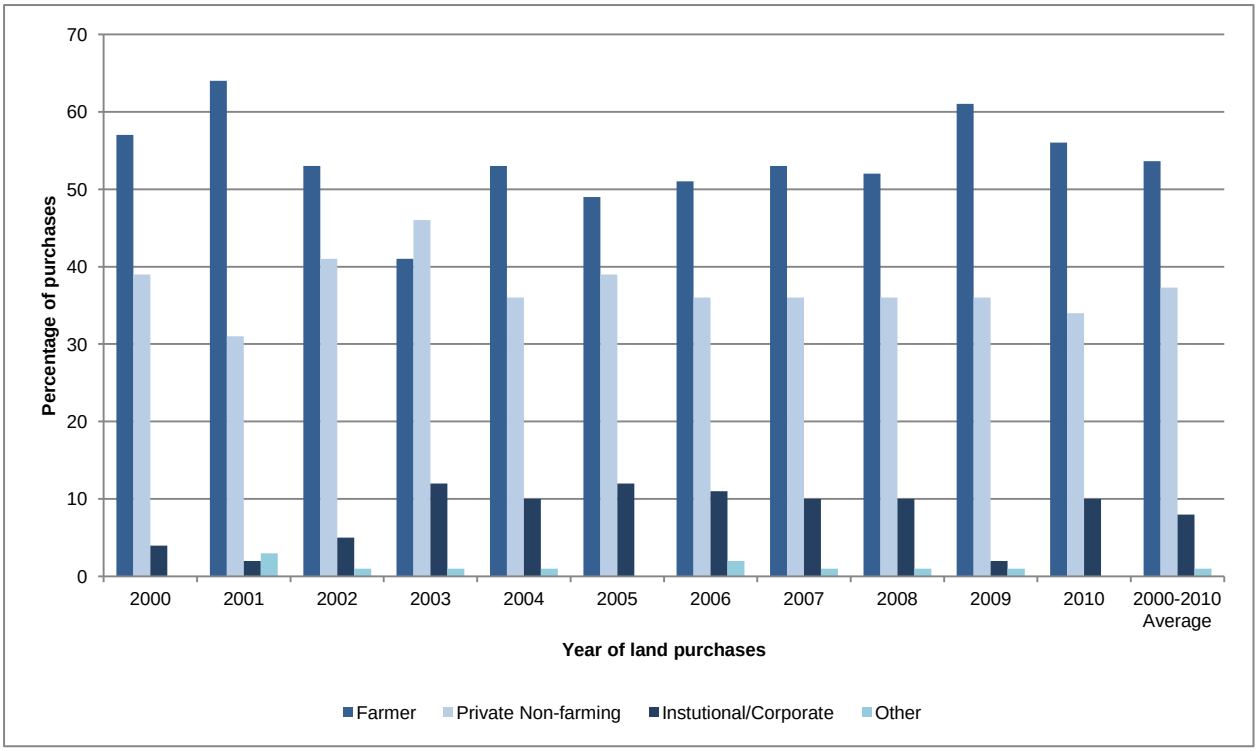
2.11 The purchase of agricultural land

Farmers are the predominant purchasers in the farmland market accounting for, on average, 54% of the annual buyers since 2000, although there has been considerable variation (see Figure 2.6). For example, in 2003 farmers only accounted for 41% compared to 64% in 2001 and 61% in 2009 reflecting both the fortunes of non-farming buyers affected in part by the recession, and the contra-cyclical performance of arable farming, in particular where high commodity prices have boosted farmers' profits and confidence. Farmers frequently buy land to expand their business[23] and in 2010, 70% of farmers said they were buying land for this

[23] Lobley, M. and Butler, A. (2010). The impact of CAP reform on farmers' plans for the future: Some evidence from South West England. *Food Policy* 35, (2010) 341–348

reason[24]. Similar to the pattern of sellers, private non-farming buyers were the second most prolific purchasers with an annual average of 37% attributable to this group. Institutional and corporate buyers were not as abundant commanding less than 10% of the market over most of this period. However, Savills point to recent competition in the farmland market place from investors which had increased the proportion of institutional and corporate buyers to 10% in 2010, although this level is similar to that in the period 2003 to 2008.

Figure 2.6 Who bought agricultural land between 2000 and 2010?



Sources: Savills' Agricultural Land Surveys 2001 to 2011

2.12 Who is purchasing agricultural land and why?

Similar to the regional variations for sellers, farmers in the North were more likely buyers of agricultural land, averaging 64% per year over the last decade compared to 52% in the East and 45% in the West (see Table 2.23). Only in 2005 did this pattern differ when farmer buyers in the Northern region dropped to 40%, whereas farmers in the East and West accounted for 51% of buyers. In the West, particularly during the early part of the decade (2001 to 2004), more private non-farming buyers were active in the market place and this pattern returned in 2010. In the East region marginally more institutional and corporate buyers purchased land, 9% as an annual average, compared to 6% in the North and West. However, the pattern from this type of buyer has large variations within regions with some years showing no institutional or corporate purchasers and others to nearly 20% of the market place (e.g. in 2006 in the North region 19% of buyers were institutional or corporate whereas in 2009, there were none). Investors are likely to acquire larger blocks of land and given the relatively small scale of the market at regional levels one or two significant purchases may be sufficient to influence returns.

[24] Savills (2011). Agricultural Land Market Survey 2011. http://pdf.euro.savills.co.uk/uk/rural---other/savills-agricultural-land-market-survey-2011.pdf last accessed 27 July 2011.

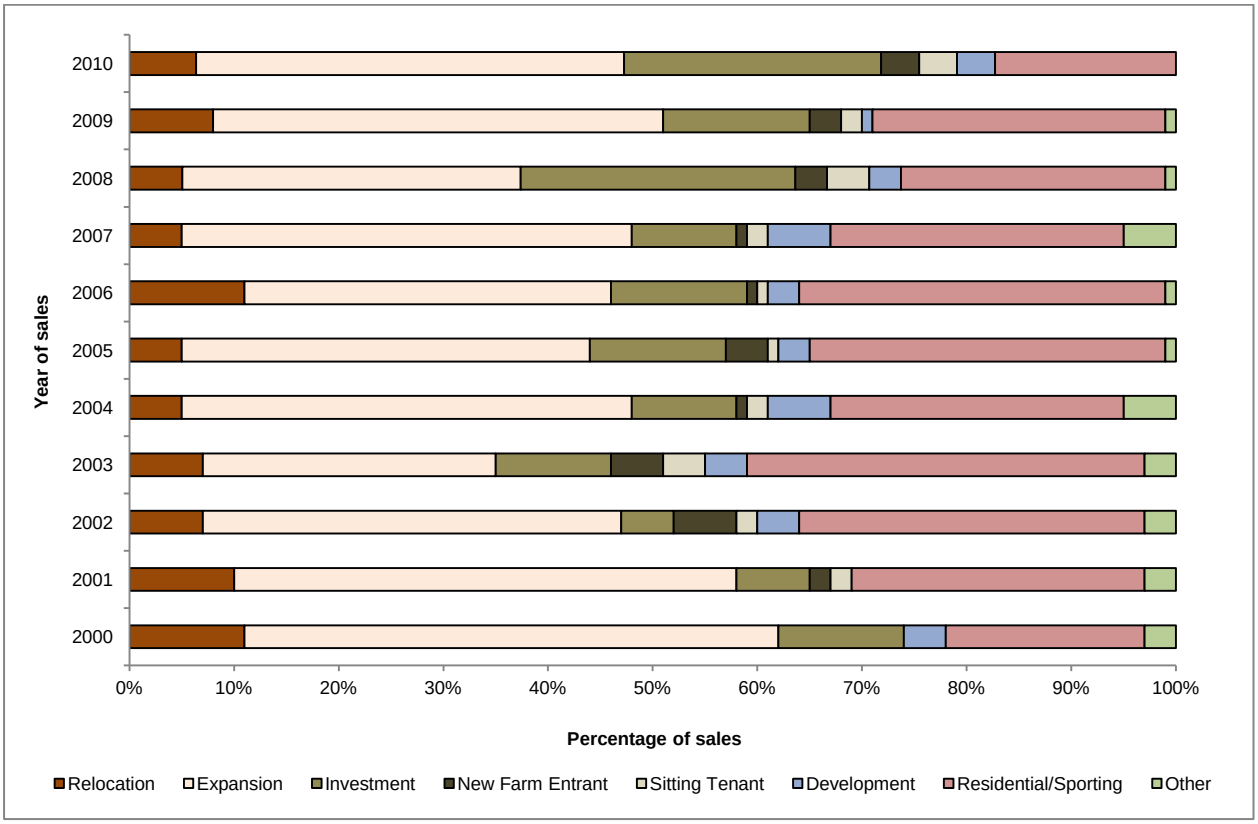
Table 2.23 Who *bought* agricultural land in the regions (East, West and North) between 2000 and 2010?

	2000 %	2001 %	2002 %	2003 %	2004 %	2005 %	2006 %	2007 %	2008 %	2009 %	2010 %	Mean %
East												
Farmer	52	60	62	38	47	51	48	55	45	59	54	52
Private Non-farming	48	31	32	45	42	31	40	35	41	39	30	38
Institutional/ Corporate	0	3	6	17	9	18	10	10	14	0	16	9
Other	0	6	0	0	2	0	2	0	0	2	0	1
Total	100	100	100	100	100	100	100	100	100	100	100	100
West												
Farmer	56	45	38	34	29	51	48	42	61	48	47	45
Private Non-farming	33	55	55	57	62	46	43	45	31	45	50	47
Institutional/ Corporate	11	0	4	4	9	3	7	12	7	7	3	6
Other	0	0	3	5	0	0	2	0	1	0	0	1
Total	100	100	100	100	100	100	100	100	100	100	100	100
North												
Farmer	65	92	63	56	59	40	63	58	59	78	70	64
Private Non-farming	35	8	33	33	41	45	19	29	32	22	26	29
Institutional/ Corporate	0	0	4	11	0	15	19	8	9	0	4	6
Other	0	0	0	0	0	0	0	4	0	0	0	0
Total	100	100	100	100	100	100	100	100	100	100	100	100
Average												
Farmer	57	64	53	41	53	49	51	53	52	61	56	54
Private Non-farming	39	31	41	46	36	39	36	36	36	36	34	37
Institutional/ Corporate	4	2	5	12	10	12	11	10	10	2	10	8
Other	0	3	1	1	1	0	2	1	1	1	0	1
Total	100	100	100	100	100	100	100	100	100	100	100	100

Sources: Savills' Agricultural Land Surveys 2001 to 2011

Figure 2.7 and Table 2.24 describe the reasons for buying agricultural land. Of these, the purchase of land to expand existing farm businesses was cited as a principle reason (41% on average although this increased to 44% in the East and North regions). Buying land for residential or sporting purposes also figured highly, although the peak of 38% of purchases for this reason in 2003 has since receded to 19% in 2010, possibly because of the dampening of activity by 'lifestyle buyers' since the economic downturn in the latter part of the decade.[25] Whilst the typology applied here is relatively simple this group may be of particular interest given that their motivation for purchase may focus less on commercial return than other groups. Further, as some will be new entrants to landownership they may be more open minded to afforestation whether short-term rotation or traditional woodland management.

Figure 2.7 Reasons for buying land between 2000 and 2010



Sources: Savills' Agricultural Land Surveys 2001 to 2011

Investment buyers, on the other hand, have increased in recent years with an annual average of 13% of the farmland market over the last decade attributable to these buyers. In 2008 and 2010 this doubled to 26% and 27% respectively. Savills suggest that most of these buyers were either private non-farming or institutional and corporate purchasers[26], which is one reason why some of the best farms have achieved record high prices in 2010. New entrants into farming remain extremely low, accounting for only a few per cent of all buyers, although in the West this peaked at 11% in 2010. Even fewer purchases were made by sitting tenants during this period reflecting the progressive demise of secure tenancies (i.e. FATs) with the passage of time and the influence of demand on the vacant possession premium.

[25] Savills (2011). Agricultural Land Market Survey 2011. http://pdf.euro.savills.co.uk/uk/rural---other/savills-agricultural-land-market-survey-2011.pdf last accessed 27 July 2011.
[26] Savills (2011). Agricultural Land Market Survey 2011. http://pdf.euro.savills.co.uk/uk/rural---other/savills-agricultural-land-market-survey-2011.pdf last accessed 27 July 2011.

Table 2.24 Reasons for purchase between 2000 and 2010 in the regions

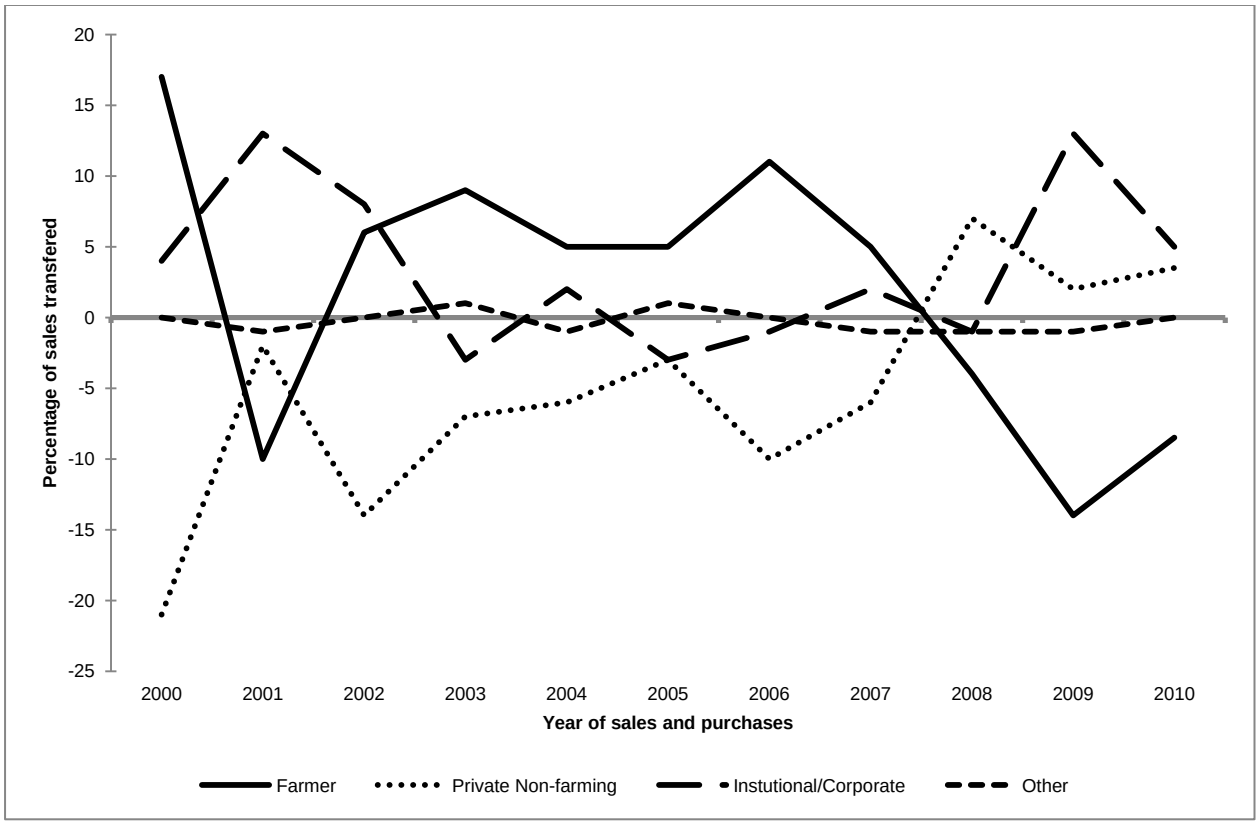
	2000 %	2001 %	2002 %	2003 %	2004 %	2005 %	2006 %	2007 %	2008 %	2009 %	2010 %	Mean %
East												
Relocation	4	6	8	0	7	0	10	1	0	2	2	4
Expansion	54	54	40	31	38	51	34	48	35	52	43	44
Investment	25	7	8	14	13	18	22	9	35	18	38	19
New Farm Entrant	0	0	8	6	2	0	2	1	2	4	0	2
Sitting Tenant	0	3	4	6	2	0	2	3	0	2	5	2
Development	4	0	2	6	2	3	0	4	4	0	3	3
Residential/ Sporting	13	23	24	31	29	28	26	26	25	20	9	23
Other	0	7	6	6	7	0	4	7	0	2	0	4
Total	100	100	100	100	100	100	100	100	100	100	100	100
West												
Relocation	25	18	7	10	9	5	12	12	7	11	17	12
Expansion	39	27	28	19	14	25	29	30	29	26	14	25
Investment	0	9	4	10	14	5	2	9	18	14	10	9
New Farm Entrant	0	0	3	9	5	5	0	0	4	4	11	4
Sitting Tenant	0	0	0	0	5	5	0	0	11	4	6	3
Development	7	0	3	0	5	5	2	9	0	4	3	3
Residential/ Sporting	22	46	52	52	48	45	54	39	29	37	39	42
Other	7	0	3	0	0	5	0	0	4	0	0	2
Total	100	100	100	100	100	100	99	99	102	100		100
North												
Relocation	0	17	7	17	21	11	11	4	14	17	7	11
Expansion	63	50	53	33	38	34	44	46	32	44	44	44
Investment	14	0	0	5	0	9	11	13	18	4	23	9
New Farm Entrant	0	8	3	0	3	9	0	0	5	0	4	3
Sitting Tenant	0	0	0	6	0	0	0	4	5	0	0	1
Development	0	0	7	6	0	3	11	8	5	0	7	4
Residential/ Sporting	23	25	30	33	38	34	23	21	23	35	15	27
Other	0	0	0	0	0	0	0	4	0	0	0	0
Total	100	100	100	100	100	100	100	100	100	100	100	100
Average												
Relocation	11	10	7	7	5	5	11	5	5	8	7	7
Expansion	51	48	40	28	43	39	35	43	32	43	45	41
Investment	12	7	5	11	10	13	13	10	26	14	27	13
New Farm Entrant	0	2	6	5	1	4	1	1	3	3	4	3
Sitting Tenant	0	2	2	4	2	1	1	2	4	2	4	2
Development	4	0	4	4	6	3	3	6	3	1	4	3
Residential/ Sporting	19	28	33	38	28	34	35	28	25	28	19	29
Other	3	3	3	3	5	1	1	5	1	1	0	2
Total	100	100	100	100	100	100	100	100	100	100	100	100

Sources: Savills' Agricultural Land Surveys 2001 to 2011

2.13 The changing market place

While an examination of the sellers and buyers of agricultural land illustrates some of the patterns in the demand and supply of the farmland market, it is also useful to look at how the market place is changing. As such, Figure 2.8 illustrates the difference between buyers and sellers of the same type. For example, in this figure, if the percentage of farmers is greater than zero, this represents more farmer sellers than farmer buyers, and if it is less than zero, there are more buyers. From Figure 2.8, two trends are apparent over the period since 2000. The first is that farmers have tended to move from net sellers to net purchasers in the market place i.e., they are more likely to buy land than sell it. The second is an opposite trend in that private non-farming buyers are becoming less frequent compared to this type of seller. However, overall institutional and corporate actors in the market place have remained net buyers of agricultural land, although the lack of volatility reflects the long-term nature of many of these investments.

Figure 2.8 The transfer of land between sellers and buyers, 2000 - 2010



Sources: Savills' Agricultural Land Surveys 2001 to 2011

2.14 The value of agricultural land

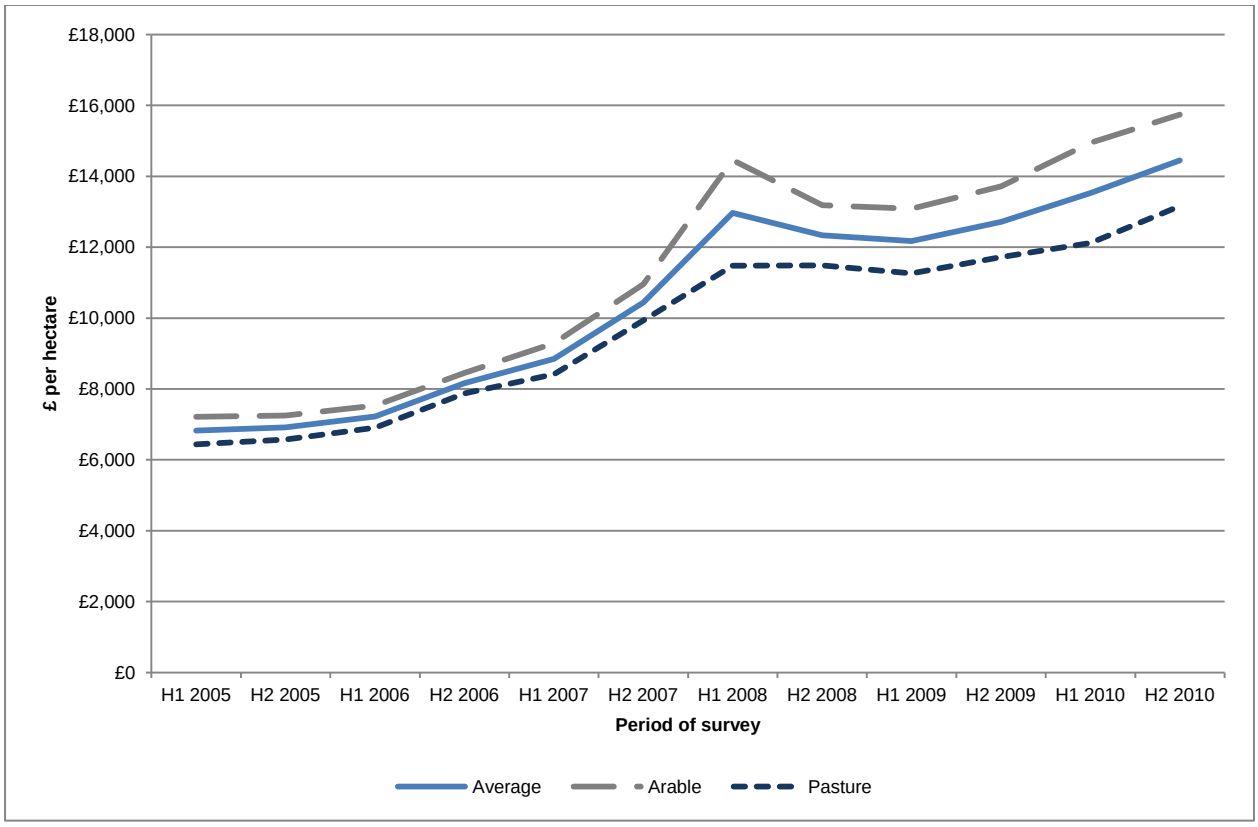
The value of land is influenced by a wide range of factors, many local, operating against a background of wider economic trends. In recent years values have reached levels previously unknown for anything other than the smallest land sales but some long-term trends remain. In particular land quality still appears to have little influence on value with hill land in Denbighshire, for example, just as likely to top £10,000 per acre as the best of Norfolk's arable acres.

Figure 2.9 shows farmland prices for bare land from the RICS Rural Land Market Survey from 2005 to 2010. Over that period the average price of land has more than doubled to

£14,445 per hectare (£5,846 per acre); with similar increases for arable land to £15,736 per hectare (£6,368 per acre) and pasture £13,154 per hectare (£5,323 per acre). Averages for transactions including farmhouses reached £16,995 per hectare (£6,756 per acre). Both bare land and land with farmhouse prices show record highs for this survey.

This increase appears to have been driven by a succession of factors with heightened demand from non-farming buyers progressively replaced by demand from farmers fuelled by strong profits, low interest rates, favourable commodity prices, support regimes and exchange rates and particularly the downturn in supply. The most recent RICS Rural Land Market Survey suggests that most agents expect this trend to continue with prolonged strong growth in the market for commercial land and more subdued growth in the market for residential farms. A consistent theme across all regions is the lack of supply, with other commentators noting the dominance of farming buyers and the gradual incursion of investors into the market.

Figure 2.9 Farmland prices between 2005 - 2010



Source: RICS rural land market survey (2011)

2.15 Trends in the agricultural land market

The last decade has seen a decline in the amount of land coming to the market at a time of generally hardening demand. This has, unsurprisingly, pushed values higher to a succession of record levels. Whilst farming buyers have been the majority purchasers over the whole period, the picture has changed with non-farming buyers driving much of the demand in the earlier years of the decade and farmers now in the ascendancy, but with some sign of private investors again being attracted to the market. This changing dynamic is something of a challenge for other purchasers suggesting that a downturn in demand from farmers, on the back of a poorer budgetary settlement for agriculture in the latest EU budget round, may well be taken up by investors in their stead.

Macro-economic influences appear to provide further arguments for the land market continuing at relatively high levels. The increased demand for food from an increasing and, in part at least, increasingly affluent world population suggests continued high commodity prices, whether for food production or energy. With generally low yields on other investments, the fiscal advantages of investment in agricultural land, albeit their influence may be somewhat overstated, and the continued consolidation of UK agriculture limiting supply, there are no obvious signs of an early or significant realignment in farmland values.

This analysis has demonstrated that:

- There is land available to buy, albeit at lower than normal historic levels; and
- Land is trading at record price levels.

This points to a land market which is difficult for 'external' purchasers to penetrate and one that is operating at a level where the cost of even the most productive land appears difficult to sustain from agricultural production. Farming purchasers are relying on continued high levels of profitability and the effect of spreading fixed costs to create a sustainable purchase. Residential purchasers will be less concerned about the value of agricultural land and more concerned by the quality and affordability of the entire property. Similarly, motivations for land acquisition are strong, whether by farmers, whatever their scale, generally buying for utility to farm the land, or non-farming residential buyers seeking a lifestyle. Commercial investors are perhaps the most easily swayed by economic interests but their impact on the market remains weak.

Against this background the potential to acquire significant tracts of new land for woodland creation in the open market appears limited. Certainly there appears to be little land on the market at price levels traditionally associated with land purchased for tree planting. Direct acquisition may not be the only option and perhaps the presence of non-farming buyers who may be more open minded about accommodating alternative land uses provides an opportunity.

New entrants to the market with limited experience of land ownership, occupation or management are likely either to have a well formulated plan for land management based on professional advice or to lapse into a regime inherited from their predecessor or guided by local practice. To a novice, albeit one who may be very successful in other fields, the availability of pragmatic advice, often more easily given and received in the local pub than in a consultant's office, can sometimes be a major influence on land management decisions.

There may be an opportunity for the Forestry Commission to engage more actively with this group, particularly at the point of purchase when future plans are not necessarily fully formed. However the difficulty is often in identifying the best channels of access. It is recommended that the Forestry Commission should explore opportunities to engage with new entrants to the land market, possibly through the agencies of professionals involved in the process, including land agents and solicitors, to raise awareness of the financial and non-financial benefits of woodland planting and to provide advice to potential planters.

3 COUNTY FARM ESTATES AND OTHER AGRICULTURAL LAND OWNED BY LOCAL AUTHORITIES

3.1 Introduction

County Farm Estates, more properly known as Statutory Smallholdings, have their roots in the Small Holdings and Allotments Act 1908, which by 1913, had led to county councils in England and Wales creating 14,000 small holdings occupying 80,000 ha of land[27]. These new county farm estates have their origins in various charitable and philanthropic initiatives in the late 19th century designed to encourage young farmers to start a business and go on to purchase their own farm[28]. Subsequently the county council estates became seen as the first step on the farming ladder with tenants expected to progress to larger rented farms. However, a policy suited to the late 19th and early 20th centuries, when the tenanted sector accounted for more than 80% of holdings, is far less easily implemented today when wholly tenanted farms are a minority of below 30%.

Despite the changes in farm tenure overall at a national level, local authorities have for many years maintained the estates with the core objective of offering opportunities for new entrants. However, the period since 1973 has been one of major change for these estates. The total number of 'county farm' lettings in England and Wales has fallen by over 50% from 9,823 in 1974/75 to 4,651 in 2008/9. This is partly a function of amalgamations but also of disposals; during the same period the area let as county farms fell by over 30%.[29]

3.2 The present day estate nationally and regionally

The present day estate extends to approximately 113,000 ha[30] but with considerable variation of size between estates as illustrated in Table 3.1 below. Distribution also varies between the regions as can be seen in Table 3.2.

Table 3.1: Distribution of Smallholdings Estates by Size

Class	Area of Estate (ha)				
	1 – 100	100 – 500	500 – 1,000	1,000 – 3,000	3,000 +
English Unitary	2	6	1	3	1
English County	1	4	4	10	9
Welsh	1	2		6	
Total	4	12	5	19	10

Source: Chartered Institute of Public Finance and Accountancy (CIPFA) *County Farm Statistics 2008-9 & Bruton Knowles*

[27] Wehtham, E,H. (1978) *The Agrarian History of England and Wales, Vol VIII, 1914-1939*, Cambridge University Press.
[28] Offer, A. (1981) *Property and Politics 1870-1914*, Cambridge University Press.
[29] Annual returns to CIPFA "County Farm Estates"
[30] This includes approximately 17,000 ha in Wales

Table 3.2: Distribution of Smallholdings Estates by Region

Region	Holdings	Area (ha)	Region	Holdings	Area (ha)
South East	529	9,854	South West	711	21,780
East of England	910	32,066	West Midlands	463	9,610
East Midlands	407	11,855	Yorkshire & Humber	275	5,497
North East	22	766	Wales	1105	17,706
North West	229	4,390			

Source CIPFA County Farm Statistics 2008-9

As can be seen above, the two regions of the East of England and South West predominate with the smallholding area amounting to just over 56% of the total smallholding estate in England.

The Sixtieth Annual Report to Parliament on Smallholdings in England, presented to Parliament under section 59 of the Agriculture Act 1970, provides a statistical summary of smallholdings in England.[31] As at 31 March 2010 the total area of land held by local authorities amounted to 96,455 ha, 94% let as smallholdings. Since 1966 the average size has increased from 11 to 36 ha.[32] The majority of the 2,504 holdings were 20 ha or less (40%), with the remainder equally distributed between holdings of 20-40 ha and over 40 ha.[33]

The top ten authorities in terms of land area let as smallholdings were:[34]

1. Cambridgeshire (11,800 ha)
2. Lincolnshire (8,096 ha)
3. Norfolk (6,379 ha)
4. Suffolk (5,312 ha)
5. Cornwall (4,328 ha)
6. Devon (4,047 ha)
7. Brighton & Hove (4,043 ha)
8. Staffordshire (3,480 ha)
9. Gloucestershire (3,435 ha)
10. Leicestershire (2,908 ha)

The predominant activity of the top 4 counties was arable, with dairy and stock rearing more prevalent amongst the remaining counties.[35] In terms of land classification this also indicates a higher proportion of top quality land, grades 1 – 3, more prevalent in the arable farming areas.

Details from all the authorities shown in the Smallholdings report (England), shown in Table 3.3, indicate the extent of holdings in local authority areas, with Cambridgeshire owning the most (13,561 ha) and Slough the least with 3 ha.

[31] Sixtieth Annual Report to Parliament on Smallholdings in England. 1 April 2009 – 31 March 2010. Defra.
[32] ibid
[33] ibid
[34] ibid
[35] CIPFA, County Farm Report 2009-10

Table 3.3 Area of smallholdings land held by smallholdings authorities as at 31st March 2010.[36] (Data in italics 2008/09)

County/unitary authority	Total smallholdings land, including that not let as smallholdings (hectares)
Bedford Borough	411
Bedfordshire Central	2,513
Berkshire West	117
Bournemouth	86
Brighton & Hove	4,301
Buckinghamshire	1,342
Cambridgeshire	13,561
Cheshire East	2,095
Cheshire West & Chester	1,831
City of York	85
Cornwall	4,533
Cumbria	296
Devon	4,070
Dorset	2,769
Durham	766
East Riding of Yorkshire	2,845
East Sussex	43
Essex	76
Gloucestershire	3,446
Hampshire	1,971
Hartlepool	88
Herefordshire	1,946
Hertfordshire	2,027
Lancashire	102
Leicestershire	2,975
Lincolnshire	8,091
Medway	56
Milton Keynes	443
Norfolk	6,571
Northamptonshire	342

[36] Sixtieth Annual Report to Parliament on Smallholdings in England. 1 April 2009 – 31 March 2010. Defra.

County/unitary authority	Total smallholdings land, including that not let as smallholdings (hectares)
North Lincolnshire	422
North Somerset	333
Northumberland	236
North Yorkshire	2,268
Nottinghamshire	744
Oxfordshire	363
Peterborough	1,219
Shropshire	650
Slough	3
Somerset	2,859
South Gloucestershire	493
Staffordshire	3,624
Suffolk	5,376
Surrey	911
Swindon	790
Thurrock	202
Torbay	25
Warrington	37
Warwickshire	2,021
West Sussex	293
Wiltshire	2,229
Worcestershire	1,557
Total	**96,455**

It is misleading to interpret these figures as constituting the overall land area for agricultural purposes held by the local authorities as these data cover only statutory smallholdings as administered under Part 11 of the 1970 Agriculture Act.

The Defra Parliamentary Report covers 52 authorities. Following Government re-organisation there are now 125 unitary authorities (including metropolitan and London boroughs) and 27 County Councils and not all these are included in the Parliamentary Reports, despite the 1970 Agriculture Act stating that every Council of every County shall be a smallholding authority. Personal correspondence with authorities in England reveals that authorities outside the list in Table 3.4 have farm holdings, in some cases of significant size. Many of these portfolios are now assets held in the new unitary authorities, having been transferred from previous administrative structures.

Table 3.4 Examples of land holdings held by authorities, in excess of 50 hectares, not cited in the Smallholdings in England reports to Parliament.[37]

County/unitary authority	Approximate area of land termed agricultural or grazing (hectares)	Number of holdings where known	Tenancy arrangements
Blackpool	76.0	3	Year on year
Bromley	619.7	12	AHA, FBT & grazing
Bury Council	90.05		1 AHA, 2 x 5 year FBT. 67.66 ha on grazing licences less than 1 year, only 1 over 10 ha.
Coventry	436.9		AHA & FBT (see Table 3.5)
Croydon	225.8	11	AHA, FBT, long lease and licence (see Table 3.5)
Derbyshire	97.3	19	AHA & FBT (see Table 3.5)
Gateshead	1,323.0		Agricultural and grazing tenancies
North East Lincolnshire	64.0		AHA and FBT (1 year rolling)
Redbridge	111.0		AHA and FBT
Sefton Metropolitan	267.5		AHA, FBT, short term agreements & grazing licences
Sheffield	2,867.0		AHA and FBT
Solihull	194	10	AHA and FBT (see Table 3.5)
South Gloucestershire	472.5	30	
Stockton	76.4	2	Agricultural & grazing
Telford & Wrekin	67.4		
West Berkshire	124.2	2	10 year FBT from 2011. AHA from 1984
Wirral	118.2	28	Agricultural tenancy (type not specified)
Wolverhampton	106.0	14	AHA and FBT (see Table 3.5)

Many of the above parcels of land may comprise small areas required for future service provision, such as playing fields or cemeteries, or for development or road schemes. Further research would be needed to ascertain this on any comprehensive level. However, from information received from authorities a few examples illustrate the range of arrangements and size distribution (see Table 3.5).

Table 3.5 Examples of land tenure from local authorities

Council[38]	Land area ha	Number of holdings	Area under AHA	Area Under FBT ha	FBT ≤ 1 year ha	FBT 1- 5 years ha	FBT 5-10 years ha	FBT > 10 years ha	Grazing licences	Long lease	Size range ha
Croydon	226	11	53	22					23	28	0.8 - 120
Coventry+	437		315	110		110					
Derbyshire	97	19	17	80	14	66					0.4 – 25
Solihull	194	10	11	183		37	146				1.6 - 90
Wolver-hampton*	106	14	42	60							

+12 ha vacant. * 4 ha vacant

[37] Personal correspondence with authorities 2011
[38] Communication from respective Councils

Such land includes that held on full agricultural tenancies under Agricultural Holdings Acts (AHA), farm business tenancies (FBT), and short term agreements such as grazing licences. Grazing licences are generally, but not exclusively, used for small areas of land, possibly with future development potential. Some of the new authorities are currently merging information from different and incompatible datasets held by previous authorities, a complex task. Nonetheless it is important to recognise that virtually all authorities have some agricultural land relevant to this study, even if it is not always perceived as a 'county farm' estate.

3.3 Tenancy arrangements

Successive agricultural holdings acts in the twentieth century increased the security of agricultural tenants. This led to succession rights for one generation being granted in the event of the death of a farm tenant under the Agriculture Miscellaneous Provisions Act 1976 This was followed by the Agricultural Holdings Act 1986 which conferred succession rights to two generations. The right to pass on the tenancy to a successor was later repealed but only for tenancies granted after July 11 1984, although tenancies for a fixed term of 1-2 years fell outside the Act. The Agricultural Tenancies Act 1995 permitted farm business tenancy arrangements for shorter periods to be granted from 1 September 1995.

From the CIPFA County Farm report it is evident that lifetime tenants and retirement tenants form the majority of tenants (52.4%) (See Table 3.6). Whilst the Agricultural Holdings Act 1986 offers lifetime security of tenure to the farm tenant and, in certain circumstances, two generations of successor, there are two particular exceptions for Statutory Smallholdings. Smallholding tenants never enjoyed the opportunity for statutory succession offered to other tenants in the Agriculture Miscellaneous Provisions Act 1976 (withdrawn for new tenancies in the Agricultural Holdings Act 1984). Further, some smallholdings tenants are on retirement tenancies where they can be required to quit the holding at age 65 providing alternative residential accommodation is available. Where Lifetime and Retirement tenancies exist it is less possible for local authorities to dictate or influence farming and management practices in favour of greater woodland planting.

Neither the CIPFA Report nor the Annual Smallholdings report give data on ages of tenants but they do give details on the number of tenancies terminated during the year. Authorities terminating between 7 and 12 tenancies were Buckinghamshire, Cambridgeshire, Cornwall, East Riding of Yorkshire, Hampshire, Herefordshire, Lincolnshire and Norfolk. Invariably fewer new tenancies were granted and in a number of cases the resultant holdings were sold with vacant possession.

Table 3.6 Tenancy arrangements – returns by local authority[39]

County	Lifetime tenants	Retirement Tenants	Less than 5 years FBT	5-10 years FBT	10-15 years FBT	Over 15 years FBT
Cambridgeshire	66	44	8	27	18	55
Cumbria	8	-	-	1	2	-
Devon	24	20	7	27	6	6
Dorset	13	15	3	5	12	16
East Sussex	1	-	-	-	-	-
Essex	1	-	1	-	-	-
Gloucestershire	26	26	5	9	32	2
Hampshire	11	16	12	13	3	4
Lancashire	5	2	2	-	-	-
Leicestershire	16	20	6	1	29	7
Lincolnshire	110	36	13	47	15	45
Norfolk	25	24	22	31	6	33
Nottinghamshire	20	-	2	2	2	-
Oxfordshire	3	1	16	4	1	-
Somerset	29	25	1	17	1	3
Staffordshire	19	23	15	11	49	12
Suffolk	50	29	4	6	4	6
Worcestershire	31	43	3	9	8	3
Total %	**30.7%**	**21.7%**	**8.0%**	**14.1%**	**12.6%**	**12.9%**

Although it is not possible to directly equate tenancy arrangements with land area, figures from the CIPFA report indicate a range of average holding sizes[40] (see Table 3.7)

Table 3.7. Number of farms/licenses and average size by County[41]

Authority	Number of farms/licenses (Total Estate)	Average size (ha)
Cumbria	19	15.6
Devon	98	41.5
Dorset	77	35.6
East Sussex	1	43.0
Essex	16	4.8
Gloucestershire	158	21.8
Hampshire	134	14.7
Lancashire	35	3.0
Leicestershire	90	33.1
Lincolnshire	289	28.0
Norfolk	246	26.7
Nottinghamshire	27	27.6
Oxfordshire	32	11.3
Somerset	33	34.4
Staffordshire	129	26.9
Suffolk	132	40.7
Worcestershire	134	11.6

[39] CIPFA, County Farm Report 2009-10. All authorities submitting a full return included.
[40] CIPFA. County Farm Report 2009-10
[41] CIPFA. County Farm Report 2009-10

The Annual Report on Smallholdings indicates that, of the authorities with over 30 holdings, those with the highest proportion of holdings over 40 ha are Cornwall (58.5%), Wiltshire (56.4%) and Devon (57.3%)[42], coincidentally three mainly livestock estates. It is worth noting that data for Brighton and Hove and Cornwall did not appear in the CIPFA County Farm Report.

3.4 Current policies on management and disposal

The approach taken by different local authorities to the management and disposal of their County Farm estates is varied, despite the recommendations of the Curry Report in March 2008 that local authorities should not only retain the farm estate but should "make greater effort to develop the wider benefits that their land holding could provide particularly in regard to renewable energy, local food, public access, education, employment and the broader rural economy."[43]

Councils are essentially faced with four policy choices regarding their smallholdings estates:

- Retention in broadly the current form;
- Outright disposal of the estate as an investment as a whole or in lots;
- Progressive disposal of the estate, selling holdings at the optimum time;
- Progressive rationalisation into a more viable and sustainable estate.

Councils express a range of ambitions for their estates, increasingly linked to wider corporate objectives. These generally focus on both financial benefits, e.g. generating capital and revenue receipts to support core services; and non-financial benefits or public goods including promoting environmental improvements and public access, encouraging economic development and encouraging young entrants to farming.

Undoubtedly some authorities see the farm estate as providing development assets or agricultural land which could be sold to replenish depleted Council coffers. The RICS 2012 Public Sector Asset Management Guidelines encapsulate the current approach to landholdings:

> *"Strategic property asset management is the process which aligns business and property asset strategies, ensuring the optimisation of an organisation's property assets in a way which best supports its key business goals and objectives*."[44]

Following the Government Spending Review in 2010, the Formula Grant payable to all local authorities has seen a reduction in order to meet financial deficit targets. Although there is a 'transition grant' payable to authorities to cushion the decline in central Government grant aid, this only comes into effect where a local authority would see a reduction in 'revenue spending power' of more than 8.8% in either 2011/12 or 2012/13. Revenue spending power is defined as spending power from Council Tax, Government revenue grants and NHS funding for social care.[45] The reduction in spending is not applied equally across authorities and some authorities are therefore facing reductions of up to 8.8% in budget in both 2011/12 and 2012/13.

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[42] Sixtieth Annual Report to Parliament on Smallholdings in England. 1 April 2009 – 31 March 2010. Defra.
[43] The Importance of the County Farms Service to the Rural Economy. Curry Report. March 2008
[44] Public Sector Asset Management Guidelines, RICS 2012
[45] Department for Communities and Local Government. Transition Grant Explanatory Note http://www.local.communities.gov.uk/finance/1112/tgexplain.pdf Accessed 27.10.11

The increase in agricultural land values, coupled with the reduction in central Government grant funding to local authorities, has accentuated the focus on agricultural estates as a potential source of finance as authorities endeavour to maintain key frontline services. County landholdings, sometimes situated on the edge of villages, offer the opportunity to benefit from development land potential. In some cases policy has been arrived at after comprehensive debate and review. Elsewhere, however, it has been an accident of other factors. Ongoing local authority reorganisation, for example, particularly in Wales, has seen both larger potentially sustainable estates fragmented and established authorities' affinity for the estate diluted.

To date no council has publicly adopted a policy of outright disposal although a small number have taken a very aggressive approach to sales to sitting tenants offering very substantial discounts and, as a consequence, disposing of much of their portfolio very rapidly, although perhaps not always at best value. Intriguingly, very recently outright disposal has been proposed as a policy by some stakeholders, however with the objective being transfer to traditional institutions including The Crown Estate or the Royal Duchies who, despite active rationalisation by The Crown Estate in particular (see Chapter 7), are seen as more secure longer-term custodians.

Detailed analysis of Council policies is difficult given that most published policies are somewhat anodyne and some authorities are more guarded than others over the longer-term future of their estates. However, we have reviewed policies for a sample of smallholdings estates where Bruton Knowles has either advised the councils on strategy or been involved in a consultation process. This sample accounts for approximately 72% of English County Councils by area and approximately 58% of Welsh Unitary authorities. A summary of the analysis is set out in Table 3.8.

Table 3.8 Smallholdings estate policies

Class	Proportion of National Sample	Policy (% by area) Progressive Disposal	Progressive Rationalisation	Retention of Status Quo
English County	72%	13%	76%	11%
Welsh Unitary	58%	5%	71%	24%
Overall	69%	11%	76%	13%

Source: Bruton Knowles & CIPFA County Farm Statistics 2008-9

This suggests a strong tendency in favour of retention with some 90% of the sample area being on estates where the underlying intention is still to retain an estate. However, it has to be said that there is some bias in this sample to the extent that it includes the larger portfolios where commissioning an external policy report is generally more commonplace and where there is likely to be a greater tendency towards retention.

However, whilst a range of estates are pursuing progressive rationalisation policies these cover a wide variety of approaches. Some are committed to retaining the bulk of the estate whilst amalgamating holdings, whilst others plan for significant reductions in the overall area, in some cases to the extent that the retained estate will make little or no contribution to the rural economy, and the policy is consequently nearer to progressive disposal.

Analysing these diverse policies and their sometimes quixotic application is far from straightforward. However, reinterpreting the stated progressive rationalisation policies:

- Approximately 20% of the sample area is in estates either explicitly committed to a policy of disposal or where rationalisation is tending towards that being the outcome

- Approximately 45% of the sample area is in estates pursuing a policy of Progressive Rationalisation involving significant disposal but with the overall intention being to retain a sustainable estate

- Approximately 25% of the sample area is in estates pursuing a policy of Progressive Rationalisation involving limited disposal or committed to Retention of the estate essentially in its current form.

Mindful of the bias referred to above, the tendency of the estates outside of this sample is likely to be towards progressive disposal. Generally this would suggest there remains a balance between those estates essentially committed to the retention of the service and those who are not, with the majority, by size of land holding, if anything being in the former group. However, the situation is becoming more fluid with undoubtedly a shift amongst those authorities pursuing progressive rationalisation towards more aggressive rationalisation and hence more disposals.

Whilst there now appears to be a majority of councils articulating some form of rationalisation, there has been a discernible shift in practical application of those policies so that more councils are moving inexorably towards disposal, albeit in some cases this is a very long-term policy. Unless there is a significant shift in local government financing this trend is likely to continue with only those authorities with relatively large estates able to establish and maintain a sustainable estate.

3.5 Case study examples from local authorities

As the following examples illustrate, the approach taken by different local authorities to the management and disposal of their County Farm estates is varied.

Nottinghamshire County Council in a report in 2011 states that "The County Farms and Smallholdings Estate (CFSE) has been identified by the Building Rationalisation Board as property that would contribute towards capital receipts necessary to fund the Board's Programme."[46] An auction sale of council property, including three smallholdings is taking place. A county council spokesman said: "The value of agricultural land is currently at an all-time high, representing an excellent opportunity to maximise the return for the taxpayer." [47]

Somerset County Council in October 2010 agreed to the sale of farms to support capital investment projects following a farm by farm assessment. This process had identified 43 farms for disposal (3440.218 acres) and 41 for retention (2458.091 acres).[48]

Gloucestershire County Council in its Rural Estate Asset Management Plan saw the rural estate as providing "a major source of capital receipts to assist the County's provision of front line services" with a view to rationalise the farm estate to achieve £25 million of capital receipts over the first 4 years of the plan. This would be achieved through a combination of sales of vacant farms, re-allocating farm land and selling off assets and seeking planning permission for development where appropriate.[49]

[46] Cabinet report, 4 May 2011. Nottinghamshire County Council
[47] BBC News, Nottingham. 1st September 2011
[48] Cabinet member decision, 18th September 2010. Somerset County Council
[49] Rural Estate Asset Management Plan, Strategic Estate Review 2010 to 2025 (Post Consultation Report), Gloucestershire County Council

Suffolk County Council adopted a policy of progressive rationalisation over a number of years, seeing that as a flexible and effective policy, generating additional revenue plus some capital benefits for the authority. "The projected Capital Proceeds of a Progressive Rationalisation Strategy are £15.92 million with a likely reduction in the order of £160,000 from revenue by the end of the period. (2022/3) The cumulative gross Capital and Revenue receipts over the 15 year period are estimated to be £28.7 million and the value of the retained estate in the order of £12.1 million giving a combined receipt and retained value of £40.8 million."[50]

Elsewhere the farm estate is seen as a valuable asset, contributing significantly to Council income and comparing favourably with returns on income invested in stocks, shares and other portfolios by the authority. However, it would be incorrect to view the agricultural land portfolio as static as sales of surplus land and reinvestment in either land or existing holdings are part of management strategies to both enhance capital values and maximise rental revenue.

Cambridgeshire County Council, with the biggest estate, achieved a revenue surplus of £2.026 million in 2009-10, a 6% increase on 2008-9. Sales of surplus property averaged £3 million per annum over the past 17 years.[51] The Council is also exploring the possibility of extending its portfolio of agricultural land, specifically to benefit its pension fund. The Head of Strategy and Estates commented "In times of market turmoil, as has been the case recently, land investments have performed better than equities**.** Cambridgeshire County Council's in house successful management of agricultural land, with a proven track record, could be tapped into "to manage the operational activities." Options for consideration include buying traditional estates which are already let out, acquiring other let estates from other county councils, buying freehold land for short term letting pending its release for development, buying land next to existing county council holdings, or a combination of these.[52] The rent roll of the farm estate amounts to £2.4 million per annum.

Hampshire County Council in its review of County Farms in 2010 carried out a consultation. A single unified message to come from the various consultation events was the unanimous support for the County Council to retain its County Farms Estate.[53]

Norfolk County Council having undertaken a policy review in 2008 – 2010 now seeks to maintain the size of the Estate, reinvesting receipts from the sale of surplus land and buildings to develop the Estate, with the aim of developing it as an "exemplar of innovation, working with tenants, the County Council, communities and external partners."[54] The Estate contributes £1.19 million from rental income for the authority and has recently purchased some 100 acres of vacant land for letting to existing tenants.

Devon County Council aims to ensure 100% of capital receipts from farm land and buildings disposals are retained to meet any statutory obligations, for investment in the estate and to buy replacement land and/or farms. The exception to this is where land is sold for development when 16% will be retained by the Estate and 84% used for the County Council's Capital Programme.[55]

Brighton and Hove Council in its Corporate Property Strategy states that "returns from let land have continued to remain strong and has retained tenanted farmland as a top

[50] Appendix 1 to Scrutiny Committee Report on County Farms 2nd April 2007
[51] Corporate Issues Scrutiny Committee. 29th September 2010, Cambridgeshire County Council
[52] Wisbech Standard, 2nd March 2010
[53] Review of County Farms, 14th April 2010. Hampshire County Council.
[54] Norfolk County Council's Rural Estate Policy Statement Report to Cabinet 1 March 2010 Item No 20
[55] The Devon County Council Farms Estate Strategic Review March 2010

performing asset over three, five and ten years. The main driver for this performance has been the increase in capital values which have continued to rise ahead of agricultural profitability… However, the strong reliance on agricultural rents exposes the estate's rent roll to the effects of anticipated reductions in agricultural profitability." Other income, from both agricultural and non-agricultural related sources, is being sought to maintain income streams.[56]

Warwickshire County Council valued its agricultural portfolio at £22.36 million in 2009, a valuation subject to existing tenancies. It estimates that 12% of the estate has development potential in the longer term.[57]

3.6 Wider social and economic benefits

Increasingly authorities perceive the farm estate as providing additional and wider benefits to the community. Although Gloucestershire County Council recognises the financial benefit to the Authority that could be achieved through rationalisation of land it also aims to achieve "a countryside for all to enjoy" and "a better environment."[58]

In its Review of the County Farm Estate, Devon County Council's recommendation 6 is **"**that the Estate takes a lead role in the promotion of sustainability and diversification schemes on its farms as long as research indicates that this can be cost-effective."[59] The Estate is perceived as a multifunctional asset providing benefits not only for agriculture but for the wider community.

Public health benefits could be created through additional access to the agricultural estate through improving its biodiversity and landscape potential. Woodland planting may be one way of achieving this. The public health agenda may become more significant as local authorities take on responsibility for health improvement work and appoint Directors of Public Health to generate plans in this area. One example of this is in Brighton and Hove where the 'Downland Initiative' has been established in a partnership scheme between the Council, Natural England, the South Downs Joint Committee, East Sussex County Council and others to secure more sustainable management of its countryside. The importance of land as providing social benefits is recognised within the general policy for the agricultural estate. Part of the project has sought to increase the amount of recreational access land and improve links between the urban area and the countryside. Land was acquired from two Agricultural Act tenancy farmers wishing to retire and has been re-let on farm business tenancies, with additional funding coming from disposal of non-core assets.[60]

Suffolk County Council has recognised that the progressive rationalisation of its estate has provided funding to enable it to deliver wider benefits contributing to commitments made within 'A Better Way for Suffolk'. These include improvements to access and recreation and the planting of 35,000 trees on the county farms estate over the first 5 year period of the review.[61]

[56] Brighton & Hove Council Asset Management Plan and Corporate Property Strategy 2008-2011
[57] Warwickshire County Farms and Smallholdings Estate Profile 2010
[58] Rural Estate Asset Management Plan, Strategic Estate Review 2010 to 2025 (Post Consultation Report), Gloucestershire County Council
[59] The Devon County Council Farms Estate Strategic Review March 2010
[60] Corporate Property Strategy 2008-2011 Brighton and Hove
[61] Appendix 1 to Scrutiny Committee Report on County Farms, 2nd April 2007, Suffolk County Council

3.7 Implications for the availability of land for afforestation

Few authorities specifically mention woodfuel in the context of their County Farm smallholding estates but a couple of the more progressive local authorities are starting to think in the wider context of climate change and how the farm estate can make a contribution.

3.8 Case study examples

Warwickshire County Council
One of the core Warwickshire County Council policies is to develop "sustainable places and communities."[62] Key targets are to:

- Support sustainable development by promoting environmentally appropriate systems of farming, waste minimisation and renewable energy opportunities on farms
- Promote good stewardship of the land and the enhancement of the landscape and biodiversity[63].

Forest Research was involved with Warwickshire County Council in 2010, producing a report entitled "Growing our own Woodfuel". This concluded that there is potential for "trees grown on land owned by Warwickshire County Council to provide an economically viable source of fuel to any biomass boilers deployed."[64] As part of the research project sixteen tenanted smallholdings were visited and of these six were suitable for the production of an area of 230-260 ha of short rotation willow coppice, subject to individual and detailed site assessments. A further eight farms were seen as less suitable due to neighbouring properties and field slope but could potentially provide a further 320-350 ha.

Additional comments were as follows:

- The most cost-effective means for Warwickshire County Council to grow short rotation coppice would be for specialist contractors to supply, plant and harvest the willow. Either tenant farmers or local agricultural contractors could carry out the standard agricultural operations[65].
- The tenant farmers who passed comment on growing short term rotation coppice said that the price paid for the harvested crop would have to match or be more than the prices paid for their livestock or arable cropping[66].

Some assessment on the cost of land use change was carried out which concluded:

> *"a model was developed to examine how market price, production, haulage and harvest cost, yield and land rental could affect income to the short term rotation (SRC) grower. This is developed as a separate output. This work suggests that the annualised margin per ha after production, haulage and harvest and land rental (data supplied by Warwickshire County Council (WCC), £185 per ha per year) costs have been accounted for (with support from the energy crops scheme but excluding SFP) is around £285 assuming a yield of 8 oven dry tonnes (odt)/ha/yr. This increases to £449 if yield is increased to 10odt/ha/yr and falls to £223 if only 7odt/ha/yr is achieved. This change of land use would be of no cost to WCC as tenants would still be paying land rental.*

[62] Warwickshire County Farms and Smallholdings Strategy 2010 – 2025
[63] ibid
[64] Growing our own Woodfuel. May 2010. Forest Research for Warwickshire County Council.
[65] ibid
[66] ibid

The possibility of WCC taking land back 'in hand' to grow SRC was also investigated. Under this scenario the annualised margin would increase to £373 per ha, even if SRC was then being sold to the end user (schools) at £50 per tonne delivered (at 40% MC) instead of £57 as assumed in the 'SRC contract grown by tenant' scenario. This compares very favourably to the current income per ha generated by renting land to tenants (£185 per ha on average, Carolyn Cox personal communication). This suggests that it may be beneficial for WCC to carefully consider taking land back in hand if it is going to deploy biomass boilers on its estate. This approach could also give some level of energy security."[67]

Hampshire County Council

In its review of County Farms, 14th April 2010, Hampshire County Council cited its Rural Strategy which identified possible ways of supporting both its smallholders and other farmers. Possible avenues included: local food distribution, providing better support networks, new agri-environment schemes, educational visits, local purchasing and marketing of local products, and production of bio-fuels. Whilst biofuels were not specifically mentioned in the Review of County Farms it did press for collaborative working "across the Estate, with farmers assisted with procurement arrangements and diversification proposals". One of the top themes chosen by tenants was "using farms as exemplars for different specialisms."[68]

Cambridgeshire County Council

Cambridgeshire County Council approved objectives for its Estate in 2010 which included non-financial returns. Examples of some achievements included 147 ha of woodland planting. The Council recognises that the Estate is able to contribute to some of the Council's Strategic Objectives such as "Meeting the challenges of climate change and enhancing the natural environment (SO5) ……8,500 trees were planted at Girton this year."[69]

Devon County Council

Devon County Council is involved in a "Ward Forestry" initiative with the Forestry Commission to provide woodland owners with access to specialist expertise to enable them to manage their woodlands in a cost effective way. As part of this project the County Farms Estate were invited to consider being involved, a recommendation approved by Committee. The report recognised that the area of woodland on the estate is unknown, but estimated it is likely to be similar to the County average of 9.9% (approximately 399 ha).[70]

All timber is reserved to the landlord, Devon County Council, and therefore it has the responsibility for the timber resource. However, all woodland, copses and trees are on land let as part of the tenancy, so in the majority of cases, the tenants' co-operation and "support will be an essential requirement of any Estate participation in the project."[71] The Farms Estate Committee went on to argue that: "If tenants were encouraged to take part they will probably need an incentive. It may therefore be necessary to allow the tenant to receive any income from the initial sale of timber, leaving the landlord with better managed woodland with enhanced biodiversity and potentially enhanced future income streams."[72]

[67] Growing our own Woodfuel. May 2010. Forest Research for Warwickshire County Council.
[68] Review of County Farms, 14th April 2010. Hampshire County Council.
[69] Corporate Issues Scrutiny Committee, Cambridgeshire County Council , 29th September 2010.
[70] Farms Estate Committee, 11th February 2010. CR/10/19 Devon County Council
[71] ibid
[72] ibid

Suffolk County Council
As part of its environmental improvements, Suffolk County Council has set a target to increase planting on the county farm estate to 5500 trees and hedging plants in 2009/10, a 10% target increase.[73]

3.9 Recommendations for woodland planting and biofuels

It has been suggested that county farm estates might offer a new source of land for woodland creation. However, whilst many estates will cite objectives which might be supported by woodland planting, e.g. environmental enhancement and public access, there are a number of considerations which appear to limit the prospect of significant areas of land coming forward from this sector:

- The area of county farms is diminishing and if anything this trend is accelerating
- Financial return is increasingly becoming the main driver for local authority estate owners and it is unlikely that woodland generation will match returns from other markets
- The majority of farms are let over fairly long terms so the amount of land available at any one time is limited
- Individual holdings are generally very small, the vast majority being less than 80 ha and thus there is little surplus land available within the farms for woodland planting – therefore tenants are unlikely to be encouraged to release land from holdings.

Within the limitations of these constraints there may be some opportunities for woodland creation on county farm estates but it is unlikely that these will make significant inroads into the overall management of the estates. Possible opportunities for woodland planting include the following areas:-

- The Forestry Commission could explore opportunities to develop partnership initiatives with local authorities on County Farms and other agricultural land holdings, particularly where authorities have identified the County Farm estate as theoretically providing the most suitable land for this purpose.
- The Forestry Commission could focus on those authorities evidently investigating climate change mitigation as part of their overall strategy for the farm estate to discuss pilot initiatives.
- Fiscal mechanisms are important. The FC will need to demonstrate to authorities and tenants that the grants and anticipated revenue returns are sufficient to warrant a change in land management regimes, particularly at a time when both land values and profitability from agriculture appear to be increasing.
- Tree planting appears to be an objective established in some farm estate strategies. Local authorities should be encouraged to explore planting target allocations in larger blocks.
- The Forestry Commission should actively disseminate implications for local authority county farms and tenanted agricultural land arising from research in Warwickshire (Growing our Own Woodfuel) and Devon (Ward Forester) project.
- The majority of local authorities have limited forestry management expertise. Where this does exist it is usually amongst staff of country parks. Otherwise contractors are typically used. Authorities are unlikely to put resource into new posts in the current economic climate so one option might be for the Forestry Commission to offer to lease and/or manage land for woodland, particularly on smaller, less economic agricultural holdings.

[73] Suffolk County Council. Environment Action Plan. First Monitoring Report. March 2009

4. OTHER LAND OWNED BY LOCAL AUTHORITIES

4.1 Introduction

In addition to the County Farm Estate discussed in Chapter 3, the other landholdings of local authorities are extensive. One of the difficulties in obtaining information about this land is that it is managed by a variety of departments across the authority and not centrally. Hence it may come under education, countryside management, social services, highways or other directorates, depending on the way in which the authority is structured.

Authorities generally own hundreds or thousands of parcels of land; not all of which may be properly accounted for, particularly land associated with highways. Parks and school playing fields constitute the most significant areas of space but, even within these categories, there is a tremendous range in size with very few designated areas being over 10 ha in size. It is these green space areas which are of most interest.

4.2 Assessing open space

Planning Policy Guidance 17 *Planning for Open Space, Sport and Recreation* presented a typology which local authorities should use to audit existing open space provision. As this was not laid down as a requirement and gave the option to adopt 'variations' of the typology this gave authorities leeway to produce data in varying formats, some loosely based on the typology. In many instances authorities do not maintain a comprehensive list of all their land assets and for some newly formed authorities merging different data sets from previous administrations is a time-consuming and complex task.

The PPG 17 typology suggested the following land types:

i. parks and gardens - including urban parks, country parks and formal gardens;
ii. natural and semi-natural urban greenspaces - including woodlands, urban forestry, scrub, grasslands (e.g. downlands, commons and meadows) wetlands, open and running water, wastelands and derelict open land and rock areas (e.g. cliffs, quarries and pits);
iii. green corridors - including river and canal banks, cycleways, and rights of way;
iv. outdoor sports facilities (with natural or artificial surfaces and either publicly or privately owned) - including tennis courts, bowling greens, sports pitches, golf courses, athletics tracks, school and other institutional playing fields, and other outdoor sports areas;
v. amenity greenspace (most commonly, but not exclusively in housing areas) – including informal recreation spaces, greenspaces in and around housing, domestic gardens and village greens;
vi. provision for children and teenagers - including play areas, skateboard parks, outdoor basketball hoops, and other more informal areas (e.g. 'hanging out' areas, teenage shelters);
vii. allotments, community gardens, and city (urban) farms;
viii. cemeteries and churchyards;
ix. accessible countryside in urban fringe areas; and
x. civic spaces, including civic and market squares, and other hard surfaced areas designed for pedestrians.[74]

[74] Planning Policy Guidance 17 Planning for Open Space, Sport and Recreation. July 2002

The accompanying companion guide to PPG 17 raises a large number of possible attributes against which land could be measured, including area of the site, ownership and management, nature conservation designations, vegetation types and habitats and the cost of management and maintenance.[75] Due to the considerable flexibility available to local authorities, data requirements have been widely interpreted. Consequently, a Freedom of Information request for this project relating to land owned by local authorities resulted in data of hugely varying quality and quantity which offered, sadly, limited opportunity for compiling a comparable data set.

4.3 Major land areas

With the exception of farmland, the most sizeable areas of land owned by local authorities are country parks, cemeteries, playing fields and school fields. For the purposes of this report it is suggested that cemeteries, playing fields and school fields would have little future potential for tree-planting on any significant scale. Many recreational fields are small in size and protected in local plans as sport and recreation facilities. Proposals to plant such areas would undoubtedly meet with opposition, either at planning or community level. The only exception might be where a school has extensive grounds and is interested in exploring on-site woodland planting for biofuel to generate a locally sustainable energy source.

The more sizeable country park areas might offer potential for woodland planting. Country Parks were a major plank of the Countryside Act 1968. The Act gave power to local authorities to provide country parks on any site in the countryside deemed suitable for providing "opportunities for the enjoyment of the countryside by the public." Authorities were enabled to extend, maintain and manage country parks and, if necessary, compulsorily purchase land for the purpose of creating a park.[76]

A report for the Countryside Agency outlines the situation post the 1968 Act. "The support offered by the Commission (*the Countryside Commission, forerunner of the Countryside Agency)* was extensive: in addition to high levels of financial support to purchase land and establish park infrastructures, they also offered advice and guidance, and provided an officer contact point for every park. The support they offered was comprehensive and to a level rarely seen since. The overall package of support was of course irresistible and local authorities recognised a good opportunity when they saw one. The rush to establish country parks was not particularly strategically driven, and the criteria for designation were liberally interpreted, resulting in the creation of a broad range of country parks that were dispersed throughout the country. Whilst the growth in country parks was rapid and not tightly controlled, many of the sites that were created were of high value. The majority of parks were located in the urban fringe and many designed landscapes were included alongside other sites of high historic or environmental value. Strategically important areas of land, ideally positioned to limit urban sprawl, were also included. The high numbers of country parks that carry either important historic, nature conservation and landscape planning designations verifies the high strategic value of the land that was included in the great rush to establish country parks."[77]

During the 1970s the Countryside Commission provided substantial sums to Country Parks but between 1984 and 2000, the survey period of the 2004 report, local authorities were producing an average 93% of *revenue* funding.[78] Other sources were varied but primarily resulted from Heritage Lottery Funds or other lottery fund bids.

[75] Assessing Needs and Opportunities: A Companion Guide to PPG17. September 2001
[76] Countryside Act 1968. 6.(1)
[77] Towards a Country Park Renaissance A report prepared for the Countryside Agency by the Urban Parks Forum and the Garden History Society 2004
[78] Ibid.

The report for the Countryside Agency in 2004 assessed the situation of country parks within England. The consultants contacted 267 country parks and received questionnaire responses from 137. Of those the total area of country parks was 18,795 ha. The consultants concluded that the "average size of a country park from this sample is, therefore, 146 ha and, if this is extrapolated, it can be estimated that the total landmass for all country parks is 38,901 ha." 82% of responding parks considered themselves as being "formally designated under the 1968 Countryside Act" showing that a number of other parks operate under this title.[79]

Communication with Natural England in connection with this research has identified 413 sites which are known as country parks. This is significantly greater than the number of sites subject to the earlier consultants' report but does not indicate a rapid growth in such areas. It is likely to be an increase in the number of green space areas using the term 'country park' plus a small number of new parks formed in association with housing development or from reclamation of former colliery or mineral extraction land. The total area is 43,956 ha with an average size of 106 ha. It is notable that this revised list includes 22 parks of under 10 ha. If these are excluded the average size rises to 112 ha. The Country Park estate includes a large number of country parks which are owned or managed by the middle tier of local government, either district or borough councils, or by a smaller number by town councils. See appendix D for a list of Country Parks over 10 ha in size.

Natural England has established an accreditation scheme to recognise country parks delivering core services. The scheme identifies 10 essential characteristics and 15 desirable ones. In terms of this project the essential characteristics include an area of at least 10 ha within an identifiable boundary, consisting predominantly of natural or semi-natural landscape e.g. woodland, grassland, wetland, heathland and parkland.[80] As at November 2011, 34 country parks had received accreditation from Natural England. Information on the primary land type of country parks from the 2004 consultants' report indicates that woodland predominated (30% of responding parks), followed by parkland (24%) and grassland (20%).[81]

4.4 Financial pressures on Country Parks

The 2004 report identified concerns about the level of financial resources available to maintain country parks. Revenue budgets were seen as not keeping pace with inflation and there had also been a reduction in capital investment. Lottery funding was highly important but tended to be directed towards major projects and initiatives, rather than spread across the board. The challenges faced by country parks have been heightened in the last couple of years with increasing pressure on local authority finances.[82]

Country Parks were originally created with the purpose of providing recreational opportunities and the value and benefit of these and urban parks has been consistently demonstrated. The Government's Report *Living Places: Cleaner, Safer, Greener* identified initiatives to assist local authorities in developing and improving their park services through submitting funding bids to programmes such as 'New Deal', 'Neighbourhood Renewal' and 'Crime Reduction', and through resources available through Community Strategies and Local Strategic Partnerships.[83] Despite potential funding from these sources, the cost of

[79] Ibid.
[80] http://www.naturalengland.org.uk/Images/CH3%20-%20Criteria%20Checklist%20-%20240409_tcm6-11152.pdf Accessed 19.9.11
[81] Towards a Country Park Renaissance Op.cit.
[82] Ibid.
[83] Ibid.

maintaining country parks is placing an increasing burden on local authorities, some of whom are looking to alternative operational models.

4.5 Country Park management for the future

Local authorities are increasingly investigating alternative management models as they endeavour to reduce budget costs. In some authorities they are looking to divest themselves of some parks to allow a better focus on areas where there are statutory obligations, for example Sites of Special Scientific Interest.

Examples of other models include:

- **Torbay Council** was one of the forerunners in initiating alternative models when the Council placed all its prime countryside sites in the hands of an independent purpose-made charitable trust in 2000. 287 ha was leased for a 60 year period and of that 18 ha was under a FBT for 5 years initially but is now on a rolling renewal.

- **Kent County Council** handed back a popular country park site, consisting of 70 acres of woodland, to its owners, Lafarge Cement, during 2011. This decision was prompted by the current economic climate and Kent Count Council sees the decision as one which will allow it to direct its resources "towards sites that are better used, have greater conservation value, or are Sites of Special Scientific Interest, ensuring they are managed, maintained and developed efficiently, in future."[84]

  Owners of the site, Lafarge Cement, have subsequently entered into partnership with Beam Parish Council and Groundwork Kent and Medway Trust to ensure continuity of the site. David Simms, Land and Planning Director for Lafarge Cement said "Beacon Wood is of enormous benefit to members of the local community. It represents a valuable countryside recreation resource for the village of Bean and the surrounding area. The Park will be managed and maintained to the highest possible standard for visitors, while ensuring both the protection and enhancement of flora, fauna and wildlife native to the site. The Park will offer opportunities for environmental education and awareness through interpretation of the site and by planning a range of events and activities during the year, which will cater for many ages and interests. Lafarge was concerned that Kent County Council were unable to continue their lease of the site but we are delighted that we are now able to instigate a new Management Plan."[85]

- **Buckinghamshire County Council**. A report from the Overview and Scrutiny Committee of 10 November 2009 referred to The Future Direction of Country Parks and Green Spaces. Following an assessment by the Programme Board the conclusion was reached "that there was no one single provider able to take on the running of our 4 country parks and 30-odd green spaces. As a result, it decided that Country Parks would remain with the Council for the time being, with the proviso that they should secure considerable additional income to ensure that they can sustain themselves independent of Council funding if possible. Green spaces would be offered to other partner organisations or parish councils to run on our behalf. As a result we are exploring a number of options for increased income and are in negotiations with a number of organisations in respect of green spaces."[86] In contrast Surrey County Council has transferred the management of its Norbury Park Estate to Surrey Wildlife Trust under a long lease.

[84] http://www.gravesendreporter.co.uk/news/development_fears_as_woodlands_in_bean_closes_to_public_1_839837 24.3.11. Accessed 14.11.11
[85] http://www.beanpc.kentparishes.gov.uk/ Accessed 14.11.11
[86] E-mail correspondence Environment Group Manager, Buckinghamshire County Council 13.9.11

- **Suffolk County Council** has taken a more wholesale approach to the disposal of its assets. In February 2011, Suffolk County Council started the process of consulting on the future of its country parks, local nature reserves, picnic sites and Sites of Special Scientific Interest, with a view to handing over the responsibility and management to other groups. The portfolio covered approximately 330 ha across 25 sites. In clearly stated aspirations the Council specifies its preferences and future objectives: "We will assess proposals for the future of country parks and recreation sites against the following aspirations. It is our preference that we receive joint proposals which benefit from all the ideas in a community. If local community organisations decide they wish to submit separate proposals they will be considered against the aspirations listed below. If your proposal is chosen, we will work with you to develop your proposal into a deliverable plan. Our aspirations are:

  - to end our funding
  - to end our ownership of the sites
  - the sites to be there for local community use and public access
  - good environmental practice
  - proposals with community support
  - local groups working together
  - innovative proposals which can deliver what your local community wants."[87]

  As part of this process the Council stated it would consider gifting sites, where appropriate.

  By May 2011 the Council had received strong interest in the majority of its sites. By October 2011 decisions had been agreed on eleven of the smaller sites (e.g. picnic sites and nature reserves) in a mixture of agreements with parish/town councils, district councils, community interest groups or a combination. For the three country park areas, the Suffolk Wildlife Trust will be taking on one and negotiations are in place with partnerships between the Borough Council, parish council and other organisations for one, and the Town Council, Anglia Community Leisure Trust and Keystone Development Trust for the other.[88]

4.6 Recommendations

It is evident that a number of authorities are approaching their country park portfolio with a view to full or partial disposal. The Forestry Commission should identify which country parks or larger areas of green space have potential for additional woodland planting, possibly in conjunction with existing woodland. It is worth noting, however, that some conservation designations will limit potential woodland planting on country parks. The 2004 Report stated that "88 (64%) of the responding parks had 132 nature conservation designations and 49 (36%) had none. The most common designation was that of Site of Special Scientific Interest (SSSI), representing 35% of all nature conservation designations applied to country parks. The two designations of Site of Nature Conservation Interest (SNCI) and Local Nature Reserve (LNR) were the next most common, representing 20% and 19% respectively of the nature conservation designations."[89]

[87] New Strategic Direction The future of Suffolk's country parks and recreation sites February 2011
[88] Update on progress, Suffolk County Council http://www.suffolk.gov.uk/NR/rdonlyres/3D83D615-9D1F-48AE-A429-8D568D535582/0/SitebySiteprogressasofOct2011.pdf
[89] Towards a Country Park Renaissance A report prepared for the Countryside Agency by the Urban Parks Forum and the Garden History Society 2004

The Forestry Commission might be able to offer a management role where local authorities are seeking to divest themselves of future responsibilities in this area, possibly as a spin-off company.

It would be useful for the Forestry Commission to consider partnerships with other organisations to part manage sites for woodland purposes. In addition, the Forestry Commission should assess whether it could form an independent charitable trust for this purpose, within the terms of the Charity Commission rules for the government sector. The advantage of this would be to secure grant funding or to raise public funds for specific projects.

5. THE CHURCH COMMISSIONERS AND DIOCESAN GLEBE LAND

5.1 Introduction

For historic reasons, both the Church Commissioners and the Church of England dioceses are large holders of land across England. The Church Commissioners' role is to manage an investment portfolio which includes land, property and shares. The proceeds are used to support the work of the Church of England. Dioceses are geographical areas of England under the administration of a Church of England Bishop. Glebe land was land traditionally owned by local churches providing a source of direct income to local clergy but now comes within the jurisdiction of the diocese.

5.2 The Church Commissioners

The Church Commissioners rural portfolio consists of forty-four estates of predominantly high quality farmland covering an area of just under 49,492 ha (105,000 acres) and consisting of 330 farms plus bare land lettings and other land, such as golf courses, woodland and sports fields. The estate is not confined to a particular region of England but extends from Carlisle and Tyneside in the north to Canterbury and Exeter in the southern part of the country.[90] In terms of its twenty most valuable property holdings, cited in the Annual Report 2010, these include landed estates at Carlisle, Chichester, Ely, Halsall, Rochester and South Lincolnshire.

The rural portfolio consists of land inherited from the Bishops and Deans and Chapters in the 19th Century with the remaining portion, about a half, purchased in the 20th Century.[91] The Church Commissioners provide no published details of land holdings but their website refers to the existence of a GIS map layer showing the location of holdings.

5.3 The Church Commissioners' policy

The investment strategy of the Church Commissioners is the responsibility of the Commissioners' Assets Committee; a body comprised of staff and appropriately qualified trustees. The Assets Committee "has an exclusive power and duty to act in all matters relating to the management of the Commissioners' assets."[92] This Committee also seeks the opinion of the property and securities groups. The overall aim is to achieve "the best return from their assets to help sustain the nationwide ministry of the Church, without undue risk and in line with their ethical investment policy. Their long term target is a return of at least retail price index (RPI) plus 5% over the long term."[93]

[90] The Church of England website. Rural Property Investments. http://www.churchofengland.org/about-us/structure/churchcommissioners/assets/property-investments/rural.aspx. Accessed August 2011
[91] Ibid.
[92] Ibid.
[93] Ibid.

5.4 Financial returns

In line with many organisations in both the public and private sector, The Church Commissioners have a portfolio of assets that provides a spread of returns and minimises risk (see Table 5.1).

Table 5.1 Church Commissioners asset % returns – total and by class[94]

Type of Asset	Over 15 years 1996-2010	Over 10 years 2001-2010	Over 5 years 2006-2010	Over 1 year 2010
Commissioners' total assets	9.3	6.3	5.9	15.2
UK Equities Mandates	7.7	3.3	5.0	15.8
Global Equities Mandates	7.1	3.4	5.5	17.2
Bonds	8.5	6.5	6.6	-
Commercial	10.1	8.2	3.0	16.6
Residential	18.3	15.6	12.5	14.0
Rural let land	15.0	17.0	17.0	12.7
Rural strategic land	-	14.9	10.0	22.5
Global indirect	10.8	7.4	2.0	19.8
Value linked loans	9.2	7.5	(2.9)	8.1

As can be seen from Table 5.1, the rural let land portfolio has provided a good return for the Church Commissioners over the 15 year period, where it has been the second best performing sector. The Church Commissioners acknowledge that the rural portfolio has historically provided, and continues to provide, opportunities for development. Interestingly, the return from rural strategic land, now itemised separately, gave an excellent return of 22.5% in 2010. This demonstrates that the Commissioners seek to make strategic sales and secure prime rural development land to strengthen overall investment. Such strategic land, with commercial or residential potential, is unlikely to be turned over to woodland.

5.5 The Church Commissioners and woodland

Amongst the Church hierarchy and The Church Commissioners there has been an increasing interest in issues associated with renewable energy over the past few years. The House of Bishops' Europe Panel in its response to the House of Lords' Select Committee on Economic Affairs inquiry into 'The Economics of Renewable Energy' made the following comment:

[94] Church Commissioners Annual Report 2010.

"We therefore recommend that the inquiry place a high priority on establishing the likely global social impacts of any particular economic system of support for renewable production and use within the UK. We recognise that the Church Commissioners, through their land holdings, have a significant stake in UK agriculture and may benefit from increased food prices. Nonetheless, in response to the concerns raised by the IMF, we also recommend that the inquiry consider the effect that the removal of EU subsidies and tariffs on biofuels would have on the economics of renewable energy and the potential for its increased uptake in areas other than electricity generation." [95]

Some of The Church Commissioners' objectives focus on opportunities for renewable energy and these are currently being assessed across its portfolio of assets, with a view to photovoltaic cells and wind generated power.

Investment in woodland planting is being seriously considered as a potential new investment but, in this instance, sustainable timberland in the United States is the main focus of attention. The Church Commissioners intend to make such investments over the next few years using the services of timber investment managers. A sustainable approach is a key target with an embargo on acquisitions of virgin forest or land previously in this condition. The rationale is clearly stated and raises the prospect of such timberland being used for biomass energy:

"Well managed forests provide investors with attractive returns, driven by increases in land prices and by a range of uses which increases as trees grow, as does their profitability. As well as construction, timberland supports recreation, farming and alternative uses and is a source for biomass energy."[96]

This renewed focus of attention was reported to General Synod in July 2010. The First Church Estates Commissioner (Mr Andreas Whittam Smith) stated: "What I mean when I say 'diversify our assets', therefore, is that, rather than saying it is equities and property or nothing much else, we want to have more things. We are planning to go further than we have done in holding our historic agricultural assets and to move into forestry or timber investment, but probably not in this country: almost certainly in the United States. A team from the Church Commissioners is going out in September to spend some time very thoroughly investigating this possibility."[97]

5.6 Diocesan glebe

During the 1970s the position of glebe was scrutinised by the General Synod's 'Terms of Ministry Committee' with the objective of creating a more equitable system of remuneration for clergy. Following the Committee's recommendations, the General Synod agreed a motion proposing 'the pooling of benefice endowment income including glebe income and the transfer to dioceses of the ownership of glebe…'. This was agreed by The Church Commissioners and resulted in the Endowments and Glebe Measure 1976.[98] As a consequence of this legislation, land rents and other glebe income, which had previously benefited solely the clergyman (incumbent) of an ecclesiastical parish, were transferred to the Diocese Board of Finance in which the land was situated to be pooled to benefit incumbent remuneration (stipends) throughout the diocese.

[95] Submission by the Church of England's House of Bishops' Europe Panel to the House of Lords' Select Committee on Economic Affairs inquiry into 'The Economics of Renewable Energy' June 2008
[96] The Church Commissioners Annual Review 2010
[97] Report of Proceedings 2010 General Synod July Group of Sessions Volume 41 No. 2
[98] Promoting Assistance for Needy Parishes. Reform of Guaranteed Annuities and other Direct Payments to Parish Clergy. Report by the Church Commissioners. 9 October 2002.

At the time the measure was introduced there was no legal obligation to publish a list of the glebe land that had been transferred. This was the subject of a parliamentary question in 2001.

> **Mr. Sanders:** To ask the hon. Member for Middlesbrough, representing the Church Commissioners, when a list of landholdings specified in the legislation transferring parish glebe land to the Church of England dioceses was *(a)* compiled and *(b)* published; and where a copy can be viewed.
>
> **Mr. Bell:** The obligation to produce lists of benefice glebe was fulfilled by all dioceses by 31 July 1978. They were not published as there was no legal requirement to do so. The hon. Gentleman is welcome to inspect the Commissioners' copies at their offices.[99]

An article by the National Housing Federation claimed that The Church of England owned around 52,000 ha of glebe land.[100] Cahill claims that glebe land amounted to 45,174 ha in 1976.[101,102] Cahill sought up to date figures for his book but obtained too few responses to enable him to up-date the 1976 figures.

Communication for this project with the 42 Church of England dioceses in England, excluding Sodor and Man (Isle of Man) produced some responses which shed some further light on the individual areas of land owned by the respective dioceses (see Table 5.2), but overall the level of response was very disappointing with some major rural dioceses with a track record of being vocal on rural issues, such as Hereford and Exeter, not providing any information.

[99] House of Commons. Hansard Written Answers. 19 November 2001
[100] Prince, Rosa. The Daily Telegraph 28th December 2009
[101] Cahill, K. *Who Owns Britain*. Canongate Books 2001
[102] It is unclear whether The National Housing Federation figure included Sodor and Man, excluded from Cahill's analysis

Table 5.2 Glebe land owned by Church of England dioceses

Name of diocese	Glebe land 1976[103] Acres (Hectares)	Glebe land 2011 Acres (Hectares)	Glebe land Cahill 2001[104] Acres (Hectares)	Notes accompanying land area figures from dioceses 2011.
Diocese of Bath & Wells	4,847 (1,961)	3,000 [105] (1,214)		290 tenants. Mostly AHA Act or FBTs with one or two commercial tenancies and some Church car parks.
Diocese of Birmingham	248 (100)	No response		
Diocese of Blackburn	592 (240)	Responded but information did not materialise	550 (223)	
Diocese of Bradford	584 (236)	No response		
Diocese of Bristol	503 (203)	No response	300 (121)	
Diocese of Canterbury	342 (138)	Very little glebe	210 (85 ha)	
Diocese of Carlisle	3,720 (1,505)	No response		
Diocese of Chelmsford	2,640 (1,068)	No response		
Diocese of Chester	580 (235)	See case study example below		
Diocese of Chichester	1174 (475)	No response	539 (218)	
Diocese of Coventry	4,939 (1,999)	No response	3,700 (1,497)	
Diocese of Derby	1,952 (790)	No response		
Diocese of Durham	757 (306)	No response		
Diocese of Ely	5,153 (2,085)	Response – request forwarded.	5,739 (5,322)	
Diocese of Exeter	2,308 (934)	Responded but no resources to provide information		
Diocese of Gloucester	1,435 (581)	See case study example below		

[103] Cahill, K. Who Owns Britain, Canongate Books 2001. Information extracted from an analysis of the land holdings of the Church of England, ordered by the Endowment and Glebe Measure Act 1976. Information not verified.
[104] Cahill, K. Who Owns Britain. Canongate Books 2001
[105] Personal Communication. Property Officer, Bath and Wells Diocesan Board of Finance

Name of diocese	Glebe land 1976[106] Acres (Hectares)	Glebe land 2011 Acres (Hectares)	Glebe land Cahill 2001[107] Acres (Hectares)	Notes accompanying land area figures from dioceses 2011.
Diocese of Guildford	168 (68)	Responded but information not available		
Diocese of Hereford	2,508 (1015)	No response		
Diocese of Leicester	5,638 (2282)	No response	5,000 (2,023)	
Diocese of Lichfield	2,884 (1167)	2,000 [108] (809)	2,122 (859)	Managed by Glebe Committee with day to day management by two land agents
Diocese of Lincoln	20,727 (8,388)	13,000 [109] (5,261)	15,266 (6,178)	200 on AHA tenancies, 80 FBTs and 20 grazing licences
Diocese of Liverpool	119 (48)	117 [110] (47)		16 holdings. 9 full agricultural tenancies 1 FBT 3 miscellaneous leases
Diocese of London	498 (201)	No response		
Diocese of Manchester	63 (25)	Very little non-urban glebe land[111]		Most is in Bury Town Centre where the diocese abides within planning regulations and just collects ground rents. What little non-developed land is let as grazing or garden tenancies. The diocese is actively trying to reduce its carbon footprint within very tight budgets.
Diocese of Newcastle	466 (188)	No response		
Diocese of Norwich	6,621 (2,679)	5,843 [112] (2,365)		Mainly arable 2606 acres (1055 ha) let under 130 AHA tenancies 3093 acres (1252 ha) let under 113 FBT and approximately 20 acres (8 ha) on grazing licences. The balance is let on a variety of other forms of agreement.[113]

[106] Cahill, K. Op. cit. Information extracted from an analysis of the land holdings of the Church of England, ordered by the Endowment and Glebe Measure Act 1976. Information not verified.
[107] Cahill, K. Op. cit.
[108] Diocese of Lichfield website. Property page.
[109] Personal Communication. Assets and Trusts Manager, Diocese of Lincoln
[110] Personal Communication. Denton Clark, land agents. Diocese of Liverpool
[111] Personal Communication. Property Secretary. Diocese of Manchester
[112] Personal Communication. Glebe Surveyor, Diocese of Norwich
[113] Personal Communication. Glebe Surveyor, Diocese of Norwich

Name of diocese	Glebe land 1976[114] Acres (Hectares)	Glebe land 2011 Acres (Hectares)	Glebe land Cahill 2001[115] Acres (Hectares)	Notes accompanying land area figures from dioceses 2011.
Diocese of Oxford	6,703 (2,712)	6,250 [116] (2,529) *(2004 figure)*		Mostly let on AHA tenancies or FBTs. There are four farms, four commercial premises and four dwellings.
Diocese of Peterborough	7,109 (2,877)	No response	5,016 (2,030)	
Diocese of Portsmouth	407 (165)	No response		
Diocese of Ripon and Leeds	903 (365)	70[117](28)	800 (324)	Let in numerous small parcels, either grazing licences or on agricultural or farm business tenancies.
Diocese of Rochester	334 (135)	No response		
Diocese of St Albans	3,785 (1,532)	No response	3,734 (1,511)	
Diocese of St Edmundsbury & Ipswich	2,147 (869)	380[118] (154)		Glebe land small relative to assets and to other dioceses. 100 parcels of land within geographic limits of diocese.
Diocese of Salisbury	2,215 (896)	1,600[119] (647)	2,064 (835)	150 separate holdings, ranging in size from 300 to 2 acres, mainly at the smaller scale. All three types of tenure are used.
Diocese of Sheffield	1,464 (592)	No response		
Diocese of Southwark	120 (49)	No response		

[114] Cahill, K. Who Owns Britain, Canongate Books 2001. Information extracted from an analysis of the land holdings of the Church of England, ordered by the Endowment and Glebe Measure Act 1976. Information not verified.
[115] Cahill, K. Who Owns Britain. Canongate Books 2001
[116] Diocese of Oxford Glebe. 2004. Accessed from website 26.9.11
[117] Personal Communication. Diocesan Surveyor, Diocese of Ripon and Leeds
[118] Personal Communication. Property Administrator. St Edmundsbury and Ipswich Diocesan Board of Finance
[119] Personal Communication. Diocesan Property Secretary. Diocese of Salisbury

Name of diocese	Glebe land 1976[120] Acres (Hectares)	Glebe land 2011 Acres (Hectares)	Glebe land Cahill 2001[121] Acres (Hectares)	Notes accompanying land area figures from dioceses 2011.
Diocese of Southwell & Nottingham	3,845 (1556)	Several thousand acres[122]		Over 100 landholdings varying hugely in size and type. Combination of Agricultural Holdings Act, Agricultural Tenancies Act, grazing agreements and licences.
Diocese of Truro	2,568 (1039)	2,400 (971)[123]	2,520 (1020)	130 agricultural land holdings. The Land is mainly let under Agricultural Holdings Act Tenancies and Farm Business Tenancies with a few Grazing Agreements.
Diocese of Wakefield	301 (12)	No response		
Diocese of Winchester	516 (209)	No response	450.5 (181)	
Diocese of Worcester	3,849 (1558)	3,680[124] (1849)		Land over 83 parishes. 210 tenants but this figure includes small areas of allotment land. Predominantly AHA Act tenancies but some FBTs and licences.
Diocese of York	4,256 (1722)	3,600[125] (1456)		115 nominal holdings subdivided into 476 separate units of land. Three farms with the rest rented to locals, either as fields, grazing or pony paddocks. A mix of tenancy types.

It is interesting to note that where there was a response to this survey, and to Cahill's 2001 survey, there has been a reduction in the landholding of the diocese in all instances. This indicates sales for residential and commercial development, to individuals and for community purposes.

[120] Cahill, K. Who Owns Britain, Canongate Books 2001. Information extracted from an analysis of the land holdings of the Church of England, ordered by the Endowment and Glebe Measure Act 1976. Information not verified.
[121] Cahill, K. Who Owns Britain. Canongate Books 2001
[122] Personal Communication. Jas Martin, Land Agents, Diocese of Southwell and Nottingham
[123] Personal Communication, Smiths Gore, Managing Agents, Diocese of Truro
[124] Personal Communication. Hall Worcester LLP, Land agents. Diocese of Worcester
[125] Personal Communication. Diocesan Surveyor and Estates Manager, York Diocesan Board of Finance Ltd. and Archbishop's Advisor for the Environment

Cahill gives figures for diocesan landholdings in 1976, at the time of the Endowment and Glebe Measures when land was transferred to the dioceses (See Table 5.2 above). At that time the largest six landowning dioceses were Lincoln, Peterborough, Oxford, Norwich, Leicester and Ely. The Diocese of Lincoln had the most extensive landholding (20,727 acres) with Peterborough (7,109 acres) and the remainder between 5,000 and 7,000. Those dioceses still appear to maintain the largest diocesan land portfolios, although the land holdings have diminished in size. The Diocese of Lincoln maintains a significantly larger area of land than any other diocese.

5.7 Case study examples

Diocese of Gloucester

The Diocese of Gloucester provided data outlining its different glebe holdings. This is presented in Table 5.3. Some parcels have been excluded; land let out for playing fields (to Parish Councils or the Local Education Authority); car parks (Parish Councils and individuals); small areas attached to rectories and fishing rights. In addition, a number of buildings constituted glebe and these have also been taken out. The remaining land extends to just less than 539 ha held in a large number of parcels from just 0.16 ha to over 50 ha. As can be seen from Table 5.3, the Diocese of Gloucester employs a variety of tenancy agreements.

The Diocese of Gloucester keeps its landholdings under review with strategies for the short, medium and long term.

Table 5.3 Diocese of Gloucester glebe land[126]

Local authority	Description	Agreement type	Area (acres)
Cheltenham Borough	Small allotment site	Informal agreement by PCC	
	Option agreement	Allotments & FBT's	54.073
	90 allotments	Allotments	5.959
Cotswold District	Agricultural	Yearly tenancy from 18/9/68	5.197
	Permanent pasture	FBT - From 29/09/97	8.652
	Agricultural	Yearly tenancy from 29/09/88	8.337
	Agricultural	20 yr lease from January 2000	0.91
	Old allotments	Vacant	0.282
	Agricultural	Agric holdings tenancy	15.567
	Land	Yearly licence from 17/12/87	1
	Agricultural	99 year lease from May 81	0.16
	Agricultural	Vacant	2.73
	Agricultural	FBT from 01/05/98	5.521
	Agricultural	FBT - new agreement	1
	Agricultural	FBT 5 yrs from 25/04/96	5.8
	Agricultural	FBT from 25/03/97	17.32
	Agricultural	3 year tenancy from 1992	1.25
	Allotments	Allotments	1.05
	Permanent pasture	FBT from 1996	32
	Permanent pasture	Yearly tenancy from 29/09/89	25.847
	Land let to 5 tenants	FBT's & AHA's	15.983
	Agricultural	FBT	4
	Grass keep	8 mths licence from 1/4/98	1.49
	Rent charge	Rent charge in perpetuity. No rent review.	1
	Restrictive covenant	Restriction until 30 September 2018	15
Forest of Dean	Car Park /Paddock	Vacant	1
	Agricultural	Yearly tenancy from 30/09/86	6.5
	Agricultural land	Yearly tenancy from 29/09/88	43.387
	Paddock	Vacant	1.12
	Agricultural	FBT(grass keep) from 03/97	7.05

[126] Personal Communication. Rebecca Shorter, Project Archivist, Diocese of Gloucester

South Gloucestershire Unitary Authority	Land	FBT	2
	Agricultural	FBT 5yrs from 25/06/97	18.55
	Agricultural		0.057
	Part parcel		1.02
	Agricultural	FBT	3.2
	Agricultural	Yearly tenancy	27.736
	Plot	Yearly tenancy	0.588
Stratford upon Avon	Agricultural land	FBT from 25/03/97	7.187
	Allotments	Allotment licence	4.39
	Allotments	FBT	2.99
	Agricultural	FBT	26.24
	Agricultural	Allotments	3.24
	Agricultural	FBT	6.731
	Agricultural	FBT	3
	Agricultural	Yearly tenancy	4.324
	Agricultural	FBT	35.72
	Agricultural	Yearly tenancy from 31/05/86	17.425
Swindon Borough	Paddock	Vacant	1.357
Tewkesbury Borough Council	Agricultural	Yearly tenancy from 31/03/86	0.47
	Agriculture	FBT - from 25/03/97	3.36
	Paddock	Yearly tenancy - ½ yearly in arrears from 9/78	1.2
	Agricultural land	Vacant	0.82
	Agricultural	Yearly tenancy from 29/09/88	9.02
	Agricultural	Yearly tenancy from 29/09/88	1.635
	Allotments	Allotment	2.19
	Allotments-let to parish	Lease -3yrs	8.33
	Agricultural	Yearly tenancy - son 1st succession	4.248
	Agricultural	Yearly tenancy - last review	18
Wychavon District	Agricultural	Yearly tenancy - last review	2.5
	Agricultural (99yrs)	Yearly tenancy from 29/09/92	31.84

The Diocese of Chester owns a more modest 260 acres which is currently largely let for agricultural purposes (see Table 5.4).

Table 5.4 Diocese of Chester glebe land[127]

Area (Acres)	Tenure arrangements	Notes
10.18	FBT	1 year
4.19	FBT	12 year, ending 28.2.2021
3.51	AHA	Year to year. Commenced 25.03.1981
6.77	AHA	Year to year. Commenced 25.12.1980
7.91	FBT	10 year, ending 24.3.2013
7.39	FBT	2 year, 8 months, ending 31.10.2012
3.81	FBT	2 year, ending 24.3.2011
1.30	FBT	3 year, ending 31.10.2012
3.86	Horse grazing	3 year, ending 24.3.2011
2.68	FBT	1 year
17.58	AHA	Year to year. Commenced 02.02.1933
65.70	AHA	Periodic year to year
7.06	AHA	Year to year. Commenced 01.01.1981
0.99	AHA	Year to year. Commenced 02.02.1980
18.15	FBT	1 year
21.38	FBT	5 year, ending 24.3.2013
56.02	AHA	Periodic year to year
16.17	AHA	21/03/1997 – Periodic Yr to Yr
3.50	Horse grazing	5 year, ending 30.11.2012
1.93	FBT	1 year
TOTAL 260.08		

The case study examples above indicate very clearly the hugely fragmented nature of glebe land holdings across dioceses. A comment that there are 3.2 ha (8 acres) of glebe land per Church of England church[128] may not be far off the mark with small and dispersed parcels dominating the overall land holding for peculiarly historic reasons. This involves dioceses in a large number of varying tenancy arrangements, frequently short term when Agricultural Holding Act tenancies come to the end of their term. Although these are only two examples the comments from other dioceses, outlined in Table 5.2, indicate that this pattern is not atypical.

5.8 Diocesan land policies and strategies

The objective of the dioceses is to achieve the best return across their glebe land portfolios to fund clergy stipends and support the other work of the diocese. For many dioceses it remains an important income source, enabling the Diocesan Synod to minimise funding it seeks from parish churches.

As can be seen above the glebe land portfolio of most dioceses consists of many small and fragmented parcels of land. Consequently Diocesan Boards of Finance see these as providing the potential for income from sales, particularly where land on the fringes of villages and towns can be developed for residential or industrial development. The accounts of dioceses invariably include glebe land and buildings as one entry in the accounts, thus

[127] Personal Communication. Denton Clark, land agents. Chester Diocesan Board of Finance
[128] Prince, Rosa. The Daily Telegraph 28.12.2009

making it impossible to ascertain precise figures for glebe land sales or value of the land in terms of investment or rental income.

The Diocese of Oxford commented in 2005 that "The Glebe Committee's role is that of trustee under Charity Law and therefore their principal purpose is to ensure that the assets are used to maximise income. Land use is constantly monitored and wherever possible land values are enhanced by seeking planning permission for development. Where this is unlikely, land is sold off as and when vacant possession is obtained."[129] More recently Synod members in the Diocese of Oxford were told that since 2006, the Diocese had set out to live "frugally", to limit share increase to an average of no more than 3.5% up to 2012. (Share is the amount paid by the parish church to the diocese). The expectation was that Diocesan finances would be bolstered by sales of glebe land for development. "Glebe assets are used to fund clergy stipends, and sale proceeds must be invested in a way that best achieves that sustainably".[130]

The Diocese of Leicester Annual Accounts 2009 reported that it was "very encouraging that the two new brokers appointed to manage the large capital receipts from the sale of Glebe land in 2008 have achieved both commendable capital growth and dividend yield."[131]

A House of Commons question on the sale of glebe land in three northern dioceses was raised in 1991. Although these are historic figures they nonetheless indicate a gradual erosion of the national acreage of glebe land, a process that is likely to have accelerated in the first part of the 21st Century as it becomes more difficult for the dioceses to maintain clergy stipends and pensions.

Mr Alison, the right hon. Member for Selby responded to a question from Mr Redmond MP regarding the sales of glebe land in Yorkshire. The three counties of Yorkshire at that time included all or a large part of the dioceses of Bradford, Ripon, Sheffield, Wakefield and York and very small parts of the dioceses of Derby, Durham and Southwell. Sales in the Ripon and York Diocese are shown in Table 5.5 while sales in the diocese of Bradford, Ripon, Sheffield, Wakefield and York are indicated in Table 5.6.

Table 5.5 Sales in Ripon and York Diocese[132]

Year	Acreage	Net sale proceeds £000's
1987	167	460
1988	460	736
1989	217	1,036

[129] Diocese of Oxford Glebe. 2005. Accessed from website 26.9.11
[130] Diocese of Oxford agrees 2011 budget.
[131] Diocese of Leicester 2009 accounts
[132] House of Commons Hansard *Deb 07 February 1991 vol 185 cc216-7W*

Table 5.6 Sales in the diocese of Bradford, Ripon, Sheffield, Wakefield and York[113]

Year	Acreage	Sale proceeds £000's
1987	29	501
1988	34	352
1989	21	266
1990	3	176

The Diocese of Salisbury has increasingly initiated development opportunities resulting in a number of social housing schemes. Glebe land is leased to housing associations to meet the housing needs of local people at affordable rents. Six projects have been completed with 52 houses in total provided.[133]

Elsewhere, diocesan land is used for a variety of community based projects where the Church sees its role as facilitating social objectives. These might include the provision of permissive footpaths and community play areas. For example in the parish of Whittington and Fisherwick, the Parish Council purchased two acres of recreational land, formerly glebe land in 2009, an achievement seen as providing "a piece of land which will be for ever, of benefit to the community."[134]

5.9 Diocesan environmental policies and woodland planting

Since the Lambeth Conference of 1978, and particularly since the 1990s, the Church has sought to promulgate messages about the role of the Church in taking responsible and informed actions to offset the impacts of climate change and ecological problems. For instance, in 2005 the General Synod of the Church of England debated a report, emanating from its Mission and Public Affairs Council, entitled 'Sharing God's Planet' which called upon all Churches to address climate change and energy use. This was followed in 2006 by the launch of the 'Shrinking the Footprint' initiative. Under this umbrella, in 2009, the Church published '*Church and Earth 2009 - 2016 - The Church of England's Seven Year Plan on climate change and the environment.'*

The seven year plan, 'Church and Earth 2009-2016, and the overall 'Shrinking the Footprint' initiative have influenced diocesan policy and practice and the development of environmental strategies. Not all dioceses have such policies and there are differing levels of detail and action points. It is worth noting that environmental plans fall outside the remit of some of the land agents contracted to manage glebe.[135]

A number of dioceses have published environmental strategies which link into climate change and the role of the Church in assisting to mitigate the impact of this. The Worcester Diocesan Environmental Strategy 'Caring for the Earth' clearly sets out its objectives and identifies a potential role for the Church at a national/international scale and at community level in grappling with some of the challenges posed by climate change.

> *"The Environmental Strategy adopted by Diocesan Synod in March 2008 identified objectives under six major themes and also three cross-cutting themes relevant to all*

[133] Diocese of Salisbury website. Accessed 21.9.11
[134] Whittington and Fisherwick Village News September 2010
[135] Personal Communication. Jas Martin, Land Agents, Diocese of Southwell and Nottingham

our activities - Theology & Liturgy, Communication & Education and how we measure our progress.

There is a broad scientific and political consensus that average global temperatures will continue to rise this century but, by reducing greenhouse gas emissions, the increases could be limited to a more manageable level. Climate change poses significant challenges - for the Church, for the international community but particularly for people in developing countries. Environmental degradation, particularly in the marine environment, and resource depletion also pose global challenges that will have to be faced soon if God's creation is to be safeguarded. This strategy recognises the Church can have a prophetic and visionary role in a society that has to find ways to mitigate against environmental degradation and climate change or adapt to it. The challenges we face require a response from everyone. Lifestyle change coupled with community involvement could turn the Church and its members into agents of change and transformation."[136]

The Glebe Committee of the Diocese of Gloucester similarly ratified the Environmental Policy of the diocese which had been agreed in 2005, entitled "Sustain and Review the Life of the Earth". The Policy includes the 'Five Marks of Mission', (adopted by the Lambeth Conference of the Church of England in 1988). The fifth 'Mark of Mission' is: "to strive to safeguard the integrity of creation and sustain and renew the life of the earth". In establishing principles to transform this concept into practical action within the diocese, the Glebe Committee identified that it would "take environmental concerns into account in managing Diocesan Glebe land and other property owned by the Diocese and seek to encourage tenants to conserve biodiversity wherever possible." One of the practical initiatives included in the principles is:

> Energy: To use energy efficiently and reduce its usage where possible. To encourage the use of renewable energy.[137]

The Diocese of Southwell and Nottingham expresses a commitment to ensuring that "Environmental concerns and wildlife habitats will be taken into account in managing diocesan glebe land and other property owned by the diocese.[138]

With financial returns providing the overriding objective, woodland planting per se has not been high on the policy priorities for Diocesan Finance Boards, although glebe itself is frequently under scrutiny. This is demonstrated by the following comments received from direct communication with diocesan officers. These illustrate a growing awareness and commitment to environmental issues**.**

- Diocese of Norwich: The "Diocese has an environmental policy for the management of glebe land and encourages tenants to enter Environmental Stewardship but cannot compel tenants to do so"[139]
- Diocese of York: "We currently have a small tree planting programme in train in conjunction with this diocese's environmental campaign."[140]
- Diocese of Ripon and Leeds: Land is under "continual review" and "not aware of anything that would lend itself to tree planting."**[141]**

[136] Caring for the Earth, The Worcester Diocesan Environmental Strategy
[137] Diocese of Gloucester. Glebe Committee GC06/14
[138] Growing Greener Churches. Diocese of Southwell & Nottingham Environment Policy.
[139] Personal Communication. Glebe Surveyor, Diocese of Norwich
[140] Personal Communication. Diocesan Surveyor and Estates Manager, York Diocesan Board of Finance Ltd. and Archbishop's Advisor for the Environment
[141] Personal Communication. Diocesan Surveyor, Diocese of Ripon and Leeds

- Diocese of Bath and Wells: "With regard to strategies re tree planting this is not something we have done to date. As rental income from glebe and sales of glebe is used to pay clergy stipends, I am sure you will appreciate that in this current climate we need to maximise the Board's income as best we can. We have considered wind farms, part of our glebe holding at Braunton, Devon, is currently being used as part of the new Fullabrook wind farm."[142]
- Diocese of Worcester: "When considering the environmental plans and strategies in relation to the future management of the Glebe estate the Diocese fully supports any environmental scheme which the tenants operate over the land and have no specific objection to including land in new schemes. The diocesan aim is to keep all of their land in good agricultural and environmental condition whilst maintaining revenue received for the land."[143]
- Diocese of Lincoln: "The Board's retained glebe agents manage the glebe portfolio and advise on such matters as environmental considerations, conservation matters and local plans."[144]
- Diocese of Truro: "The Glebe has a general policy to manage the land in the most appropriate way taking into account a number of factors including development opportunities, renewable energy possibilities, rental maximization as well as pastoral matters. Environmental considerations are also taken into account where appropriate."[145]

The Diocese of Ripon and Leeds Environment Group has been in discussions about woodland burial grounds and the possibility of using glebe land for this purpose, a suggestion that would be followed up with the archdeacons after noting that there were no such burial grounds in the city of Leeds. Discussions also took place about encouraging parishes to plant trees and "again to encourage tree planting on spare land". [146]

Woodland burial grounds are an area a small number of dioceses have been exploring. The Arbory Trust was set up to run a woodland burial site, a consecrated area affiliated to the Church, and the first of its kind.[147] The site covers an area of former glebe land, owned by the Diocese of Ely, extending to almost 40 acres. 20,500 indigenous trees have been planted in a scheme designed by a Forestry Commission adviser. The Arbory Trust is a non-profit making organisation and aspires to buy more land to create further burial grounds across the country. Using glebe land for this purpose sees a merger between the Christian focus of the Church and its wider community and environmental objectives.[148]

Comments from the Diocese of Salisbury are particularly pertinent in reflecting the overall strategy and thinking on the management of glebe land:

> *"Our strategy is devoted to the statutory obligation to use and dispose of glebe as an investment for the Diocesan Stipends Fund. Much has been sold in modern times to improve the return on capital, and what is left is (by and large) kept for potential opportunities for change of use, in the meantime being managed at agricultural rents. However the few larger holdings are likely to remain in agricultural use for the foreseeable future as part of much bigger adjoining farms.*
>
> *A departure from this policy is that there are several fields held for many decades as school playing fields, village cricket or football grounds, and parish recreation*

[142] Personal Communication. Property Officer, Bath and Wells Diocesan Board of Finance
[143] Personal Communication. Hall Worcester LLP, land agents. Diocese of Worcester
[144] Personal Communication. Assets and Trusts Manager, Diocese of Lincoln
[145] Personal Communication, Smiths Gore, Managing Agents, Diocese of Truro
[146] Diocese of Ripon and Leeds. Draft Minutes of the meeting of the Diocesan Environment Group, Diocesan Office, Leeds. 5th April 2011
[147] Dr Hannah Rumble *Giving something back*": A case study of woodland burial and human *experience at Barton Glebe*
[148] Arbory Trust website

grounds. We are unlikely to seek change of use in those cases unless they were to be given up voluntarily.

We also have a policy to lease glebe for affordable housing schemes where appropriate.

As far as tree planting is concerned, therefore, we do not permit this on open ground where it would in future restrict our options for change of use, but we can consider it as amenity landscaping where that option is never likely to apply.

We have a few small copses, only one of which could be described as a wood, and are certainly open to more active amenity management in those cases where achievable by grant and volunteer labour.

We have not in my time (30 years) considered planting glebe land for commercial timber production, but would be open to looking at the potential for sustainable fuel production such as coppiced willow"[149]

It is worth noting that the Forestry Act 1976 permits use of glebe land for forestry purposes:

"In the case of glebe land or other land belonging to an ecclesiastical benefice, the incumbent of the benefice and, in the case of land which is part of the endowment of any other ecclesiastical corporation, the corporation may with the consent of the Church Commissioners enter into a forestry dedication covenant relating to the land either for consideration or gratuitously, and the Ecclesiastical Leasing Acts shall apply as if the power conferred by this paragraph had been conferred by those Acts, except that the consent of the patron of an ecclesiastical benefice shall not be requisite."[150]

5.10 Woodland planting options

The Church Commissioners and Diocesan Boards of Finance are seeking to maximise returns on their portfolio of investments which includes agricultural land. However, as a consequence of their Christian and ethical viewpoints, both groups may take decisions which seek to achieve a balance between social objectives and the necessity to comply with maximising investment returns to enable the ministry of the Church to continue. Climate change and fuel poverty are potential triggers which may encourage woodland planting.

As part of the development of the 'Shrinking the Footprint' initiative, outlined in the seven year plan, the team driving this process sets out other areas in which the Church should engage, some of which are relevant to this report. The targets pertinent to woodland are:

- By 2015 for 2016-2050, criteria for choosing or setting up offsetting schemes, particularly by tree-planting will be established.
- By 2016 a *Sustainable Land Use Strategy* should be developed which will include, amongst other things, energy, climate mitigation/adaption and biodiversity.
- 'Shrinking the Footprint' will encourage tree-planting on church land to enhance biodiversity.
- The scope for using church owned land for renewable energy schemes, where suitable, will be discussed and partnerships sought during 2010.
- By 2012, the Church should assess the possibility of establishing a mitigation 'Community Energy Fund'. The purpose of such a fund would be to support local

[149] Personal Communication, Diocesan Property Secretary. Diocese of Salisbury
[150] Church of England (Miscellaneous Provisions) Measure 2006 (No. 1) Schedule 5 — Miscellaneous Amendments of Acts

community partnerships in setting up renewable energy or energy conservation projects, funded by contributions from property developers needing to offset emissions from developments.[151]

The Church Commissioners or dioceses may have areas of land suitable for sustainable biofuel production or woodland. Diocesan land for this purpose is likely to be smaller in area than land in the Church Commissioners portfolio. Identifying potential areas in liaison with the Church Commissioners or receptive Diocesan Glebe Committees would be useful. There is the potential to work with tenant farmers or develop an innovative community based project around woodfuel. Such initiatives would satisfy the thematic aims of 'Shrinking the Footprint'

There may be some small opportunities to work with dioceses looking to develop woodland burial sites where the Forestry Commission can advise on appropriate design and may have a role to play in future management, extraction and marketing of associated timber or biofuel. Partnership working with charities such as the Arbory Trust could be also be considered.

[151] Church and Earth 2009-2016 The Church of England's Seven-Year Plan on Climate Change and the Environment. October 2009

6. OXBRIDGE COLLEGES

6.1 Introduction

The popular conception is that Oxbridge Colleges are major landowners, both historically and currently. However, evidence gathered for this report indicates that this is no longer the case. Of the 38 colleges which responded (54%),[152] twenty-three had no land, other than the immediate land surrounding college buildings. Many of these are the newer colleges, such as Linacre and Robinson.

6.2 Changes in College land ownership and income from agricultural land

When the Cleveland Commission reported in 1873, the Oxford colleges owned nearly 185,000 acres from which they generated 85 per cent of their gross external income.[153] The Royal Commission's report of 1922 which sought to examine the need for Oxford and Cambridge to receive financial support outlines the income from estates. At that date the three most significant landholding Oxford colleges receiving considerable sums of income were King's, St John's and Trinity.

Dunbabin's (1994) survey of collegiate landownership revealed that their holdings had fallen to 127,690 acres by 1989.[154] It was only from the 1950s onwards that changes in legislation affecting accumulation permitted Oxbridge Colleges greater flexibility to operate and diversify their investment portfolios. "In 1954, the colleges were permitted to invest in equities, and a decade later the 1925 Universities and Colleges Estates Act was repealed, all remaining restrictions on investment (and intervention by the Ministry of Agriculture) being brought to an end. The removal of these remaining rules of accumulation must go some way towards explaining why an unprecedented rationalisation of collegiate assets has taken place over the last three decades, with increased emphasis placed upon returns from the stock market." [155] Colleges have responded by developing their own strategic priorities since that point depending on the value of their endowments, their historic attachment to landed assets, the overall composition of their investments and the level of risk they are prepared to take.

Figures from the University of Oxford accounts show that "after 1985/86, the relative importance of receipts from agricultural rents fell sharply (although like all receipts they increased in absolute terms). By 1990/91, they comprised around 12 per cent of gross endowment income, remaining at this level throughout the decade", having been over 20% in 1980/81. "The contribution made by urban rentals rose slightly throughout the 1980s (although in money terms they rose almost four fold). Similarly, absolute returns from dividends and interest payments increased dramatically after 1980/81 to reach £22.2 million in 1990/91, by which time they accounted for more than half of all gross collegiate endowment income. During the next 6-7 years, however, both the money value and relative importance of stock market investments declined slightly. Currently, the colleges are looking

[152] Oxford: All Soul's; Balliol; Hertford College; Jesus; Lady Margaret Hall; Linacre; Mansfield; Queen's; St Anne's; St. Anthony's; St. Catherine's; St Cross; St Edmund's; St Stephen's; Somerville; Worcester; Wycliffe. Cambridge: Christ's College; Churchill College; Clare College; Corpus Christi; Downing; Fitzwilliam, Girton; Gonville & Caius; Magdalen; Merton; Murray Edwards; Newnham; Robinson; St Catherine's; St John's; Sidney Sussex; Trinity Hall; Queen's; Pembroke; Selwyn; Wolfson

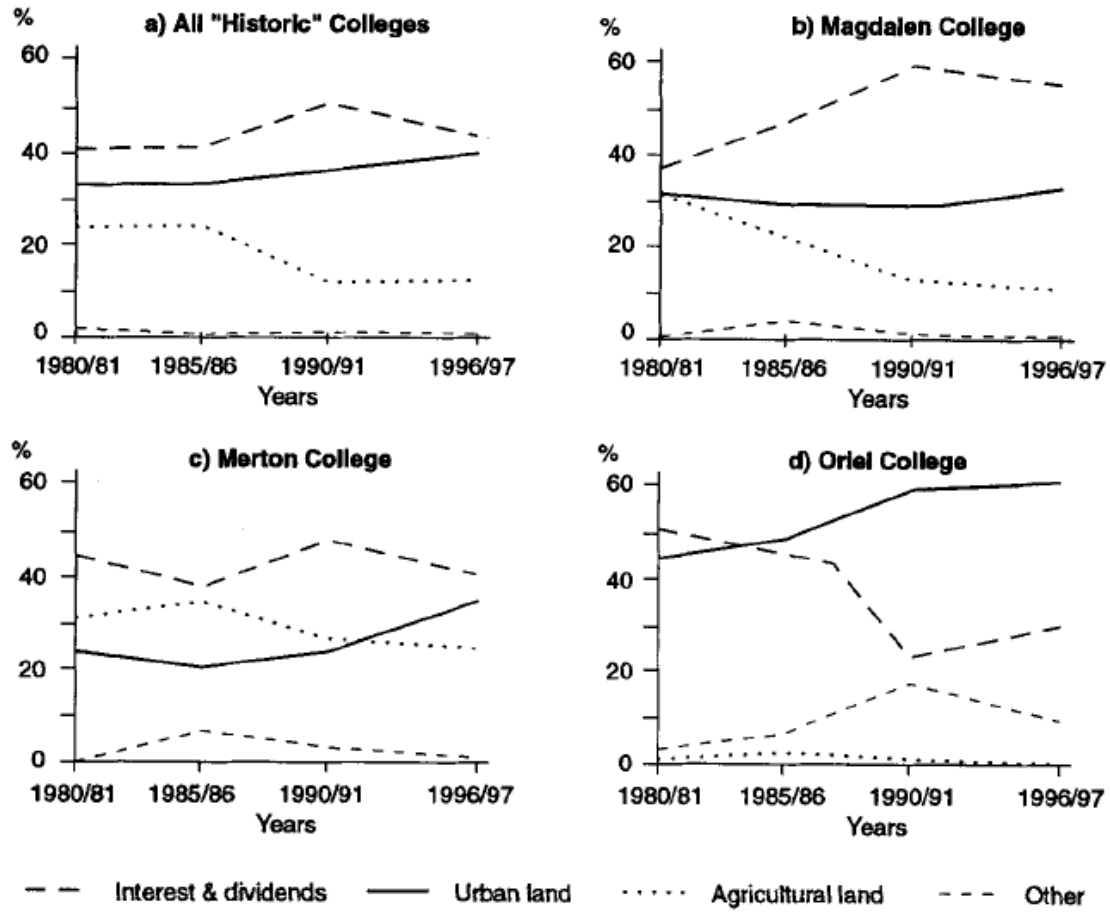
[153] Spencer, D, (2000) Pulling out of colleges and landed property: the Oxford colleges and the Church Commissioners, *Area,* 32.3, 297-306

[154] Dunbabin J P D, (1994) 'Finances since 1914' in Harrison B (ed) The history of the University of Oxford. Volume VIII: the twentieth century (Clarendon Press, Oxford), 639-82 cited in David Spencer, Op.cit

[155] Spencer, D, Op.cit

towards their non-agricultural assets for almost four-fifths of their endowment income."[156] (see Figure 6.1).

Figure 6.1 Historic Oxford Colleges: changing sources of endowment income, 1980/1 to 1996/97.[157]



It is difficult to identify the income obtained from agricultural estates held by Oxbridge Colleges as land and property is frequently aggregated in College accounts. St John's College, Oxford reported in its 2009 accounts that "the College's losses on commercial and residential properties were more than offset by rises in the value of agricultural land and exchange gains on overseas property".[158] Interestingly Trinity College, Cambridge, recognised as one of the most significant landowners amongst Oxbridge Colleges, does separate out its agricultural investment. Accounts show that in the year to the end of June 2010 agricultural income was £1,100,176. However, this compared with a total income of £35,869,538 of which the urban estate (not on building leases) accounted for £23,731,371. This demonstrates that in income terms the agricultural estates remain a small part of overall income. Reinvestment in agricultural land to compensate for falls in stock market income may not be seen as a realistic proposition given the current high values of agricultural land and reduced values in other property.

[156] Spencer, D, Op. cit.
[157] Ibid.
[158] St John's College, Oxford. Report and Financial Statements, 31 July 2009

6.3 Geographical distribution of land

In terms of the spread of property there is a strong bias towards land ownership in the south east and Midlands, with the majority of land on grades 1-3. This has taken place since the 1920s with Colleges taking the opportunity to rationalise some of their landholdings and purchase higher quality arable land which offers the prospect of greater returns. The total Oxford College holdings in Lincolnshire rose five fold between the 1920s and 1990s from 1,457 ha to 7,285 ha and by 1988/89 14% of all Oxford College agricultural land was in Lincolnshire.[159] Rationalisation has also been an important factor with Colleges seeking to secure prime urban fringe land and to re-focus activity on a smaller number of high grade agricultural sites. For example, Magdalen College, Oxford owned 2,630 ha across sixteen parishes in 1945. By 1990 it had reduced that to 486 ha in two locations, much of which became the site of Oxford Science Park.[160]

Of the colleges that responded to our request for information, those with smaller holdings of less than 400 ha (approximately 1,000 acres) are Christ's College, Clare College, Downing, Magdalen College (Cambridge), St Catherine's (Cambridge) and Worcester. Several of the larger landowners also responded, including All Soul's (Oxford) with approximately 4,047 ha, Merton College (Oxford) with 5,567 ha, St John's (Cambridge) with 6,339 ha and Trinity College (Cambridge) with 5,161 ha. In terms of Counties the majority of their land is in Kent and Lincolnshire (over 4,000 ha apiece) with Cambridgeshire, Northamptonshire and Buckinghamshire each with between 1,200 and 1,600 ha. The locations indicate a predominance of arable farming.

6.4 Purpose of land ownership

As part of the investment strategy of the Colleges, agricultural land is seen as providing income plus capital growth. In its investment policy Trinity College states that "the College seeks opportunities which are either good value or to which value can be added long term …. Agricultural land is held for strategic and development reasons." Similarly Gonville and Caius seeks rental income plus capital growth in the longer term. Land held by Colleges is generally a long term investment, has development potential or has historical significance to the College. Worcester College, for example, has eighteen acres on a farm business tenancy on land allocated for development in the recently adopted Oxford City Council Core Strategy.

6.5 Tenancy arrangements

The more substantial holdings held by the Colleges are generally on full agricultural tenancies and thus the ability of individual Colleges to influence or dictate land management is therefore constrained. The reply from Queen's College commented that it owns "prime agricultural land and it is unlikely to be profitable to switch from agriculture to wood or fuel. Should the situation evolve to it being profitable to switch from prime agriculture to fuel or timber production, we will investigate."

[159] Spencer, D, (1999) Oxford collegiate landownership, commoditisation, and the state: a case of 'real' regulation, *Environment and Planning A*, 31, 1679 – 1694.
[160] Ibid.

6.6 Case study: Jesus College Cambridge

Jesus College, one of the smaller landowners with a farm of approximately 450 ha of mainly grade 2 land in Cambridgeshire and a very small plot of land (approximately 2 ha) in West Yorkshire, usefully outlines the development of its land strategy and management policy. There are two key points to emerge from this summary of activity (see Box 6.1 below) which would be reflected across the majority of other Oxbridge Colleges:

- The increasing role played by outside consultants in formulating land and investment strategies; and
- The much smaller contribution made by agricultural investments to overall College income.

Box 6.1 The land holding strategy of Jesus College Cambridge

"The College had long relied for the management of its estates on advice given to it by the University's Estates Management Advisory Service and after 1974 its own Estates Bursars. On the retirement of the then Estates Bursar, it was decided that the time had come to appoint outside consultants, and Bidwells were appointed to manage the commercial properties in 1984.The agricultural properties continued to be managed by the Domestic Bursar (with some outside help on rent reviews) until Smith-Woolley (later absorbed into Savills) were appointed to manage the agricultural properties in 1997. Agricultural properties continued to be purchased until 1982.

In fact the proportion of the portfolio held in property did in practice continue to decline- to 75 per cent as at June 1985, and to 70 per cent the following year. Despite this, following Bidwells' appointment, they advised that the property portfolio was over-heavy in agriculture. This view was to be repeated on a number of occasions to little effect. In October 1986, they went further, advising that the proportion held in property generally was still very high, and making specific proposals for disposals of both commercial and agricultural properties; one of these (by way of a long lease of a commercial property) was accepted, but others were not. In particular a strong recommendation in early 1987 to sell a particular farm for £350k was rejected; the farm was to be sold for the same price (i.e. in real terms for less) five years later, as part of a general review of agricultural property, which finally resulted in a number of sales.

As a result of a further strategic review of agricultural property by Savills, a number of farms were sold between 2004 and 2006; those retained being those judged to have long-term development potential. On the other hand, in 2004-2005 the College invested some £10 million (of which £8 million was borrowed) in industrial property in various locations outside Cambridge in order to obtain some much-needed diversity in the type and location of property held. The net effect was that the proportion held in property had gone back up again to 60 per cent by June 2005. Despite this, there is little doubt that the College will continue to diversify away from property; the current target is 37 per cent, although there are good arguments for reducing it yet further.

Steps have also been taken in recent years to increase the diversity of the College's financial investments. In 2002, Cazenove & Co were replaced as the College's brokers by separate managers of its equities on the one hand and bonds on the other. The College's statutes were changed in 2004 to allow it to spend capital as though it were income, and thus adopt a total return investment strategy. This was followed after a lot of discussion by a first tentative investment in hedge funds in December 2004, and a more whole-hearted move into both hedge funds and private equity funds in 2006 (the cautious nature of the process being reminiscent of the move into equities in the 1950s)."[161]

[161] http://www.jesus.cam.ac.uk/about-jesus-college/history/estates-finances/the-twentieth-century/ Accessed 22.10.11

6.7 Oxbridge Colleges and sustainability

Oxbridge Colleges clearly have a strong commitment to environmental policies which embrace reducing waste, cutting carbon emissions and ethical purchasing. Cambridge University produces an annual Green League table. Oxford University in its Strategic Plan states that it will "*take steps to further reduce the University's carbon footprint and reduce the environmental impact of all of the University's activities".*

"The University and its colleges are committed to reducing the environmental impact of its activities and in particular to reduce its carbon footprint. The established environmental policy and committee processes are currently under review and strategies are being developed to bring environmental matters and sustainability to greater prominence within the University's management processes. In the first instance activity will be concentrated on further reducing the carbon footprint, improving the sustainability of any new development and improving waste management. Full advantage will be taken of new sources of funding to assist in energy and water usage reduction programmes and the implementation of new technologies and techniques as they occur. Adaptation to climate change will also become part of the University's planning".[162]

Extending that apparent and dedicated interest to the wider portfolio of agricultural land owned by the Oxbridge Colleges is a step further down the process. It is likely that land agents who deal with the day to day management of many of the estates, and who advise on land investments, may well be more influential in facilitating this process.

6.8 The potential of Oxbridge College land for forestry

The willingness of Oxbridge Colleges to embrace tree planting, either for timber or fuel, is constrained by a number of factors:

- Any proposals for tree planting will need to be accompanied by fiscal mechanisms which would produce the same or a greater rate of return for Oxbridge Colleges. Whilst financial returns are never certain there would need to be a demonstrable prospect of long term returns or capital appreciation.
- The level of full agricultural tenancies on farm land is a limiting factor, with Colleges having reduced options to recommend or dictate farm management strategies.
- Timber production is a relatively long term strategy. Where Colleges hold land with potential development value, even where this is on a farm business tenancy, there will be less incentive to pursue this course of action. Some of these smaller areas are on initial farm business tenancies of three or five years, with rolling annual tenancies thereafter.
- The majority of land owned which is not potential development land is grades 1, 2 and 3. The returns from agricultural production will be significantly greater than from timber production, unless grants offset the differential.
- The Forestry Commission could facilitate knowledge exchange using emerging research from the Plants for the 21st Century Institute (embedded within the Oxford Plant Sciences Department) and the Cambridge Centre for Climate Change Mitigation Research (within the Department of Land Economy). Fuel security and climate change within the context of forestry are areas of research interest for these departments. It could prove possible to encourage practical research associated with pilot projects on land owned by some of the Oxbridge Colleges, and disseminate this to the wider Oxbridge community and its land agents.

[162] University of Oxford Strategic Plan 2008-9 to 2012-13

7. THE CROWN ESTATE

7.1 Introduction

The Crown Estate consists of land that is not the property of Government, nor part of the Sovereign's private estate but part of the hereditary possessions of the Sovereign in right of the Crown. The Crown Estate, a statutory corporation, is a significant landowner in England. The duties of the Crown Commissioners are to maintain and enhance the value of The Crown Estate. The aim of The Crown Estate is to ensure long-term sustainable performance. A Corporate Plan, outlining activities, is submitted on an annual basis to the Treasury. The Business Plan 2011/12 aims for a revenue contribution to the Treasury of £250 million. All net income from The Crown Estate is paid to the Treasury and made part of the Consolidated Fund (central government revenues) under the Civil List Act 1952. Parliament (Resource Finance) provides money for Commissioners' salaries and the expense of their office.

7.2 Crown Estate principles and aspirations

In order to achieve its targets, The Crown Estate is committed to partnership working with external partners and its tenants. "Members of the Rural Department will work with colleagues, Managing Agents, tenants, business partners and other stakeholders to enhance the value and revenue generating capacity of a diverse rural property portfolio through the application of robust commercial principles and the attainment of exemplary standards of stewardship, environmental management, community participation and business delivery."[163] Its role as a responsible steward is firmly embedded and guided by one of its objectives to "Take the long-term view". "Our commercial drive is tempered with a clear recognition of our stewardship responsibilities. People rightly expect that we will always seek to do the right thing for the long-term wellbeing of assets which form part of the nation's heritage and fabric."[164]

Tenants are able to take advantage of the many opportunities available to them, including green and renewable energy production.

7.3 The Rural Estate

The Rural Estate, managed by The Crown Estate Mineral Agent and three external managing agents, is one of four departments within the Estate.

As well as agricultural and forestry land, the rural estate also includes mineral rights and some residential and commercial property. In its Annual Report 2010/11, the rural estate saw revenue rise to £25.7 million, an increase of 2.4% on the previous year. Capital values increased by 8%, to £1.0 billion. The total return was 12.1%.[165] As at 31 March 2010, the Rural Estate made up 15.6% of the total property value of the Crown Estate.[166]

[163] Business Plan 2011/12
[164] http://ar2011.thecrownestate.ry.com/overview/objectives-and-achievements/default.aspx. Accessed 20.9.11
[165] Annual Report 2010/11. The Crown Estate
[166] Business Plan 2011/12 The Crown Estate

The agricultural estates

Agricultural estates account for 106,000 ha and forestry estates (excluding Windsor) just under 11,000 ha, of which just over 4,000 ha is let to the Forestry Commission. This is a figure for Great Britain, with the agricultural estate in England making up about 67,475 ha.[167] The agricultural estates are made up of 780 tenancies across 450 principal farm holdings.[168] As at March 2007, 27% of the agricultural estate (by area) was let under Farm Business Tenancies, contributing 33% of the rent.[169] Through restructuring of existing tenancies and new tenancies the area under FBTs is progressively increasing. However, this masks some differences across the overall rural estate where, in some instances, FBTs make up less than 10% of the total area.[170]

As at 2007, the type of land use and agricultural grade of land was included in a report commissioned by The Crown Estate from the University of Cambridge.[171] This demonstrated that grades 2 and 3 land made up over 60% of The Crown Estate but grades 4 and 5 land still constituted around 24% of the overall estate (see Figure 7.1).

Figure 7.1 Land use and land classification across the rural estate[172]

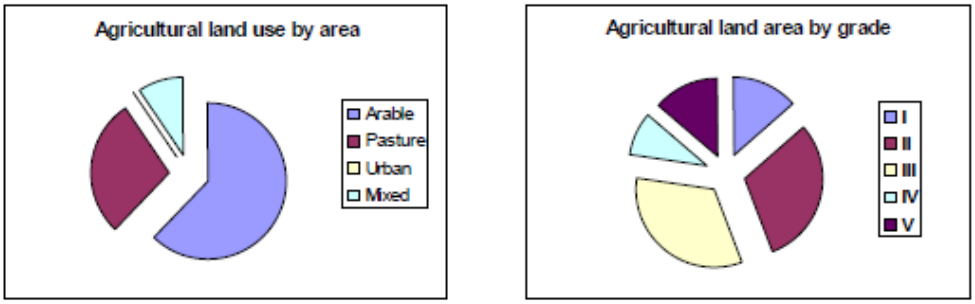


Table 7.1 presents the current distribution of the Crown Estate's rural estate in England by county and land use classification while Table 7.2 indicates the broad land use classification of the Windsor estate.

[167] Annual Report and Accounts 2011. The Crown Estate
[168] Business Plan 2011/12. The Crown Estate
[169] Hodge, I. et al. *Prospects and opportunities for rural land management on The Crown Estate, Department of Land Economy*, University of Cambridge. 2009
[170] Ibid.
[171] Ibid.
[172] Ibid.

Table 7.1 The Crown Estate's Rural Estates in England

County	Estate description	Area (ha)*	Classification
England			
Bedfordshire	Chicksands	100	Forestry
Cambridgeshire	Holmewood	550	Agricultural
Cheshire	Delamere	50	Minerals/derelict building
	Tabley	1,450	Agricultural
Cumbria	Aldingham	250	Agricultural
	Muchland and Torver	950	Common Land
Devon	Rosehill Farm	50	Agricultural
Dorset	Bryanston	2,000	Agricultural
	Bryanston Forest	150	Forestry
	Portland	250	Common land/minerals
East Riding of Yorkshire	Derwent	900	Agricultural
	Gardham	450	Agricultural
	Sunk Island	4,650	Agricultural
	Swine	2,100	Agricultural
Essex	Stapleford Abbots	1,450	Agricultural
	Feering	50	Agricultural
Gloucestershire	Clearwell	400	Agricultural
Hertfordshire	Gorhambury	1,400	Agricultural
	Putteridge	1,350	Agricultural
Kent	Neats Court (Isle of Sheppey)	250	Agricultural
	Romney Marsh	3,700	Agricultural
Leicestershire	Gopsall	3,050	Agricultural
	Gopsall Forestry	150	Agricultural
Lincolnshire	Billingborough	5,700	Agricultural
	Ewerby	1,750	Agricultural
	Friskney	1,250	Agricultural
	Louth	1,900	Agricultural
	Whaplode	2,750	Agricultural
	Wingland	4,200	Agricultural
Norfolk	Croxton	3,550	Agricultural
	King's Lynn	6,050	Agricultural/salt marsh
Northamptonshire	Ashby St Ledgers	650	Agricultural
North Yorkshire	Boroughbridge	1,350	Agricultural
Nottinghamshire	Bingham	3,500	Agricultural
	Laxton	750	Agricultural
Oxfordshire	Wychwood	500	Agricultural
Somerset	Dunster	2,600	Agricultural
	Dunster Woods	1,450	Forestry
	Taunton	4,050	Agricultural
	Taunton Forestry	900	Forestry
Staffordshire and Shropshire	Patshull	1,650	Agricultural
	Patshull Forest	250	Forestry
Surrey	Oxshott	700	Agricultural/woodland
Wiltshire	Devizes	4,150	Agricultural
	Savernake	4,000	Agricultural

*Figures have been rounded to the nearest 50ha.

Table 7.2 Land classification of the Windsor Estate

Windsor Estate	Classification	Area (ha)*
Commercial & Residential	Offices, retail and hotel	250
Leisure	Golf Clubs/Ascot Racecourse	250
Agriculture	Farms	1,200
Parkland	Home park/Great Park	1,600
Forestry	Woodland areas	3,100

Notes: *Figures have been rounded to the nearest 50 ha.
For the sake of conciseness, this schedule includes only properties with areas greater than 1,000m² (for developed properties within the urban estate) and greater than 10 ha (for undeveloped and/or non-income generating urban land, the rural, Windsor and marine estates).[173]

From the point of view of land holding it is important to note that the Crown Estate owns mineral rights (but not the surface land) for an area covering 115,473 ha. It currently has 34 active mineral workings for the extraction of a number of building products plus coal, slate, waste disposal and associated electricity generation.[174]

It is important to note also that the rural estate is not a fixed portfolio of land. The Crown Estate has seen higher profits in agriculture over the past three years than at any time since the mid-1990s, albeit with some variation across sector and tenant. Strategic assessments of the estate, particularly with high land values, has meant the Crown Estate has sold some land and acquired elsewhere, reinvesting to add value to its overall holdings. During 2010/11 land on the Wolds Estate in Yorkshire, the bulk of the Aldingham estate in Cumbria and other selective disposals, were made including some small development sites. More productive land at Ferring in Essex was acquired, alongside other purchases.[175]

7.4 Policy and procedure in relation to rural landholdings

The Crown Estate set out details of their policy and procedure in relation to grazing agreements, leases and tenancies ATA 1995 and succession tenancies. Some pertinent points relevant to this report are outlined below. Generally speaking, "as a matter of practice, The Crown Estate would not wish to grant agreements which needlessly grant greater security of tenure than is necessary".[176]

During the 1990s the Rural Board of The Crown Estate considered its policy on leases and tenancies. It concluded that substantial 'core holdings' would be let on a fixed term initially and thereafter reviewed depending on the individual circumstances. Other holdings would be let on short term tenancies, the length depending on the case, or annual lets.[177] As part of its continual assessment of tenancies, The Crown Estate has recently commenced a trial of variable Farm Business Tenancies whereby tenants can submit a tenancy bid comprised of a fixed base rent plus additional variable rental amounts related to market factors.[178]

[173] Schedule of the Crown Estate's Properties Rights and Interests, September 2010. The Crown Estate
[174] Business Plan 2011/12. The Crown Estate
[175] Annual Report and Accounts 2011
[176] The Crown Estate. Policy and Procedure Note No: 2054 Grazing Agreements
[177] Policy and Procedure Note No: 2052 Agricultural Tenancies Act 1995 – Grant of Leases and Tenancies. The Crown Estate. 05/02/03
[178] Rural Bulletin Autumn/Winter 2011. The Crown Estate

The Policy and Procedure Note No: 2052 refers to Guidance Notes to the completion of the Farm Business Tenancy. This includes reference to farm-based timber and woodland resources:

> "Page 12, Clause 3 - Timber
> *"Managing Agents to advise where reservation of timber might be ill advised - for instance cases where passing the hedgerow and other timber over to the tenant might result in a more satisfactory management regime."*[179]

In a further Policy and Procedure Note, The Crown Estate sets out its policy on diversification which is to encourage non-agricultural enterprises. In making decisions on such applications the Estate will weigh up the nature of the work and the perceived risk, setting out to "be receptive and not hinder proposals by disproportionate onerous requirements."[180]

7.5 Key strategies and departmental objectives

The Business Plan identifies some key objectives and strategies relevant to the operation of its rural estate and to woodland planting. One such objective is to *"implement the rural renewable energy strategy to increase revenue whilst maintaining good returns on investment."* Particular strategies to achieve this are identified as commercial wind farms, single wind turbines and microgen projects.[181]

As part of its '*working together'* section in the Business Plan woodland initiatives are specifically mentioned though, interestingly, not as part of renewable energy. These are:

- Identify opportunities for appropriate tree planting on the rural estate, without compromising agricultural productivity and encourage woodland establishment schemes which deliver multiple benefits and support other business objectives.
- Identify, progress and participate in at least five projects to celebrate the International Year of Forestry.[182]

In the '*sustainable communities'* section, reference is made to an objective to *"undertake at least 5 new community partnership initiatives across the rural estate."* [183] This offers the potential for woodland initiatives involving communities and volunteers. An additional cross-cutting theme identifies '*tackling climate change and energy security.'* Measures of success in this category centre around the impact of climate change on The Crown Estate and assisting in increased renewable energy production, primarily to provide cheaper electricity for tenants.[184] More broadly, sustainability is recognised as one of the ten key objectives for 2011/12.[185]

7.6 Engagement with the community and local initiatives

Significantly, The Crown Estate has sought to develop housing estates but, with local consultation, ensuring that these incorporate public open space. At Bingham in Nottinghamshire, for example, a 1,000 new home scheme will include a third of the land area

[179] Ibid
[180] Policy and Procedure Note No: 2012 Diversification Revised 02/06/09
[181] Crown Estate Business Plan 2011/12
[182] Ibid.
[183] Ibid.
[184] Ibid.
[185] Ibid.

as open space. At Taunton, a new housing scheme for 630 new homes includes 15,000 new trees and at Dunster, economic activity around tourism, has included 'The Tall Trees Trail', encouraging visitors to explore the local woodland.[186]

7.7 Options for future woodland planting

Although large blocks of timber are excluded from farm tenancies many smaller areas are incorporated, albeit with The Crown Estate including a clause to reserve timber. There may be options for The Crown Estate to permit the tenant to manage and market timber or woodfuel, preferably in association with new woodland planting. In some areas The Crown Estate has a number of holdings and it may prove possible to host woodland management training days for the benefit of several tenants. In association with this, exploring group marketing of woodfuel or timber could be useful. There may also be scope to work with local managing agents and consortia of tenants to take advantage of grant support for woodland planting and landscape management schemes including HLS.

[186] Annual Report and Accounts 2011

8. THE DUCHIES OF CORNWALL AND LANCASTER

8.1 Introduction

This chapter considers the landholdings of the Duchies of Cornwall and Lancaster which between them own some 71,353 ha, mostly in the South West and Northern parts of England.

8.2 The Duchy of Cornwall

The Duchy of Cornwall owns 53,628 ha of land in twenty-three counties, mainly in the South West, let through approximately 700 agricultural agreements. This includes 1,700 ha of woodland in Cornwall and Herefordshire, managed in-hand. The estate was created by Edward II in 1337 for the express purpose of providing an income for his heir. Currently it produces an annual income for the Prince of Wales. The agricultural income derived from the Duchy estate was £6,607,000 in 2010 and £6,692,000 to year end 31st March 2011.[187] The Duchy has a programme of disposals and acquisitions where appropriate but transactions over £500,000 have to be approved by HM Treasury.[188] The Prince of Wales is not permitted, under legislation, to benefit from sales of any assets and pays tax voluntarily on the annual receipts.

8.3 Geographical distribution

Excluding the Isles of Scilly and Vale of Glamorgan, the estate extends to 52,024.7 ha. The size of the estate was increased in 2000 when the Duchy purchased the land portfolio of Prudential Assurance Company, mainly in Herefordshire. Land in Cornwall, Devon and Somerset accounts for 76.4% of the whole estate, with Devon alone at 53.2% (see Table 8.1). The Devon portfolio is predominantly poorer grade land within Dartmoor National Park.

[187] The Duchy of Cornwall Annual Report and Accounts. Year ended 31st March 2011
[188] Ibid.

Table 8.1 The distribution of The Duchy of Cornwall's land holdings by county[189]

County	Number of hectares
Berkshire	1.5
Cambridgeshire	43.3
Carmarthenshire	77.6
Cheshire	0.7
Cornwall	7,121.1
Devon	28,506.6
Dorset	1,337.0
Gloucestershire	658.3
Greater London	15.7
Hampshire	0.4
Herefordshire	5,351.7
Hertfordshire	6.0
Isles of Scilly	1,583.2
Kent	1,158.9
Leicestershire	0.2
Middlesex	0.1
Norfolk	2.2
Nottinghamshire	287.6
Oxfordshire	279.2
Somerset	5,341.2
Shropshire	581.5
Vale of Glamorgan	20.4
Wiltshire	1,253.9
TOTAL	**53,628.3**

8.4 Management objectives

Over the long term the Duchy estate is seeking to balance commercial objectives with environmental and social responsibility, an area His Royal Highness feels strongly about. "This approach reflects the fundamental belief that, by working in sympathy with the environment and in partnership with tenants and local communities, the Duchy will continue to thrive and prosper."[190] However, an attention to commercial financial performance ensures that risk management decisions reduce any detrimental impacts on the overall estate.

Woodland planting is one area of interest which is pursued through estate management policies. The Annual Report for 2010/11 refers to the planting of 'a significant number of trees', particularly in Hereford where an 8 hectare woodland has been created on more marginal farmland at Tyberton.[191] His Royal Highness's philosophy and personal concern for climate change is clearly spelt out in the commentary – "this mixed broadleaved woodland, planted as part of the Duchy's in-house carbon sequestration programme, contains traditional broadleaved species such as oak and ash plus unusual elements like cricket-bat willows. Opportunities to plant new woodland on such a scale are not common and it will be exciting to see this woodland mature into a landscape feature."[192] Carbon sequestration is a

[189] Ibid.
[190] Ibid.
[191] Ibid.
[192] Ibid.

key element of the Duchy's woodland management policy - "The Duchy directly manages 1,710 ha of woodlands which sequester annually an estimated 10,268 tonnes of carbon dioxide, over 30 times the annual emissions from the activities under the ownership and direct management of the Duchy."[193]

In terms of household management HRH aims to use sustainably-managed wood instead of gas at Highgrove and has also installed a woodchip boiler at Birkhall.[194] This initiative, plus a range of other renewable energy types helped to ensure that 29% of the Household's total energy use came from renewable sources.[195] The use of woodchip is assumed to have no net direct emissions due to the relatively short carbon cycle of wood chip fuel in comparison with fossil fuels.[196]

8.5 The Prince of Wales wider role in climate change

The Prince of Wales seeks opportunities to promote action on climate change. A speech at the Dairy Crest creamery at Davidstow, Cornwall commended the company's efforts in securing a reduction in the use of fossil fuels.

> "Today, I have also been able to celebrate another area in which Dairy Crest is giving a lead. I started (although I rather think they were already going!) the splendid new biomass boilers which have been installed here. Mark called them part of your virtuous circle, and they certainly are – waste wood producing new energy and removing the need for heavy fuel oil. A reduction of nearly 22,000 tonnes of carbon emitted each year is a huge achievement – and I know it is in addition to many other environmental initiatives driven by the remarkable staff here at Davidstow and across Dairy Crest. …!"[197]

In addition, The Prince of Wales has used his influence to raise the profile of climate change through his work with governments, the private sector and non-governmental organisations. Such activities include the International Sustainability Unit and sector-based initiatives including:

- 'ClimateWise' group of leading insurance companies;
- 'P8' group of leading pension funds;
- Legal Sector Alliance;
- The Prince's May Day Network of over 3,500 UK businesses; and
- The Prince's Accounting for Sustainability Project.[198]

8.6 The Duchy of Lancaster

Since 1399, the title Duke of Lancaster has been held by the reigning Sovereign. Revenue from Duchy of Lancaster properties forms part of the income of Her Majesty Queen Elizabeth II and is distinct from other Crown property. The Duchy provides a long-term asset as the Sovereign is not entitled to benefit from capital or capital profits.

[193] The Duchy of Cornwall Annual Report and Accounts. Year ended 31st March 2011
[194] The Prince of Wales and the Duchess of Cornwall. Annual Review 2008
[195] The Prince of Wales and the Duchess of Cornwall. Annual Review 2011
[196] The Household of Their Royal Highnesses The Prince of Wales and The Duchess of Cornwall Carbon Report for the year ended 31 March 2009
[197] Speech by HRH The Prince of Wales at the Davidstow Creamery, 12th July 2011
[198] The Prince of Wales and the Duchess of Cornwall. Annual Review 2011

The Crown Lands Act of 1702 placed severe restrictions on the use of Duchy assets but later legislation, the Duchy of Lancaster Lands Act 1855 and the Duchy of Lancaster Act 1988, permitted the sale of land provided core estates are not affected. The current policy is to selectively sell and buy land, thus improving the overall quality of land: "The gradual refreshing and rebalancing of the portfolio is crucial to maintaining performance, improving inherent quality and thereby reducing the risk profile of the income stream and capital value of the Duchy."[199]

Day to day administration is performed by the Chancellor of the Duchy of Lancaster (currently The Rt. Hon. The Lord Strathclyde) who is accountable to the Sovereign. The Duchy Council has delegated responsibility for certain aspects, particularly asset management.

8.7 The Duchy Council

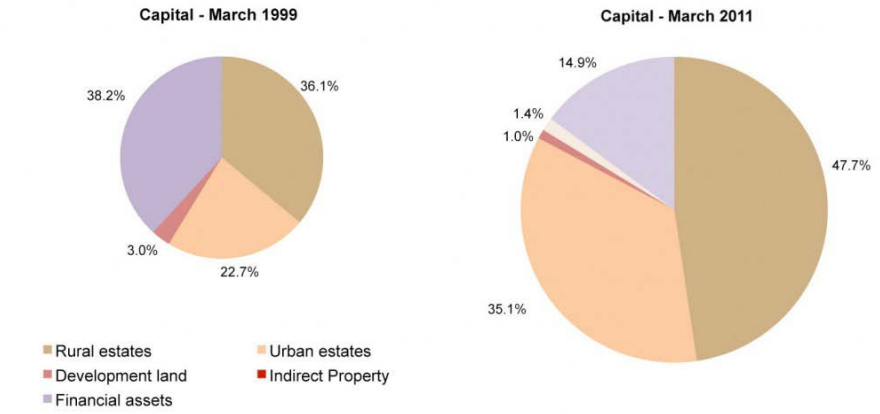
The Council meets six times a year. Members of the Council include two ex-officio appointments: the Receiver General of the Duchy (Keeper of the Privy Purse), and the Clerk of the Council (also the Chief Executive Officer of the Duchy of Lancaster). Other Council members are chosen for their skills, particularly in business.[200] Revenues presented to the Sovereign are currently in the region of £13.3m per year.[201]

8.8 Assets and income

At the end of March 2011, the Duchy of Lancaster owned assets comprising financial assets and property; rural, urban and development land. The accounts to the year end March 2011 show an increase in Net Asset Value of 10% to £383.2m (the previous year showed £348.2m). The net asset worth of the overall portfolio has recovered from the falls of 2009 and the agricultural portfolio has made a particularly strong contribution to this process showing an "annual growth on a like for like basis of 17%."[202] The 2011 accounts show that agriculture realised £2,766,000 in 2011, compared with £2,442,000 income in 2011. The farmland part of the agricultural portfolio was valued at just over £87.9m at 1 April 2010 and farmland purchases of £1.441m were made during the year.[203] Figure 8.1 shows how the asset mix has changed since March 1999. This indicates that, contrary to the portfolios owned by many institutions, the proportion of assets in agricultural land has risen strongly from 36.1% in 1999 to 47.7% of the asset mix in 2011. Both rural and urban estates form a greater part of the overall mix at the expense of financial assets. At the same time there has been significant overall growth in the net assets held by the Duchy of Lancaster.

[199] Report and accounts of the Duchy of Lancaster for the year ended 31 March 2011
[200] Duchy of Lancaster. Duties of the Duchy. Duke, Chancellor and Officers. Accessed 10.10.11
[201] Report and accounts of the Duchy of Lancaster for the year ended 31 March 2011
[202] Ibid.
[203] Ibid.

Figure 8.1 The Duchy of Lancaster asset portfolio: 1999 and 2011 compared



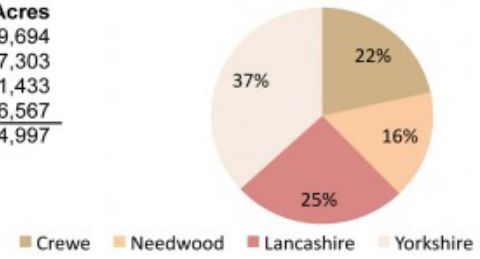
8.9 The rural estate

The estate comprises 12,141 ha of tenanted agricultural land; 4,290 ha of moorland with common rights and 1,295 ha of in-hand woodland. The rural property portfolio is based in the northern part of England (see Table 8.2).

Table 8.2 The Duchy of Lancaster rural estate[204]

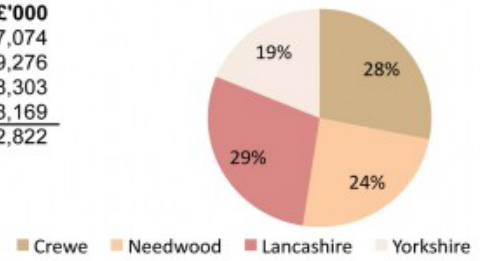
Rural property area by location, 31 March 2011

	Acres
Crewe	9,694
Needwood	7,303
Lancashire	11,433
Yorkshire	16,567
	44,997



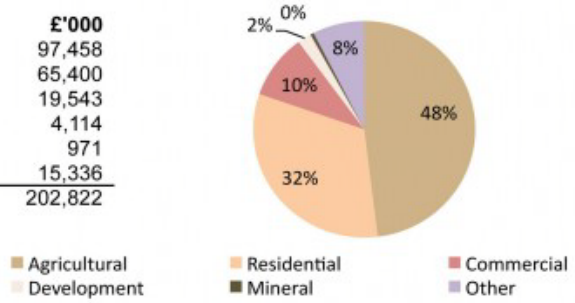
Rural property value by location, 31 March 2011

	£'000
Crewe	57,074
Needwood	49,276
Lancashire	58,303
Yorkshire	38,169
	202,822



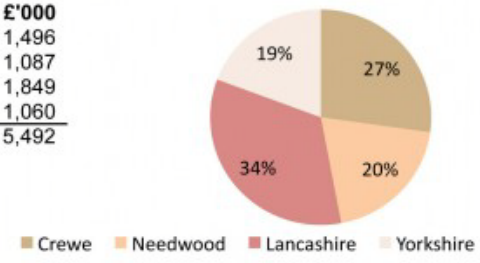
Rural property value by sector, 31 March 2011

	£'000
Agricultural	97,458
Residential	65,400
Commercial	19,543
Development	4,114
Mineral	971
Other	15,336
	202,822



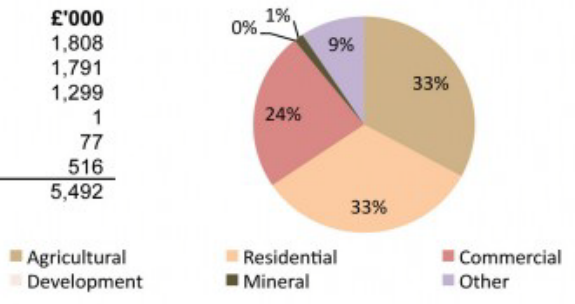
Rural property income by location, 31 March 2011

	£'000
Crewe	1,496
Needwood	1,087
Lancashire	1,849
Yorkshire	1,060
	5,492



Rural property income by sector, 31 March 2011

	£'000
Agricultural	1,808
Residential	1,791
Commercial	1,299
Development	1
Mineral	77
Other	516
	5,492



[204] Duchy of Lancaster Rural Estate: http://www.duchyoflancaster.co.uk/management-and-finance-2/rural/ Last accessed 29/05/2012

The rural holdings comprise:

- **Lancashire Survey (4,650 ha):** The Lancashire Survey consists of five agricultural estates located between Preston and Lancaster covering 40 farms, predominantly livestock-based.
- **Yorkshire Survey (6,920 ha):** This includes Goathland Moor (4,185 ha). The main estate is between Pickering and Scarborough and includes 20th century land purchases. Stock and arable are the main enterprises over the 20 farms.
- **Crewe & South Survey (4,200 ha)** including 165 ha of woodland: The Crewe estate (2,000 ha) covers Crewe and Marbury in Cheshire and other smaller holdings in Cheshire, Derbyshire and Leicestershire. On both the Crewe and Marbury estates dairying is the predominant activity across 20 farms. The Crewe estate is being developed for industrial use on the fringe of the town. The South Survey consists of land totalling 2,200 ha in Northamptonshire, Lincolnshire and Ogmore in South Wales (1,530 ha of moorland), together with other, smaller properties.
- **Needwood Survey, Staffordshire (3,000 ha):** 20 farms, mainly dairying are in this area. It includes 490 ha of woodland, much of which forms part of the National Forest. [205]

Other rural property is held in Leicestershire and Lincolnshire, including foreshore off Wainfleet.

8.10 Sustainability policies

The Duchy of Lancaster outlines a clear policy direction for the estate on its website. Much of this echoes policies adopted by the Duchy of Cornwall in the management of its estate.

> *"The Duchy of Lancaster is first and foremost a private landed estate, which seeks to act with the highest standards of stewardship, aspiring to be the 'Landlord of Choice' in all areas of operation. As a consequence, the Duchy aims to improve the physical quality and productive capacity of the landed assets for long term sustainable growth of both income and capital. In addition to the commercial imperative, the Duchy seeks to pursue a complementary programme of supporting the communities that are associated with its estates and heritage assets*."[206]

In terms of protecting the environment:

> *"Duchy lands encompass areas of outstanding natural beauty. The Duchy of Lancaster endeavours to protect the quality of the land, while respecting the commercial needs of tenants. Land use is monitored by the Duchy's management agents to ensure that activities will not impair soil quality, and a number of farms have adopted organic farming methods. Sustainability in energy and resources is encouraged in investment and operational property owned by the Duchy."*[207]

And finally, when it comes to sustaining communities:

> *"As a major owner of agricultural land, the Duchy of Lancaster has a long-term commitment to the rural community. Although the strategy and asset allocation of the Duchy's portfolio are subject to rigorous reviews, the Duchy remains committed to supporting its core rural estates through difficult times. It is actively seeking ways in*

[205] Duchy of Lancaster. Properties and Estates. Holdings. Accessed 10.10.11
[206] Report and accounts of the Duchy of Lancaster for the year ended 31 March 2011
[207] Duchy of Lancaster. Management and Finance. Commitment and Continuity. Accessed 10.10.11

which it can assist in diversifying its own income as well as that of agricultural tenants, to create sustainable rural estates."[208]

8.11 Implications

The Prince of Wales is managing his own estate in a sustainable way and is particularly keen on projects that offset climate change. Any pilot projects which extend these concepts, particularly at a farm tenant or community/parish level, could prove particularly interesting.

The Duchy of Lancaster's overriding objective is to achieve a return to support the activities of the Sovereign. Its proportion of wooded land is relatively small compared to its tenanted farmland (approximately 10%). There might be options to explore increases with the Duchy Council, subject to providing financial information on the possible returns that could be expected. Planting alongside existing wooded areas could be one possibility, if the geographical distribution of land permitted this. Part of the woodland in the Needwood Survey is already forming part of the developing National Forest near Ashby de la Zouch.

[208] Duchy of Lancaster. Management and Finance. Commitment and Continuity. Accessed 10.10.11

9. INSTITUTIONAL AND PRIVATE INVESTORS

9.1 Introduction

Institutional and private investors own substantial tracts of farm land in England although detailed data is less easily accessible than for many of the categories of land owner/holder discussed so far.

9.2 Investment assessment 2010

Investment Property Databank (IPD) undertakes performance analysis of the returns from real estate on a yearly basis and publishes a UK Rural Property Investment Index using a sample of tenanted farm land. This measures ungeared total returns to direct investment compiled from valuation and management records for individual farms and estates held by institutional and private investors. The report for the year ending December 2010 is based on a sample of 219,134 ha of land on 488 estates. This land was estimated to have a total capital value of just over £2.2 billion, giving a total return of 9.0% (see Table 9.1).[209] In comparison 2008 showed a return of 1.7% (sample of 238,670 ha on 243 estates).[210]

Table 9.1 Returns from Rural Property Investment compared with other investment[211]

	Total return index	Total return index	Total return %	Income return %	Capital growth %	Annualised total returns %		
	Dec 1980=100	Dec 1980=100	1yr	1yr	1yr	3yrs	5yrs	30yrs
Rural Property Investment	989.0	1,077.5	9.0	1.6	7.2	6.3	12.0	9.2
Commercial Property	1,219.4	1,403.4	15.1	6.4	8.3	-2.5	1.1	9.2
Residential Property	237.4	262.2	10.4	2.8	7.4	1.3	7.4	-

Table 9.2 demonstrates that rural property investment has provided less volatile returns over the past thirty years but overall has performed slightly less well than investment in commercial and residential property, equities and bonds. These figures are based on those properties where there has been no part sales or purchases. However, sales from land becoming vacant and active restructuring of land holdings through sales and purchases are an integral part of the management strategy of institutional investors. During the year some investors may therefore have sought to achieve greater capital growth or returns. 2010 saw a net disinvestment in some regions, particularly Yorkshire and Humberside at -11.3% and the Eastern region -10.8%.[212] Since 1981 there has been a relatively small increase in the land area of the sample (5.7%) but, significantly, an increase in the land value of 355% (see Table 9.2). Whereas the commercial and residential property investment sector has suffered a downturn in the past few years, the agricultural land market has demonstrated growth.

[209] IPD UK Rural Property Investment Index. Results for year to end of 31st December 2010
[210] Ibid.
[211] Ibid.
[212] IPD Index Statement. IPD UK Rural Property Investment Index 2010.

Table 9.2 Growth in acreage since 1981[213]

	Total value (£m)	Number of acres	Number of assets
1981	487	512,161	370
2001	902	502,831	276
2002	980	600,215	269
2003	1,084	579,208	257
2004	1,606	569,989	283
2005	1,657	708,233	253
2006	1,766	697,023	246
2007	2,249	678,027	275
2008	2,097	586,753	241
2009	2,096	516,412	494
2010	2,219	541,492	488

The UK Rural Index 2009 showed that in terms of rent, 24.7% came from AHA-FRI holdings; 61.8% from traditional leases; 2.9% from farm business tenancies; 0.6% from grazing licences; 0% from annual agricultural tenancies; 0.2% from vacant possession and 9.8% other.[214] In the previous year IPD had indicated that investors had sought to seize opportunities to covert Agricultural Holdings Act tenancies to Farm Business Tenancies.[215] The distribution of tenure agreements between tenants shows 40% are on the newer Farm Business Tenancies compared with the remainder on Agricultural Holdings Act 1986 tenancies (see Table 9.3). Significantly, the majority of holdings are in the arable belt of England, a swathe across the Midlands, the South and East (Table 9.3). Typically such land will be of a higher grade.

Table 9.3 Distribution by tenancy arrangement and geographically[216]

Type of lease	Number of tenants
AHA-FRI*	195
AHA-Traditional Lease*	270
Farm Business Tenancy**	311

Regional breakdown			
At end 2010	Weight by region (% of cap val)	Capital value (£ per acre)	No of assets
South East	15.7	4,361	209
Eastern	17.4	2,302	59
East Midlands	15.6	4,116	47
West Midlands	7.5	4,987	28
Yorkshire & Humberside	6.9	3,815	17
Northern England	7.2	4,653	29
Other***	29.5	3,549	99

*AHA: The Agricultural Holdings Act 1986 provides up to three generations of security of tenure for tenants. Numerous and complex provisions govern most tenancy matters. The majority of agricultural holdings fall under this Act.
**FBT. Farm Business Tenancies; created under the Agricultural Tenancies Act 1995, allow freedom of contract between landlord and tenant in England and Wales with relatively low levels of statutory control.
*** The 'Other' region includes South West England and Scotland.

[213] IPD Rural Property Investment Index. Results for year to end of 31st December 2010
[214] IPD UK Rural Land Index 2009
[215] IPD UK Rural Property Investment Index. Results for the year to end 31st December 2008
[216] IPD Rural Property Investment Index. Results for year to end of 31st December 2010

9.3 Institutional/corporate involvement in the land market

Pension Funds and other institutional investors see land as providing some security against fluctuations in financial markets. The aim of Pension Funds is to seek long term holdings for their clients and farmland remains a big attraction, despite making up only a small percentage of their overall investment – typically less than 3%. Climate change and food security are fundamental drivers which make farmland an appealing investment. A diversified portfolio offers greater opportunity to even out volatility in the overall investment. However, given the significant rises in agricultural land prices in England, fund managers are increasingly looking to Africa, Australia and South America where land prices are relatively low, to benefit from both potential rises in farmland prices and opportunities to trade in food commodities. Annual returns are seen as offering 10-20%.[217]

It is very difficult to identify which pension fund companies and corporate investors own land, and how much. Cahill, in 2001, suggested that Pension Funds own around 202,343 ha.[218] The National Association of Pension Funds identifies some of the major pension funds in both the private and public sector and it would be reasonable to suggest that at least part of their portfolios are land based. Whilst accounts identify 'property' the nature of this investment is usually unspecified and land may be included in the portfolios of unitised and pooled funds. The Universities Superannuation Scheme Ltd has a portfolio of property, of which 7.9% of the £2.4 billion is counted as 'other' (as distinct from retail, office, commercial and international). Part of this small percentage is likely to be land.

Knight Frank make some acute observations about the nature of the UK land market which are likely to impact on future institutional and corporate investment in the sector:

> *"Anybody who bought land in England at the beginning of the century has seen their investment almost treble in value, driven by a shortage of supply and keen demand from farmers, investors and lifestyle buyers. During 2010 alone, values rose by 13%, according to the Knight Frank Farmland Index. But high capital values mean annual operating yields of under 2% are standard. Many long-term investors view this as an acceptable trade-off given the security of the asset, availability of quality management and potential capital appreciation, but the lack of land on sale makes it hard to amass a portfolio of any size."*[219]

9.4 Implications for woodland planting

It would appear that a small percentage of land owned by institutional and private sector investors is tenanted through a FBT. This provides very little scope to influence land management regimes. Of all the sectors covered in this report, the institutional and corporate investor is without doubt the most resistant to change unless compelling reasons to do so can be provided. These investors are looking for a good market return on their investment over a long time period; the flexibility to manage their overall portfolio to achieve either enhanced rental or capital values and, significantly for pension fund investors, a good return to meet pension commitments. Unless woodland planting can deliver consistently on all those objectives it is highly doubtful investors will change their existing strategy. Where they do so, it is more likely that an assessment of the returns from overseas timber sources will be on their agenda.

[217] Financial Times, January 16 2011
[218] Cahill, Kevin. *Who Owns Britain*. Canongate Books 2001.
[219] Knight Frank. *The Wealth Report 2011*. Andrew Shirley. 'How the Land Lies'

10. WATER COMPANIES IN ENGLAND

10.1 Introduction

Across England there are 19 water or water/sewerage companies (see Appendix D for map of companies) who provide a water supply to customers all over the country. These companies maintain pipes, build and maintain reservoirs and other water supply sources and have an increasing role in both conservation and access.

The water and water/sewerage companies in England are:

- Anglian Water
- Bristol Water Plc
- Cambridge Water Company
- Cholderton and District Water
- Dee Valley Water (also covers part of Wales)
- Essex and Suffolk Water (part of the Northumbrian Water Group)
- Northumbrian Water
- Portsmouth Water Ltd
- Sembcorp Bournemouth Water
- Severn Trent Water
- South East Water
- South Staffordshire Water Plc
- South West Water
- Southern Water
- Sutton and East Surrey Water
- Thames Water
- United Utilities
- Veolia Water (Central, South East and East)
- Wessex Water
- Yorkshire Water

10.2 Land owned by water companies

The 1989 Water Act allowed the privatisation of the ten former public regional water authorities in England and Wales. As private companies the extent of their landholdings is not easy to determine and is not published in detail. Based on a variety of sources we have estimated that water companies own at least 137,391 ha of land (See Appendix D for further details). This is likely to prove a very conservative estimate as a number of the companies only identify Sites of Special Scientific Interest (SSSI) land in their publications and may well own several thousand hectares in addition which is not included in the figure mentioned. In terms of land holding the most significant owners are United Utilities, Yorkshire Water and Severn Trent.

The quality of water produced by water companies is driven by the European Commission Water Framework Directive 2000 and, as such, this governs and directs water companies' activities on land which drains into water supply holding areas. Achieving environmental management objectives and associated biodiversity targets are key drivers for water companies, with most setting up their own biodiversity action plans. Many areas of land, particularly around upland reservoirs, form part of statutory or non-statutory designations such as Sites of Special Scientific Interest, Special Areas of Conservation, Special Areas of Protection, National or Local Nature Reserves, or County Wildlife Sites. Land ownership forms an essential part of water company assets, particularly where water sources are not

from underground. By managing land adjacent to reservoirs water companies seek to protect water quality and it is therefore integral to their core activity.

For example, Wessex Water recognises that it has a responsibility to conserve and enhance its land for biodiversity and has a Biodiversity Action Plan. One of the aims of this is "to work to enhance biodiversity on Wessex Water land, such as the sites of treatment works". The land owned by Wessex Water consists of a wide variety of habitats such as:

- Chalk grassland sites in Wiltshire
- Heathland habitat within Dorset
- Open water, marsh and Fen within Somerset
- Ancient woodland around Bath.[220]

The majority of companies work in partnership with other agencies and environmental groups to enhance and improve biological diversity and ecological systems and reduce the impact of their working operations. Achieving an improvement in the status of Sites of Special Scientific Interest is a key area where companies share good practice and information with others. Partnership agreements are common with Wildlife Trusts in particular, but also include the RSPB and other trusts. Land around reservoir sites is often entered into environmental stewardship agreements through Natural England, with the express aim of improving biodiversity.

In South West England the South West Lakes Trust manage an extensive area of land on behalf of SW Water. A number of statutory and non-statutory designations apply to the majority of land managed by South West Lakes Trust (see Table 10.1) but may apply only to parts of the sites.

[220] Wessex Water website – Site Management of our landholdings

Table 10.1 Land managed by SW Lakes Trust on behalf of SW Water[221]

South West Lakes Trust	Area of land - Hectares	Managed Woodland	Nature Reserves or Areas	Site of Special Scientific Interest (SSSI)	Local Nature Reserve (LNR)	National Parks	Special Area of Conservation (SAC) or Special Protection Area (SPA)	County Wildlife Site (CWS)	potential County Wildlife Site (pCWS)
Argal Reservoir	17.40		■						
Avon Dam	1168.00					■			
Burrator Catchment	2165.00	■	■	■		■			
Bussow Reservoir	6.00								
Butterbrook Reservoir	2.82					■			
Bystock Ponds	-		■	■					
College Reservoir	-		■						
Colliford Lake	444.00		■	■					
Countess Wear	-		■	■			■		
Crafthole Reservoir	1.10								
Crowdy Reservoir	65.90	■	■	■			■		
Darracott Reservoir	2.09								
Drift reservoir	33.18		■						
Dulverton - River Barle	3					■			
Fernworthy Reservoir	82.15	■	■			■			
Gammaton (upper and lower) Reservoir	2.40								■
Jennetts Reservoir	3.12								■
Kennick, Tottiford, Trenchford Reservoirs	17.40	■	■			■			
Lopwell including Saltmarsh SSSI	6.00		■	■	■				
Lower Slade Reservoir	6								
Lower Tamar Lake	7.28		■					■	■
Mary Tavy Common and Milestone	-			■		■			
Melbury Reservoir	75								■
Meldon Reservoir	8.49		■			■			
Old Mill Reservoir	9.20	■	■				■		
Porth Reservoir	8.50	■	■						
Roadford Lake	364.00	■	■		■				
Siblyback Lake	22.00	■							
Squabmoor Reservoir	0.60			■			■		■
Stithians Lake	76.00		■						
Upper Tamar Lake	20.00	■						■	■
Venford Reservoir	277.00	■				■			
Wimbleball Lake	200.00	■	■			■			
Wistlandpound Reservoir	49.30	■	■						

(Table. 1) South West Lakes Trust statutory and non-statutory conservation designations.

10.3 Catchment Area initiatives

The water companies have a strong economic base which enables them to integrate biodiversity and ecosystem management within their main business activities.

For example, through the Sustainable Catchment Management Programme (SCaMP), United Utilities has taken an integrated approach to catchment management in the North West of England, in partnership with the RSPB, to manage land to achieve a wider range of ecosystem services and benefits. United Utilities has invested £9.37 million in capital projects across its 58,000 ha and attracted additional grants for its tenant farmers through

[221] South West Lakes Trust. Biodiversity Action Plan 2009-2012

agri-environment scheme payments. The programme has included new farm buildings and new waste management facilities. The aim has been to reduce run-off and pollution of water courses, thus improving water quality and the condition of SSSIs.[222]

As part of this process the following improvements to ecosystems were made[223]:

- 430 ha of new native woodland planted
- 110 ha of species rich hay meadow brought into favourable condition
- 11,000 ha of heather moorland restored
- 100 ha of bare peat restored
- 245 ha of rush pasture restored to favourable condition.

For the purposes of this study, the woodland planting is the most interesting and the benefits to any water company's activities as a result of planting are to:

1. Enhance biodiversity by creating habitats
2. Stabilise ground and reduce erosion
3. Reduce stock access to water courses and therefore reduce pathogen risk.[224]

A consideration of woodland planting could be undertaken by other water companies, particularly in the light of climate change and the prospect of wetter winters.

10.4 Policy context

Ofwat, the water services regulation authority, in its strategy document 'Preparing for the Future – Ofwat's climate change policy', highlights the importance of forested land in providing a carbon sink and the role of water companies in land management.

> *"Both the type and use of land can affect GHG emissions. For example, well maintained forests or peat bogs can act as substantial carbon sinks."… "Some companies own extensive areas of land. This allows them some control over the activities carried out on that land that have a direct impact on the quality of water subsequently supplied to consumers. We expect companies to manage the land they own (whether tenanted or not) in a responsible and sustainable manner. "*[225]

Northumbrian Water, in managing its woodlands, sets out its objectives which are to:

1. Maintain a multi-use forestry resource which has economic, biodiversity and community benefits
2. Manage woodland to conserve or enhance biodiversity
3. Maintain a sustainable timber resource
4. Consider landscape issues and the future threat of climate change when managing the existing resource and planning new planting.

[222] *UNEP 2007 Fourth Global Environment Outlook: Environment or Development Section B: State And Trends of the environment 1987-2007 Chapter 5 Biodiversity* © Business in the Community 2011
[223] Full case study available at www.unitedutilities.com/AboutSCaMP.aspx
[224] Sustainable Catchment Management Programme (SCaMP): from hilltop to tap. Martin McGrath and Mark Smith
[225] Preparing for the Future, Ofwat 2008

10.5 Land sales

In common with many companies in both the public and private sector, water companies are assessing their property portfolios and rationalising land ownership where this is deemed appropriate.

For instance, Severn Trent Water has reviewed its property portfolio, identifying over 400 sites surplus to current requirements and therefore available for disposal. The sites vary in size and value but are no longer part of the company's core water and sewage business. Severn Trent believes that there will be a healthy demand for such sites, particularly from equity investors. Most of the sites in the Severn Trent disposal portfolio are in the £25,000 - £50,000 price bracket, and auction houses have been retained to manage the sales on behalf of the company.[226]

Similarly, South West Water has continued its policy of selling properties surplus to requirements and in October 2011 auctioned off 44 properties, including some land plots adjacent to reservoirs, mainly small but a couple were just under 10 ha.[227]

10.6 Reducing greenhouse gases - wood fuel and timber from water company land

The water industry recognises that it is an energy-intensive sector and one which contributes around 1% of national GHG emissions.[228] Consequently the sector has taken a lead in explicitly considering carbon in its business planning. Indeed "carbon mitigation activities across the industry include:

- Reducing energy use (electricity and other fuels) through efficiency measures
- Water efficiency and leakage control
- Research and development: research into alternative low-carbon technologies; studies into 'soft' engineering solutions to achieving water quality standards
- Embedded renewable power generation
- Purchase of green power and good quality Combined Heat and Power (CHP)
- Investment plans that include whole-life carbon impacts and costs
- Work with the supply chain to encourage low-carbon behaviour." [229]

Nevertheless the industry is on a growth trajectory that is likely to be associated with rising emissions. For this and a number of other reasons timber production may be an attractive land management option.

Timber production by water companies tends to be a by-product of other and integrated activities. For example, at Thirlmere Reservoir in the Lake District, owned by United Utilities, woodland planted in the 1900s fulfils landscape, biodiversity and water conservation requirements as well as being a source of wood fuel and timber:

> *"Although only 800 hectares in size, the forest demonstrates how modern sustainable forestry in Britain is able to integrate a wide range of management objectives. Since 2005, much of the forest has been managed under continuous cover forestry (CCF). This aims to reduce the risk of erosion by maintaining a permanent tree canopy by encouraging natural regeneration of the crop by manipulating light levels to the forest floor with regular thinning of the trees. …The continuous cover system makes it*

[226] http://www.stwater.co.uk/conWebDoc/1714
[227] http://www.webbers.co.uk/page/so.html
[228] Water UK http://www.water.org.uk/home/policy/climate-change/mitigation
[229] Ibid.

possible to grow large, high value Douglas fir timber while fulfilling soil and species conservation objectives. … In the last year we have harvested approximately 6,500 tonnes of timber from Thirlmere, mostly through thinning larch and spruce crops. This has generated important income for the estate and helped to sustain local employment in forestry as well as helping to protect raw water quality."[230]

Yorkshire Water, in its Periodic Review 2009, states that it has

"Implemented a holistic approach to woodland management to protect water quality, deliver public access, stimulate community participation and timber production, and enhance biodiversity. Our woodlands are accredited under the Forestry Stewardship Council standard demonstrating our commitment to meeting strict environmental, social and economic standards."[231]

10.7 Opportunities for woodland

Managing agricultural land and afforested land is a major and integral part of water company activities. That said few companies actively manage woodland estates – United Utilities and Yorkshire Water being key players here. Other water companies might be encouraged to plant small blocks of woodland where land is unaffected by statutory designations and biodiversity targets. Reducing run-off and adapting to climate change predictions of more extreme and wet winter conditions might be key drivers.

Where small areas of suitable land exist but the water company does not have the in-house expertise in woodland management, a partnership approach should be adopted to secure woodland and timber benefits.

[230] http://corporateresponsibility2011.unitedutilities.com/thirlmereforestcasestudy.aspx United Utilities
[231] Striking the Right Balance. Periodic Review 2009 Part B1 The Post 2010 Environment and the Longer Term.Yorkshire Water Services Ltd

11 LANDHOLDINGS OF CONSERVATION, AMENITY AND RECREATION TRUSTS: A CASE STUDY OF THE WILDLIFE TRUSTS AND THE NATIONAL TRUST

11.1 Introduction

Collectively, conservation, amenity and recreation trusts own considerable tracts of land. Of these the National Trust, RSPB and Wildlife Trusts are particularly significant in terms of land ownership and management, owning in the region of 335,000 ha in England. The National Trust in England alone owns 191,331 ha of land, of which some 67% is let as agricultural land.[232] The resources available for this research preclude a comprehensive analysis of the landholdings of conservation trusts so this chapter focuses on two examples, the Wildlife Trusts and the National Trust.

11.2 The Wildlife Trusts

There are 37 wildlife trusts in England, the majority covering traditional shire County boundaries (see appendix D for a list of county wildlife trusts). The Royal Society of Wildlife Trusts Annual Report 2009-10 indicates that during that year the Wildlife Trusts managed 2,299 nature reserves over the UK, covering 90,936 ha and used over 36,000 volunteers to assist in their objectives.[233] It is important to note that the hectarage figure is for managed land, a figure undoubtedly higher than the land owned. However, during the year 17 new nature reserves were obtained, an indication of the strength of the movement, including the purchase of 527 ha of Shropshire Moorland. Despite economic difficulties in the country as a whole the total income of the RSWTs increased by 14% to £139 million in 2009-10, largely as a result of Lottery funding and collectively the individual trusts achieved a rise of 3.4% to £111 million[234] This indicates the success of the Trusts as charitable fundraising organisations. In 2010-11 the Wildlife Trusts extended the area managed to 93,000 ha and individual trusts income rose by 7.5% to £119m.[235]

Each Trust owns or manages a large number of sites, varying in size from under a hectare to several hundred hectares. To cite an example, Lincolnshire Wildlife Trust owns and manages 90 sites across 2556.1 ha; of these 1176.23 ha is owned across 58 sites, 13 sites are leased (140.5 ha), 9 sites are managed (66.5 ha) and a further 10 sites are run under a combination of arrangements. Land has been purchased by the Trust or gifted by individuals and bodies such as British Rail. Management and lease partnerships exist with the County Council, District Councils and other bodies. 50% of the sites owned by the Trust are under 10 ha, the smallest at 0.25 ha, and only three are larger than 100 ha. In terms of habitat, the Trust is responsible for areas of heathland, grassland, coastland, marsh and wetland, woodland, scrub and dunes. Lincolnshire WLT is typical of the variety and complexity of arrangements that exist in the sector.

11.3 Wildlife Trust expansion

Increasingly, Wildlife Trusts are taking on the roles traditionally undertaken by district and county council countryside management services. The Trusts have been effective in developing this role, in many instances securing pro bono legal services to facilitate the process. For example, in 2007 Surrey Wildlife Trust took on five countryside sites owned by Mole Valley District Council, in a formalised lease arrangement, following the success of the

[232] Personal Communication. The National Trust
[233] Annual Report 2009-10. The Wildlife Trusts
[234] Ibid.
[235] Annual Report 2010-11 The Wildlife Trusts

partnership with Surrey County Council in managing the Council's countryside estate. In 2001, it was agreed that the Surrey Wildlife Trust should take over the County Council's estate and set up a new company to manage this and other reserves. It was seen that this would result in higher standards of maintenance and capital investment and also allow the Trust, as a charity, to seek additional funding and trade. Although the Council would incur the cost of annual payments to the Trust, the new arrangements were seen as reducing overall capital spending.[236] Such an arrangement was seen as being mutually beneficial, with the Trust having the necessary expertise and resources to manage the sites.[237]

11.4 The future

In its 2010 '*Living Landscape'* report, The Wildlife Trusts set out a vision for the future:

"If species are to have room to move and habitats space to adapt, we will need to set policies and incentives that allow us to:

- Protect and maximise the value of areas that are already rich in wildlife.
- Expand and buffer these areas and create connections and stepping stones between them.
- Make the wider landscape more permeable to wildlife."[238]

In connection with this report, the second bullet point referring to buffer zones is the most important. Working in partnership with Wildlife Trusts, the Forestry Commission may be able to develop associated woodland areas adjacent to Wildlife Trust sites in order to gain mutual benefits.

The need for interconnections between areas of habitat to enable species to adapt and respond to change, including climate change, is also highlighted. The adoption of "traditional low-intensity management" systems, such as coppiced woodland are seen as contributing to this process and delivering conservation benefits. Working in partnership with local private landowners is seen as a key element in achieving this through supporting the targeting of the English Woodland Grant Scheme and encouraging other management techniques. "Sympathetic management of the landscape by private individuals is more likely to be realised if local economic conditions help to drive some desired outputs, for example through nurturing markets for wood chips. The local economy should both benefit from and contribute to landscape quality."[239]

In its response to the Independent Panel on Forestry, The Wildlife Trusts set out its vision for the future of woodland management:

> ***"****We have a vision of A Living Landscape, a recovery plan for nature which involves enlarging, improving, creating and joining up wildlife-rich areas of land to create a connected ecological network across the UK. To fulfil this vision,* ***we need to secure the best use and management of all land****, including forests and woods, for the benefit of people and wildlife."*
>
> ***"We recognise the contribution that sustainable economic activities make to woodland conservation****. The development of local markets and supply chains, as*

[236] http://www.surreycc.gov.uk/legcom/councilp.nsf/78333512986c70b7002568ff003ca441/04d839c0a0f6311780256b06003beeb0/$FILE/item7.pdf Accessed 25.11.11

[237] http://www.getsurrey.co.uk/business/s/2013155_law_firm_advises_wildlife_trust_as_it_takes_ownership_of_key_sites Accessed 29.9.11

[238] A Living Landscape. The Wildlife Trusts, 2010

[239] The West Weald Landscape Project Working towards a naturally functioning landscape for wildlife and people Rich Howorth West Weald landscape project manager, Sussex Wildlife Trust. Living Landscapes, The Wildlife Trusts 2006

well as grant support, can drive sustainable woodland management, help to restore healthy woodland ecosystems, provide public benefits and assist with the shift to a low-carbon economy. The value of our woods goes well beyond this and in our vision society takes a dramatic leap forward by recognising the true value of our natural environment as articulated in the UK National Ecosystem Assessment."

"Only half of UK woodlands currently have a management plan. Management requirements will differ on a site-by-site basis but in general ***wildlife would benefit from more woods being brought into appropriate active management****. Many woodlands remain neglected because of low financial returns and a lack of incentives and these issues must be addressed in order to reinstate sustainable woodland management. Mechanisms could include grant support, provision of evidence-based advice and best practice and the development of new markets for woodland products, particularly woodfuel. Retaining and increasing research and grant support for control of invasive species is essential. We would like to see the development of payments for ecosystem services to encourage management to deliver those services with little or no financial value, which may otherwise be neglected."*

"The case for woodland expansion must be considered at a landscape scale as a contribution to England's ecological network. *Planting should be assessed on a site-by-site basis and must assess the current biodiversity value of the land, focusing on areas where the overall benefit is highest. Targeted areas for natural regeneration and/or planting could help to buffer existing fragmented woodland sites or improve landscape connectivity but* ***in all cases, a 'right tree in the right place' mentality should be adopted****. Inappropriate planting can and has caused huge damage to valuable open habitats."* [240]

11.5 Opportunities for woodland

The Wildlife Trusts have the expertise and knowledge to incorporate further woodland planting on the areas that they own. However, Wildlife Trusts will be mindful of the overall habitat requirements of their geographical areas and the need to secure overall improvement of biodiversity. For instance, large areas of land held by the Wildlife Trusts are likely to be designated as SSSIs. In such instances the Wildlife Trusts primary objective will be to secure the condition of SSSIs and ensure that Biodiversity Action Plan habitat priorities are secured through their activities.

Nevertheless there is scope for improving woodland management; replanting coniferous woodland with broadleaves and introducing coppice management. In some instances there may be possibilities to plant new areas of woodland, particularly where this would assist the inter-connection of habitats.

11.6 The National Trust

The National Trust, established in 1895, was set up to ensure the protection of the coast and countryside and important buildings. Since then the registered charity has grown significantly. It owns 1.5% of the land in England, Wales and Northern Ireland making it one of the most important landowners. 45% of Trust land is in National Parks and a further 27% in Areas of Outstanding Natural Beauty. Of the area owned by the Trust, 60% is leased to 700 whole farm tenants under a variety of agreements. In addition 1,300 farmers rent blocks

[240] Independent Panel on Forestry. Call for views. Response from The Wildlife Trusts July 2011

of land from the Trust. 20,000 ha is managed by the Trust itself.[241] A number of other arrangements exist such as conservation grazing partnerships, share and contract farming. Slow turnover of farm holdings has been a matter of concern but as almost half of holdings are run by tenants within ten years of retirement age, or past retirement age, this may change in the future and holdings are likely to be leased on shorter farm business tenancies.[242]

11.7. The National Trust and woodland policy

During the early years of the 21st Century the National Trust has increasingly formulated and developed its stance and policy direction on rural sustainability and woodland policy. The Trust's Forestry Policy was published in 2000. This stated first and foremost the importance of woodlands for access and wildlife but also recognised the economic contribution of forestry:

> *"In all woodlands our aim is to maximise their value to people and to wildlife, now and for the future. We also aim to support local economic development and to contribute to the sustainable production of timber and other forest products."* [243]

In its paper on Rural Sustainability the Assistant Director of Estates identified short rotation forestry as a source of renewable energy. Policies for agriculture and forestry highlighted the following priorities for the woodland sector:

> P10: **"***The Trust will manage its woodlands to provide multiple benefits to society and examine how new woodland might contribute to environmental gain or local economic development".*
>
> P11: **"***The Trust will facilitate the development of environmentally sustainable/ economically viable energy crops on farmland*." [244]

In its Information Note on Climate Change and Tree Planting, published in 2001, the Trust established and explained its position in this area:

1. *"The Trust recognises that global warming is most satisfactorily explained by greenhouse gas emissions.*
2. *We share the view that tree planting for carbon sequestration is not a realistic solution and in some cases might actually contribute to global warming.*
3. *We believe that a general global reduction in emissions of carbon and other greenhouse gasses provides the only satisfactory long term solution.*
4. *We argue that there should be more efficient use of energy, better energy conservation measures and more energy generated from renewable resources.*
5. *We are committed to developing our own programmes of energy management and generation from renewables, including biomass.*
6. *We oppose schemes which enable people and nations to "compensate" for their contribution to global warming by planting trees.*
7. *We maintain the carbon capacity of our established woods through continuous cover and minimum intervention forestry management practices.*

[241] New Entrants Newsletter http://www.nationaltrust.org.uk/main/w-new-entrants-newsletter.pdf
[242] Ibid.
[243] Nature Conservation Strategy. Yorkshire and North East Region. The National Trust
[244] Rural Sustainability – A Rural Policy Framework. Paper prepared by David Russell, Assistant Director of Estates, for the January 2001 National Trust Council meeting.

8. *Through the implementation of our soils policy, we minimise disruption to forest soils and we do not drain or cultivate wetland sites in order to establish new woods.*
9. *We advocate the use of timber and wood products as alternatives to plastics and metals which require high energy levels in manufacture."* [245]

In its subsequent Guidance Policy Note, issued in September 2001, the National Trust acknowledged that it had hitherto undertaken very little new woodland planting, giving priority instead to the protection of landscape and improvement of habitats. In its Guidance the Trust recognised the increasing role of woodland planting in alleviating climate change and assisting towards other goals such as soil conservation, renewable energy and wildlife conservation. The Trust set out its woodland policy which continues to influence decision-making:

> "*New woodland on agricultural land is considered where it would contribute to biodiversity conservation (e.g. habitat improvement), environmental protection (e.g. water catchment management or energy crops) and social benefit (e.g. recreation)."*[246]

In order to achieve its objective the Trust stated that land would be increasingly released from tenancies for this purpose. New woodland would be favoured in conditions where it:

- *"provides a diversity of stand types and includes other open ground habitats;*
- *fully integrates woodland with farming and other land use enterprises;*
- *favours species which are tolerant of changing climatic conditions (e.g. only limited use of beech in south east England);*
- *will yield produce likely to be of local use or support local businesses*." [247]

Actions associated with this policy include the planting of small areas under 10 ha on agricultural land, subject to a survey. More extensive planting was seen to require more planning and survey work, stakeholder support and appropriate impact assessments. Large projects, in partnership with other landowners and communities, were also raised as possibilities. No definitive view was expressed as to whether such woodland should automatically form part of a tenancy agreement and decisions on woodland ownership and management would be made on a case by case basis as part of the planning process.[248]

As part of its policy on nature conservation, the Trust identifies creating new areas of native woodland as a key action for woodland habitats.[249]

11.8 The National Trust and biomass

A 2005 review of the Trust's role in renewable energy production outlined some of the current developments on National Trust land, some of which were associated with biomass production. For example at Gibson Mill wood harvested from nearby National Trust woodland was used for space and water heating. This renewable energy source plus other initiatives were part of a significant project, funded by the National Trust, Heritage Lottery and Yorkshire Forward.[250] The report concluded that "fuel supply and size of system suggest

[245] Climate Change and Tree Planting. Information Note 2 09/01. National Trust
[246] Trees and Woods. An Overview of Forestry in the National Trust. National Trust 2001
[247] Guidance Note No. 6, Planting New Woods, The National Trust. http://www.nationaltrust.org.uk/main/w-chl/w-countryside_environment/w-woodland/w-woodland-resources/w-woodland-guidance-new_woods.htm
[248] Ibid.
[249] Nature and the National Trust. The National Trust
[250] Renewable Energy and the National Trust. The National Trust Travel Fellowship Sarah Louise Williams, October 2005

that rural areas provide the most suitable locations." And went on to state that "The National Trust, beloved of the nation and respected in pioneering areas of conservation and heritage, is well-placed to embrace a long term relationship with the challenges of sustainability."[251]

Since 2005, the NT has actively explored biomass production in association with a number of its properties. In 2011 it reported that a scheme to introduce woodchip biomass at Scotney Castle had been successful, and had made an efficient contribution towards making the site self-sufficient in time. Using coppiced sweet chestnut, timber is stored on site and then chipped and delivered on contract.[252] In its 2010 report on Energy – Grow your Own, the National Trust set itself an ambitious target to reduce consumption of fossil fuels, oil, gas and lpg and to increase the percentage from renewable resources to 50% by 2020.[253]

The Trust supports biomass projects where material is provided locally or in the near vicinity. The principles of coppicing or pollarding, traditionally used in rural communities, have a significant contribution to play in harnessing woodfuel for current requirements. Faster growing species such as willow and poplar, combined with new harvesting techniques, enable higher energy production.[254] To make the switch the National Trust, in terms of biomass, intends to assess all its wooded estates for the "potential to sustain" its woodfuel needs. The Trust currently has 25,000 ha of woodland and 44 biomass boilers, many installed in association with the Heritage Lottery Fund, npower and the Bio-energy Capital Grants Scheme. It anticipates installing a further 50 over the next five years. As well as reducing the carbon footprint of the Trust, substantial savings in oil costs will result.[255] The Trust also sees its role as promoting fuel saving initiatives, particularly in rural communities, thus enabling people to escape 'fuel poverty'.

The National Trust, in association with Durham University, has carried out extensive experiments on its large estate at Wallington, part of which is leased to the Forestry Commission. One of the experiments relates to the impact on soil carbon if short rotation coppice is introduced. Part of its conclusions suggested that this is an area needing further investigation.

> *"This study indicates that where land managers are considering the conversion of arable land to SRC, the potential depletion of soil carbon should be taken into account, although further studies would be needed to confirm the finding. The net impact of SRC remains uncertain, with further investigation needed of below ground biomass. The end use of the crop and its potential to be used to offset fossil fuels would also, be an important factor in making land use change decisions."*[256]

The Trust recognises the importance of microgeneration (locally produced power) and the potential contribution of low or zero carbon energy sources. Its stance in this area reflects a number of potential energy sources but in specific reference to biomass it draws attention to the "weak local networks and infrastructure" which "hinders both development of supply and growth in demand." It recognises that woodfuel could make a particular contribution to reliable and affordable heat in rural areas, where a greater proportion of properties are not connected to mains gas and are especially vulnerable to increasing and unstable oil prices.

> *"We have significant wood and other biomass resources of our own and we are considering how best to use these at a local level. It is not straightforward, as the quality and reliability of supply needs to be guaranteed for wood heating systems to*

[251] Ibid.
[252] Sustainable Technology Case Study. Scotney Castle, The National Trust, 2011 http://www.nationaltrust.org.uk/main/nt_ecs_ext_scotney_final.pdf
[253] Energy – Grow your Own. National Trust 2010.
[254] A Call for the Wild. National Trust
[255] Energy – Grow your Own. National Trust 2010.
[256] Land Management for Soil Carbon at Wallington. National Trust 2010

operate effectively. The Trust cannot make the most of wood energy potential alone. We need to develop local markets by working in partnership with local networks of suppliers and users such as South West Wood Fuels, but these are currently rare."[257]

11.9 The National Trust and its tenants

An examination of some of the letting details for National Trust holdings reveals some current thinking and policy. It is useful to note that only 10-15 farms come up each year so opportunities are limited. Of applications received each year, around 20% come from people not involved in practical agriculture and a further 25% from people working on farms but not farming their own farms.[258] This illustrates the diversity of potential tenants. The Trust is keen for tenants to engage in their local communities and to uphold a range of stringent conservation practices. In terms of its farm tenants the Trust identifies timber and renewable energy as one of the primary functions of land.

The role of timber and woodfuel in NT tenancies can be readily seen in the mini case studies presented in Box 11.1 (overleaf). It is worth noting that examples 1 and 2, where there is positive encouragement to manage woodland or develop woodfuel, are both in Cornwall. The other examples, where woodland is reserved to the Trust, are in a different region (Staffordshire and Yorkshire). This may reflect the approach taken by different surveyors acting for the Trust or may reflect the differing nature of the holdings. In the case of example 2 it is evident that the wider policies of the Trust on sustainability are being incorporated in tenancy agreements.

11.10 The National Trust and new woodland planting

Without further research it is unclear to what extent the National Trust is engaging in new woodland planting. Although it is now securing biomass supplies for many of its properties it is frequently using contract labour to deal with chipping timber and delivering it on site. Its forestry staff are primarily involved with tree inspection and maintenance and clearance for public access. It is likely that new plantings are small and, frequently where conifers are being replaced by broadleaved species, resistant to climate change.

The National Trust would be opposed to coniferous planting from the landscape, biodiversity and conservation point of view. The Trust has the appropriate policies in place and has expressed a desire to increase woodland planting. Encouraging additional planting on agricultural land, or adjacent to existing woodland sites, might be appropriate. There may be scope for partnership developments, particularly local community woodfuel projects.

[257] Microgeneration. Policy from Practice. The National Trust
[258] National Trust Skills and Training Newsletter. Winter 2008

Box 11.1 Timber and woodfuel in National Trust tenancies

Example 1
A farm on the Cotehele Estate, comprising 47.6 ha to be let as a part-time pasture and arable holding, commencing 29th September 2009 on a 10 year FBT. Details included the following comment:

"There may be an opportunity in the future for the supply of coppice products to the National Trust on contract, if the tenant were to express an interest in such a development."[259]

Example 2
The Penrose Estate, Cornwall. An extensive farming opportunity on 119 ha to be let on a part time basis, commencing 29th September 2010 was advertised on a 10 year FBT. The details mentioned:

"The Trust is also keen that farm systems are as self-sufficient as possible, minimising the need for external inputs. Systems which aim to minimise carbon use and maximise carbon storage are most desirable."

"Other innovative proposals to support a reduction in the Trust's environmental footprint would be encouraged. In addition there are areas of woodland nearby which could supply short rotation coppice for fuel, and an established orchard nearby which could be developed further. Ideas for involving and engaging people in sustainable systems and renewable energy are also welcomed.

There is a small area of woodland below the buildings that could be made available if the tenants are interested in managing it for wood fuel or in planting some orchard trees."[260]

Example 3
Ossams Hill Farm, Grindon, Leek, Staffordshire. Part-time holding on a 5 year FBT. It is clear that offering such woodland opportunities is not a wholesale policy of the National Trust as other tenancy opportunities preclude use of the woodland.

"*All timber, with rights to fell and remove, and also the right to fence out areas and plant trees in such places as the landlord may determine are reserved to the landlord."*

"The landlord reserves all trees and any fallen deadwood has to remain in situ."[261]

Example 4
Colt House Farm, Bransdale, North Yorkshire. 10 year FBT. All trees on the farm are reserved to the National Trust. All fallen deadwood must remain in-situ.[262]

[259] http://www.nationaltrust.org.uk/main/w-bohetherickfarm-2.pdf
[260] Chyvarloe and Nanspean Farm, Gunwalloe, Helston, Cornwall TR12 http://www.nationaltrust.org.uk/main/w-chy-particulars.pdf
[261] http://www.nationaltrust.org.uk/main/w-ossam-farm.pdf
[262] http://www.nationaltrust.org.uk/main/letting_particulars_-_for_nt_web.pdf

12 CONCLUSIONS AND RECOMMENDATIONS

12.1 Introduction

The overall aim of this research was to better understand the availability of land for afforestation in England, reflecting the interests and motivation of both land owners and occupiers. Specifically the research sought to identify where and to what extent (in a geographical sense and/or in terms of owner 'type') the Forestry Commission should focus its efforts in terms of accessing land for woodland creation. These tasks were made all the more difficult as information on rural land occupancy and ownership is notoriously hard to assemble. We are aware of gaps in our analysis. For instance, although we have examined the Crown Estate and the estates of the Duchy of Cornwall and Duchy of Lancaster, we have not examined the multitude of large private estates. In part this is because it might be expected that some of the traditional landed estates have already undertaken woodland planting and management. Nevertheless, through a combination of approaches we have identified a number of opportunities and 'ways of working' that may offer routes to increasing the availability of land for afforestation.

12.2 Identifying opportunities

Access to agricultural land for whatever purpose has generally been achieved by two routes:

- Purchasing the freehold interest in the land; and
- Taking a tenancy on the land.

Latterly, there has been a rise in informal contracting arrangements, particularly with the impact of tax and other policy regimes which favour owner occupation. However these are by nature short-term and not well suited to the longer terms involved in forest management.

The agricultural land market in England is populated by a diverse range of interests from major institutional and private estates to a multitude of small owner occupiers. This diverse set of actors are driven by a myriad of different objectives and swayed by a variety of influences. However, a number of consistent themes emerge from the analysis of the market and the different groups involved:

- A very small and generally diminishing proportion of the land available is traded in any one year.
- Maintaining land ownership and indeed passing land on to the next generation is a major driver in the private sector[263], again limiting the amount of land likely to come forward.
- An increasing proportion of land is occupied by owner occupied and mixed tenure businesses and the number of occupiers only holding land as tenants is diminishing. This trend is likely to reduce the availability of land to rent, particularly on longer terms.
- The timescales involved in timber production are such that a long-term interest is required and the combination of longevity and flexibility is most readily available amongst freehold owners, albeit the Forestry Commission itself holds land, often from traditional institutions and private estates, on very long-term leases.

Whilst numerous occupiers may make use of their land for sporting and amenity purposes, the financial return from agriculture remains a dominant incentive for many. After a long period of depressed incomes financial returns from agriculture are high across most sectors

[263] Lobley, M., Baker, J. and Whitehead, I. (eds.) (2012) *Keeping it in the family: International perspectives on succession and retirement on family farms*. Ashgate.

at the moment and macro-economic factors suggest this will continue. At the same time land values are at record levels reflecting the paucity of supply and the income potential from in-hand farming.

This creates a market which is difficult to penetrate; land is too expensive to acquire for woodland production and further returns to owners/occupiers from traditional agricultural activity will considerably outweigh the potential proceeds from woodland management. Furthermore, pressures from regulatory agencies, whether UK fiscal policy or EU CAP reform tends to support owner–occupation rather than tenanted occupation.

In these circumstances the opportunity for the Forestry Commission to intervene directly in the market to acquire land for planting, whether by purchase or by lease, appears limited in the current market. Certainly there appears to be little land on the market at price levels traditionally associated with planting land.

In the prevailing circumstances the opportunities to encourage additional planting are likely to come more from joint ventures or from influencing current owners to undertake planting. It is likely that many established owners will prefer to continue with their current profitable management regimes rather than plant new woodland. However, there will be certain opportunities when land managers may be more interested in planting, i.e.

- On a sale when the new purchaser – particularly a new entrant to land ownership – may entertain planting.
- On retirement from active farming, when a farmer without an obvious successor does not wish to sell land (for tax and other reasons). With suitable advice and incentives such farmers might consider planning instead of the usual path of short-term letting of land (grass-keep, contract farming etc).
- On succession where the new generation may be interested in planting.

This suggests that the Forestry Commission's greatest opportunity lies in engaging more fully with potential 'partners' through identifying and promoting the merits, financial and otherwise, of woodland planting, including opportunities that may be presented as markets for ecosystem services, such as carbon sequestration, further develop. This may require intensive advisory work and enhanced grant incentives within specified geographical areas as occurred for a period in the South West Forest area.

12.3 Identifying partners

New entrants

The presence in the agricultural land market of non-farming buyers, who may be more open to alternative land uses, provides an opportunity for the Forestry Commission to influence land management decisions. New entrants to the markets with limited experience of land ownership occupation or management are likely either to have a well formulated plan for land management or to lapse into a regime inherited from their predecessor or guided by local practice. To a novice, albeit one who may be very successful in other fields, the availability of pragmatic advice can be a major influence on land management decisions.

There may be an opportunity for the Forestry Commission to engage more actively with this group, particularly at the point of purchase when future plans are not necessarily fully formed. However, the difficulty is often identifying the best channels of access. It is recommended that the Forestry Commission should explore opportunities to engage with new entrants to the land market, possibly through the agency of professionals involved in the process including land agents and solicitors, to raise awareness of the financial and non-financial benefits of woodland planting and to provide advice to potential planters.

County Farm Estates

The County Farm Estate in England, more formally known as Statutory Smallholdings, extends to some 96,000 ha. Many estates cite objectives which might be supported by woodland planting, e.g. environmental enhancement and public access. Nevertheless, there are a number of considerations which appear to limit the prospect of *significant* areas of land coming forward from this sector:

- The area of county farms is diminishing and if anything this trend is accelerating.
- Financial return is increasingly becoming the main driver for local authority estate owners and it is unlikely that woodland generation will match returns from other markets.
- The majority of farms are let over fairly long terms so the amount of land available at any one time is limited.
- Individual holdings are generally very small, the vast majority being less than 80 ha so there is little surplus land available within the farms for woodland planting – thus tenants are unlikely to be encouraged to release land from holdings.

Despite these constraints there may be some opportunities for woodland creation on County Farm Estates, not least as part of wider energy policies, but it is unlikely that these will make significant inroads into the overall management of the estates. It is recommended that:

- The Forestry Commission should explore opportunities to develop partnership initiatives with local authorities on County Farms and other agricultural land holdings, particularly where authorities have identified the County Farm Estate as theoretically providing the most suitable land for this purpose.
- The Forestry Commission should focus on those authorities evidently investigating climate change mitigation as part of their overall strategy for the farm estate to discuss pilot initiatives (e g Warwickshire and Hampshire County Councils). Similarly, tree planting appears to be an objective established in some farm estate strategies. Local authorities should be encouraged to explore planting target allocations in larger blocks.
- Financial returns are increasingly important. The FC will need to demonstrate to authorities and tenants that the grants and anticipated revenue returns are sufficient to warrant a change in land management regimes, particularly at a time when both land values and profitability from agriculture appear to be increasing.
- The opportunity for such local policy changes is most likely to arise at a change of tenancy on individual holdings and, where contacts are established with county farm estates, efforts should be made to ensure that FC staff are aware of likely decision dates and can time their ‘interventions’ appropriately.
- The Forestry Commission should actively disseminate implications for local authority county farms and tenanted agricultural land arising from research projects in Warwickshire (Growing our Own Woodfuel) and Devon (Ward Forester).
- The majority of local authorities have limited forestry management expertise. Where this does exist it is usually amongst staff of country parks. Otherwise contractors are typically used. Authorities are unlikely to put resource into new posts in the current economic climate so one option might be for the Forestry Commission to offer to lease and/or manage land for woodland, particularly on smaller, less economic agricultural holdings. Mindful of the costs and complexities of managing small woodlands, practical management may then best be delivered through local woodland management groups.

Other land held by Local Authorities
In addition to the County Farm Estates, the other landholdings of local authorities are extensive. Authorities generally own hundreds or thousands of parcels of land; not all of which may be properly accounted for, and many of which will not offer potential for woodland planting. Country Parks however, may offer some potential. During the course of this research we have identified 413 sites which see themselves, or are known, as country parks, covering just under 44,000 ha.

It is evident that a number of authorities are approaching their country park portfolio with a view to full or partial disposal. Therefore it is recommended that the Forestry Commission should identify which country parks or larger areas of green space have potential for additional woodland planting, possibly in conjunction with existing woodland. It is worth noting however, that some conservation designations will limit potential woodland planting on country parks.

In addition the Forestry Commission might be able to offer a management role where local authorities are seeking to divest themselves of future responsibilities in this area, possibly as a spin-off company.

The Forestry Commission should consider partnerships with other organisations to part manage sites for woodland purposes. In addition, the Forestry Commission should assess whether it could form an independent charitable trust for this purpose, within the terms of the Charity Commission rules for the government sector. The advantage of this would be to secure grant funding or to raise public funds for specific projects.

The Church Commissioners and Diocesan Glebe land
Both the Church Commissioners and the Church of England dioceses are large holders of land across England. The Church Commissioners role is to manage an investment portfolio which includes land, property and shares. Glebe land is land traditionally owned by the churches which now comes within the jurisdiction of the diocese. The Church Commissioners rural portfolio consists of forty-four estates of predominantly high quality farmland covering an area of just under 49,492 ha. The total area of Glebe land is much harder to ascertain although it could be similar in extent to the landholdings of the Church Commissioners (see Chapter 5).

The Church Commissioners and Diocesan Boards of Finance are seeking to maximise returns on their portfolio of investments which includes agricultural land. However, as a consequence of their Christian and ethical viewpoints, both groups may take decisions which seek to achieve a balance between social objectives and the necessity to comply with maximising investment returns to enable the ministry of the Church to continue. Climate change and fuel poverty are potential triggers which may encourage woodland planting.

As part of the Church of England's Seven-Year Plan on Climate Change and the Environment (see Chapter 5) a range of actions and targets were identified that are of direct relevance to afforestation:

- By 2015 criteria for choosing or setting up offsetting schemes, particularly by tree-planting, will be established.
- By 2016 a *Sustainable Land Use Strategy* should be developed which will include amongst other things energy, climate mitigation/adaption and biodiversity.
- 'Shrinking the Footprint' will encourage tree-planting on church land to enhance biodiversity.
- By 2012, the Church should assess the possibility of establishing a mitigation 'Community Energy Fund'. The purpose of such a fund would be to support local

community partnerships in setting up renewable energy or energy conservation projects, funded by contributions from property developers needing to offset emissions from developments.

This certainly implies a policy environment welcoming of tree planting and the Church Commissioners or dioceses may have areas of land suitable for sustainable biofuel production or woodland. Diocesan land for this purpose is likely to be smaller in area than land in the Church Commissioners portfolio. Identifying potential areas in liaison with the Church Commissioners or receptive Diocesan Glebe Committees would be useful. There is the potential to work with tenant farmers or develop an innovative community based project around woodfuel. Such initiatives would satisfy the thematic aims of 'Shrinking the Footprint'.

There may also be some small opportunities to work with dioceses looking to develop woodland burial sites where the Forestry Commission can advise on appropriate design and may have a role to play in future management, extraction and marketing of associated timber or biofuel. Partnership working with charities such as the Arbory Trust could also be considered.

Oxbridge Colleges

The popular conception is that Oxbridge Colleges are major landowners, both historically and currently. However, evidence gathered for this research indicates that this is no longer the case. Of the 38 colleges which responded (54%), 23 had no land other than the immediate land surrounding college buildings. Of course it is possible that those colleges that chose not to respond to our requests are major holders of land. Those that did respond held in excess of 23,000 ha of often high quality agricultural land.

Although Oxbridge Colleges have a strong commitment to environmental policies which embrace reducing waste, cutting carbon emissions and ethical purchasing, their willingness to embrace tree planting, either for timber or fuel, is constrained by a number of factors:

- Any proposals for tree planting will need to be accompanied by fiscal mechanisms which would produce the same or a greater rate of return for Oxbridge Colleges. Whilst financial returns are never certain there would need to be the demonstrable prospect of long term returns or capital appreciation.
- The majority of land owned which is not potential development land is on grades 1, 2 and 3. The returns from agricultural production will be significantly greater than from timber production, unless grants offset the differential.
- The level of full agricultural tenancies on farm land is a limiting factor, with Colleges having reduced options to recommend or dictate farm management strategies.
- Timber production is a relatively long term strategy. Where Colleges hold land with potential development value, even where this is on a farm business tenancy, there will be less incentive to pursue this course of action. Some of these smaller areas are on initial farm business tenancies of three or five years, with rolling annual tenancies thereafter.
- The Forestry Commission could facilitate knowledge exchange using emerging research from the Plants for the 21st Century Institute (embedded within the Oxford Plant Sciences Department) and the Cambridge Centre for Climate Change Mitigation Research (within the Department of Land Economy). It could prove possible to encourage practical research associated with pilot projects on land owned by some of the Oxbridge Colleges, and disseminate this to the wider Oxbridge community and its land agents.

The Crown Estate
The Crown Estate is a significant landowner, with an agricultural estate in England alone of approximately 67,475 ha as well as extensive other landholdings. The Crown Estate already lets a significant area of forest to the Forestry Commission and there is probably only limited potential for planting on land let under agricultural tenancies. Although large blocks of timber are excluded from farm tenancies many smaller areas are incorporated, albeit with The Crown Estate including a clause to reserve timber. There may be options for The Crown Estate to permit the tenant to manage and market timber or woodfuel, preferably in association with new woodland planting. In some areas The Crown Estate has a number of holdings and it may prove possible to host woodland management training days for the benefit of several tenants. In association with this, exploring group marketing of woodfuel or timber could be useful. There may also be scope to work with local managing agents and consortia of tenants to take advantage of grant support for woodland planting and landscape management schemes including HLS. Indeed there is already an experiment in extended agri-forestry involving woodland on the edge of the Crown's Taunton Estate.

Ultimately, however, The Crown Estate is charged with generating a financial return for the Treasury and, in common with many other groups of landowners, the substantial disparity between returns from woodland, even with added leisure income where available in the larger forests and letting land for agriculture, makes substantial planting a difficult option to promote over the long-term.

The Duchy of Cornwall and Lancaster
The Duchies of Cornwall and Lancaster are significant owners of land with some 71,353 ha between them, mostly in the South West and Northern parts of England. The management of both estates is already significantly influenced by sustainability concerns. The Prince of Wales is managing his own estate in a sustainable way and is particularly keen on projects that offset climate change. Any pilot projects which extend these concepts, particularly at a farm tenant or community/parish level, could prove particularly interesting.

The Duchy of Lancaster's overriding objective is to achieve a return to support the activities of the Sovereign. Its proportion of wooded land is relatively small compared to its tenanted farmland (approximately 10%). There might be options to explore increases with the Duchy Council, subject to providing financial information on the possible returns that could be expected. Planting alongside existing wooded areas could be one possibility, if the geographical distribution of land permitted this. Part of the woodland in the Needwood Survey is already forming part of the developing National Forest near Ashby de la Zouch.

Institutional and private investors
Institutional and private investors own substantial tracts of farm land in England. Although detailed data is less easily accessible than for many of the categories of land owner/holder discussed so far, their landholdings extend to hundreds of thousands of hectares. Of all the sectors covered in this report, the institutional and corporate investor is without doubt the most resistant to change unless compelling reasons to do so can be provided. These investors are looking for a good market return on their investment over a long time period; the flexibility to manage their overall portfolio to achieve either enhanced rental or capital values and, significantly for pension fund investors, a good return to meet pension commitments. Unless woodland planting can deliver consistently on all those objectives it is highly doubtful investors will change their existing strategy. Where they do so, it is more likely that an assessment of the returns from overseas timber sources will be on their agenda. A number of pension funds have held forestry investments as part of a broadly based portfolio, providing, together with agricultural land, an often contra-cyclical but low yield balance to more volatile investments in commercial property and equities. Whilst again information is limited, it would appear that acquisitions have been in larger blocks in

established woodland areas, sometimes of planting land or newly established forest, but seldom introducing 'new land' to the forestry sector.

Water companies

The 19 water companies in England own a considerable area of land although identifying the extent of these landholdings is not easy. Managing agricultural land and afforested land is a major and integral part of water company activities although few companies actively manage woodland estates (United Utilities and Yorkshire Water being notable exceptions). Other water companies might be encouraged to plant small blocks of woodland where land is unaffected by statutory designations and biodiversity targets. Reducing run-off and adapting to climate change predictions of more extreme and wet winter conditions might be key drivers. In some areas drivers may be improving leisure and sporting opportunities and income. Where small areas of suitable land exist but the water company does not have the in-house expertise in woodland management, a partnership approach should be adopted to secure woodland and timber benefits.

Conservation, amenity and recreation trusts

Collectively conservation, amenity and recreation trusts own considerable tracts of land in England with the National Trust, RSPB and Wildlife Trusts alone owning in the region of 335,000 ha. This research only considered the National Trust and Wildlife Trusts in any detail but there is potential for the Forestry Commission to work in partnership with a range of other conservation organisations, including in the urban and peri-urban fringe such as The Land Trust.

In terms of specific organisations, the Wildlife Trusts certainly have the expertise and knowledge to incorporate further woodland planting on the areas that they own; although they will be mindful of the overall habitat requirements of their geographical areas and the need to secure overall improvement of biodiversity. Nevertheless, the Trusts could also play a role in improving woodland management; replanting coniferous woodland with appropriate broadleaved species and introducing coppice management. They would also support the planting of new areas of woodland, particularly where this would assist the inter-connection of habitats, but stress that this must be assessed on a site-by-site basis. The National Trust too has a range of policies supportive of woodland planting and active management and has also expressed a desire to increase woodland planting.

Large scale residential and commercial developments

Whilst these may seem the very opposite of an opportunity for woodland planting, given that land will be lost to residential or commercial development, there is an opportunity to promote woodland as part of the open space provision associated with most developments. Whilst some small, typically urban design style, planting is involved in many new developments, the scale of some urban expansions now being contemplated, with some in excess of 10,000 homes, may offer scope for much larger areas of planting.

There may be scope for planting within the development but also as a landscape buffer at the new urban fringe. The scale of these larger developments, whether new settlement or urban extension, sometimes in excess of 400 ha, should be able to accommodate the capital cost, although development viability at these larger scales is highly dependent on the cost of planning gain issues shortly to be accommodated in the new Community Infrastructure Levy. Given the potential gain in value across the development site, the likely loss of value in the transfer from agricultural land to woodland is potentially far more palatable. Thus, a 400 ha development site might host say a further 20 ha of new woodland. There may be some difficulties around future management although engagement with, and support for, community woodland groups may assist in this process.

The key will be persuading local planning authorities (often more than one with the largest schemes) to contemplate significant tracts of woodland planting as part of a larger development, in competition with some of their services funded from planning gain, and in encouraging developers and their master-planning advisors to include such proposals in their schemes. There is need for further research here, particularly in exploring attitudes amongst these constituencies but this appears to be a worthwhile area to explore given that many of the financial constraints may be removed by association with development.

12.4 Conclusions

It is inevitable that, in a relatively densely populated country with an agricultural land market experiencing record prices but limited supply, there are no simple conclusions regarding access to significant areas of land for forestry. Or, to be more precise, there is no obvious single source of potential land. Rather there are a number of types of landowner, notably a range of conservation organisations, local authorities, the Church Commissioners and individual Dioceses that potentially offer some scope for the Forestry Commission to develop and build on its existing experience of partnership working. In addition, targeting agricultural land owners at the point of transfer of ownership (either through sale or succession) or retirement could yield opportunities for woodland planting.

In all of this economic performance is likely to be at the core of encouraging greater uptake in woodland production in four particular areas:

- Commodity prices
- Grant aid
- Fiscal treatment
- Development of markets and off-setting for ecosystem services

Whilst typically less volatile than some other rural commodities, particularly in the arable sector, markets for woodland products are variable and those for by-products and early cycle production are routinely uneconomic. The improvement of markets in woodfuel, particularly if some of the local and regional scale heat and power stations currently being developed are successful, should provide some greater stability in this area; as potentially could domestic demand if the shift towards wood and multi-fuel stoves continues. However, the long-term nature of most woodland production and the uncertain economics are likely to remain a bar to some potential new planters. Further research or development of existing research here may be helpful to establish whether there are different price points for different types of owner to decide to plant woodland and what focus this may give to future initiatives to encourage planting.

There has been much research into woodland and wider rural grant schemes and doubtless this will continue to target the most effective approach to achieving objectives. However there are particular challenges for new planting around competition with the relatively generous, and in terms of compliance, typically benign support available through Single Farm Payment (SFP) under the CAP. For some contemplating planting, remaining with the SFP may appear a far easier option. The position is further complicated by the current review of the CAP with changes originally intended to be introduced in 2014 but now unlikely before 2015/6.

Whilst this review is underway and given the EU's capacity to generate some extraordinary proposals and diametric policy changes during such policy debates, there will be considerable pressure on grant recipients not to make any long-term changes in land management, e.g. significant woodland planting, until the situation is more certain.

In all of this, an appropriate framework of fiscal incentives is required, particularly in the face of likely returns from agricultural production and uncertainty in the grant arena. To some extent the fiscal regime is again benign, particularly in the area of capital taxation. However, more recent developments by HMRC in policy *application* rather than policy *change,* appear to be challenging the long standing practice of allowing Agricultural Property Relief (APR) from Inheritance Tax for most farm woodland. Loss of APR, which is something of a talisman in the agricultural industry, would be a significant influence against new woodland planting.

More widely the review of tax allowances and reliefs last year drew attention to some of the anomalies in APR but the conclusion was that Inheritance Tax was highly integrated and any review should look at the tax as a whole. If this does arise the risk for woodland is that values currently exempted may be included into Tax.

In the current climate the scope for wider concessions in taxation to encourage traditional rural activity seems remote. However, associated with taxation some of the investment vehicles, which have created tax efficient 'wrappers' for investment in elements of the renewables industry and other emerging sectors, may be relevant for those making substantial investment and planting decisions. Whilst this is a secondary level, encouraging third parties to invest in planting on corporately or individually owned land may be an interesting area for further exploration to consider how these benefits might be replicated for individual planters and whether the investment vehicle can be created at a smaller investment lot size, particularly given the likely cultural attraction of a 'green investment'

If there is one over-riding message from this piece of research it is that land occupancy is complex and information on both ownership and tenure is not always easy to come by. The lack of a national cadastre[264] is a real handicap to many organisations and the dearth of cadastral information makes for major difficulties for a national body such as the Forestry Commission in seeking to focus its strategic efforts to meet planting targets. Given that the Commission's targets reflect national policy and global commitments, it is particularly lamentable that certain organisations covered in this research, for example Church of England dioceses, proved so reluctant to provide data to inform this research. Improving the use and management of land is essential to combatting climate change and maximising ecosystem services for human wellbeing. A more open and ethical approach not only to how we use land but to sharing information on land occupancy is long over-due.

[264] A register of the ownership and tenure of land parcels.

13 APPENDICES

APPENDIX A NUMBER AND AREA OF HOLDINGS WITH NON-FREEHOLD LAND TENURE AGREEMENTS IN ENGLAND

Table A1 Number of holdings with non-freehold land tenure agreements in English counties and unitary authorities (part 1)

	Commercial holdings	Holdings with FATs	Holdings with FBTs	Holdings with Other Agreements	All Holdings with tenure agreements
Hartlepool and Stockton-on-Tees	165	23	16	20	49
South Teesside	156	45	21	30	74
Darlington	180	53	20	23	82
Durham CC	1 564	389	207	180	644
Northumberland	1 923	582	403	214	987
Tyneside	151	36	22	17	62
Sunderland	43	11	11	5	20
North East	**4 182**	**1 139**	**700**	**489**	**1 918**
West Cumbria	1 553	266	154	211	545
East Cumbria	3 215	812	479	482	1 449
Halton and Warrington	163	50	15	31	81
Cheshire CC	2 714	599	359	358	1 073
Greater Manchester South	277	66	23	41	115
Greater Manchester North	631	143	59	84	239
Blackburn with Darwen	130	29	9	11	47
Blackpool & Lancashire CC	3 395	762	418	546	1 428
East Merseyside	130	39	23	18	69
Liverpool & Sefton	60	19	6	9	26
Wirral	68	30	15	10	45
North West & Merseyside	**12 336**	**2 815**	**1 560**	**1 801**	**5 117**
East Riding of Yorkshire & Kingston upon Hull	1 900	501	248	232	816
North and North East Lincolnshire	565	179	86	79	282
York	248	59	32	26	96
North Yorkshire CC	6 500	1 627	956	924	2 845
Barnsley_ Doncaster and Rotherham	813	259	139	130	407
Sheffield	197	61	21	34	90
Bradford	417	82	27	71	155
Leeds	355	114	55	68	182
Calderdale_ Kirklees and Wakefield	1 148	251	94	184	457
Yorkshire & The Humber	**12 143**	**3 133**	**1 658**	**1 748**	**5 330**
Derby & South and West Derbyshire	2 301	527	274	336	946
East Derbyshire	557	164	65	84	248
Nottingham & South Nottinghamshire	482	127	94	78	231
North Nottinghamshire	979	281	191	171	502
Leicester & Leicestershire CC and Rutland	2 172	541	372	317	958
Northamptonshire	1 695	401	254	228	706
Lincolnshire	3 680	1 156	668	554	1 898
East Midlands	**11 866**	**3 197**	**1 918**	**1 768**	**5 489**

Herefordshire	2 649	376	312	329	860
Worcestershire	2 072	393	268	287	788
Warwickshire	1 797	366	289	236	720
Telford and Wrekin	179	24	27	24	61
Shropshire CC	3 485	632	434	415	1 239
Stoke-On-Trent	36	#	#	#	7
Staffordshire CC	3 196	603	401	424	1 188
Birmingham & Solihull	160	38	31	23	73
Coventry	41	#	#	#	21
Dudley and Sandwell & Walsall and Wolverhampton	74	20	10	9	29
West Midlands	**13 689**	**2 466**	**1 781**	**1 758**	**4 986**

Source: Defra June Survey 2010

Table A1 Number of holdings with non-freehold land tenure agreements in English counties and unitary authorities (part 2)

	Commercial holdings	Holdings with FATs	Holdings with FBTs	Holdings with Other Agree-ments	All Holdings with tenure agree-ments
Peterborough	166	79	50	23	108
Cambridgeshire CC	1 959	640	381	267	1 026
Norfolk	3 434	766	511	459	1 438
Suffolk	2 668	413	333	329	918
Luton & Bedfordshire CC	793	241	121	102	368
Hertfordshire	880	209	162	103	373
Southend-On-Sea & Essex CC	2 262	354	261	294	739
Thurrock	61	16	9	7	25
Eastern	**12 223**	**2 718**	**1 828**	**1 584**	**4 995**
Inner London (West) & Outer London (West and North West)	78	19	6	10	31
Inner London (East) & Outer London (East and North East)	71	23	#	#	27
Outer London (South)	83	16	#	#	33
Berkshire	635	97	85	89	224
Milton Keynes	156	29	20	21	56
Buckinghamshire CC	1 278	253	151	182	455
Oxfordshire	1 658	334	240	213	609
Brighton and Hove & East Sussex CC	1 747	175	150	262	489
Surrey	1 060	123	93	137	293
West Sussex	1 471	198	193	203	470
Portsmouth & Southampton & Hampshire CC	2 176	345	277	273	759
Isle of Wight	358	46	31	54	106
Medway	51	15	18	8	28
Kent CC	2 767	391	347	421	923
South East incl. London	**13 589**	**2 064**	**1 619**	**1 892**	**4 503**
Bristol & North and North East Somerset and South Gloucestershire	1 400	261	162	206	500
Gloucestershire	2 551	361	327	345	849
Swindon	111	17	28	12	45
Wiltshire CC	2 204	413	353	326	860
Bournemouth and Poole & Dorset CC	2 241	352	339	278	792
Somerset	4 204	755	558	581	1 553
Cornwall and Isles of Scilly	4 548	877	544	643	1 753
Plymouth & Torbay & Devon CC	8 162	1 107	799	997	2 457
South West	**25 421**	**4 143**	**3 110**	**3 388**	**8 809**

Source: Defra June Survey 2010

Table A2 Area of holdings with different land tenure agreements in English counties and unitary authorities (part 1)

	Commercial area	Area farmed under FATs	Area farmed under FBTs	Area farmed under Other Agreements	Area farmed as owner-occupied
Hartlepool and Stockton-on-Tees	11 454	1 210	962	823	2 995
South Teesside	12 321	3 509	894	431	4 834
Darlington	13 935	4 633	458	839	5 931
Durham CC	145 361	37 819	18 858	5 209	61 886
Northumberland	371 395	118 384	68 308	11 075	197 767
Tyneside	12 353	2 632	2 066	936	5 634
Sunderland	3 601	707	776	223	1 706
North East	**570 420**	**168 893**	**92 323**	**19 537**	**280 753**
West Cumbria	139 081	23 558	10 298	6 246	40 102
East Cumbria	311 617	66 297	40 499	14 889	121 685
Halton and Warrington	9 977	1 728	896	706	3 329
Cheshire CC	156 054	30 137	19 209	9 730	59 077
Greater Manchester South	10 371	2 681	873	729	4 284
Greater Manchester North	27 807	5 294	3 514	2 549	11 357
Blackburn with Darwen	5 601	1 491	1 135	193	2 819
Blackpool & Lancashire CC	201 620	47 918	26 696	15 997	90 612
East Merseyside	7 944	1 983	1 080	687	3 750
Liverpool & Sefton	4 298	1 021	349	199	1 569
Wirral	4 423	1 645	1 372	255	3 272
North West & Merseyside	**878 791**	**183 753**	**105 922**	**52 180**	**341 856**
East Riding of Yorkshire & Kingston upon Hull	202 974	39 531	16 627	6 891	63 049
North and North East Lincolnshire	70 860	17 894	5 470	2 154	25 517
York	17 332	2 794	2 269	874	5 937
North Yorkshire CC	600 882	128 448	72 550	30 683	231 682
Barnsley_ Doncaster and Rotherham	66 977	16 463	10 241	3 699	30 403
Sheffield	13 562	2 987	387	606	3 980
Bradford	14 701	2 693	883	1 027	4 603
Leeds	22 584	8 340	2 116	1 838	12 294
Calderdale_ Kirklees and Wakefield	56 206	15 046	4 317	5 514	24 877
Yorkshire & The Humber	**1 066 077**	**234 196**	**114 860**	**53 286**	**402 342**

Derby & South and West Derbyshire	150 181	33 121	24 681	8 384	36 186
East Derbyshire	28 331	7 861	2 414	1 698	11 973
Nottingham & South Nottinghamshire	40 895	8 544	5 786	2 624	16 954
North Nottinghamshire	99 902	19 390	13 849	4 399	37 638
Leicester & Leicestershire CC and Rutland	191 286	32 367	22 745	8 321	53 433
Northamptonshire	181 993	35 080	21 069	6 641	52 790
Lincolnshire	484 219	96 172	45 053	24 190	35 416
East Midlands	**176 807**	**232 534**	**135 597**	**56 258**	**24 389**
Herefordshire	172 246	20 080	20 722	8 851	49 653
Worcestershire	117 165	17 731	15 858	6 722	40 312
Warwickshire	147 381	21 661	21 716	8 765	52 142
Telford and Wrekin	17 907	1 396	2 330	854	4 580
Shropshire CC	258 997	40 404	27 341	10 763	78 508
Stoke-On-Trent	630	#	#	#	147
Staffordshire CC	186 196	26 059	24 456	11 136	51 652
Birmingham & Solihull	10 083	1 512	1 837	545	3 894
Coventry	1 673	#	#	#	936
Dudley and Sandwell & Walsall and Wolverhampton	3 134	766	546	157	1 468
West Midlands	**915 412**	**130 062**	**115 306**	**47 923**	**93 291**

Source: Defra June Survey 2010

Table A2 Area of holdings with different land tenure agreements in English counties and unitary authorities (part 2)

	Commercial area	Area farmed under FATs	Area farmed under FBTs	Area farmed under Other Agreements	Area farmed as owner-occupied
Peterborough	24 786	6 707	4 191	738	11 636
Cambridgeshire CC	235 669	44 799	30 136	11 129	86 063
Norfolk	402 675	62 808	40 020	18 935	121 763
Suffolk	287 122	39 923	23 362	8 896	72 181
Luton & Bedfordshire CC	80 044	15 440	9 315	4 159	28 914
Hertfordshire	97 315	19 012	12 146	3 002	34 161
Southend-On-Sea & Essex CC	245 260	30 946	22 119	15 641	68 706
Thurrock	7 938	1 790	758	784	3 333
Eastern	**1 380 809**	**221 427**	**142 047**	**63 284**	**426 757**
Inner London (West) & Outer London (West and North West)	3 304	777	375	339	1 491
Inner London (East) & Outer London (East and North East)	3 940	1 488	#	#	1 918
Outer London (South)	4 515	1 233	#	#	2 059
Berkshire	65 580	9 160	6 402	2 818	18 380
Milton Keynes	15 843	2 960	1 914	978	5 851
Buckinghamshire CC	105 405	15 070	12 347	5 372	32 788
Oxfordshire	192 745	37 298	21 663	6 800	65 761
Brighton and Hove & East Sussex CC	112 083	14 629	15 913	8 846	39 389
Surrey	61 275	7 239	8 832	6 130	22 201
West Sussex	114 226	18 577	17 035	5 784	41 396
Portsmouth & Southampton & Hampshire CC	204 964	30 719	24 473	11 059	66 251
Isle of Wight	24 567	2 215	2 854	1 294	6 362
Medway	7 896	2 131	2 189	259	4 580
Kent CC	224 535	27 130	33 245	12 691	73 066
South East incl. London	**1 140 878**	**170 625**	**147 948**	**62 919**	**381 492**
Bristol & North and North East Somerset and South Gloucestershire	75 927	11 632	8 639	4 384	24 655
Gloucestershire	193 129	25 138	23 387	10 427	58 952
Swindon	13 085	2 199	3 286	1 737	7 222
Wiltshire CC	260 470	48 738	32 407	25 723	106 868
Bournemouth and Poole & Dorset CC	197 009	32 766	32 918	10 054	75 739
Somerset	269 934	34 086	31 108	14 479	79 673
Cornwall and Isles of Scilly	262 791	38 564	31 561	20 346	90 472
Plymouth & Torbay & Devon CC	485 752	54 936	45 888	29 181	130 004
South West	**1 758 096**	**248 061**	**209 195**	**116 330**	**573 585**

Source: Defra June Survey 2010

APPENDIX B LQ STATISTICS BASED ON THE NUMBER OF FARMS WITH LAND TENURE AGREEMENTS

Table B1 County and Unitary Authority LQ statistics for the number of holdings with a particular type of land tenure agreement (part 1)

	LQ ratio for holdings with FATs	LQ ratio for holdings with FBTs	LQ ratio for holdings with 'Other Agreements'	LQ ratio for holdings with any tenanted land	LQ ratio for owner-occupied holdings
Hartlepool and Stockton-on-Tees	0.68	0.72	0.89	0.76	1.15
South Teesside	1.40	1.00	1.41	1.22	0.86
Darlington	1.43	0.83	0.93	1.17	0.89
Durham CC	1.21	0.98	0.84	1.06	0.96
Northumberland	1.47	1.56	0.81	1.32	0.80
Tyneside	1.16	1.08	0.82	1.05	0.97
Sunderland	1.24	1.90	0.85	1.19	0.88
North East	**1.33**	**1.25**	**0.85**	**1.18**	**0.89**
West Cumbria	0.83	0.74	0.99	0.90	1.06
East Cumbria	1.23	1.11	1.10	1.16	0.90
Halton and Warrington	1.49	0.68	1.39	1.27	0.82
Cheshire CC	1.07	0.98	0.96	1.01	0.99
Greater Manchester South	1.16	0.62	1.08	1.06	0.96
Greater Manchester North	1.10	0.70	0.97	0.97	1.02
Blackburn with Darwen	1.09	0.52	0.62	0.93	1.05
Blackpool & Lancashire CC	1.09	0.92	1.18	1.08	0.95
East Merseyside	1.46	1.32	1.01	1.36	0.77
Liverpool & Sefton	1.54	0.74	1.10	1.11	0.93
Wirral	2.15	1.64	1.07	1.70	0.55
North West and Merseyside	**1.11**	**0.94**	**1.07**	**1.06**	**0.96**
East Riding of Yorkshire & Kingston upon Hull	1.28	0.97	0.89	1.10	0.94
North and North East Lincolnshire	1.54	1.13	1.02	1.28	0.82
York	1.16	0.96	0.77	0.99	1.01
North Yorkshire CC	1.22	1.09	1.04	1.12	0.92
Barnsley, Doncaster and Rotherham	1.55	1.27	1.17	1.28	0.82
Sheffield	1.51	0.79	1.26	1.17	0.89
Bradford	0.96	0.48	1.24	0.95	1.03
Leeds	1.56	1.15	1.40	1.31	0.80
Calderdale, Kirklees and Wakefield	1.06	0.61	1.17	1.02	0.99
Yorkshire and The Humber	**1.26**	**1.02**	**1.05**	**1.12**	**0.92**

Derby & South and West Derbyshire	1.11	0.89	1.07	1.05	0.97
East Derbyshire	1.43	0.87	1.10	1.14	0.91
Nottingham South Nottinghamshire	1.28	1.45	1.18	1.23	0.85
North Nottinghamshire	1.40	1.45	1.28	1.31	0.80
Leicester & Leicestershire CC and Rutland	1.21	1.27	1.07	1.13	0.92
Northamptonshire	1.15	1.11	0.98	1.07	0.96
Lincolnshire	1.53	1.35	1.10	1.32	0.79
East Midlands	**1.31**	**1.20**	**1.09**	**1.19**	**0.88**
Herefordshire	0.69	0.88	0.91	0.83	1.11
Worcestershire	0.92	0.96	1.01	0.97	1.02
Warwickshire	0.99	1.20	0.96	1.03	0.98
Telford and Wrekin	0.65	1.12	0.98	0.87	1.08
Shropshire CC	0.88	0.93	0.87	0.91	1.06
Stoke-on-Trent	#	#	#	0.50	1.32
Staffordshire CC	0.92	0.93	0.97	0.95	1.03
Birmingham & Solihull	1.16	1.44	1.05	1.17	0.89
Coventry	#	#	#	1.31	0.80
Dudley and Sandwell & Walsall and Wolverhampton	1.31	1.01	0.89	1.00	1.00
West Midlands	**0.88**	**0.97**	**0.94**	**0.93**	**1.04**

Source: Based on Defra June Survey 2010

Table B1 County and Unitary Authority LQ statistics for the number of holdings with a particular type of land tenure agreement (part 2)

	LQ ratio for holdings with FATs	LQ ratio for holdings with FBTs	LQ ratio for holdings with 'Other Agreements'	LQ ratio for holdings with any tenanted land	LQ ratio for owner-occupied holdings
Peterborough	2.32	2.24	1.01	1.67	0.57
Cambridgeshire CC	1.59	1.45	1.00	1.34	0.78
Norfolk	1.09	1.11	0.98	1.07	0.95
Suffolk	0.75	0.93	0.90	0.88	1.08
Luton & Bedfordshire CC	1.48	1.14	0.94	1.19	0.88
Hertfordshire	1.16	1.37	0.86	1.09	0.94
Southend-on-Sea & Essex CC	0.76	0.86	0.95	0.84	1.10
Thurrock	1.28	1.10	0.84	1.05	0.97
Eastern	**1.08**	**1.11**	**0.95**	**1.05**	**0.97**
Inner London (West) & Outer London (West and North West)	1.19	0.57	0.94	1.02	0.99
Inner London (East) & Outer London (East and North East)	1.58	#	#	0.97	1.02
Outer London (South)	0.94	#	#	1.02	0.99
Berkshire	0.74	1.00	1.02	0.90	1.06
Milton Keynes	0.90	0.95	0.98	0.92	1.05
Buckinghamshire CC	0.96	0.88	1.04	0.91	1.06
Oxfordshire	0.98	1.08	0.94	0.94	1.04
Brighton and Hove & East Sussex CC	0.49	0.64	1.10	0.72	1.18
Surrey	0.56	0.65	0.94	0.71	1.19
West Sussex	0.65	0.98	1.01	0.82	1.12
Portsmouth & Southampton & Hampshire CC	0.77	0.95	0.92	0.89	1.07
Isle of Wight	0.63	0.64	1.10	0.76	1.15
Medway	1.43	2.63	1.15	1.41	0.74
Kent CC	0.69	0.93	1.11	0.85	1.09
South East (incl. London)	**0.74**	**0.89**	**1.02**	**0.85**	**1.10**
Bristol & North and North East Somerset, South Gloucestershire	0.91	0.86	1.08	0.92	1.05
Gloucestershire	0.69	0.95	0.99	0.85	1.09
Swindon	0.75	1.88	0.79	1.04	0.98
Wiltshire CC	0.91	1.19	1.08	1.00	1.00
Bournemouth and Poole & Dorset CC	0.76	1.13	0.91	0.91	1.06
Somerset	0.87	0.99	1.01	0.95	1.03
Cornwall and Isles of Scilly	0.94	0.89	1.03	0.99	1.01
Plymouth & Torbay & Devon CC	0.66	0.73	0.89	0.77	1.15
South West	**0.79**	**0.91**	**0.97**	**0.89**	**1.07**

Source: Based on Defra June Survey 2010

Table B2 County and Unitary Authority LQ statistics for the area of holdings with different land tenure agreements (part 1)

	LQ ratio for holdings with FATs	LQ ratio for holdings with FBTs	LQ ratio for holdings with 'Other Agreements'	LQ ratio for holdings with any tenanted land	LQ ratio for owner-occupied holdings
Hartlepool and Stockton-on-Tees	0.60	0.71	1.37	0.75	1.25
South Teesside	1.61	0.61	0.67	1.13	0.91
Darlington	1.88	0.28	1.15	1.22	0.91
Durham CC	1.47	1.10	0.68	1.22	0.85
Northumberland	1.80	1.55	0.57	1.53	0.74
Tyneside	1.20	1.41	1.44	1.31	0.82
Sunderland	1.11	1.82	1.18	1.36	0.79
North East	**1.67**	**1.37**	**0.65**	**1.41**	**0.79**
West Cumbria	0.96	0.63	0.85	0.83	1.06
East Cumbria	1.20	1.10	0.91	1.12	0.90
Halton and Warrington	0.98	0.76	1.35	0.96	1.03
Cheshire CC	1.09	1.04	1.19	1.09	0.88
Greater Manchester South	1.46	0.71	1.34	1.19	0.81
Greater Manchester North	1.08	1.07	1.74	1.17	0.71
Blackburn with Darwen	1.50	1.71	0.66	1.45	0.70
Blackpool & Lancashire CC	1.34	1.12	1.51	1.29	0.81
East Merseyside	1.41	1.15	1.65	1.36	0.83
Liverpool & Sefton	1.34	0.69	0.88	1.05	1.02
Wirral	2.10	2.62	1.10	2.13	0.30
North West and Merseyside	**1.18**	**1.02**	**1.13**	**1.12**	**0.89**
East Riding of Yorkshire & Kingston upon Hull	1.10	0.69	0.65	0.89	1.11
North and North East Lincolnshire	1.43	0.65	0.58	1.03	1.01
York	0.91	1.11	0.96	0.98	1.05
North Yorkshire CC	1.21	1.02	0.97	1.11	0.95
Barnsley, Doncaster and Rotherham	1.39	1.29	1.05	1.30	0.86
Sheffield	1.24	0.24	0.85	0.84	0.87
Bradford	1.03	0.51	1.33	0.90	1.06
Leeds	2.09	0.79	1.55	1.56	0.69
Calderdale, Kirklees and Wakefield	1.51	0.65	1.87	1.27	0.80
Yorkshire and The Humber	**1.24**	**0.91**	**0.95**	**1.08**	**0.97**

Derby & South and West Derbyshire	1.25	1.39	1.06	1.27	0.81
East Derbyshire	1.57	0.72	1.14	1.21	0.87
Nottingham South Nottinghamshire	1.18	1.19	1.22	1.19	0.91
North Nottinghamshire	1.10	1.17	0.84	1.08	1.03
Leicester & Leicestershire CC and Rutland	0.96	1.00	0.83	0.95	0.99
Northamptonshire	1.09	0.98	0.69	0.99	1.01
Lincolnshire	1.12	0.79	0.95	0.98	1.05
East Midlands	**1.12**	**0.97**	**0.91**	**1.04**	**0.99**
Herefordshire	0.66	1.02	0.98	0.83	1.12
Worcestershire	0.85	1.14	1.09	0.99	1.02
Warwickshire	0.83	1.24	1.13	1.02	1.03
Telford and Wrekin	0.44	1.10	0.91	0.73	1.22
Shropshire CC	0.88	0.89	0.79	0.87	1.06
Stoke-on-Trent	#	#	#	0.67	1.16
Staffordshire CC	0.79	1.11	1.14	0.95	1.02
Birmingham & Solihull	0.85	1.54	1.03	1.11	0.88
Coventry	#	#	#	1.61	0.62
Dudley and Sandwell & Walsall and Wolverhampton	1.38	1.47	0.95	1.35	0.95
West Midlands	**0.80**	**1.06**	**1.00**	**0.92**	**1.05**

Source: Based on Defra June Survey 2010

Table B2 County and Unitary Authority LQ statistics for the area of holdings with different land tenure agreements (part 2)

	LQ ratio for area with FATs	LQ ratio for area with FBTs	LQ ratio for area with 'Other Agreements'	LQ ratio for area with any tenanted land	LQ ratio for owner-occupied area
Peterborough	1.53	1.43	0.57	1.35	0.80
Cambridgeshire CC	1.07	1.08	0.90	1.05	1.02
Norfolk	0.88	0.84	0.89	0.87	1.12
Suffolk	0.79	0.69	0.59	0.72	1.20
Luton & Bedfordshire CC	1.09	0.98	0.99	1.04	0.99
Hertfordshire	1.10	1.05	0.59	1.01	1.03
Southend-on-Sea & Essex CC	0.71	0.76	1.21	0.80	1.14
Thurrock	1.27	0.81	1.88	1.21	0.88
Eastern	0.91	0.87	0.87	0.89	1.10
Inner London (West) & Outer London (West and North West)	1.33	0.96	1.95	1.30	0.80
Inner London (East) & Outer London (East and North East)	2.13	#	#	1.40	0.89
Outer London (South)	1.54	#	#	1.31	0.96
Berkshire	0.79	0.82	0.82	0.81	1.13
Milton Keynes	1.05	1.02	1.17	1.06	1.09
Buckinghamshire CC	0.81	0.99	0.97	0.89	1.03
Oxfordshire	1.09	0.95	0.67	0.98	1.05
Brighton and Hove & East Sussex CC	0.74	1.20	1.50	1.01	1.02
Surrey	0.67	1.22	1.90	1.04	0.96
West Sussex	0.92	1.26	0.96	1.04	1.00
Portsmouth & Southampton & Hampshire CC	0.85	1.01	1.03	0.93	1.05
Isle of Wight	0.51	0.98	1.00	0.74	1.12
Medway	1.52	2.34	0.62	1.67	0.52
Kent CC	0.68	1.25	1.08	0.93	1.05
South East (incl. London)	0.84	1.09	1.05	0.96	1.04
Bristol & North and North East Somerset, South Gloucestershire	0.87	0.96	1.10	0.93	0.97
Gloucestershire	0.73	1.02	1.03	0.88	1.08
Swindon	0.95	2.12	2.53	1.59	0.89
Wiltshire CC	1.06	1.05	1.88	1.18	0.89
Bournemouth and Poole & Dorset CC	0.94	1.41	0.97	1.10	0.97
Somerset	0.71	0.97	1.02	0.85	1.02
Cornwall and Isles of Scilly	0.83	1.01	1.47	0.99	1.00
Plymouth & Torbay & Devon CC	0.64	0.80	1.14	0.77	1.08
South West	0.80	1.00	1.26	0.94	1.01

Source: Based on Defra June Survey 2010

APPENDIX C WEIGHTING PROCEDURE FOR THE REANALYSIS OF DATA FROM THE CRPR LAND TENURE SURVEY OF 2007

In 1990, the Royal Institution of Chartered Surveyors (RICS) published a major study of land tenure in England and Wales led by Michael Winter, then a member of staff at the Royal Agricultural College, Cirencester.[265] This study of 1,790 farmers found that unconventional tenure, that is land that was not owned or rented under a full agricultural tenancy, was a highly significant element of farming in the late 1980s. Given the changes to legislation that have taken place since 1990, the CRPR's 2007 study repeated the 1989-90 postal survey in order to explore the changes in land tenure that have resulted from legislative and structural change.

In total, the 2007 land use survey received 964 usable responses. The response to the survey covered 0.91% of the total holdings in England consisting of 161,831 ha, some 1.82% of the total agricultural area. Given in Tables C1 and C2 is the breakdown by farm size along with the number of respondents in the sample.

Table C1 Number of respondents by farm size

	Farm size group (Hectares)				
	0-20	20-49	50-99	100+	Total
No. of holdings	37 874	22 244	19 072	26 259	105 449
% of holdings	35.9	21.1	18.1	24.9	100.0
No. sample holdings	96	158	229	481	964
% of sample holdings	10.0	16.4	23.8	49.9	100.0
Sampling fraction %	0.25	0.71	1.20	1.83	0.91
Weighting co-efficient	3.61	1.29	0.76	0.50	1.00

Source: Based on Defra's June sample 2010 and CRPR's 2007 land tenure survey

Table C2 Survey respondents (area) by farm size

	Farm size group (Hectares)				
	0-20	20-49	50-99	100+	Total
Hectares of holdings ('000s)	335	741	1374	6438	8887
% of area	3.8	8.3	15.5	72.4	100.0
Sample area	844.39	5,569	16,778	138,640	161,831
% of sample area	0.5	3.4	10.4	85.7	100.0
Sampling fraction %	0.25	0.75	1.22	2.15	1.82
Weighting co-efficient	7.22	2.42	1.49	0.85	1.00

Source: Based on Defra's June sample 2010 and CRPR's 2007 land tenure survey

The respondents reflected a higher proportion of larger holdings than in the population as a whole. For example, the farm size group 100 plus constitutes 24.9% of total holdings in England, yet 49.9% of survey respondents were in this size category. Almost three quarters of the survey holdings were more than 50 ha compared to 43% in the total population. Furthermore, 85.7% of the sample area comprise of holdings that are over 100 ha. The result, as shown in Table C2, is that whereas the survey covers only 0.25% of holdings

[265] Winter, M., C. Richardson, C. Short and C. Watkins (1990) Agricultural Land Tenure in England and Wales. Royal Institution of Chartered Surveyors, London.

under 20 ha it covers 1.83% of those over 100 ha. This bias in the sample of respondents reflects the use of Yellow Pages as the sampling frame.[266] In view of the sample bias towards larger holdings, it was necessary to weight the responses in each strata of farm size in accordance with their overall population as shown in Table C1 and C2. Thus, the weighting coefficients are quotients of the sampling fraction total over the sampling fraction of the farm size group.

Some definitions of terms used in CRPR's 2007 land tenure survey

Full agricultural tenancy

An agricultural tenancy with security of tenure for at least the life-time of the current tenant (or at least to retirement in the case of certain tenants of county council small holdings)

Full agricultural tenancy with direct or indirect share in ownership

Where you have a stake in the ownership of the farm, e.g. a share in the freehold itself, or a share in a company or partnership that owns the farm, or you are a trustee (e.g. of a family trust) or a beneficiary of a settlement (e.g. under a will) that owns the farm.

Farm Business Tenancy of more than two years in length

A Farm Business Tenancy that is of fixed term for a period over two years, in which the landlord must give at least a year's notice.

Farm Business Tenancy of two years or less in length

A Farm Business Tenancy that is of fixed term for a period of two years or less, which ends automatically without notice.

Sub-tenancy

A sub-tenant of an agricultural holding is a tenant whose 'landlord' is not the freehold owner but is himself a tenant to a superior landlord (normally the freehold owner).

Grass keep agreement

An agreement that is not covered by a FBT for the grazing and/or mowing of grassland during some specified period during the year.

Contract farming

Contract farming is an agreement whereby the contractor carries out operations of husbandry as an agent for the landowner (or tenant). The landowner (or tenant) provides the land, buildings and fixed equipment, quotas (if applicable) and bank account. The contractor provides the labour, machinery and management expertise and is remunerated by an agreed formula.

Partnership farming with the landowner

A partnership involving a farmer and a landowner in which the parties run the farm as a joint business.

[266] The use of Yellow pages as a sampling frame has been frequently discussed in research literature as an alternative to Governmental sources of names and address of the farming population. Errington (1985) concluded that populations' parameters provided by the directory are sufficiently accurate for most purposes (Errington, A. (1985) Sampling frames for farm surveys in the U.K.: some alternatives. Journal of Agricultural Economics, 36(2): 251-258). However, Emerson and MacFarlane suggest that while Yellow pages provide a relatively unbiased sampling frame characterised by the number of holdings, it is not representative of farm businesses by area as there is a bias towards larger farms.(Emerson, H. and MacFarlane, R. (1995) Comparative bias between sampling frames for farm surveys. *Journal of Agricultural Economics*, 46(2): 241-251.) Furthermore, Burton and Wilson argue that this source excludes farmers that have 'life-style' aspirations and instead favours more commercially orientated operation. (Burton, R. J. F. and Wilson, G. A. (1999) The Yellow Pages as sampling frame for farm surveys: assessing potential bias in agri-environmental research. *Journal of Rural Studies*, 15(1): 91-102)

Share farming
A Share Faming agreement is an arrangement usually between two parties, a landowner and an operator. They each have their own separate business but in respect of a specific farming venture they work together. Each has an agreed share of the expenses and receives an agreed share of the income.

Informal arrangement/ gentleman's agreement
An arrangement for the occupation and farming of land is orally agreed and settled by a handshake.

APPENDIX D: SUPPLEMENTARY INFORMATION

Table D1 List of parks known as Country Parks over 10 ha[267]

Name	Authority/ownership[1]	Size HA
Anderton Nature Park	Cheshire West & Cheshire Council	74.79
Anglers	Wakefield Council	63.98
Apedale Community	Staffordshire County Council	150.86
Arrow	Redditch Borough Council	223.01
Arrowe	Wirral Metropolitan Borough Council	100.82
Ashton Court	Bristol City Council	302.30
Avon Heath	Dorset County Council	206.11
Baggeridge	South Staffordshire Council	56.26
Bagworth Heath Woods	Leicestershire County Council	11.53
Barbury Castle	Swindon Borough Council	53.02
Bardsea	South Lakeland District Council	70.65
Barnwell	Northamptonshire County Council	15.24
Barton's Point	Kent County Council	36.12
Battlefield of Bosworth	Leicestershire County Council	23.20
Bayhurst Wood	Hillingdon London Borough Council	36.32
Beacon Fell	Lancashire County Council	110.16
Beacon Hill	Leicestershire County Council	124.14
Beacon Park	West Lancashire District Council	145.13
Beacon Wood	Dartford Borough Council	27.65
Beam Valley	Barking and Dagenham LBC	59.18
Bedfont Lakes	Hounslow LBC	90.73
Bedlington	Northumberland County Council	54.89
Belhus Woods	Essex County Council	229.20
Berry Head	Torbay Coast and Countryside Trust	42.29
Biddulph Grange	Staffordshire Moorlands District Council	29.72
Bidston Hill	Wirral Metropolitan Borough Council	49.62
Bill Quay Community Farm	Gateshead Metropolitan BC	10.28
Billingham Beck Valley	Stockton on Tees Borough Council	70.99
Bishops Wood	Three Rivers District Council	42.23
Biss Meadows	Wiltshire Council	19.77
Black Park	Buckinghamshire County Council	213.10
Blackleach	Salford City Council	28.69
Blaise Castle Estate	Bristol City Council	157.44
Bolam Lake	Northumberland County Council	36.92
Box Hill	National Trust - Surrey	265.31
Bradgate Park and Swithland Woods	Bradgate Park Trust	502.51
Brandon	Suffolk County Council	15.23
Branston Water Park	East Staffordshire Borough Council	23.85
Brereton Heath	Cheshire East Council	33.80
Bretton	Wakefield Council	39.66
Brierly Forest Park	Ashfield District Council	75.26
Brimham Rocks	National Trust - North Yorkshire ?	156.63
Brindley Heath	Staffordshire County Council	330.05
Brixworth	Northamptonshire County Council	13.28
Broadway Tower	Privately owned ?	15.29
Brockhill	Kent County Council	22.53

[267] Personal Communication with Natural England

Priav	Oadby & Wigston Borough Council	27.80
Brokerswood	Wiltshire Council	239.66
Broombriggs Farm	Leicestershire County Council	68.04
Buchan	West Sussex County Council	73.04
Burbage Common and Woods	Hinkley & Bosworth Borough Council	84.68
Burntstump	Gedling Borough Council	24.19
Burrough Hill	Leicestershire County Council	37.92
Burrs	Bury Metropolitan Borough Council	30.35
Burton Constable	Privately owned ?	75.02
Burton Dassett	Warwickshire County Council	39.79
Buxton and Poole's Cavern	Buxton Civic Association ?	41.28
Caldy Valley Nature Park	Cheshire West & Chester Council	10.48
California	Wokingham Borough Council	39.35
Calshot Spit	Hampshire County Council	20.26
Campsall	Doncaster Metropolitan BC	39.78
Cannock Chase	Staffordshire County Council ?	966.19
Cannon Hall Park	Barnsley Metropolitan BC	34.90
Canvey Heights	Castle Point Borough Council	56.87
Capstone Farm	Kent County Council ?	84.57
Carner	Gravesham Borough Council	18.15
Catton Park	Broadland District Council	28.49
Chadkirk Estate	Privately owned ?	29.32
Chasewater	Lichfield District Council	308.65
Church Marshes	Swale Borough Council	53.47
Clare Castle	Suffolk County Council	10.15
Cleethorpes	North East Lincolnshire Council	61.48
Clent Hills	National Trust?	150.55
Clifton	Salford City Council	48.87
Clumber	National Trust?	1533.84
Coate Water	Swindon Borough Council	87.78
Cockington	Torbay Coast and Countryside Trust	139.34
Colemere	Shropshire Council	61.33
Colwick	Nottinghamshire County Council	97.79
Consall Nature Park	Staffordshire County Council	102.14
Coombe Abbey	Coventry City Council	153.56
Cotgrave	Rushcliffe Borough Council	66.82
Coton	Cambridge City Council	112.64
Cowpen Bewley Woodland Park	Stockton on Tees Borough Council	103.12
Cragside	Northumberland County Council	405.98
Cranford Countryside Park	Hounslow LBC	42.13
Crickley Hill	Gloucestershire County Council	57.48
Crown Lakes	Peterborough City Council	34.55
Croxteth Hall	Liverpool City Council	221.76
Cudmore Grove	Essex County Council	12.72
Cuerden Valley Park	Lancashire County Council	240.42
Cusworth Park	Doncaster Metropolitan BC	21.45
Daisy Nook	Oldham Metropolitan Borough Council	40.70
Dalemain	Carlisle City Council	33.79
Danbury	Essex County Council	21.45
Darenth	Dartford Borough Council	32.70
Daventry	Daventry District Council	67.49
Dearne Valley	Barnsley Metropolitan BC	73.64

Decoy	Teignbridge District Council	39.28
Deep Hayes	Staffordshire County Council	58.37
Denham	Buckinghamshire County Council	11.47
Derwent Walk	Gateshead Metropolitan BC	123.64
Derwenthaugh	Gateshead Metropolitan BC	46.65
Dinton Pastures	Wokingham Borough Council	134.96
Ditchling Common	East Sussex County Council	75.00
Donisthorpe Woodland	Leicestershire County Council	31.01
Druridge Bay	Northumberland County Council	249.39
Dunstable Downs	Central Bedfordshire Council	54.22
Durlston	Dorset County Council	114.20
East Cliff and Warren	Kent County Council	92.54
Eastbrookend	London Borough of Barking and Dagenham	147.61
Eastcourt Meadows	Medway Council	32.20
Eastham Woods	Wirral Metropolitan Borough Council	42.34
Easton Farm	Suffolk Coastal District Council	13.80
Elvaston Castle	Derbyshire County Council	72.76
Emberton	Milton Keynes Council	50.93
Etherow	Stockport Metropolitan BC	67.68
Fairlop Waters	Redbridge LBC	64.68
Farley Mount	Hampshire County Council	111.05
Farway	East Devon District Council	32.07
Fermyn Woods	Northamptonshire County Council	113.87
Fitzwilliam	Wakefield Council	68.70
Flatts Lane Woodland	Redcar and Cleveland BC	40.51
Flitch Way	Essex County Council	39.24
Forest Way	East Sussex County Council	32.88
Fort Victoria	Isle of Wight Council	19.37
Fowlmead	Kent County Council	95.17
Frensham	Waverley Borough Council	357.73
Fritton Lake	Suffolk County Council	178.40
Fryent	Brent LBC	110.13
Golden Acre	Leeds City Council	45.02
Golden Hill Fort	Isle of Wight Council	21.06
Goodwood Estate, The	Arun District Council	72.21
Grand Western Canal	Devon County Council	48.56
Granville	Telford and Wrekin Borough Council	26.31
Grassmoor	Derbyshire County Council	50.31
Great Cornard	Babergh District Council	14.22
Great Notley	Essex County Council	41.85
Greenway Bank	Staffordshire County Council	48.48
Gunpowder Park	Epping Forest District Council	90.86
Hadleigh Castle	Essex County Council	168.51
Haigh	Wigan Metropolitan Borough Council	162.35
Hainault Forest	Redbridge LBC	446.66
Ham Hill	South Somerset District Council	163.53
Hardwick Hall - Derbyshire	Derbyshire County Council	97.06
Hardwick Hall - Durham	Durham County Council	253.07
Harrold-Odell	Bedford Borough Council	59.07
Hartshill Hayes	Warwickshire County Council	54.81
Hartsholme	City of Lincoln Council	46.27
Hastings	Hastings Borough Council	233.95

Hatfield Forest	National Trust ?	371.50
Havenside	Boston Borough Council	11.40
Havering	Havering LBC	63.22
Haysden	Tonbridge and Malling BC	65.13
Heights of Abraham	Derbyshire Dales District Council	12.72
Herrington	Sunderland City Council	136.00
Hetton Lyons	Sunderland City Council	55.22
High Elms	Bromley LBC	165.61
High Woods	Colchester Borough Council	139.97
Highfields	Manchester City Council	28.55
Highgate Common	South Staffordshire District Council	123.71
Hinchingbrooke	Huntingdonshire District Council	61.41
Holland Haven	Tendring District Council	42.82
Hollingworth	Rochdale Metropolitan BC	70.97
Holly Hill Woodland Park	Fareham Borough Council	27.94
Holme Brook	Derbyshire County Council	57.19
Holme Pierrepoint	Nottingham City Council	94.80
Holt	North Norfolk District Council	39.61
Hornchurch	Havering LBC	102.86
Horton	Epsom and Ewell Borough Council	184.02
Humber Bridge	East Riding of Yorkshire	33.84
Hutton	Brentwood Borough Council	38.92
Ilam Estate	Staffordshire County Council	123.76
Irchester	Northamptonshire County Council	80.16
Itchen Valley	Eastleigh Borough Council	170.73
James Steel Park	Sunderland City Council	31.18
Jeskyns	Gravesend Borough Council	149.84
Jubilee	Bromley LBC	42.17
Jubilee Wood	Leicestershire County Council	18.95
Jumbles	Bolton Metropolitan Borough Council	44.97
Kennington Park	Lambeth LBC	14.37
Kessingland	Suffolk Coastal District Council	26.27
Keynes	Cotswold District Council	43.08
Kingfisher	Birmingham City Council	199.94
Kingsbury Water Park	Warwickshire County Council	259.64
Kingsford	Worcestershire County Council	86.65
Kit Hill	Cornwall Council	159.25
Knebworth	North Hertfordshire District Council	139.78
Knettishall Heath	Suffolk County Council	149.22
Ladderedge	Staffordshire Moorlands District Council	26.99
Lake Farm	Hillingdon LBC	24.23
Lakeside	Eastleigh Borough Council	22.03
Lakeside Nature Reserve	Guildford Borough Council	15.60
Langdon Hills	Thurrock Council	10.25
Langley Park	Buckinghamshire County Council	61.61
Langold Park	Bassetlaw District Council	51.39
Lepe	Hampshire County Council	13.52
Lever Park	Lancashire County Council	151.69
Leybourne Lakes	Tonbridge and Malling BC	89.97
Leysdown Coastal	Swale Borough Council	28.86
Lickey Hills	Birmingham City Council	213.64
Lightwater	Surrey Heath Borough Council	53.21
Little Budworth	Cheshire West and Chester Council	63.93

Lodmoor	Weymouth and Portland BC	108.15
Lonely Farm	Shropshire Council	25.46
Longland Lake	Copeland Borough Council	14.69
Longshaw	Wakefield Metropolitan DC	613.27
Lotherton Hall Estate	Leeds City Council	57.12
Lower Leas Coastal	Shepway District Council	10.65
Lullingstone & Preston Hill	Sevenoaks District Council	294.33
Lydiard Park	Swindon Borough Council	107.63
Lyme Valley Park	Cheshire East Council	555.26
Manor Farm	Hampshire County Council	159.39
Manor Park	Kent County Council	20.85
Marbury	Cheshire West & Cheshire	341.69
Market Bosworth Park	Leicestershire County Council	35.66
Marsh Farm	Essex County Council	196.35
Marston Vale Millennium	Central Bedfordshire and Bedfordshire Borough Councils	223.48
Matlock Parks	Derbyshire Dales District Council	32.43
Melton Park	Melton Borough Council	57.11
Merrymeads	Brentwood Borough Council	13.88
Mersey Vale	Stockport Metropolitan BC	14.56
Midland Railway Centre	Amber Valley Borough Council	11.11
Milton	South Cambridgeshire District Council	32.72
Minet	Hillingdon LBC	68.53
Moors Valley	East Dorset District Council	583.26
Moses Gate	Bolton Metropolitan Borough Council	99.92
Mouldon Hill	Swindon Borough Council	56.79
Mount Edgcumbe	Plymouth City Council	363.41
Nene Park	Peterborough City Council	203.91
Netherwood	Barnsley Metropolitan BC	17.09
Newbold Comyn	Warwick District Council	55.50
Newhall Valley	Birmingham City Council	86.58
Newmillerdam	Wakefield Metropolitan DC	97.87
Normanby Hall	North Lincolnshire Council	73.03
Norsey Wood	Essex County Council	66.80
North Wirral Coastal	Wirral Metropolitan Borough Council	69.49
Northam Burrows	Torridge District Council	259.22
Northaw Great Wood	East Hertfordshire District Council	123.41
Northlands Wood	Thurrock Council	118.68
Nowton Park	St Edmunsbury Borough Council	67.37
Oakwell Hall	Kirklees Council	41.36
Ogden Water	Calderdale Metrolitan Borough Council	62.68
Oldbury Hall Estate	Bristol City Council	53.67
Orwell	Ipswich Borough Council	91.60
Otley Chevin	Leeds City Council	175.17
Park Hall	Stoke on Trent City Council	132.18
Pegwell Bay	Thanet District Council	29.07
Penistone Hill	Bradford Metropolitan Borough Council	71.10
Pennington Flash	Wigan Metropolitan Borough Council	179.70
Pex Hill	Knowsley Metropolitan Borough Council	11.52
Phoenix Park	Barnsley Metropolitan Borough Council	64.55
Pishiobury Park	East Hertfordshire District Council	35.92
Pleasley Pit	Derbyshire County Council	87.74

Plessey Woods	Northumberland County Council	33.44
Pooley	North Warwickshire Borough Council	64.42
Poolsbrook	Chesterfield Borough Council	71.17
Poulter	Derbyshire County Council	74.34
Pow Hill	Durham County Council	18.70
Prestwich	Bury Metropolitan Borough Council	195.46
Priory	Bedford Borough Council	105.94
Pugneys	Wakefield Council	68.49
Quarry Bank Mill and Styal Estate	Cheshire West and Chester Council	84.32
Queen Elizabeth	Hampshire County Council	571.43
Queen Elizabeth II	Northumberland County Council	59.72
Queen's Park	Basildon Borough Council	24.57
Queenswood	Herefordshire Council	66.88
Ranscombe Farm	Medway Council	301.72
Rawcliffe	City of York Council	11.99
Reculver	Canterbury City Council	27.21
Reddish Vale	Stockport Metropolitan BC	160.98
Rimrose Valley	Sefton Metropolitan BC	106.15
Rising Sun	North Tyneside Metropolitan BC	150.46
Rivacre Valley	Cheshire West & Cheshire	47.27
River Dart	Teignbridge District Council	26.49
River Lee	Hertfordshire County Council	1153.69
Riverside	Medway Council	31.28
Riverside Nature Reserve	Guildford Borough Council	34.23
Robin Hill	Isle of Wight Council	24.12
Robinswood Hill	Gloucester City Council	99.31
Rother Valley	Rotherham Metropolitan Borough Council	307.69
Roughwood	Walsall Metropolitan Borough Council	100.56
Royal Victoria	Hampshire County Council	55.34
Royden Park	Wirral Metropolitan Borough Council	36.62
Rufford	Nottinghamshire County Council	62.47
Rushcliffe	Rushcliffe Borough Council	81.33
Rutland Water	Rutland County Council	1553.34
Ryton Pools	Warwickshire County Council	39.88
Saltburn Valley	Redcar and Cleveland Council	23.41
Samphire Hoe	Dover District Council	32.14
Sandringham	Kings Lyn and West Norfolk BC	203.67
Sandwell Valley	Sandwell Metropolitan BC	144.72
Sankey Valley Park	St Helen's Metropolitan BC	36.03
Scadbury Estate	Bromley LBC	303.39
Seaton	Cornwall Council	55.15
Sence Valley	Leicestershire County Council	64.25
Seven Acres	Bolton Metropolitan Borough Council	30.69
Seven Sisters	Eastbourne Borough Council	279.48
Severn Valley	Shropshire Council	50.84
Sheet Hedges	Leicestershire County Council	30.67
Sheldon	Birmingham City Council	67.30
Sherwood Forest	Nottinghamshire County Council	76.15
Shinewater Park	Eastbourne Borough Council	70.24
Shipley	Derbyshire County Council	366.49
Shorne Wood	Gravesham Borough Council	129.45

Shotover	Oxford City Council	113.07
Smithills	Bolton Metropolitan Borough Council	793.76
Snelsmore Common	West Berkshire Council	55.96
Snibston	Leicestershire County Council	29.79
Snipe Dales	Lincolnshire County Council	40.20
South Norwood	Croydon LBC	43.78
Southampton Common	Southampton City Council	143.26
Southern Country Park	East Hertfordshire District Council	23.39
Southwater	Horsham District Council	31.26
Southwick	Wiltshire Council	61.35
Spiceball	Banbury Town Council	18.74
St Faith's	Brentwood Borough Council	16.91
Stadt Moers	Knowsley Metropolitan BC	87.40
Stalybridge	Tameside Metropolitan BC	42.98
Stanborough Park	Welwyn Hatfield District Council	52.56
Stanmore	Harrow LBC	60.55
Stanney Woods	Cheshire West and Chester Council	22.28
Stanton Park	Swindon Borough Council	74.50
Stanwick Lakes	East Northamptonshire District Council	238.12
Staunton	Havant Borough Council	193.74
Stockgrove	Buckinghamshire County Council	13.86
Stockley	Hillingdon LBC	18.00
Stover	Devon County Council	45.67
Summerhill	Hartlepool Borough Council	41.37
Sundon Hills	Bedford Borough Council	48.96
Sutton Park	Birmingham City Council	811.13
Swanscombe Heritage Park	Dartford Borough Council	28.08
Swift Valley	Rugby Borough Council	26.69
Sywell	Northamptonshire County Council	57.22
Talkin Tarn	Carlisle City Council	61.87
Tandle Hill	Oldham Metropolitan Borough Council	47.26
Tatton Park	Cheshire East Council	415.82
Teggs Nose	Cheshire East Council	52.81
Tehidy	Cornwall Council	104.79
Terraced Gardens Rivington	Lancashire County Council	19.89
Teston Bridge	Kent County Council	12.43
The Alver Valley	Gosport Borough Council	153.25
The Mere at Ellesmere	Shropshire Council	64.32
The Shire	Birmingham City Council	91.28
Thorndon	Essex County Council	222.90
Thorney Park	Buckinghamshire County Council	21.03
Thrybergh	Rotherham Metropolitan Borough Council	31.72
Tilgate Park	Crawley Borough Council	100.28
Trent Park	London Borough of Enfield	126.58
Trosley	Kent County Council	51.87
Tyne Green	Northumberland County Council	53.55
Tyne Riverside	Northumberland County Council	60.37
Ulley	Rotherham Metropolitan BC	19.49
Upton	Poole Borough	21.43
Vicar Water	Newark & Sherwood District Council	90.55
Waldridge Fell	Durham City Council	114.33
Walton	Wakefield Metropolitan DC	78.35

Wandlebury	Cambridge City Council	50.64
Wansbeck Riverside Park	Northumberland County Council	126.53
Warley	Brentwood Borough Council	24.07
Waseley Hills	Worcestershire County Council	60.91
Wat Tyler	Basildon Council	44.17
Watermead	Leicester City Council	155.37
Waters Edge	North Lincolnshire Council	42.08
Weald	Essex County Council	170.24
Weetslade	North Tyneside Council	39.06
Werneth Low	Tameside Metropolitan BC	83.68
West Dean Estate	West Sussex County Council	16.44
West Stow	St Edmundsbury Borough Council	47.47
Westley Heights	Thurrock Council	26.67
Whinlatter Forest Park	Allerdale Borough Council	1217.53
White Horse Wood	Kent County Council	28.97
Whitewebbs	Enfield London Council	56.35
Whitlingham	South Norfolk Council	94.15
Whitworth Hall	Privately owned	186.66
Wick	Basildon Borough Council	18.69
Windlestone Hall	Unknown ownership	154.48
Wirral, The	Wirral Metropolitan Borough Council	40.90
Witham Way	Boston Borough Council	19.05
Witton	Blackburn with Darwen Borough Council	179.72
Woodgate Valley	Birmingham City Council	192.42
Worcester Woods	Worcestershire County Council	33.85
Worsbrough Mill	Barnsley Metropolitan Borough Council	62.53
Worth Way	West Sussex County Council	20.46
Worthington Lakes	Wigan Metropolitan Borough Council	29.02
Wycoller	Lancashire County Council	145.09
Wynyard Woodland Park	Stockton on Tees Borough Council	176.92
Wyre Estuary	Wyre Borough Council	66.20
Yarrow Valley	Chorley Borough Council	222.95
Yateley Common	Hampshire County Council	190.53
Yeovil	South Somerset District Council	52.13

[1] We have indicated a number of instances where ownership is unknown or unclear

Figure D1 Water companies in England


WATER UK
UK Water and Sewerage Services
Scottish Water
Northumbrian Water
Northern Ireland Water
United Utilities
Yorkshire Water
Severn Trent Water
Anglian Water
Dŵr Cymru Welsh Water
Thames Water
Wessex Water
Southern Water
South West Water
Produced by Water UK - September 2007

Table D2 Land owned by water companies

Company	Land owned	Other information	Tenancy Details
Anglian Water	Thousands of sites across the region.	Anglian Water Group owns 1,114 wastewater treatment works across the East of England.[268] 49 of its sites are all or part of a SSSI, many managed jointly with wildlife trusts.[269] Anglian Water manages land adjacent to its six key water parks and other reservoirs. The most significant are Grafham Water Park 2,400 acres (971 ha) and Rutland Water Park 4,200 acres (1700 ha). These figures include the reservoir area.	No details of tenancies known.
Bristol Water Plc	1483.5 ha[270]	900 ha Sites of Special Scientific Interest owned. Three major areas amounting to 15 discrete SSSI units, all in favourable status [271]	Graziers, probably on licence, around lakesides.
Cambridge Water Company	58 sites (pumping stations, service reservoirs, booster stations and water towers). (29.5 ha) Also owns Fowlmere Watercress Beds (40 ha) [272]	Fowlmere Watercress Beds, a 40 hectare area of fen, marsh, lowland swamp and mixed woodland is managed by the RSPB as a wetland and woodland reserve. During 2009/2010 there were no acquisitions or disposals of land having any conservation or recreational value	No details known
Cholderton and District Water	Very limited	Groundwater boreholes.	-
Dee Valley Water (part in Wales)	No details known		
Essex & Suffolk Water	Limited area	180 ha of woodland cover. 16ha of land at Lound Reservoir. Abberton Reservoir included 299 ha of land as part of its development, including 51 ha woodland[273]	
Northumbrian Water	6274 ha of land, 15 land holdings include SSSIs[274]	As part of our duties to maintain or enhance biodiversity interest the company has already undertaken tree planting (where applicable) so there is little scope for new planting. (568 ha woodland). 11 priority Biodiversity Action Plan species, 84 ha of blanket bog and upland wet heath and 19 ha of fen, marsh and swamp. Burnhope Reservoir - replanting coniferous plantations with 60 ha of broadleaves.	Little in way of agricultural holdings.
Portsmouth Water Ltd	Limited amount. 160 ha part of Stanton Country Park,	The Company owns and manages 44 operational sites throughout the region, including 19 water treatment works. Sites	

[268] Resource Efficiency and Waste Management Solutions. Exhibition details http://www.rwmexhibition.com/rwm11/website/Show_Exhdetails1.aspx?exhid=exhiReg786&id=det
[269] Biodiversity Action Plan leaflet, Anglian Water. http://www.anglianwater.co.uk/_assets/media/biodiversity-action-plan-leaflet.pdf
[270] Environment and Sustainability Report 2010, Bristol Water Plc
[271] Water in the Future, Bristol Water's Commitment to the Environment
[272] Annual Environmental Activity Report 2010, Cambridge Water Company.
[273] Abberton Scheme Environmental Statement. Part H – Abberton Reservoir Enhancement. Northumbrian Water 2007
[274] Sustainable Development Performance Report 2003/04

	managed by Hampshire County Council[275]	are located in a variety of habitats including chalk downland, river catchments and coastal margins.	
Sembcorp Bournemouth Water	Little land	Land surplus to operational requirements has mainly been sold off.	
Severn Trent Water	21,992 ha of land encompassing almost 6000 sites of which 24 are Sites of Special Scientific Interest (SSSI's).	Agreements and partnerships in place to manage these SSSI's for biodiversity and public access	
South East Water	720 ha	Owns 20 SSSIs – 70% in favourable condition compared with industry average of 45%.	
South Staffordshire Water Plc	Detail not known. Largest landed estate at Blithfield, approximately 206ha[276]		
South West Water	352.5569 ha plus 4032.8 ha managed for SW Water by South West Lakes Trust, an independent charity.	15 SSSIs	
Southern Water	920 ha of land that is designated as a Site of Special Scientific Interest (SSSI).		Tenancy agreements or easements across SSSI land
Sutton & East Surrey Water	Limited		
Thames Water	7284 ha (18,000 acres) over 5,000 sites [277]	Land managed by Thames Water Property Services	
United Utilities	57,500 ha	13,500 ha of Natura 2000 sites	Most of catchment land is tenanted, 49 farms with farmsteads, 95 bare land lets and over 150 grazing lets[278]
Veolia Water (Central)	660 ha	150 sites, north and west of London. 0.05ha to 234ha in size. Most land for operational purposes. 260 ha (11 sites) managed for conservation and access of which 80 ha has national or international designation. Work in partnership with environmental organisations including Natural England, Wildlife Trusts, RSPB and the Woodland Trust. [279]	

[275] Activity Report 2010-11 Portsmouth Water
[276] http://blithfield.com/
[277] http://www.thameswater.co.uk/cps/rde/xchg/corp/hs.xsl/5870.htm Accessed 15.1.12
[278] The role of markets and the industry in delivering environmental outputs *Roy Taylor RSPB David Crawshaw United Utilities*
[279] Conservation, Access and Recreation Report 2010, Veolia Water

Veolia Water (East)	Limited amount around pumping stations and reservoirs.[280]		
Veolia Water (South East)	780 ha	Much chalk grassland. Involved with White Cliffs Countryside Project, part of which is coppicing SSSI woodland[281]	
Wessex Water	350 ha of SSSI plus hundreds of other sites and many landholdings, mainly for source protection.	SSSI spread over 45 sites. Plus • sections of 295 County Wildlife Sites • more than 200 sites or areas of land classified as UKBAP Priority Habitats In addition, own sections of land around water supply sites for source protection purposes.	
Yorkshire Water	32,000 ha	Much within National Parks (Peak District, Yorkshire Dales and North York Moors). 12,000 ha designated as Sites of Special Scientific Interest. Includes 35 UK priority habitats and 173 species of national conservation importance. 98.5% of its tenanted rural estate is in an agri-environment scheme. 4,273 acres of land is already afforested. The target is to retain Forestry Stewardship Council accreditation for the wooded estate. There is no target to increase the amount of woodland, although it aims to restore and improve ancient woodland on 75 ha.[282]	

[280] Conservation, Access and Recreation Report 2009-10, Veolia Water East
[281] Corporate Responsibility Report 2007/8
[282] Biodiversity Strategy, Yorkshire Water

County Wildlife Trusts

Avon;
Bedfordshire, Cambridgeshire, Northamptonshire & Peterborough; Berkshire;
Buckinghamshire & Oxfordshire;
Birmingham and the Black Country;
Cheshire; Cornwall; Cumbria; Derbyshire;
Devon;
Dorset;
Durham;
Essex;
Gloucestershire;
Hampshire & Isle of Wight;
Herefordshire;
Hertfordshire & Middlesex;
Isle of Man
Kent;
Lancashire, Manchester & North Merseyside;
Leicestershire & Rutland;
Lincolnshire;
London;
Norfolk;
Northumberland;
Nottinghamshire;
Sheffield;
Shropshire;
Somerset;
Staffordshire;
Suffolk;
Surrey,
Sussex;
Tees Valley;
Warwickshire,
Wiltshire;
Worcestershire;
Yorkshire.

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