Agricultural property rights and the county farms estate in England and Wales

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Abstract

Structural change across the agricultural sector in the United Kingdom has continued to reduce the opportunities for new farmers to enter the industry. This, in turn, has led to a reduction in and ageing of the agricultural workforce. The difficult situation has been compounded by conditions in the agricultural tenancy sector, which also reduce the number of opportunities made available to new entrants. These structural changes have, in theory, increased the significance of the County Farms Estate (CFE) in England and Wales as a widely recognised entry mechanism into tenant farming. However, little is known about the current structure of this service as it has received limited attention within academic research.

This research provides the first detailed analysis of the CFE for over forty years. It adopts a property rights approach and focuses on the property relationships associated with State regulation and the ownership, occupation and use of the CFE. This allows an examination of its current structure and future potential as an agricultural service and as a county council and local authority asset. A three-stage, mixed methodology is developed, with the findings of the first two stages used to inform the detailed content of the final stage. The first stage employs a desk-based analysis of secondary data to explore the historic development and current structure of the CFE. Location Quotient analysis is used to map the geographical concentration of the CFE in relation to the wider agricultural and tenanted sectors at the county council and local authority level. The second stage uses an electronic questionnaire survey of estate managers to examine key influences on estate management strategy and their consequences for the use of, and relationships associated with, estate property. The final stage involves detailed case study analysis in three specific local authorities (Cambridgeshire, Gloucestershire and Powys). Here, the research focuses on the influence of state regulation on the ownership, occupation and use of property rights on each estate, as well as the consequential impacts on both landlords (county councils and local authorities) and tenants (new entrants and established tenants).
The analysis of secondary and questionnaire data highlights how the geographical distribution of the contemporary CFE occurs mainly in two regional clusters: first, in the arable areas of eastern England; and secondly, in the livestock rearing areas of western and south-western England and Wales. Historically, the development of the CFE was influenced by direct regulation. However, it is increasingly being used to satisfy wider statutory obligations. This increases the level of potential socio-economic outputs obtained from estate ownership (agricultural provision, non-agricultural rentals, environmental, recreational and education). However, the rates at which individual county councils and local authorities engage with direct and indirect State regulation vary. Detailed case study analysis helped to identify how individual estate management policies can be categorised into one of four differing strategies: consolidation; partial disinvestment (rationalisation); partial disinvestment (core estate); and comprehensive disinvestment. These strategies are defined by the level and type of property retention. Each strategy has consequential impacts on the distribution of the rights to property, influencing the socio-economic benefits of estate ownership. As the rate of property disposal increases, so the level of socio-economic outputs falls. Property disposal does, however, increase the short-term economic benefits of estate ownership through sales receipts.

At local and national levels, the CFE is a key source of agricultural property rights, particularly the provision of equipped holdings. However, many of those accessing these holdings are not new entrants and have previously held some agricultural property rights. Established tenants often progress their farm business by using their current holding as a base. Business expansion strategies include the occupation of additional land, on-farm diversification and off-farm employment. These often and invariably tie a tenant to the existing holding as a point of access to business and marketing opportunities, thus reducing opportunities for new tenants. In order to manipulate property relationships, tenants rely heavily on the family as a source of social and financial capital.
Author’s Declaration

I declare that the work in this thesis was carried out in accordance with the regulations of the University of Gloucestershire and is original except where indicated by specific reference in the text. No part of the thesis has been submitted as part of any other academic award. The thesis has not been presented to any other educational institution in the United Kingdom or overseas.

The views expressed in this thesis are those of the author alone and in no way represent the views of the University of Gloucestershire.

Signed: …………………………………………………………………………

Date: …………………………………………………………………………

IV
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**Abbreviations**

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<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>ACC</td>
<td>Association of County Councils</td>
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<tr>
<td>ACES</td>
<td>The Association of Chief Estates Surveyors and Property Managers in the Public Sector</td>
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<td>ADAS</td>
<td>Agricultural Development and Advisory Service</td>
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<td>CAAV</td>
<td>Central Association of Agricultural Valuers</td>
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<td>CAP</td>
<td>Common Agricultural Policy</td>
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<td>CFE</td>
<td>County Farms Estate</td>
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<tr>
<td>CIPFA</td>
<td>The Chartered Institute of Public Finance and Accountancy</td>
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<tr>
<td>CRR</td>
<td>Centre for Rural Research</td>
</tr>
<tr>
<td>Defra</td>
<td>Department of Environment, Food and Rural Affairs</td>
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<tr>
<td>ELS</td>
<td>Entry Level Scheme</td>
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<tr>
<td>ESA</td>
<td>Environmentally Sensitive Area Scheme</td>
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<tr>
<td>EU</td>
<td>European Union</td>
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<tr>
<td>FAT</td>
<td>Full Agricultural Tenancy</td>
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<tr>
<td>FBT</td>
<td>Farm Business Tenancy</td>
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<tr>
<td>GATT</td>
<td>General Agreement on Tariff and Trade</td>
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<tr>
<td>ha</td>
<td>Hectares</td>
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<tr>
<td>LFA</td>
<td>Less Favoured Area</td>
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<tr>
<td>LQ</td>
<td>Location Quotient</td>
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<tr>
<td>MAFF</td>
<td>Ministry of Agriculture Fisheries and Food</td>
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<tr>
<td>NFU</td>
<td>National Farmers Union</td>
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<tr>
<td>NVZ</td>
<td>Nitrate Vulnerable Zone</td>
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<tr>
<td>OELS</td>
<td>Organic entry level scheme</td>
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<td>PPT</td>
<td>Post-productivist transition</td>
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<td>RASE</td>
<td>Royal Agricultural Society of England</td>
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<td>RDP</td>
<td>Rural Development Programme</td>
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<td>RDPE</td>
<td>Rural Development Programme for England</td>
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<td>RDPW</td>
<td>Rural Development Programme for Wales</td>
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<tr>
<td>RSPB</td>
<td>Royal Society for the Protection of Birds</td>
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<tr>
<td>Acronym</td>
<td>Description</td>
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<tr>
<td>SFP</td>
<td>Single Farm Payment</td>
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<td>SRDP</td>
<td>Scottish Rural Development Programme</td>
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<td>TRIG</td>
<td>Tenancy Reform Industry Group</td>
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<td>TFA</td>
<td>Tenant Farmers Association</td>
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Chapter 1

Introduction: context and aims of research

1.1 Introduction

Over recent years, continued rounds of agricultural restructuring in the United Kingdom have been detrimental to the needs of new industry entrants. The mechanisation of the industry and the transition towards fewer, larger holdings have resulted in a reduction and ageing of the agricultural workforce, reducing the availability of entry opportunities (e.g. ADAS, 2004; Williams, 2006). Conditions within the agricultural tenanted sector more specifically have further reduced the number of these opportunities as legislation has tended to encourage long-term occupation by sitting tenants and/or the letting of bare land to existing farmers (Ravenscroft, 1999; Ilbery et al. 2006; 2010). Indeed, in response to such structural changes the Royal Agricultural Society of England argued in 2009 that the industry needed another 60,000 new entrants over the next ten years to address the ageing profile of the British farmer (RASE, 2009; Spedding, 2010). These structural changes have also increased the perceived significance of the County Farms Estate (CFE) as a widely recognised entry mechanism into tenant farming (Northfield Report, 1979; Errington et al. 1987; ACC, 1989; Whitehead et al. 2000; 2002; TRIG, 2007; TFA, 2008; Curry, 2008). However, relatively little is known about the current structure of this service as it has received limited academic attention since publication of the Wise Committee Report (1966) over 45 years ago (but see Laxton et al. 1987; Whitehead et al. 2000; Ilbery et al. 2009; 2012).

The purpose of this research, therefore, is to provide a comprehensive examination of the structural dimensions of the contemporary CFE in England and Wales. Its intention is to conceptualise and, through a detailed empirical examination, understand the role of the CFE as an agricultural service and as a county council and local authority (hereinafter referred to as local authorities) asset. To accomplish this, the research engages with the concept of agricultural property rights. It uses and
modifies the conceptual arguments of Whatmore et al. (1990) and Spencer (1998; 2000) to analyse how the ownership, occupation and use of CFE property is influenced by various regimes of State regulation. Through such an engagement, an original contribution to knowledge is made as the thesis analyses the ownership, distribution and occupation of agricultural property rights within one relatively small, but important, part of the contemporary agricultural sector in England and Wales.

In order to introduce the key aspects of the research, this chapter contains three further sections. The first, Section 1.2, outlines the relationship between State regulation and the historic development of British agriculture. This is significant as the concept of the CFE was introduced as a tool of State regulation in 1892. Subsequent changes in the social demands placed upon the CFE have been represented through regulatory reform. After briefly summarising these regulatory influences, a working definition of the CFE is given as a starting point for this research. Section 1.3 then sets out the aims and objectives of the research, before the structure and content of the thesis are outlined in Section 1.4.

1.2  State regulation and the County Farms Estate

The concept of the CFE can be traced back to social concerns for the rural population during the nineteenth century (a more detailed account is given in Chapter 5). In particular, the accumulation of agricultural property by the landed gentry was seen as detrimental to the social condition of agricultural labourers and the landless. This encouraged reform of the agricultural sector in order to increase the level of owner-occupation by small farmers and agricultural labourers. As part of this reform of agricultural land occupancy, the concept of the CFE was introduced by the State under the regulatory guidance of the Small Holdings Act 1892. This Act encouraged the provision of agricultural opportunities through the occupation of land for agricultural labourers and the landless. To do this, local authorities were regulated as ‘traditional institutional estates’, whereby agricultural property was retained for a specific social purpose. The purpose of the reform was to “bring about a wider distribution of the land among the people, to reinstate the dwindling class of small proprietors and, by offering a counter to the attraction of urban life, to persuade

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1 The concept of the CFE was originally referred to as Statutory Smallholdings.
During its early development, the CFE was utilised for wider social purposes, alongside agricultural provision. The Land Settlement (Facilities) Act 1919, for example, encouraged local authorities to grant land to ex-servicemen and to address issues of food security (Smith, 1946: Wise Committee Report, 1966). However, since the end of World War Two, and in line with the wider regulation of the agricultural sector, the purpose of the CFE has been defined mainly in agricultural terms. Under the regulatory guidance of the Agriculture Act 1947, the social purpose of the CFE was defined through the opportunities it afforded new entrants to the agricultural industry. Local authorities were regulated to provide small holdings on which tenants could develop a farming business. Once established, these tenants were then expected to progress up the ‘farming ladder’ onto larger farms beyond the CFE. However, this regulation of the CFE as an agricultural service aligned its structural development with the wider agricultural sector. This opened it to the influence of indirect State regulation such as general agricultural policy and planning law. There were two notable consequences of this for the CFE:

1. It encouraged a process of estate rationalisation as the size of holdings was increased to promote agricultural efficiency; and
2. It brought about a failure in the so-called ‘farming ladder’ across the agricultural sector, reducing the availability of progression opportunities for tenants to move beyond the CFE.

The implications of these structural changes on the performance of the CFE were considered by the ‘Departmental Committee of Inquiry into Statutory Smallholdings’ the findings of which were published in 1966 (Wise Committee Report, 1966). This research recognised how structural changes were preventing new entrants from using the CFE as the first rung to progress up the farming ladder. Instead, the Wise Committee Report argued that the CFE “should be thought of as a ‘gateway’ to farming through which only the best young farmers may enter, rather than as part of the farming ladder” (Ibid: p. 142). The recommendations of the Wise Committee Report were incorporated in new CFE regulation contained within the Agriculture Act 1970. Recognising the failure of the farming ladder, this Act regulated local
Chapter 1: Introduction: context and aims of research

authorities to cater for the needs of existing tenants alongside those of new entrants. This has encouraged the creation of fewer, larger and financially viable holdings.

A consequence of this process has been the disposal of surplus property. However, the disposal rate of property between individual local authorities is geographically variable. This is linked to wording of the Agriculture Act 1970, which indicates that the provision of the CFE is discretionary rather than statutory as it had been under the regulatory guidance of the Agriculture Act 1947. It is known that some local authorities have used the ambiguity surrounding the ‘discretionary’ nature of this regulation to dispose of their CFE. These claims correspond with other research that has identified how the State has allowed other traditional institutional landowners greater freedom in their management of rural estates (Hamnett, 1987; Spencer, 1998; 2000). With specific reference to the Church Commissioners and the Oxford Colleges, this freedom encourages these institutions to “become more like the ‘newer’ financial institutions in so far as their landownership is part of a broader strategy of maximising the return for their investment” (Spencer, 2000: p. 297).

At the outset of the research, little was understood about the processes underpinning these structural changes or their exact consequences for the CFE. Thus the following concept of the CFE, defined by the last piece of direct State regulation covering the CFE contained within the Agriculture Act 1970, is adopted to provide a working definition at this stage of the research:

A traditional institutional estate, owned by local authorities, but regulated by the State to provide agricultural opportunities for new and existing tenant farmers.

However, as local authorities are apparently utilising the CFE to address additional social purposes, this research addresses its wider function beyond the confines of agriculture, considering its current structure and future potential as a local authority asset.

It should also be noted that the research has been undertaken in the context of a financial crisis in the banking sector, leading to the economic downturn of 2007/8. Local authorities have felt the implications of this as central government has reduced
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funding, thus leading to budget cuts. This has impacted on the CFE, as a local authority asset, and is further discussed in Chapters 6 and 8.

As CFE property is occupied under a landlord/tenant system, it is further influenced by agricultural tenancy legislation. Agricultural tenancy regulation has two particular impacts on this research. On the one hand, it determines the terms of occupation of CFE holdings. Thus the impacts of this on landlords and tenants, and the relationships between the two, become central characteristics of the CFE. On the other hand, it is conditions in the wider tenanted sector that influence the significance and success of the CFE. How these conditions have historically been detrimental to new entrants, promoting the importance of the service provided by the CFE as an entry mechanism, is further discussed in section 2.4.

Research has highlighted how reform of the tenanted sector under the Agricultural Tenancies Act of 1995 effectively represents the deregulation of the sector. This Act provides landlords and tenants with the freedom to negotiate the terms of tenure, with little State intervention (Ilbery et al. 2010). According to Gibbard et al. (1999: p. 269), this deregulation is indicative of the “shift away from bureaucratically regulated mass production, towards an increasing emphasis on the post-modern concerns of individualisation and concomitant flexibilisation of capital accumulation”. It is a central argument of this research that the liberalisation of State regulation is occurring in relation to the ownership, occupation and use of CFE property. This has two particular impacts on the research: firstly, it promotes the significance of the theoretical concept of agricultural property rights, which is concerned with the ownership, occupation and user rights associated with property (Newby et al. 1978; Whatmore et al. 1990; Marsden et al. 1993; Munton, 1995; 2009; Spencer, 1998; 2000; Blomley, 2005; Ilbery et al. 2010); and secondly, it helps to define the research aims and objectives.

1.3 Research aims and objectives

The aim of this research is to analyse the current structure and future potential of the CFE in England and Wales. This aim is supported by three key objectives:

1. To provide a comprehensive assessment of the current status of the CFE in England and Wales;
2. To develop an understanding of the main opportunities and barriers (e.g. institutional, socio-economic, cultural) to the further development of county farms in England and Wales; and

3. To consider the contribution of county farms to sustainable farming and rural development in selected counties in England and Wales.

In order to meet these research objectives, the thesis is structured into three main sections containing eight individual chapters, as discussed in the next section.

1.4 Thesis structure

The three main sections of this thesis each address different aspects of the research. The first section situates the research in terms of its contextual, conceptual and methodological underpinnings. Section two then provides the main empirical and analytical content by considering the key findings of the three phases of the research. The final section discusses the significance of these research findings and provides conclusions and closing comments.

1.4.1 Section one

This section comprises three chapters. Chapter 2 reviews relevant academic literature to ascertain how restructuring of the agricultural industry is influenced by policy reform and impacts on the structure and role of the CFE as an industry entry mechanism. The review examines the general process of agricultural restructuring; farm structures in the United Kingdom, with an emphasis of the family farm; tenurial reform; and industry entry mechanisms. These four dimensions are all related to the provision, use of and access to agricultural property. Thus Chapter 3 discusses the concept of agricultural property rights and develops a conceptual framework for examining the present structure and future potential of the CFE in England and Wales. This conceptual framework engages with different theoretical debates to explain how the success (or otherwise) of the CFE as an industry entry mechanism is affected by the distribution of agricultural property rights, based on the management decisions taken by landlords. Chapter 4 then details the research design and mixed methods approach employed to gather empirical data. This was achieved through a three-phase research strategy, gathering both quantitative and qualitative data. The three phases involved a desk-based review of secondary data, an electronic
questionnaire survey of CFE managers and three case studies. These case studies involved face-to-face interviews, with 60 tenants and 20 other key actors, and focus-group meetings involving selected participants associated with the CFE across three local authorities.

1.4.2 Section two
This section contains three empirical chapters. Chapter 5 analyses the findings of the review of secondary data and the electronic questionnaire survey of CFE managers. This focuses on the spatial and temporal development of the structural dimensions of the CFE, identifying the various influences on its development. The analysis identifies the geographical significance of the CFE in relation to the tenanted and agricultural sectors across individual local authority areas. It also assesses the significance of the CFE as an industry entry mechanism in relation to other tenanted services. Consideration is also given to the significance of the CFE as a local authority asset and to the wider services that property is put. Chapter 6 uses the findings of the case study research to explain and analyse the development and consequences of three individual CFE management strategies. The discussion focuses on the role of State regulation and how local authorities are engaging with this to help shape the socio-economic purposes of CFE property. Chapter 7 focuses more on CFE tenants and uses the findings of the case study research to explore their experiences of the CFE. This discussion uses the concept of property rights to analyse the significance of the CFE to both new and established tenants. Consideration is given to how property influences the development and progression of farm businesses, as well as the consequences of this.

1.4.3 Section three
Chapter 8 draws together the main empirical research findings in the context of relevant debates discussed in other sections of the thesis. In particular, the key research findings expressed in Chapters 5, 6, and 7 are examined in relation to the conceptual arguments developed in Chapter 3. Consideration is also given to the significance of the research findings in relation to wider academic debates on tenant farming and agricultural restructuring. The chapter concludes with comments on the limitations of the research – conceptually, methodologically and empirically - and potential directions for future research.
Chapter 2

County farms and agricultural restructuring: a review of literature

2.1 Introduction

The CFE has become an integral part of the agricultural sector in England and Wales since its inception at the end of the nineteenth century. During this time, its role has developed so that it now provides one of the most accessible means of entry into farming for non-inherited industry entrants (Wise Committee Report, 1966; Northfield Report, 1979; Whitehead et al. 2000). Despite this, the concept of the CFE has been a neglected area of academic interest (but see Laxton et al. 1987; Whitehead et al. 2000; Ilbery et al. 2009; 2012). While land and property have played a key role as an enabling factor in the development of farm businesses, land tenure has often been overlooked as an important influence. One very good example of this is Lobley and Potter’s (2004) work on agricultural restructuring processes in England and Wales. Whilst openly acknowledging the significance of land tenure, the central tenet of their argument was based on the decision making process of the family rather than on the ability of farmers to access land and property. This is not a criticism of Lobley and Potter (2004) as it is a key argument of this thesis that the family farm remains highly significant within agriculture in England and Wales (see section 2.3).

A small, but growing, body of research has focused on land tenure arrangements and the impacts of policy reform upon these. Most of this research has analysed reform of the tenanted sector under the Agricultural Tenancies Act 1995 and the development of the European Union’s (EU) Common Agricultural Policy (CAP) and its transition towards the Single Farm Payment (SFP) (e.g. ADAS, 2004; Williams, 2006; Ilbery et al. 2006; 2008; 2010; Winter, 2007; Butler and Winter, 2008; Munton, 2009). It is argued here that the processes of agricultural and wider social restructuring that have occurred since publication of the Wise Committee Report (1966) have had both a
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direct and indirect effect on the structure and role of the CFE within the agricultural sector. In order to develop a fuller understanding of these processes, the chapter is structured into four main sections. Section 2.2 focuses on the process of structural change that has occurred across the agricultural sector in response to several rounds of political reform. The following section then moves on to discuss the impacts of the restructuring process on farm development. This section focuses on the family farm given its strong links with small and medium sized farms that have most association with the CFE. As a landlord-tenant service, the CFE is legislated and influenced by the tenanted sector. This is, therefore, discussed in section 2.4. The final section reviews alternative entry mechanisms, other than the CFE, and gauges the success or otherwise of these. A brief summary draws the chapter to a close.

2.2 Agricultural restructuring

Following the end of World War Two, agricultural policy in Britain encouraged the production of food and fibre and the main purpose of the countryside was defined as agricultural production (Halfacree and Boyle, 1998). This was supported by market protection, primarily through export tariffs and guaranteed price support. Advancements in output were achieved through research and technological development, often undertaken by government-supported organisations such as the Agricultural Development and Advisory Service (ADAS). These processes encouraged an industrialisation of farming, as increases in production were achieved by utilising technological developments, particularly machinery, chemical fertilisers and pesticides, and biological inputs in the form of crop and livestock genetics.

During this period, the advancement of capitalist markets encouraged the development of other industries through the incursion of private investment. In contrast to this, the uncertain biological processes of plant and animal growth made farming an unattractive investment opportunity for non-agricultural, industrial capital (Whatmore, 1995). This encouraged the development of agri-food networks, whereby food production became one component in a chain of processes involved in the provision of food products. Within this concept, non-agricultural inputs and processes were incorporated alongside industrialised production inputs as nodes in an often complex, vertical food supply chain (see Whatmore, 1995). The number of nodes within the food chain lengthened due to the intervention of non-agricultural
Inputs upstream of food production, such as chemical fertilisers and biological inputs, and the growth of processes downstream, such as processing, packaging, retailing and catering, all reduced the significance of agriculture within the elongated, industrial food chain. One such example of this saw the replacement of natural products and processes within the food chain with industrial alternatives. These processes were theorised by Goodman et al. (1987) as appropriationism and substitutionism (see also Ilbery and Bowler, 1998):

- Appropriationism – whereby elements once integral to the agricultural production process are extracted and transformed into industrial activities and then re-incorporated into agriculture as inputs; and,
- Substitutionism – where agricultural products are first reduced to an industrial input and then replaced by fabricated or synthetic non-agricultural components in food manufacturing (Goodman et al. 1987: p. 2).

Ilbery and Bowler (1998) argued that the industrialisation of agriculture demonstrated three structural dimensions: intensification, concentration and specialisation. Intensification relates to a reliance on additional farm inputs, particularly chemical fertilisers and pesticides, which facilitated higher yields of cereals, meat and livestock products. Concentration occurs through the localisation of production on fewer, larger farms within specific areas, at national, regional, county and even parish levels. Whatmore (1995: p. 46), for example, explained how the Paris Basin, East Anglia, Emilia Romagna and the southern Netherlands had become “agro-industrial hotspots”. Specialisation occurs in order to satisfy economies of scale through production of a limited number of crops to reduce the need for machinery, skills and knowledge. These dimensions brought about structural change in farming due to the substitution of farm labour with off-farm inputs and a reliance on economies of scale to reduce the cost of these external inputs. This reduces the industry work force and promotes larger, more intensive holdings.

As an instrument for encouraging agricultural production, post war policy can be seen as being too successful. Farmers became very good at growing food and by the 1980s output exceeded demand. The EU's butter mountain and wine lake were testament to this (Reinhorn, 2007). This over production provided the EU with a myriad of problems, with three particular areas of concern. Firstly, the costs of supporting
production policy increased as farmers became better at growing food. These costs were incurred through intervention buying, export subsidies, consumer food price subsidies, reducing input costs, capital investment grants and subsidy payments (e.g. deficiency payments and livestock headage payments) (Ilbery and Bowler, 1998). Alongside this, the environmental consequences of an industrialised farming industry were becoming apparent, as nature was sacrificed in the name of production. This was perhaps most widely seen in the removal of hedges to increase field size, the pollution of watercourses through fertiliser and pesticide use and the poaching of land through stock over-grazing. Finally, the presence of market protection mechanisms and export tariffs distorted world markets, prompting calls for reform from both inside and outside the EU.

Reform of the CAP started with the introduction of milk production quotas in 1983 with the aim of reducing production. Other measures followed with further production quotas, set-aside land, woodland planting grants and various agri-environmental schemes (Mather et al. 2006). Further reform was promoted by the General Agreement on Tariff and Trade (GATT) agreement on world agricultural trade, effective from 1993, which required the EU to make a commitment to eventually eliminating agricultural protectionist policy to enable progression to global neoliberal, capitalist markets (Potter, 1998). This has seen the CAP move away from direct support and towards the decoupling of payments from production. An example of this can be seen in the advent of environmental schemes, such as Environmentally Sensitive Areas (ESA), introduced in 1987. The ESA offered farmers compensation for the adoption of management practices to enhance and preserve important environmental and landscape features (Natural England, 2010). Through the ESA, economic support was decoupled from food production, encouraging farmers to diversify their farm businesses away from intensive methods of production.

Issues of farm business diversification were central to the arguments of Ilbery and Bowler (1998), who theorised how farmers responded to policy change under the concept of the post-productivist transition (PPT). Ilbery and Bowler identified how farm businesses could develop up to six different pathways:
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- Extension of the industrial model of farm business development based on traditional products and services on the farm (theorised as productivist or productivism).
- Redeployment of farm resources (including human capital) into new agricultural products and services on the farm (agricultural diversification).
- Redeployment of farm resources (including human capital) into new non-agricultural products or services on the farm (structural diversification).
- Redeployment of human capital into off-farm occupation (other gainful activities – OGAs)
- Maintenance of traditional farm production and services with reduced capital inputs (extensification).

These six pathways of farm business development can be categorised into three broad areas of development. Pathways 1 and 2 represent a continuation of production-based farming. It should be noted, however, that under Pathway 2 the range of produce grown is expanded, encouraging a shift away from traditional productivist policy. Pathways 3 and 4 are seen as pluriactivity, which considers the generation of alternative incomes by all household members (Ilbery and Bowler, 1998; Mather et al. 2006). Finally, pathways 5 and 6 relate to disengagement with production and reduction of workload, associated with semi-retirement.

The development of alternative farm businesses is reliant on different factors and is, therefore, geographically variable (CRR, 2002). Farm-based tourist facilities, for example, such as bed and breakfast, require the availability of property and tend to be linked to areas where tourists visit (Maye et al. 2009). Alternatively, the proximity of consumers has been noted as crucial to the development of farm retailing schemes (CRR, 2002). Research has also shown how proximity to markets in the urban fringe increases farm diversification activities compared to those areas further away (Ilbery, 1991). Other forms of diversification, such as contracting, hire-work and off-farm income generation are dependent on levels of available capital (Maye et al. 2009). The availability of capital as an influence on farm business development has been associated with farm size (Gasson, 1998; McNally, 2001). Based around time and
opportunity, Gasson argued that smaller farms made greater use of available time to engage with off-farm employment. In contrast, larger farms are more likely to exploit the opportunity of available resources and diversify on-farm. McNally (2001), however, suggested that this trend is linked to the increased availability of capital on larger farms, allowing them to diversify more readily. The personal preferences of farmers and farming families have also been identified as an influence on farm business development pathways (Evans and Ilbery, 1989; Munton, 1995; Lobley and Potter, 1998). All these considerations mean that “the adoption of a diversification strategy seems to be linked to a greater complexity of factors than farm type alone” (CRR, 2002: p. 10).

Empirical evidence to explain how farmers actually respond to policy realignment at the regional level was provided in a critique of the PPT by Walford (2003). He demonstrated the persistence of a productivist ethos in large-scale farming in the south-east of England. He argued that: “the evidence from large-scale farmers, with long-term occupation of their farms in south-east England, suggests that the fundamental process of concentration, intensification and specialisation persists alongside key changes in the agricultural industry” (p. 501). This allowed Walford to conclude, “that it is premature to regard productivism moribund” (p. 501). The key point to note about Walford’s comments is that, whilst he used the continuation of productivist farming methods to critique the PPT, its persistence was identified under Pathway 1 of Ilbery and Bowler’s (1998) definition.

A number of authors have critiqued the PPT, not least because of the use of the prefix ‘post’, suggesting a dualist transition between productivism and the PPT (Evans et al. 2002; Wilson, 2008). Evans et al. (2002) were particularly judgemental on the uncritical use of the PPT as an all-encompassing phrase to describe rural and agricultural change. Building on the comments of Cloke and Goodwin (1992), they stated, “we are not denying that key changes have recently taken place, merely warning of the dangers of attempting to fit these into a rather forced categorisation where the actual processes and components of the supposed shift all too often remain unspecified” (Evans et al. 2002: p. 325). Given the contested nature of the PPT, a number of authors have proposed the use of multifunctionality as a more suitable theoretical framework in which to situate the processes of agricultural restructuring.
Chapter 2: County farms and agricultural restructuring: a review of literature

(Potter and Burney, 2002; Durand and Huylensbroeck, 2003; Bills and Gross, 2005; Potter and Tizley, 2007; Wilson, 2007; 2008).

Under reform of the CAP, the EU is faced with a delicate balancing act between the global pressures for market liberalisation to aid free trade and the adverse effects of this on localised rural communities (Potter and Tizley, 2007). The theory of multifunctionality has, therefore, been proposed as an EU-defined conceptual framework to legitimise further support for these agricultural and rural communities (Durand and Van Huylenbroeck, 2003). The justification for these continued, but decoupled, payments is that agriculture provides a series of public goods as a custodian of the countryside. In a persuasive article, Potter and Burney (2002) demonstrated how the EU valued multifunctionality as a rural support programme. They argued that policy should “retain some element of farm income support if it is to sustain the pattern of land occupancy that appears to be necessary for joint production of landscape values” (p. 41-42). To support this argument, Potter and Burney quoted the then EU Agricultural Commissioner Franz Fischler, who stated that continued payments “are not subsidies, after all, but payment for services which Europe’s farmers have so far provided free of charge” (Fischler, 1998: p. 1).

Implementation of farm support within the EU occurs through traditional price support and direct subsidy payment (first pillar) or fully decoupled payments (second pillar) (Potter and Burney, 2002). Underpinning the second pillar of the CAP is recognition that the sectoral approach of previous policy was flawed. The agriculturally specific nature of policy did not provide broader benefits to the wider rural community. To this end, the second pillar promotes a territorial approach, whereby agriculture is a key component in promoting sustainable rural development (Dwyer et al. 2007). As a result, the EU model of multifunctionality incorporates three key aims within the CAP:

• To ensure that farmers are able to produce what markets demand.
• To allow farmers to retain access to a stable level of income through subsidy support.
• To ensure that farmers comply with environmental, food security, animal welfare and biosecurity standards in return for this continued support (European Commission, 2010).

This has led to a reduction in subsidised support for agricultural production and allowed “non-farmers and non-agricultural activities to have access to the central part of the CAP budget” (Lowe et al. 2002: p. 4). This is presently executed in the application of modulation to the SFP. This takes a percentage of the SFP (first pillar) and makes it available for second pillar payments, such as the Entry Level Stewardship Scheme (ELS). In 2010, modulation rates for England were eight per cent of SFP, rising to 10 per cent in 2012 (Defra, 2010a).

Wilson (2001; 2007; 2008) has theorised different elements of agricultural multifunctionality and, in particular, how farmers exhibit the characteristics of it. The thrust of his work argues that engagement with multifunctionality can be classified as weak, moderate or strong, depending on a range of enabling factors. These include economic decisions on profit and wider social and cultural influences, such as social capital, farmer embeddedness in the locality, farmer attitudes and farmer identity. This allowed Wilson to theorise how the level of multifunctionality exhibited by farms varied by farm type and two examples are given here to explain his ideas. Large agribusinesses, for example, possess a wide range of enabling factors, but exhibit moderate to weak multifunctionality. This occurs as these farms often remain committed to profit-making productivist methods and are embedded in vertically integrated global commodity chains (Wilson, 2008). In contrast, upland farms, which are characterised by more extensive farming methods in areas of higher conservation value, exhibit higher and stronger levels of multifunctionality. This comes about as the range of services these farmers provide is extended to public goods through environmental protection and enhancement. The key point of Wilson’s work, within the context of this research on the CFE, is that farm tenure arrangements also influence how farmers interact with policy and exhibit multifunctionality at the farm-level. Owner-occupiers retain possession of a greater number of enabling factors than either farms in multi-member ownership or tenant farmers. This does not mean that tenants are necessarily less multifunctional, just that they have to contend with
external decision-making restraints dependent on the level of control exerted by the landlord.

The concepts of multifunctionality and the PPT focus on how farmers have responded and diversified their income sources in the light of policy reform and fluctuating financial returns. In contrast to these approaches, debates since the turn of the last century on the food chain have looked specifically at how the farmer has adopted produce output and sales techniques in order to satisfy changing consumer demands. Consumer confidence in the elongated, industrial food chain has been damaged over recent years by a number of food scares, such as the BSE crisis, the Foot and Mouth outbreaks and ecoli scares. Much has been made of the attempts to ‘reconnect’ producers, consumers and food, most notably through the ‘Sustainable Food and Farming Strategy’, published by the British government in 2002. A central aim of this policy was to encourage farmers to reconnect with their markets in an attempt to satisfy consumer demands and to retain the added value aspect of food production. So, for example, attempts by farmers to circumvent the industrial food chain and retain the added value of food have been conceptualised as the ‘Short Food Supply Chain’ (Marsden et al. 2000) or ‘Alternative Food Network’ (Watts et al. 2005; Higgins et al. 2008). A full review of the food chain literature is beyond the scope of this chapter as farmer engagements with direct marketing and other food network activities are seen in this thesis as a means of farm diversification.

The issue of what crops a farmer grows and how these are marketed does offer interesting debates on the future direction of farming in England and Wales. These debates are strongly influenced by the re-emergence of food security issues over the past four or five years (e.g. Defra, 2006; Dairy UK, 2009; Chatham House, 2009; the Smith Institute, 2009). In contrast to the food security concerns immediately after the Second World War, when food shortages and issues of self-sufficiency promoted agricultural policy that focused solely on increasing production output, current food security concerns embrace a more holistic approach. The position of the British government on the food security debate was expressed within new strategy published in early 2010 entitled ‘Food 2030’ (Defra 2010b). This paper sets out a vision to secure supplies, stabilise prices and provide affordable food to the benefits of
producers, consumers, the environment and global trade. Through an ambitious programme, the strategy looks to address four key areas of food concerns:

- **Consumer awareness and education**
  - Choice, availability and affordable food.
  - Promoting consumer education of food – what it is, where it is from and how food is prepared.
  - Encouraging healthy eating.

- **Food production**
  - Vibrant and profitable agricultural sector.
  - Investment in skills and knowledge.
  - Technological development of sector.
  - Contribution to local economy.
  - Promoting high standards of environment and animal welfare.

- **Food security**
  - Appropriate use of global resources, such as energy, water, land and labour.
  - Development of trade links and support for developing economies.

- **Low carbon agriculture**
  - Reduced greenhouse gas emissions from within the food sector.
  - Reduction of food waste.
  - Generation of new and existing technologies to generate energy from waste.

Whilst the aim of this policy is to once again encourage food production, it does not promote the negative impacts associated with the post-war period of productivism. Instead, the key point of this government vision is that agriculture and food production need to be part of an integrated approach to delivering a raft of social benefits including education, health, the environment, business and commerce, economic development, climate change and carbon emission reductions.

The development of Food 2030 policy provides an interesting opportunity for landed estates, such as the CFE. It reiterates that future land use will be focused on numerous outputs alongside agricultural provision, particularly in relation to climate
change issues. Whilst previous policy, such as the ESA scheme, has been delivered through farmers, the holistic nature of the Food 2030 vision means that it needs to be delivered by a number of groups connected with agricultural land. For local authorities, as the owners of the CFE, this provides an interesting opportunity to expand the range of services they derive from estate ownership. This is discussed in greater detail in Chapter 3. The following section of this chapter now focuses on the farmer and how farm businesses have developed in light of policy reform.

2.3 Agricultural restructuring: the significance of the family farm and the influence of family

The concept of the family farm, relevant to the CFE, is dominant within the EU literature on farm structures (e.g. Munton and Marsden, 1991; Hill, 1993; Gasson and Errington, 1993; Whatmore, 1995; Ilbery and Bowler, 1998; Gray, 1998; Brookfield and Parson, 2007). This is not to deny that other types of farm exist, but the supply of labour, land, management and financial capital by household members often means they can be classified as such (Hill, 1993). There is, however, a high level of debate on the theoretical definition of the family farm and this is discussed below.

Adopting an economic approach, Hill (1993) provided an operational definition of the family farm that could be used within EU policy development. He created three farm typologies based on the application of family (unpaid) and hired (paid) labour: first, family farms, where all, or virtually all, labour is carried out by family members; secondly, intermediate farms, where family labour constitutes over half the labour requirements with the rest provided by hired workers; and finally, non-family farms, where the vast majority of work is undertaken by hired labour. This approach in defining the family farm was further advocated by Brookfield and Parsons (2007), who were keen to expand Hill’s arguments to incorporate aspects of contemporary agriculture in two ways. Firstly, they were amenable to the inclusion of small, part-time farms that relied on non-agricultural and off-farm incomes within the category of family farms. To Brookfield and Parsons, this not only represented the multi-income facet of contemporary agriculture, but also promoted greater flexibility within the concept of the family farm. They argued the importance of this as it stresses the significance of all family members, rather than just the head of the household, in the provision of labour and the management decision-making process. The second aspect
of contemporary agriculture discussed by Brookfield and Parsons was the role of family within the development of capitalist farms. They argued that the development of larger capitalist farms and their reliance on employed waged labour does not necessarily mean that they cannot still be family farms. Brookfield and Parsons, therefore, called for the definition of family farms to be flexible and dynamic. For them, the key points in defining family farms were that family members undertook management and that they were smaller by comparison to others within a specific area. Issues of succession were deemed less significant and it is “the principle of the family organisation that is most important” (Brookfield and Parsons, 2007: p. 14).

To both Hill and Brookfield and Parsons, the provision of family labour was a central caveat of the family farm. However, to Gasson and Errington (1993) the replacement of labour by mechanisation within an industrialised agricultural industry and the seasonality of labour demands raised questions over its significance as an indicator of farm structure. Instead, they were keen to apply more complexity to their definition of the family farm by exploring the relationship between the family and the farm business, and the interaction between family and farm (Errington and Gasson, 1994). Developing their theorisation on capitalist principles, they argued that the possession of managerial control, availability of capital and labour, and access to property are the significant defining issues. The more these inputs are provided by family members, the more family orientated a farm business becomes. Using these credentials, Errington and Gasson (1994) provided an ideal type classification of farm family businesses rather than an operational definition (Table 2.1).

Developing their ideas allowed Gasson and Errington (1993: p 20) to “explore the boundaries of the ideal type...deciding what is not a family farm business may help to clarify what it is”. To help define what the family farm actually is, the key criteria that a farm must demonstrate are distilled from these six elements to a core of ownership and managerial control of the business, and kinship links between farm household members (Gasson and Errington, 1993). Rather interestingly, under this six-element theorisation, the county farm cannot be considered a family farm, as it does not provide for succession. However, focusing on managerial control of the business and kinship links, many county farms are likely to fall into the family farm category.
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1. Business ownership is combined with managerial control in the hands of business principals.
2. These principals are related by kinship or marriage.
3. Family members including business principals provide capital to the business.
4. Family members including business principals do farm work.
5. Business ownership and managerial control are transferred between the generations over time.
6. The family lives on the farm

Table 2.1: The ‘ideal types’ of farm family business (Errington and Gasson, 1994: p. 296)

Gray (1998) was critical of Gasson and Errington (1993) for the “tendency to blur the original distinction they drew between the functions of taxonomic and ideal typical definitions” (p. 343). He did, however, rely on their work to pre-define his case study area in Scotland and acknowledged that the attributes of the family farm could be classified using Gasson and Errington’s six-element approach. The significant point of Gray’s research was that it adopted a cultural approach, to study how family farms are defined by the spatial relationship between family and farm, and the families’ position within the local community. Gray categorised these relationships as ‘consubstantiality’, describing how farming families constructed their identity through “the outcome of their everyday farm work, family relations, and discussions about goings-on in the area” (p. 345). Using this approach, Gray argued that the cultural importance of place and belonging provides one of the key signifiers of the family farm. Central to this is succession and how it creates longevity of occupation, certainly within the locality if not on the same farm. The family farm thus describes a way of life, and the family’s relationship with a defined area, rather than the progression of a farming business as described by Gasson and Errington (1993).

Both Gray (1998) and Holloway (2000) offered an interesting contrast to the ideas of Munton and Marsden (1991), Hill (1993), and Gasson and Errington (1993). This contrast can be explained by the two approaches to defining the family farm - the former adopting a post-modern cultural approach and the latter a more economic or
business approach. This presents an interesting dilemma when trying to define the family farm. To Hill, the need was to provide a description of the family farm that was operational and quantifiable within policy development. However, an increasing body of research suggests that cultural decisions are as important to farmers and the farming family as economic and political motivations (e.g. Bateman and Ray, 1994; Gray, 1998; Lobley and Read, 2003). This becomes even more pertinent when considering the occupation of farms for consumption purposes (e.g. Holloway, 2000; Bohnet et al. 2003; Halfacree, 2006; Mather et al. 2006; McCarthy, 2007). And yet, county farm tenants are likely to provide their own definition of what the county farm is and whether it is indeed a family farm. Removal of the succession mechanism from the CFE (see section 2.4) breaks the link, to some extent, between farm and locality, as discussed by Gray (1998). Whether county farms can be classified as family farms depends very much on the presence and role of other family members on the farm. The issue of defining the family farm in the context of the CFE warrants further consideration during this research.

Within Britain, the true extent of the family farm, in terms of the percentage of total farms, is open to some level of debate. Gasson and Errington (1993), for example, argued that families controlled over 90 per cent of all farm businesses in the UK. Hill (1993), on the other hand, suggested that they constituted less than half of all farms in the UK. Despite uncertainty over its true extent, the most important factor about the family farm, which demonstrates its significance to the industry, is its continued existence. The survival of the family farm in increasingly globalised, industrialised and capitalist markets speaks volumes for its resilience. As far back as the mid-nineteenth century, the work of Marx foretold its demise under the transition to advanced capitalist economies (Munton and Marsden, 1991; Whatmore, 1995). This survival has been attributed to political support and the adaptability and resolve of family members to work for modest financial returns (Munton and Marsden, 1991; Gasson and Errington, 1993; Brookfield and Parsons, 2007).

Supporting the unique social and agricultural qualities that the family farm provides has always been an objective of CAP policy, although the family farm often finds itself faced with contradictory policies (Munton and Marsden, 1991; Hill, 1993). The protectionist policy of the productivist era helped to maintain the family farm through
direct subsidy support. One example of this was the Less-Favoured Area scheme (LFA), which came into being in 1975. The LFA provided direct compensation to farmers in more difficult farming environments and contributed to the financial viability of smaller farms (Robinson, 2004). At the same time, productivist policy allowed the political and economic power once held by the family to be eroded by non-agricultural capital (Munton and Marsden, 1991). Under protectionist policy, food became a cheap commodity limiting the opportunity for profit returns on investment. This encouraged non-agricultural capital to infiltrate other parts of the food chain, increasing the farmers’ reliance on capital inputs and removing the value-added aspect of production. The family farm, however, was able to combat these pressures more effectively than non-family farms. As a multi-person unit, the family farm can call upon resources of land, labour and management skills. This allows families to reduce input costs, often through the provision of labour. As a result, the family farm is able to operate under lower profit thresholds than non-family farms (Gasson and Errington, 1993). Munton and Marsden (1991: p. 115) reasoned that the persistence of the family farm was often based on an ethic to “invest ones livelihood in farming for modest returns”. This ability to work for modest returns allowed Gasson and Errington (1993: p. 61) to suggest that the unique structure of the family farm allowed them “to continue in production when non-family firms would be forced out of business”. Alongside the provision of land, labour and management, there are two further constituents of the family farm that add to its significance in agriculture and make it a particularly relevant concept to the CFE - succession and the impact of family events on farm business development strategies.

The Scottish Agricultural College (SAC, 2008) argued that the high incidence of family farms in Britain creates a unique system for business transfer through succession rights. Farm succession refers to the transfer of business interests between different generations of the same family. This process was conceptualised by Gasson and Errington (1993) and Errington (2001) as inter-generational transfer, consisting of three pathways of change: succession, which confers the transfer of managerial control of business assets to the following generation; inheritance, which denotes the legal transfer of asset ownership; and retirement, where the incumbent farmer, usually the elderly patriarch, withdraws from active managerial control. Use of these definitions is not unproblematic. Succession of managerial control, for example, does
not necessarily mean that inheritance or retirement has taken place. Research has highlighted how older farmers are reluctant to relinquish control by retiring, even when they have passed on managerial control to younger successors (Williams, 2006; Ilbery et al. 2009; 2012).

Recent research suggests that inter-generational transfer of farm businesses is influenced by both economic and social issues (SAC, 2008). Economic factors include low farm profitability, structure and indebtedness of the existing business, reliance on capital in place of labour, the high costs of entry to the industry, the cash potential of property, the costs of planning implications of alternative accommodation, and the tenurial arrangements of the farm. Social considerations involve addressing the needs of all household siblings and the alternative lifestyles and career opportunities available to successors.

Alongside succession, which influences the availability of farms, the development cycle of family farms also impacts on the CFE. In particular, family farm development cycles can be used to predict needs and development during a tenant’s occupation. Bennett (1982) discussed how land requirements vary, dependent on the availability of family labour. The focal point of this model was the farm and how it expanded to satisfy the needs of the family as and when additional family labour arrived. This analysis allowed Bennett to develop a cyclic development model that contained succession as a central aspect and which was broken only by a childless marriage or a failure to marry. There are two obvious problems when trying to relate Bennett’s model to the CFE. Firstly, succession is not a policy-supported aspect of the CFE. Secondly, the emphasis in the model was farm expansion rather than the needs of the individual farmer. The taking of additional land was a central aspect of the model, potentially downplaying the significance of off-farm employment and the impact of environmental schemes under a multifunctional agriculture.

In contrast, Nalson (1968) provided a three-phase theoretical typology of family farm development cycles that focused on the attributes of the family rather than the farm (Table 2.2). This model of family farm development explains how labour, as well as the personal ambition and drive of family members, fluctuate during the family development process. During the first phase, the farmer and their partner exhibit a
high work ethic, but the demands of a young family are high. As a result, it is often only the farmer that provides labour to the farm, with the family taking up the time of the other parent. During the second phase, the demands from the family are still high, but there is an increasing amount of labour available for on and off-farm employment from other family members. Children increasingly provide this, as the parents’ work drive decreases. During the third phase of development, the work ethic of the parents is lowest and children are relied upon to provide much of the labour requirements.

1. Early phase – in which either all the children are still in education or the female is of childbearing age, but has no family.
2. Middle phase – in which some of the children are of working age, live at home and work on or off the farm.
3. Late phase – when all children have left home or when the parents are past the age of child bearing or have no children.

Table 2.2: Stages in the family farm development cycle (Nalson, 1968: p. 54).

The work of Nalson provides an interesting insight into the problems facing the development of the farm businesses of non-succession tenants. It is, therefore, highly relevant to this research on the CFE. By excluding succession issues, Nalson’s model allows for the consideration of how family issues impact on farm development. Crucially, the temporal analysis of this study relates only to the tenants’ period of occupation. Rather interestingly, Nalson also identified how, in the absence of property or business inheritance, many children would leave the family farm in pursuit of other career paths. The consequences of this are often detrimental to the ageing parents who “may have difficulty in supporting themselves [economically] or in effectively operating the farm” (Nalson, 1968: p. 54). These potential problems appear to have some resonance with current issues facing the CFE. In particular, the problems of tenant stagnation and increasing average age reduce the efficiency of the service and the number of opportunities available for new starters. These issues are not confined to the CFE and were noted in the Northfield Report (1979). This identified the high set-up costs of farming and a shortage of available tenancies as being detrimental to new entrants. Given the links between industry entry, the CFE and the tenanted sector, the latter issue is discussed in the following section.
2.4 The agricultural tenanted sector

Within Britain, the agricultural tenanted sector has played a historic role, not only in the provision of land but also in the agricultural class structure. Given the significance of the role it has played, it has become a highly regulated phenomenon. Like the CFE, the origins of the contemporary tenanted sector can be traced back to the latter stages of the nineteenth century, when the plight of agricultural labourers and tenant farmers were causing social concern in Victorian Britain. Prior to this, land had been distributed under the feudal system, reliant on a multi-tiered class structure, where the landless became lower-class serfs, fiefs and villains (Lee, 1947; Adams, 1976, Tracy, 1989). The transition to capitalist societies required a redistribution of land and an increase in owner-occupation to improve the economic performance of agriculture (Massey and Catalano, 1979).

In order to increase owner occupation and to improve the social conditions of the landless within agriculture, reform of agricultural policy was introduced at the end of the nineteenth century. The aim of this policy reform was to provide opportunities for agricultural workers and tenant farmers to progress within the industry. Historically, this process has been theorised as the farming ladder, which describes the progression of personnel within the agricultural industry (Lee, 1947; Wise Committee Report, 1966; Bates and Rudel, 2004; Alston and Ferrie, 2005). The rungs on the ladder represented the position of individuals within the class structure of the agricultural community. The farm labourer is positioned on the lowest rung and, as they progress in the industry, they ascend the ladder to become a tenant, an encumbered (mortgaged) landowner and, finally, to the highest rung, as a ‘free’ landowner or landlord (Lee, 1947; Wise Committee Report, 1966; Bates and Rudel, 2004; Alston and Ferrie, 2005). At the end of the nineteenth century, the majority of those connected with agriculture, as labourers and tenants, were positioned at the bottom of the ladder on the first and second rungs. Reform of policy was needed to allow them to progress within the industry and to raise their class status.

The political desire to bring about owner occupation of agricultural land brought the CFE into being under the Smallholding Act, 1892. Under this Act, the landless were encouraged to buy land, using their local council as a staging post to do this.
Ultimately, this facility failed to encourage owner-occupation and the CFE became the tenant service that is recognised today. In contrast to this, reform of the agricultural tenanted sector made it increasingly less lucrative for landowners to remain as such (Gibbard et al. 1999). Throughout the twentieth century, this reform process continued, utilising taxation law and creating greater security of tenure for tenants, which culminated in the granting of succession in the Agricultural (Miscellaneous Provisions) Act 1976. This helped to reduce the size of the tenanted sector throughout the twentieth century: in 1908, it accounted for around 88 per cent of agricultural land occupation in England and Wales (MAFF, 1968). By 1994, this figure had fallen to around 35 per cent of area and 24 per cent of holdings (Gibbard et al. 1999).

Reform of the agricultural tenanted sector was successful in increasing the number of owner-occupiers and it helped to lift the social standing of farmers as they ascended the farming ladder (Newby et al. 1978). The decline in the size of the tenanted sector during the twentieth century reduced the opportunities for new entrants or those who had not already progressed to landowners. This point was noted in the Northfield Report (1979) which, despite its focus on the acquisition and occupancy of agricultural land by financial institutions, focused heavily on the CFE as the only viable means of industry entry for non-inherited starters. Entry opportunities were further limited as the inclusion of succession rights in the Full Agricultural Tenancies (FAT) created by the Agriculture (Miscellaneous Provisions) Act 1976 reduced the prospects for landlords to regain land for three generations once it was occupied under a FAT. This prompted the development of unconventional tenurial arrangements outside the jurisdictions of tenancy law (Whatmore et al. 1990). Agreements such as share farming, insecure tenancies and contract farming became more common. Contract farming, for example, allows land to be farmed by external labour for fixed fee remuneration, but the landlord retains control over management, capital and land. The use and significance of these alternative tenure arrangements over the past twenty years or so have been monitored by Winter and colleagues (Winter et al. 1990; Butler and Winter, 2008). The research started with a national survey of unconventional farm tenure, undertaken in 1989-90. Winter et al. (1990: p. 2) argued that the workings of the tenanted sector at the time “failed to respond adequately to the needs of either tenant or landlord”. Around one-in-five of all farms
in England and Wales occupied land on unconventional tenure arrangements. Of these arrangements, grass keep and gentlemen’s agreements were by far the most common type used (Winter et al. 1990).

Given the perceived failings of the tenanted sector, further reform was introduced under the Agricultural Tenancies Act 1995, which introduced Farm Business Tenancies (FBT). The purpose of FBT was to stimulate the tenanted sector by creating secure short-term leases and encouraging greater negotiation between parties within individual agreements (Stockdale et al. 1996). By doing so, it was delivered to achieve three main objectives:

- To make more land available for letting within the tenanted sector;
- To increase opportunities for new entrants to the industry; and
- To promote flexibility and economic efficiency in agricultural land use (Whitehead et al. 2002; Ilbery et al. 2010).

The flexibility offered by FBT is synonymous with wider reforms, helping to satisfy the demands of capitalist markets and allowing access to both production and consumption (Gibbard et al. 1999). Central to the argument is the perceived shift in power from the legal protection of rights under the “contractual agreement governing these rights” (Ibid: p. 270). Under FBT, power is distributed through negotiation rather than pre-determined law. This allowed Gibbard et al. (1999: p. 271) to propose that “rather than being an essentially legal relationship, [the relationship between landlord and tenant] is increasingly cultural, based on forms of flexible arrangement which allow both parties the maximum freedom to exploit short-term market opportunities”.

Rather interestingly, Butler and Winter (2008) challenge the arguments of Gibbard et al. (1999). Re-engaging with their research on unconventional tenure arrangements, they demonstrate how such arrangements remain popular despite tenancy reform. In 1990, they accounted for around 5.9 per cent of all farmland occupation. By 2007, however, the figure had increased to 7.1 per cent. A key point to note from the findings of the 2007 survey was how contract and share farming arrangements had become more popular. These findings can perhaps be explained by recent research that has highlighted how contract and share farming arrangements allow landowners
to retain control of land-based entitlements, such as the SFP (Ilbery et al., 2006; 2010). With notable consequences for the CFE, Butler and Winter (2008) concluded that there is no evidence to suggest that these types of arrangements help new entrants to gain access to the industry.

Despite the significant role of unconventional agricultural tenure arrangements, theoretical debate almost exclusively deals with conventional agreements, such as the FAT and FBT. Ravenscroft (1999), for example, argued that tenancy agreements could be categorised within a tripartite structure based on the feudal system of land tenure. Within this structure, the three broad leasing arrangements are classified as feudal, neo-feudal and post-feudal. The feudal system has socio-political objectives and is based on the landowner-worker relationship. It relies heavily on class structure and landowners control property rights. The neo-feudal system has socio-economic objectives under the landlord-tenant relationship. This provides longevity of tenure and security, which produces the ‘career’ tenant. Representing a shift towards capitalist production, an example of the neo-feudal system can be seen in the use of traditional FATs in Britain. Through security of tenure, this system shifted the balance of power away from landlords and towards the tenant. Stockdale et al. (1996), for example, argued that secure tenancy agreements minimise the opportunity for landlords to gain vacant possession of property, reducing the capital value of holdings. Subsequently, Ravenscroft (1999) suggested that FBT in England and Wales are an example of the transition to a post-feudal system. This relies on investor-farmer relations and the power lies within the de-regulated contract as, “parties are free [from legislation] to determine the terms of the lease” (Ravenscroft, 1999: p. 251). In contrast to this, Ravenscroft argued that the more formal tenancy arrangements defined under Scottish Law mean they still represent a neo-feudal system. Unlike England and Wales, the tenanted sector in Scotland is not legislated by FBT arrangements. Instead, Scottish agriculture relies on traditional tenure arrangements, although these contain subtle variations from legislation in England and Wales. Most notably, under traditional tenure arrangements, Scottish tenants have security of tenure for an indefinite period, providing a successor can be identified (Stockdale et al. 1996). Scottish law also permits use of the Limited Partnership tenancy that, like FBTs, allows agreement length to be negotiated between parties. The Limited Partnership tenancy is, however, an agreement between
a landlord and tenant, essentially creating a new business partnership between the two parties. Stockdale et al. (1996) suggest that the presence of the Limited Partnership tenancy has reduced the need of Scottish agriculture to adopt FBTs as in England and Wales.

Ravenscroft raised questions as to the sustainability of a post-feudal tenure structure. An integral feature of it is the short-term nature of agreements and the assumed flexibility that this provides. This increases the appeal of the system to capitalist investors as the value of land continues to be significantly higher than its agricultural value (Savills, 2007). As a consequence, land is increasingly placed under the control of non-agricultural capital and at the discretion of capitalist markets. The post-feudal system shifts the power-base back towards the landlord due to the introduction of this non-agricultural capital. This is to the detriment of the tenant farmer in two ways. Firstly, they are more likely to be outbid for freehold possession of land and so prevented from enjoying the property rights associated with ownership. Secondly, they are forced to negotiate the rights to new tenancy arrangements, without the legislative backing of previous policy.

Following Ravenscroft (1999), it can be concluded that both the neo and post-feudal tenancy structures that exist within England and Wales can restrict access to the industry for the new entrant. Under the neo-feudal system, the balance of power lies with the tenants. The security this provides encourages apathy and does not promote progression, creating the career tenant. As a consequence, activity within the sector is limited, discouraging the entrepreneurial action of tenants and reducing opportunity for new entrants. Within the post-feudal system, activity within the sector increases (CAAV, 2007). Much of the land let under FBTs, however, is bare land only, as landlords seek to gain additional income from the non-agricultural use of property and in order to retain the SFP (Ravenscroft et al. 1999; Whitehead et al. 2002: Ilbery et al. 2006). This can result in land letting becoming a by-product of the main economic purpose of property ownership, with landlords happy to accept lower rental returns. In situations where demand for tenanted land is high, established farmers are able to out-bid new entrants based on economies of scale (Ilbery et al. 2006). This can be compounded by a desire for landlords to take on experienced tenants, although this claim is largely circumstantial (Williams, 2006). Within the post-feudal system,
property rights and power are likely to be retained by the landlords, with only limited rights made available to the tenant farmer. Bare land facilities that become available in this system are less useful to new entrants and so become add-ons to existing holdings of established farmers. Thus the definition of the tenanted sector is becoming increasingly blurred, as it progressively becomes a service for existing farmers to expand their businesses (Ilbery et al. 2010). According to Gibbard et al. (1999: p. 277), this helps to maintain the link between class structure and land tenure, as “tenant farmers, who have not, for whatever reason, sought personal enfranchisement, are becoming regarded as second class citizens, the last vestiges of rural peasantry”.

According to Ilbery et al. (2006; 2010), the tenanted sector shows distinct regional variations within England. In the northern and north-eastern regions, where FAT are dominant, there is limited activity in the market and career tenants prevail. In southern and south-western regions, the market is more active as FBT predominate. These agreements are, however, more likely to be used to develop existing holdings rather than to create holdings for new entrants. In both situations, the implications are detrimental to new entrants to the industry, as opportunities to acquire farms become more difficult within a changing tenanted sector. Munton and Marsden noted this fact (1991: p. 111, original emphasis), when they identified “the high degree of ‘closure’ of the industry to new entrants”. It is this high level of closure that makes the CFE one of the few opportunities for new starters to establish a farm business. The issue of industry entry for non-inherited starters is now discussed in the final section of the chapter.

2.5 Entry mechanisms within the agricultural industry

It is has been proposed that around three-quarters of new entrants gain access to the agricultural industry through inter-generational transfer (ADAS, 2004). However, the benefits of this were questioned by Gasson and Errington (1993), who wondered whether family members are necessarily the most suitable successors for either individual farms or the industry as a whole. Gasson (1998) demonstrated that education levels are lower for family successors and this reduces the nature and speed at which farmers engage with industry innovations and business development.
opportunities. Gasson did, however, temper this by suggesting that family farms pool knowledge between household members.

The high level of industry entry via inter-generational transfer reduces considerably the opportunities available to non-inherited entrants. In effect, it almost creates a ‘closed-shop’ for those who are not a member of an existing farming family. Significantly, it promotes progression for farmers who may lack education enlightenment, reducing the flow of ‘new blood’ into the sector. The importance of this to the industry is perhaps best emphasised by the words of the Northfield Report (1979: p. 177) which argued that the “continuous infusion of new blood from outside the industry [is needed] to provide a fresh and innovative outlook, energy and drive”.

For non-inherited new entrants, the acknowledged manner of entry is via small starter holdings in the tenanted sector (Williams, 2006). This system still relies heavily on the principles of the farming ladder, although the problems of this have long been recognised. The problems associated with the farming ladder are not concerned with the number of entry opportunities, but with stagnation of farmers on the higher rungs. The increase in the number of owner-occupiers or those with mixed tenure means that the majority of farmers are situated on the third or fourth rungs of the ladder. Succession contributes to stagnation as it allows inherited entrants to simply replace existing farmers on the higher rungs of the ladder. This reduces the opportunities for progression as it limits the number of farmers who descend the ladder and thus reduces the opportunities for progression by tenants and labourers on the lower rungs. This is not a new problem within agriculture and was recognised during the 1930s in America. The National Resource Committee (1937) (quoted in Alston and Ferrie, 2005: p. 1058) recognised “an increasing tendency for the rungs of the farming ladder to become bars-forcing imprisonment in fixed social status from which it is increasingly difficult to escape”.

The issue of retirement has been one problem shown to impact on opportunities for new entrants. On the one hand, many of the farmers leaving the industry are not replaced as structural changes lead to the amalgamation of holdings and a continuous decline in the total number of farms. On the other hand, many of those elderly farmers that remain are not keen to retire. Various reasons explain this including loss
of home, financial constraints, financial incentives to stay in farming, and deriving social well being by remaining a farmer (ADAS, 2004; Williams, 2006; Breustedt and Glauben, 2007; Ilbery et al. 2010). Breustedt and Glauben (2007) provided an insight into the geographical variation of farmer retirement across Western Europe. One of the key points to come out of this research was how policy had a strong influence over exit rates. Payments under the first pillar of the CAP tend to reduce exit rates as farmers maintain occupation to retain payments. The influence of second pillar payments is less obvious, but it was postulated that they would allow farmers to exit but retain payments. The rate of industry exit is higher in areas where small farms predominate, the area of crop production is high, the average age of farmers is high and where there are low numbers of family farms. Conversely, exit rates are lower in areas containing a higher incidence of part-time farms and higher levels of family farms.

The EU makes provision for encouraging farmer retirement and assisting new entrants under Council Regulation No 1257/1999. Individual States adopt this regulation and, in Britain, it is contained within national policy as the Rural Development Programme for England 2007-2013 (RDPE), Rural Development Programme for Wales 2007-2013 (RDPW) and the Scottish Rural Development Programme 2007-2013 (SRDP). Historically, uptake of new entrant or retirement strategy within the RDPE and RDPW has been much lower than in other EU countries. Lowe et al. (2002), for example, identified how the French Rural Development Programme 2000 – 2006 included three objectives to aid the progression of farmers within the industry, with funding available for:

- Investment in agricultural holdings (10.2 per cent of total Rural Development Programme budget);
- Installing young farmers (14 per cent);
- Early retirement (2.7 per cent).

In contrast to this, the RDPE 2000-2006 offered just 0.3 per cent of the total budget for investment in agricultural holdings. Lowe et al. (2002) offered no reason for this, although research by ADAS (2004: p. 55) on ‘entry to and exit from farming in the UK’ did conclude by stating “that the UK continues its previous policy of refraining from implementing the young farmer setting-up aid and early retirement support”.
As a result, the RDPE 2007-2013 offers no funding for entry or exit strategies. Instead, it focuses on the education of protagonists as, “there is no reliable evidence of any systemic failure in either service delivery or public policy outcomes” (Defra, 2010c: p. 5). The SRDP 2007-2013 operates in a similar manner to its English counterpart. No funding is allocated specifically for new entrants, although their needs are considered within other strategy. One example of this is demonstrated through the Crofting Counties Agricultural Grants Scheme, which provides funding to support crofting communities. One of the key aims of this policy is to maintain and preserve the crofting system, thus supporting new entrants (Scottish Government, 2010). In contrast, the RDPW 2007-2013 offers support for entry mechanisms under the Young Entrants into Farming Scheme (Wales) (Welsh Assembly, 2009). Under this scheme, those under the age of 40 can apply for 50 per cent grant aid up to the value of £15,000 to become the principal farmer on a holding. Interestingly, the scheme is closely associated with encouraging family farms to promote succession and does not differentiate between inherited and non-inherited new entrants (Welsh Assembly, 2009).

Farmer retirement was one issue that the Fresh Start initiative in Cornwall tried to address. However, it is important to note the difference between the Fresh Start in Cornwall and national Fresh Start initiatives. Fresh Start in Cornwall was essentially a pilot initiative for the national Fresh Start, but was run by the Cornwall Agricultural Council’s Development Team rather than by the Fresh Start National project. The aim of Fresh Start in Cornwall was not just to supply a stream of new entrants, but also to support both progressive farmers and those wishing to retire by linking them together. The scheme, which ran between March 2005 and September 2008, had a number of strategic aims, including:

- **Matchmaking service** – trying to establish links between new entrants and existing holdings/farmers and promoting joint venture.
- **Mentoring** – putting applicants in contact with a range of people to guide new business development.
- **Training** – finding suitable training courses for applicants to attend.
- **Retirement and succession planning** – provides access to advice and guidance on matters relating to tenancies and taxation.
Chapter 2: County farms and agricultural restructuring: a review of literature

- Loan funding – identifying potential funding for new entrants and tenants to start new businesses.
- Rural housing – putting all concerned in touch with appropriate organisations that may be able to help with affordable housing (Cornwall Agri-food Council, 2010).

The approach of the Fresh Start in Cornwall initiative was to free up the farming ladder by considering wider issues, other than industry entry. Ilbery et al. (2009; 2012), however, questioned the success of the Fresh Start in Cornwall initiative as it operated against a backdrop of a lack of available land, a lack of finance/capital to new entrants and a lack of affordable rural housing. Whilst the Cornish experience of Fresh Start has not been successful, the National Fresh Start project has developed with less ambitious aims. It remains focused on the mentoring and matching of new entrants and exiting farmers, but has also added Fresh Start Academies. Some 24 of these Academies have thus far been established across England and they look to identify and develop business opportunities, through the mentoring programme (Defra, 2008a). The National Fresh Start initiative therefore relies on similar principles to the CFE - entry to the industry by promoting the education of applicants. As yet, there is little evidence on the relative success, or otherwise, of the Fresh Start initiative.

Two refereed publications focusing on the CFE and Fresh Start as agricultural industry mechanisms are included in Appendix 1 (Ilbery et al. 2009; 2012). Both incorporate research associated with this thesis and co-author recognition is given in each.

The limited success of encouraging entry and exit from the agricultural industry provides little stimulation within the farming ladder. Despite a dearth of academic literature about the CFE, many within the industry are keen to promote its importance as a method of entry to new, non-inherited entrants (Wise Committee Report, 1966; Northfield Report, 1979; ACC, 1989; Errington et al. 1987; Whitehead et al. 2000; 2002; TRIG, 2007; TFA, 2008). The importance of this service has been demonstrated by statistics published by the Central Association of Agricultural Valuers (CAAV, 2007). In 2006, the CFE provided 36 per cent of all new lettings of
fully equipped holdings in England and Wales. This is despite accounting for less than three per cent of the tenanted sector by area. The CFE can, therefore, be seen as an important means of entry to the agricultural industry and it is within this context that this research on the CFE has been undertaken. Despite the agricultural significance of the CFE, the research is being undertaken within the context of uncertainty about its future. Recent economic pressures and government spending restrictions have placed increasing pressure on local authorities to prioritise their services. This raises questions over the future of the CFE as it is a discretionary rather than compulsory service and also offers an economic resource to fund other local authority services.

2.6 Chapter summary

The agricultural restructuring process impacts on the CFE in two ways. Firstly, the structural changes that have occurred across the sector are also applicable within the CFE. These include:

- The pursuit of economies of scale resulting in fewer, larger agricultural holdings;
- A decline in the total number of agricultural workers due to the capitalisation and industrialisation of the industry;
- An increase in the average age of farmers as those leaving the industry are not replaced by younger entrants; and,
- The development of diversified agricultural businesses using a variety of farm resources including location, environmental features and property.

Secondly, structural change impacts on the position of the CFE as an entry mechanism for non-inherited entrants. This includes:

- The overall decline in agricultural holdings.
- Competition for rural space from non-agricultural capital.
- Promotion of the career tenant under FAT legislation.
- The retention of land and property by landlords who utilise FBTs to maximise property value.
These structural dimensions are all related to the provision, use of and access to agricultural property. The relationship between landlords, tenants and property rights is therefore addressed in the next chapter.
Chapter 3

Conceptualising agricultural property rights

3.1 Introduction

Since ratification of the Small Holdings Act 1892, the CFE has been a state-defined service with the aim of redistributing agricultural property rights. The beneficiaries of this service have varied as the State has continued to redefine the social objectives of the CFE. Various parliamentary Acts of reform have shifted the emphasis between three key social services. Originally, it was a service to the agricultural tenanted sector and seen as a vehicle to encourage owner-occupation. Following this, the CFE became a property resource to deliver social benefits to the poor, the landless, agricultural labourers, ex-service personnel and the unemployed. Since the end of the Second World War, the purpose of the CFE has been solely as a service for the agricultural sector. As a result, it is used to address market failure and distribute property rights to new and established tenants alike.

The complexity of the relationships between the CFE, the State and the wider agricultural and tenanted sectors means that the distribution of agricultural property rights through the CFE cannot be looked at in isolation. In order to understand the intricacies of these relationships and to develop a conceptual framework in which to situate this research, the chapter is structured into four main sections. Following this introduction, Section 3.2 discusses the theoretical concept of property rights and how they have become a highly regulated phenomenon. Section 3.3 then examines the distribution of property rights within the agricultural sector. In particular, it focuses on the arguments of Whatmore et al. (1990) and how tenurial arrangements influence the distribution of ownership, occupation and user rights within the sector. Section 3.4 looks at the role and legislation of landed estates within Britain and how the State regulates the actions of landowners. This section focuses on the work of Spencer (1998; 2000) who
argued that, in an advanced capitalist market such as Britain, the State has distanced itself from the direct legislation of traditional institutional estates. This allows landowners to develop commercial estate management strategies that are more akin to those of financial institutions than to traditional institutional landed estates. Section 3.5 attempts to bring together two key aspects of agricultural property rights in order to develop a conceptual framework for this research on the CFE. This framework seeks to understand how the type of management strategy pathway followed by local authorities affects the availability of property rights to new and existing tenants. The chapter closes with a brief summary of key points.

### 3.2 Property rights

The theory of property rights refers to the rights claimed over property by individuals or groups with a legitimate interest within the property. Three particular types of rights may be held over property: freehold ownership; occupation rights; and user rights. Residential property, for example, provides freehold ownership and occupation rights. If the freehold owner occupies the property, then they retain all the rights as an owner-occupier. However, if they choose to let the property to a renter, the property rights are divided between the freehold owner and the occupier. With land, and particularly rural spaces, user rights can also be claimed over property. These allow the use and exploitation of resources, without the user necessarily holding other rights over the property (Marsden et al. 1993). A good example of how other parties can exercise user rights is exhibited through common land in England and Wales. Within the concept of common land, those holding user rights (commoners) are allowed to exercise them, irrespective of who owns or occupies the land. With origins in local customs and historic claims, commoners can, for example, graze animals, collect wood or take fish, depending on the specific nature of local rights (Short, 2000). The divisible nature of property rights means that possession of a physical entity is not always possible. They exist, therefore, to represent the social functions of property as a space (Bromley, 1998).

In order to oversee the relationships between interested parties, property rights have become highly regulated, usually by the State. This process involves a
triadic relationship between the freehold owner, society and the State (Figure 3.1). Within this relationship, the State mediates between the freehold owner and society in order to protect the interests of one or other of the parties, thus defining the property relationships (Bromley, 1998).

Figure 3.1: The triadic relationship of legally enforced property rights between the State, society and freehold owners.

Section 2.4 of this thesis, for example, explored how the State has intervened within the occupation of agricultural property through legislative reform of the tenanted sector. Through this regulation, the State protects the rights of tenants by intervening in the property relationship between landlord and tenant. The State also regulates the use of property to protect wider societal interests through planning law and access/privacy legislation. As a means of regulating the use of rural property, planning has been largely overlooked within recent research (but see Curry and Owen, 2009; Ilbery et al., 2010). Within England, the Town and Country Planning Act 1947 defined planning policy under the dual objectives of containing urban expansion and protecting the rural countryside (Nix et al. 1987). Following Munton (1995), planning law represents the adoption of ‘real’ regulation to govern the increased competition for rural property between production and consumption demands. In this context, ‘real’ regulation refers to regulation developed by the State in order to address social and economic issues associated with rural landscapes. Appropriate authorities at lower geographical levels implement this policy, although negotiation between associated parties becomes a central proviso. This diffusion of ‘real’ regulation encourages differences in its interpretation, thus promoting geographical variations in its
application (Clark, 1992; Munton, 1995; Spencer, 1998; Henderson, 2003). Ilbery et al. (2010: p. 428) argued that such legislation has “shaped market forces by regulating the uses to which land is put”. They further reasoned that this created conflict in certain areas, as “the allocation of property rights is a strongly contested issue”. Within National Parks, for example, planning policy is more restrictive than in other areas as policy seeks to protect and enhance the beauty of local landscapes. Whilst this can restrict property owners in how they exercise rights over their property, it can also increase its social desirability, adding to its economic value. The impact of planning law has implications within the CFE.

Property value is known to influence decisions on the retention or sale of property and thus on the availability and distribution of property rights. This issue is addressed further in section 3.4. In recent years, the indirect intervention of the State in land use issues has been maintained through legislation contained within Planning Policy Guidance (PPG) 7 and the Planning Policy Statement (PPS) (Ilbery et al. 2010).

The roles of the State in legislating for the potentially conflicting demands of exclusivity or access to rural property are more complex. One recent example of this can be seen in the development of the Countryside Rights of Way Act (CRoW) 2000, which highlights how the English legal system has redistributed property rights to meet changing societal demands. The purpose of the Act is to grant additional user rights to the general public by facilitating open access to upland areas for the purpose of open-air recreation. By doing this, the Act removes the right of exclusion from property that landowners had once held. The Act allowed for negotiation between interested parties as to the amount of land placed in open access areas. As a result, some upland areas are fully exempt and others are temporarily unavailable for open access. Now mediated by Natural England, exemptions and temporal restrictions are generally permitted for environmental reasons, such as bird breeding or habitat regeneration, and sporting purposes\(^2\). Given the purpose of the Act to provide open access to upland areas, and the ability to negotiate the exemption of land from its jurisdictions, its influence is geographically variable across England.

\(^2\) Further information relating to open access restrictions is available on the Natural England website: http://www.naturalengland.org.uk/ourwork/enjoying/places/openaccess/default.aspx
Academic debate concerning property rights started during the eighteenth century with strong links to class structure. John Locke, for example, reasoned, “as much land as a man tills, plants, improves, cultivates and can use the product of, so much is his property” (Macfarlane, 1998: p. 105). Whilst being heavily criticised by subsequent academics, these ideas laid the foundation for the exclusivity of property (private property) and its use in defining social standing and class structure (Bromley, 1998; Blomley, 2005). The relationship between class structure and the exclusivity of property remains in the academic field of Human Geography. In a timely review entitled ‘remember property’, Blomley (2005) argued that human geographers had forgotten property and encouraged researchers to re-engage with it as “there can be fewer more vital geographical concepts” (ibid, p. 127). Those in human geography engaging with property rights have remained focused on the legal support for private property (e.g. Bromley, 1998; Blomley, 2005; McCarthy, 2007; Whatmore, 2007). The exclusivity of private property and its links to class structure and social standing underpin this approach. McCarthy (2007), for example, demonstrated how private property continues to denote class status within contemporary society. He suggested that changes in modern society, such as rising incomes, the relaxation of land ownership laws and technological advancements in transport and communication links, increased the social desirability of rural space to a wealthy, ex-urban populace on a global scale. Invariably, these wealthy occupants look to retain exclusivity and social status through the exclusion of others from private property. The implications of this are often damaging to local populations as they become excluded, or even displaced, from property they once occupied (Whatmore, 2007). Blomley (2005) argued that class distinctions associated with property do not just occur between lower, middle and upper classes, but also between members within each social group. Property ownership does not necessarily raise a person’s social standing, but it does elevate them above those who do not own property as “we are suspicious of renters not only because they are poorer, in general, than owners, but also because they rent” (ibid: p. 126).

Links between property rights, class structure and social standing are still relevant within contemporary agriculture, not least because of the continued significance
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of the tenanted sector as a means of distributing agricultural property rights (e.g. Gibbard et al. 1999; Ravenscroft, 1999). These links between property and class were central to the seminal work of Newby et al. (1978). This research analysed issues surrounding property and property relationships to differentiate class structure and social relationships in rural areas of south-east England. This approach not only recognised class differences between property owners and non-property owners, but also the more subtle sub-divisions within the group of property owners. Newby et al. argued that property was central to the social activities in which farmers engaged. In particular, they reasoned that property was inherent in inter-generational transfer, relationships between farmers and hired workers, issues of public access and environmental conservation, and the engagement of farmers in local political activity. According to Newby et al., it was the social relationships established between landowners and others within these contexts that helped to define the class status of the landowner within the rural community.

The significance of this research by Newby et al. (1978) has been acknowledged by a number of authors (e.g. Munton, 1995; Brown, 2007b; Munton, 2009; Ilbery et al. 2010). However, the competition for rural space between agricultural and non-agricultural capital promoted critique of their approach. Whatmore et al. (1990) noted how the incursion of non-agricultural capital and the decline of farming as the major rural industry diminished the central role of agriculture within rural communities. This prompted them to argue, “the rural cannot be equated with, or reduced to, the agricultural” (ibid: p. 235). Munton (1995) further highlighted how the changing demands placed on the countryside by an increasingly urban-based populous encouraged the State to legislate the renegotiation of rural property rights. As a result, the competition between production and consumption demands becomes the focal point of property rights issues. Whilst economic wealth, class structure and social standing may influence these issues, it is the regulation of property rights that becomes the focus of study for rural and agricultural geographers.

Given the changing demands placed on rural property, rural and agricultural geographers are now focusing on those with symbolic, ideological, social or
moral claims over property (Marsden et al. 1993; Blomley, 2005; Brown, 2007a; 2007b). Recent examples of research into changing property relationships within rural landscapes include collective environmental practice on common ground in England and Wales (Short, 2000), rights of access for outdoor recreation in New Zealand (Curry, 2001), moral claims and collective rights in land reform in Scotland (Brown, 2007a; 2007b), rights to natural resources and ecosystem services associated with Australian agriculture (Tovey, 2008) and the impacts of agricultural restructuring on property relationships between landlords and tenants (Ilbery et al. 2010).

Regulatory reform affecting rural property increasingly caters for the demands of the non-agricultural population. That said, it is invariably landowners and farmers who are able to exploit the opportunities provided by new property relationships (Tovey, 2008). However, the ability to do this is dependent on the extent to which individuals hold rights over the property they occupy. For those farmers within the tenanted sector, and thus the CFE, the ability to utilise property is reliant on the nature of their tenurial agreements and the position of power within the landlord/tenant relationship. The distribution of agricultural property rights through the tenanted sector and the position of power within individual tenurial arrangements are discussed in the following section.

3.3 The distribution of agricultural property rights

Within England and Wales, the distribution of agricultural property rights has historically been regulated by the State. Section 2.4 highlighted how throughout the late nineteenth and twentieth centuries, the State has used regulation to mediate the distribution of agricultural property rights through the tenanted sector. The CFE has been developed as part of this regulation. It is, however, the issues affecting the contemporary tenanted sector that are of concern at this stage of the research. At present, two types of state-defined tenure arrangement underpin the distribution of agricultural property rights: the FAT, regulated under the Agricultural Holdings Act 1986; and the FBT, introduced within the Agricultural Tenancies Act 1995. The FAT has been recognised as creating the career tenant due to the security of tenure it provides and the allowing of two subsequent generations to succeed the original tenant (Ravenscroft, 1999). This promoted the
long-term occupation of holdings and discouraged landlords from letting land through the tenanted sector. It is worth noting that the FAT has been used within the CFE, but succession has never been applied to the tenancy arrangements. The FBT was introduced to try and stimulate activity within the tenanted sector by promoting greater freedom of contract. This allows landlords and tenants the opportunity to negotiate the terms of tenure arrangements (Gibbard et al., 1999; Ilbery et al. 2006; 2010). This freedom of contract has encouraged landlords to exploit non-agricultural business opportunities as buildings and property can often be let independent of land (Ravenscroft, 1999). It has also seen a reduction in the duration of tenure arrangements as landlords look to retain ready access to occupation and user rights (CAAV, 2007; 2010). Ilbery et al. (2006; 2010) also demonstrated how CAP reform and the introduction of the SFP encouraged the letting of bare land on short-term contracts as landlords look to retain the economic advantage that SFP entitlements provide. Thus the contemporary tenanted sector favours larger holdings and established farmers as bare land lets become add-ons to existing holdings (Ilbery et al., 2006; 2010).

Alongside State-regulated tenurial agreements, research has highlighted the significance of alternative arrangements within the tenanted sector (Winter et al., 1990; Butler and Winter, 2008). The work of Butler and Winter (2008), for example, identified how landlords and tenants are increasingly entering non-State regulated tenure arrangements. These include share and contract farming agreements, and insecure tenure arrangements such as grass keep or informal arrangements and sub-tenancies. The significance of these three types of tenure relationship is that each distributes the power within the landlord/tenant relationship in a different way. With the FAT, the security of tenure afforded by the lifetime duration of agreements and the ability for succession situates the power towards the tenant (Stockdale et al., 1996). In contrast, the FBT allows landlords to regain power through the letting of bare land on short-term lets (Ilbery et al. 2010). Within alternative tenure arrangements, landlords are likely to retain power, given the short-term and insecure nature of agreements.

The distribution of power within agricultural property relationships was a core element of research by Whatmore et al. (1990). This research focused on
agricultural restructuring and the competition for land between agricultural and non-agricultural capitals. One significant aspect of this was the distinction they made between property rights and agricultural property rights, and particularly agricultural user rights. The decline of agriculture as the primary rural industry had not reduced the significance of land due to its finite supply and its economic and social value. Whatmore et al. recognised that agricultural user rights are, therefore, not only contested between agricultural and non-agricultural capitals, but also between agricultural production, farm diversification, development and the environment. This allowed them to demonstrate how the distribution of agricultural property rights is a complex phenomenon encompassing much more than the ownership, occupation and user rights associated with property.

In order to conceptualise the distribution of agricultural property rights, Whatmore et al. (1990: p. 239-240) proposed a typology based on the three key elements of property rights: ownership, which provides owner-occupiers with the ultimate control of freehold property; occupation, which gives farmers the right to occupy property and use land and buildings as part of their farming business activities; and user rights, which permit exploitation of the resources associated with property. This conceptualisation, reproduced in Figure 3.2, demonstrates how a variety of tenurial arrangements distribute owner, occupier and user rights in different ways. This distribution of property rights occurs between landed interests (landlords) and agricultural interests (tenant farmer) and defines the position of power within the landlord/tenant relationship. Within Figure 3.2, the tenurial arrangements are displayed horizontally across the top of the diagram. The distribution of rights within each agreement type between landlord and tenant is highlighted in the vertical columns. The shading of the columns represents the position of power; the darker boxes highlight agricultural interests and the lighter boxes represent landed interests. So, for example, through owner-occupation, farmers have access to owner, occupation and user rights. Within this type of tenure, the power lays solely with the agricultural interests as the farmer controls all property rights. In contrast, contract farming arrangements place all property rights, and thus all power, in the hands of the landlords. In these arrangements, the contractor has no access to property rights other than access to enter property to conduct contractual obligations.
It is through the agricultural tenanted sector that property rights and power are disseminated between landlords and tenant farmers. Even within the confines of the tenanted sector, Whatmore et al. (1990) argued that the distribution of property rights is influenced by the type of tenurial agreement in place between the two parties. They argued that family/fiscal tenancy arrangements provide tenant farmers with more rights than those with secure/insecure tenancies or share farming agreements. Through fiscal/family tenancies, the tenant retains more rights through family ties. Whatmore et al. argued that secure tenancy arrangements only provide tenants with the same rights as insecure tenancies or share farming arrangements. Within these three tenurial arrangements, the balance of power remains with the landlord as they retain owner and occupation rights; the tenant controls only user rights.

It is important to consider this schema and the implications for property rights distribution within the context of the CFE. A key point is that the two means of acquiring the most secure forms of tenure - owner-occupation and family/fiscal tenancy - are not available to non-inheriting new entrants. Butler and Winter (2008) argued that the requirements of machinery and experience for contract farming are likely to exclude new entrants from gaining industry access through
such agreements. As a result, the only conventional means of entry for new tenants is via secure or insecure tenancies, or share farming arrangements. Once a CFE tenant has developed a business, they can theoretically gain access to property rights through additional forms of tenure. If they hold sufficient capital, they can purchase property and become owner-occupiers. They can also use their machinery portfolio to access property under contract farming agreements. Of these, the rights distributed through owner-occupation offer the most security as contract farming provides the tenant with no additional property rights.

Given its temporal position, the research by Whatmore et al. (1990) does not consider the impacts of the FBT on agricultural property relationships. Research suggests that agricultural interests retain more rights to property under FAT agreements than they do with FBT arrangements (e.g. Gibbard et al., 1999; Ravenscroft, 1999; Ilbery et al. 2006; 2010). This occurs through the length of tenure arrangements, with the longer duration of FAT agreements providing greater security of tenure. In context of the CFE, however, the lack of succession rights available to tenants within FAT agreements has limited this security of tenure. As a result, it is questionable at this stage of this research whether the FAT affords agricultural interests any more rights than the FBT. This issue does, therefore, require consideration within the research to evaluate if the distribution of property rights within the CFE is influenced by the nature of tenurial arrangements.

One important point to emerge from recent research is how the distribution of agricultural property rights is strongly influenced by the landlord decision making process (Ilbery et al. 2006; 2010; Butler and Winter, 2008). Falling into the category of traditional institutional landowner, the decision making process informing how local authorities manage their estates is highly regulated by the State. This regulation of local authorities, as CFE property owners, is discussed in the following section.

3.4 Estate management strategies and the distribution of property rights
Within Britain, State intervention within property relationships has historically defined and set landowners apart. Private landowners are by far the largest group
of property owners and retain high levels of anonymity (Cahill, 2002). The mediation of property relationships involving private owners extends to those letting land within the tenanted sector, which is governed by tenancy regulation. Other landed estates, most notably the traditional institutional estates, have held land for different social reasons and have historically been more rigorously regulated by the State. For example, the Crown, the Duchy of Cornwall and the Church Commissioners all hold landed property for a similar function - to provide an income and maintain an estate ‘asset’ for the Monarch, the Duchy of Cornwall and the Clergy respectively. In contrast, the National Trust estate is held to preserve and enhance the archaeological and environmental beauty of particular locales. Despite all being classified as traditional landowning institutions, these estates adopt different approaches to land management in order to satisfy the specific social demands placed upon them. For the Crown, the Duchy of Cornwall and the Church, the letting of land provides economic gain to fund the social purposes of the estate.

The social purpose of the CFE is, however, different from these other examples. Within the CFE, the social benefits are executed through the occupation of landed property per se rather than through the economic gain to be made from it. Defined most recently under the Agriculture Act 1970, the purpose of the CFE is to ensure that young, ambitious tenants who possess the appropriate technical knowledge, practical experience and managerial ability are encouraged to enter the industry.

Despite the role of legislative guidance, research has shown how some traditional institutional landowners are disengaging from state-defined regulation (Hamnett, 1987; Spencer, 1998; 2000; Munton, 2009). It appears that this process goes unchallenged by the State, as deregulated markets are a central rhetoric of capitalist economies. The ‘inquiry into the acquisition and occupancy of agricultural land’ (Northfield et al. 1979), for example, was commissioned because of fears over the popularity of agricultural land as an investment opportunity for financial institutions. The Northfield Report concluded that there were no real issues with financial institutions buying farmland. Most did so as part of a long-term investment plan and much of the land was let to tenants;
problems were only foreseen if the financial institutions retained land and farmed it in-hand.

The State has continued to distance itself from the regulation of landowners, as property has increasingly become a tool of capitalist investment. Hann (1998) argued that in Britain the Conservative government of the Thatcher era promoted the deregulation of property as a central rhetoric of policy. Developed due to the link between economic efficiency and private property rights, this policy brought about the privatisation of national industries, promotion of share-holding and the sale of council owned houses (Hann, 1998; Blomley, 2000). The sanctioning of the disposal of council owned property would appear to be in direct contradiction to existing CFE legislation. The promotion of such sales, however, perhaps explains why local authorities are able to challenge existing CFE legislation.

Spencer (1998; 2000) discussed at length the role of State regulation in defining the behaviour of traditional institutional landowners. Following Clark (1992), Spencer argued that the traditional management strategies of the Oxford College estates were regulated by the State through three regimes of ‘real’ regulation: firstly, as landlords, the letting of agricultural property is regulated by appropriate tenancy legislation; secondly, as collegiate estate landowners, the Colleges are directly regulated in the activities they can undertake as such; and finally, estate ownership becomes a tool to aid the Colleges to deliver their wider state-defined purpose. Munton (1995) argued that with this ‘real’ regulation approach, the State always maintains some level of intervention. However, the emphasis of it shifts between the three regimes in order to best represent societal needs.

Spencer (1998) argued that during the 1980s and 1990s the State redefined the regulation of the College estates, resulting in a shift between the regimes of ‘real’ regulation. He reasoned that the main regulatory influence shifted away from directly defining estate management activity towards the use of estate property to help the Colleges deliver their wider social purposes. This allowed individual Colleges to redefine the purpose of estate ownership to best suit their own needs. In general, this encouraged former agricultural estates to be regarded as commercial estate portfolios. Spencer (1998) identified how the ability of
Colleges to adopt a commercial approach to estate management was facilitated by two processes. Not only did a shift between regulatory regimes encourage this, but the State also removed regulatory obstacles to allow Colleges to become economically independent. To facilitate this, Spencer (1998: p. 338) observed how the State had “acted to ensure that there were no statutory obstacles which might prevent the Colleges...from raising substantial sums from private sources to help fund their activities”. He further reasoned, “this policy was welcomed by the Colleges; it reinforced their claim to be essentially private institutions who should be left to run their own affairs and establish a financial relationship...free from government interference”.

Spencer (2000) noted how these research findings demonstrated many similarities with those of Hamnett (1987), who studied the Church Commissioners response to State de-regulation. Hamnett observed how the Church Commissioners had been unopposed by the State as they adopted a commercial approach to the management of former agricultural estates. One notable consequence of this was that it allowed them to sell low-yielding rural property and re-invest in higher-value urban assets. Spencer (2000) argued that the ability to act outside the confines of State regulation allowed the Church Commissioners and the Colleges to engage with commercial estate management policy in a manner similar to other landowners. He concluded that the research had demonstrated “substantiated notions of a convergence between the ‘traditional’ institutional landowners and ‘newer’ financial institutions in terms of prevailing ideologies of landownership and strategic conduct” (ibid: p. 304).

As traditional institutional landowners become more commercial in their approach to estate management, so they become more heterogeneous in relation to issues surrounding property ownership (Munton, 2009). This has two particular implications. Firstly, the considerations that each individual organisation makes in relation to management strategy are wide and varied. Secondly, the adoption of individual management strategies produces different land-use outcomes and, therefore, helps renegotiate and redistribute the property rights associated with each estate (Spencer, 1998; 2000). Munton (2009) raised a key point in relation to these processes and the nature of this research on the CFE. He noted how these
changing processes placed landowners, and those acting on their behalf, as central actors in understanding land-use change.

In order to examine in detail how individual Colleges devised management strategies and how these impacted on property relationships, Spencer (1998) conducted detailed case study research. He studied the approaches of three Oxford Colleges, comparing his findings in a ‘model of optimising behaviour’. The central aspect of this model was that the estate management strategies employed by the Colleges were informed by the perceived ‘net return on investment’ of property, rather than by state regulation. According to Spencer, the net return on investment was deemed as either adequate or inadequate and encouraged engagement with up to four different management strategies: consolidation; rationalisation; partial disinvestment; and comprehensive disinvestment. The consequences of these strategies encouraged different levels of estate investment or disinvestment, culminating in rural restructuring. In order to visualise this process, Spencer diagrammatically highlighted the ways in which estate management strategies influence the distribution of agricultural property rights (Figure 3.3).
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Figure 3.3: A reproduction of Spencer’s ‘model of optimising behaviour’: accumulation strategies and rural restructuring processes (Spencer, 1998: p. 339).
Spencer’s ‘model of optimising behaviour’ demonstrates how the Colleges management strategy is based on the economic performance of the estate in terms of its ‘net return on investment’. So, for example, Queen’s College Oxford deemed that their estate provided an adequate net return on investment as it generated a satisfactory agricultural income. In order to maximise the economic potential of the estate, they followed a strategy of partial disinvestment, estate rationalisation and efficiency gains. This brought about the sale of surplus and low yielding land and residential properties, resulting in some gentrification. This occurred as the sales of residential properties allowed for the “gradual replacement of lower socio-economic groups by middle class residents” (Spencer, 1998: p. 345). This rationalisation process also brought about the sale of some less productive agricultural holdings to existing tenants, thus facilitating owner-occupier farming. In order to maintain agricultural rents and farmer incomes, holdings were rationalised into larger, more productive and capital-intensive units. As management strategy sees the retention of farms that are let out to tenants, the landlord/tenant system is retained. The ways in which this approach to estate management by Queen’s College triggers a renegotiation of property rights can be represented visually through the centre of Spencer’s ‘model of optimising behaviour’. As the net returns on investment are deemed adequate, management policy promotes efficiency gains, estate rationalisation and partial disinvestment. This triggers land and property sales, redistributing rights to owner-occupiers and promoting rural gentrification. However, as the core of the agricultural estate is retained, there is a continued distribution of occupation and user rights through the landlord/tenant system.

In contrast, Spencer noted how Magdalen College Oxford deemed the financial return on their Chalgrove estate to be inadequate. Due to the low rate of rental returns in relation to estate value, they undertook a policy of comprehensive disinvestment, selling the entire estate to a single buyer. This brought about rural restructuring with the redistribution of property rights through owner-occupation, promoting rural gentrification. The consequences of this strategy are visualised on the right hand side of Figure 3.3. Spencer provided an
interesting note of caution to the management strategy implemented for the Chalgrove estate. He noted that, after it had been sold by Magdalen College, the subsequent owners had released the development potential of the estate. This promoted additional rural restructuring as residential development promoted suburbanisation of parts of the Chalgrove estate. However, the main point of note is how Magdalen College had reduced the economic value they obtained from the Chalgrove estate by failing to identify its longer-term development potential.

A final example provided by Spencer was that of the Cuxham estate, belonging to Merton College Oxford. The agricultural returns on this estate were deemed to be adequate, so the College looked to retain its economic interests in farming as a landlord. During the 1950s and 1960s, the estate consolidation process saw the purchase of two blocks of land and the disposal of six freehold village properties (residential) and one block of agricultural land. Given the small size of the estate, the process of rationalisation resulted in it being let to just one tenant. This rationalisation process helped to reduce the need for capital expenditure on maintenance and increased the productivity of the remaining agricultural interests. The policy follows a pathway to the left hand side of Spencer’s model with a continued distribution of agricultural occupation and user rights to the remaining tenant.

The research by Spencer (1998; 2000) undoubtedly provided a good insight into the changing patterns of land-use associated with traditional institutional landed estates. As the regulation of these estates shifts towards using property assets to satisfy the wider social purposes of the landowners, so their estates become economic assets. Goodchild and Munton (1985: p. 12-14), argued that the economic value of land and the subsequent behaviour of landlords were spatially variable and influenced by three factors, categorised as:

- contextual factors (land price, taxation policy, planning policy);
- site characteristics (size, current use, location, level of fixed investment, physical characteristics, planning status); and
• landowner characteristics (legal personality, occupancy status, sources of income/wealth, means of acquisition, knowledge and attitude to risk).

The key point to take from these arguments of Goodchild and Munton, in relation to this research on the CFE, is how ‘landowner characteristics’ help define the behaviour on landlords. The social purpose of the Church Commissioners and College estates is to manage and fund these institutions respectively. In light of State deregulation, their landed estates become economic assets to be used to support these institutions. In contrast, local authorities have a wider portfolio of social services to deliver. The frontline services provided by local authorities include health and social services, education, highways, fire and rescue, waste management, and town and country planning. Whilst the supply of these services is mandatory, the provision of the CFE service is discretionary. This undoubtedly places pressures on the CFE as a financial resource, especially given the economic downturn in 2007/2008. Despite the prospect of local authorities facing a reduction in the level of State funding due to the economic downturn, they are not regulated to maximise the economic potential of their property assets. This allows local authorities to use rural property to satisfy additional state-defined services. Even at this stage of the research, it is known that local authorities derive educational, recreation and wider social benefits from CFE ownership. However, as yet, the processes informing these decisions are little understood.

Woods (1997; 1998) provided an interesting insight into the decision making processes associated with land-use policy in local government. He reasoned that rather than being influenced by the physical attributes of property, decisions were expressed through political power. Woods (1998) identified two key areas of power within local government: firstly, a formal ‘front region’ of governance, representing official institutional policy; and secondly, a more informal and restricted ‘back region’ of individual interaction (ibid: p.2116). Within these back regions, political power is determined through negotiation by decision making elites, whereby elites are defined as “a cluster of individual actors
bound by strong social, professional or political ties” (1998: p. 2105). Key decisions are not made in public meetings, but are finalised during informal meetings of key actors in such locations as churches, bars and civic society meetings. The key tenet of Woods’ argument is that individuals do not wield power; this is exercised through the social networks of actors, and the relationships and associations within these networks (Woods, 1998; Ilbery et al. 2010).

Historically, the decision making elites within local government have been made up of wealthy landowners (e.g. Newby et al. 1978). However, as the dominance of landed interests has been challenged, so the make-up of these elites has changed (Woods, 1998). Gardner (2004), for example, argued that rural areas can no longer be considered as autonomous regions. Instead, they “are now recognised as integral components of regional, national and international social, political and cultural economies, their past, present and future intimately entangled and mutually informing” (ibid: p. 71). It can, therefore, be assumed that the ideologies held by individual local authorities in relation to future land-use within the CFE will be spatially variable across England and Wales. The management strategies adopted by each local authority are likely to be influenced by:

- the demands of State regulation;
- the need to generate income and utilise the CFE as an economic resource;
- the additional social benefits that can be extracted from property ownership to help satisfy wider landowner obligations; and
- the preferences of the individuals involved in the development of future strategy.

These findings highlight how decisions about CFE management strategies may be made within individual local authorities. They also help to identify the key actors associated with this decision making process and, therefore, the key stakeholders within this research. These include those responsible for
implementing State regulation of the CFE, politicians and decision makers within local authorities, estate managers and the Association of Chief Estates Surveyors and Property Managers in the Public Sector (ACES) Rural Practice Branch (as the professional body representing CFE managers).

In order to develop a conceptual framework for this research, the final section draws together a number of key issues. In particular, it brings together the work of Whatmore et al. (1990) and Spencer (1998) to conceptualise how and why property rights are distributed within the CFE and how this impacts on new and existing tenants.

3.5 Developing a conceptual framework for examining the present structure and future potential of the County Farms Estate in England and Wales

If local authorities managed their CFE directly in accordance with specific State regulation, it would be a fairly straightforward task to examine how this process distributes agricultural property rights. Of course, in reality this does not happen. The previous sections in this chapter have highlighted how the State appears to be re-regulating the actions of traditional institutional landowners. Further to this, it is known even at this early stage of the research that some local authorities are disregarding current CFE legislation as the basis for estate management strategy.

It is possible, however, to use current legislation as a hypothetical guide to identify the key stages associated with the distribution of property rights within the CFE. This can then be placed in the context of the research findings of Spencer (1998) and Whatmore et al., (1990) to identify the complexities of property relationships associated with the contemporary CFE. This theoretical framework can then be used to organise the empirical research and to structure the analysis and discussion chapters in the thesis.
Part III of the Agriculture Act 1970 provides local authorities with a statutory mandate on how to manage their CFE. Two articles within the Act are of note, defining the purpose of estate ownership and the direction of management strategy. The purpose of estate ownership is defined under Section 39 (p. 39), which stipulates:

*Smallholding authorities, having regard to the general interests of agriculture and of good estate management, shall make it their general aim to provide opportunities for persons to be farmers in their own account by letting holdings...*

Following this, Section 40 (p. 40) explains how management strategy should be implemented by:

*Having regard to the general interests of agriculture and of good estate management, the authority’s smallholdings estate should be reorganised –

a) By enlarging one or more existing smallholdings or amalgamating the whole or part of one or more existing holdings with other land...

b) By improving one or more existing smallholdings without any enlargement or amalgamation, or

c) By creating one or more new smallholdings, with or without the carrying out of improvements...

This legislation provided a clearly defined policy for local authorities to follow and to determine the direction of estate management policy. It promoted a period of CFE restructuring as the amalgamation of holdings was undertaken to improve agricultural efficiency. This resulted in fewer, larger units and surplus property was sold to reduce repair and maintenance liabilities and fund estate re-investment.

Assuming a hypothetical, but true, engagement with this regulation, a series of subsequent outcomes are triggered by the statutory demands placed on local authorities (Figure 3.4).
Within this hypothetical approach, decisions on estate management strategy are informed solely by State regulation. This encourages tenurial restructuring through the pursuit of agricultural efficiency. Even though the main purpose of CFE ownership is still agricultural provision, regulation promotes restructuring. This process is likely to be spatially variable, given the site-specific characteristics of individual estates (Goodchild and Munton, 1985). This process of restructuring helps redefine the distribution of property rights. The
amalgamation and enlargement of holdings create fewer opportunities, but provide existing tenants with more property rights. The limited sales of property also promote the redistribution of right. It is through this redistribution of agricultural property rights that the CFE provides its primary service as an opportunity for persons to be farmers in their own rights. Ultimately, it is the provision of occupation and user rights, and the tenurial arrangements associated with them, which enhances or reduces opportunities for new and existing tenants (Whatmore et al. 1990).

In reality, the renegotiation of agricultural property rights within the CFE is a more complex process than that described in Figure 3.4. As Munton (2009: p. 59) observed, landowners “are too heterogeneous for us to expect similar land use outcomes”. Based on empirical observation, Millard (2009) argued that three operational management strategies can be observed within the CFE: consolidation; partial disinvestment; and comprehensive disinvestment. This typology differs from that proposed by Spencer (1998) as Millard reasoned the historical influence of state regulation means that some level of rationalisation is incorporated within all CFE management strategies. However, as local authorities are allowed more freedom to determine management decisions, the level of tenurial restructuring and the redistribution of property rights can be explained through these three strategies. Thus consolidation occurs when the vast majority of an estate is retained. Property disposals do occur, although these tend to be the strategic sale of high value or low-yielding property to maximise income or limit investment expenditure. Such strategies can result in the purchase of property if it is deemed to be in the long-term interests of estate ownership. Partial disinvestment strategies promote the retention of a core agricultural estate and disposal of significant amounts of property. Under this approach, isolated property and smaller parcels of land are sold alongside high value and low yielding property. If a landowner chooses to dispose of all their agricultural interests, then comprehensive disinvestment occurs. Figure 3.5 theorises the role of these management strategies in relation to the CFE.
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Outcome of management strategy

Consolidation

Partial disinvestment

Comprehensive disinvestment

Tenurial restructuring

Retention of Landlord/tenant system

Owner occupation

Non-agricultural occupancy

Distribution of property rights

Agricultural occupier rights

Agricultural user rights

Owner rights

Non-agricultural rights

Entry opportunities

Provision for established farmers

Increased Opportunities for existing tenants - Decreased

Figure 3.5: The distribution of agricultural property rights defined by County Farms Estate management strategy
Each approach encourages tenurial restructuring, but the extent of this varies. Where estates undergo consolidation, tenurial restructuring is limited. Consolidation promotes the retention of the landlord/tenant system and the continued distribution of agricultural occupation and user rights. This is visualised down the left side of Figure 3.5.

Partial disinvestment encourages significant tenurial restructuring as the sale of property promotes owner occupation and non-agricultural occupation. These tenurial arrangements encourage the removal of some former agricultural rights. This occurs as residential and other properties, such as buildings and in-bye land, are removed from agricultural use. These rights are renegotiated and reappear as owner rights and non-agricultural rights. Some property purchased by non-agricultural capitals may reappear as agricultural user rights under the landlord/tenant system. As a core estate is retained under the partial disinvestment policy, the landlord/tenant system is preserved, but at a reduced level. This allows the continued distribution of a lower number of agricultural occupation and user rights. This follows a pathway from top to bottom down the centre of Figure 3.5.

Within estates that follow a strategy of comprehensive disposal, the process of tenurial restructuring is total. Even if estates are sold en bloc to investors, allowing the continued existence of the landlord/tenant system, agricultural occupation and user rights are subject to renegotiation. However, agricultural property is generally sold as freehold to maximise its economic value. This encourages purchase by owner-occupiers or non-agricultural occupiers. Once again, this redistributes rights in the form of agricultural user rights, owner rights and non-agricultural rights. This is visualised down the right hand side of Figure 3.5.

Under existing State regulation, the agricultural success of the CFE is influenced by its ability to provide new and existing tenants access to adequate property rights. However, it has been demonstrated in section 3.3 that the demands for property rights differ between new and existing tenants. New tenants generally require agricultural occupation rights in order to develop a farming business. This is not to say that agricultural user rights cannot be utilised by new entrants, but they are generally less suitable for the needs of contemporary agriculture. Given the need to access occupier
or possibly user rights, entry opportunities are provided only by landowners following a consolidation strategy. Entry opportunities may be provided by partial disinvestment strategies, although these would be reliant on new entrants utilising user rights. Existing tenants are already established and are, therefore, more able to utilise additional user rights in order to expand their existing business. They can still utilise agricultural occupation rights by moving to a larger holding in order to develop their farming career. Existing tenants may also be able to benefit from the sale of estate property if they can access owner occupation rights. Property sales to sitting tenants do occur, allowing those in occupation to take on the freehold ownership of property. This means that established tenants should be able to access additional property rights, irrespective of estate management strategy. Each strategy does, however, increase or decrease the opportunity for established tenants to do so. Consolidation or partial disinvestment strategies increase the number of these opportunities. In contrast, the availability of ownership and non-agricultural rights distributed through comprehensive disinvestment reduces the number of opportunities available to established tenants.

The impacts of management strategy on the opportunities for new and existing tenants are highlighted in Figure 3.5. Entry opportunities are situated towards the bottom left of the diagram, as they are most associated with the provision of agricultural occupation and user rights. Opportunities for established tenants are represented on a sliding scale across the entire spectrum of property rights. Opportunities are increased through the provision of agricultural occupation and user rights. They are decreased by the availability of owner or non-agricultural rights. It is the manner in which the distribution of agricultural property rights impacts on new and existing tenant opportunities that places them as key actors within these property relationships. Thus they become a key group, alongside landowners, within the confines of this research.

3.6 Chapter summary

This chapter has argued that the distribution of agricultural property rights within England and Wales is subjected to numerous rounds of regulation by the State. As the focus of this regulation shifts, so its implementation at the local level varies. This encourages spatial variation in the distribution of property rights and changes in the
dynamics of property relationships. In order to study the impacts of this process within the CFE, a conceptual framework has been developed that serves four key purposes:

1. It theorises the processes and consequences of changing patterns of agricultural land-use.

2. It provides a framework for the research to aid the understanding and explanation of property relationship associated with the contemporary CFE. These research findings can then be used to validate this conceptualisation of property relationships.

3. It identifies the key actors within these property relationships and, therefore, the key actors within this research. These key actors are those responsible for formulating and implementing management strategy within individual estates and the tenants in occupation of agricultural property rights.

4. It helps to inform the nature of the methods to be used within the research. It identifies the need for in-depth analysis of all processes associated with a particular management strategy. The ways in which these ideas are operationalised are outlined in the next, methodological chapter.
Chapter 4

Methodology

4.1 Introduction

The purpose of this chapter is to explain how the research methodology was designed and how the methods and techniques were employed. Using the conceptual arguments developed in the previous chapter, the approach focuses primarily on the generation of qualitative data to develop an understanding of the property relationships associated with the CFE in England and Wales. However, before this can be done, quantitative data analysis is needed to establish an insight into the historical and contemporary development of the CFE and to provide a platform for the qualitative analysis. In order to satisfy the research aims, a three-stage, mixed methodology was adopted. Initially, analysis of secondary data was undertaken to explain the historic development and current structure of the CFE. Following this, an electronic questionnaire survey of CFE managers was conducted to identify the key issues affecting property relationship within the contemporary CFE. Finally, case study research allowed in-depth analysis of how these issues impact on property relationships and the distribution of rights within the CFE at the local level.

This chapter is organised into four main parts. Section 4.2 discusses the choice of a mixed methods approach and the issues surrounding it as a research strategy. Each of the subsequent sections then addresses one research method, explaining why it was chosen, the manner in which it was undertaken and the techniques used to analyse the data. Thus Section 4.3 considers the analysis of secondary data and Section 4.4 discusses the use of the electronic questionnaire survey of CFE managers. Finally, Section 4.5 explains the application of the case study research using semi-structured interviews and focus group meetings. The chapter closes with a brief summary.
4.2 Mixed methods research

A mixed methods approach to research allows the generation of quantitative and qualitative data through the application of more than one type of research method. Brannen (2005: p. 4) argued it allows for the “application of a number of different research strategies related to a complex range of research questions and a complex research design”. Its growing significance as a research strategy is exemplified by the publication of the Journal of Mixed Methods by Sage Publishing since 2007. Brannen (2005) reasoned that this growing popularity was linked to the recognition, naming and subsequent reflection upon it as a research strategy. And yet, Bergman (2011) argued that this popularity does not necessarily produce a critique-free application of mixed methods as it is subjected to politics, fashions and conventions. Despite these risks, which are addressed accordingly below, the mixed methods research strategy has a long-standing association with academic research in relation to property rights and property relationships. This is invariably linked to the requirement of both quantitative and qualitative data to allow the study of these issues. Hann (1998), for example, provided an interesting discussion on the complexities associated with the study of property rights. He identified how quantifiable values, particularly spatial and temporal structure and economic performance, are fundamental in explaining property performance and distribution. However, he also acknowledged the need to be aware of cultural and social implications and thus the qualitative nature of property rights. In order to demonstrate this, Hann quoted the work of Davis (1973), who had argued that the “study of property rules in general, and of land tenure in particular, is the study of relationships between people” (Hann, 1998: p. 5).

The need to generate quantitative and qualitative empirical data has promoted the significance of a mixed methods approach to property rights research (e.g. Newby et al. 1978; Ilbery et al., 2006; Brown 2007a). As a general rule, quantitative methods precede and inform qualitative research, but there is no dominance of method as each is less meaningful without the other (Morse, 2003). A good example of the use of quantitative methods to inform qualitative research is shown in the work of Brown (2007a). This research aimed to develop an understanding of the social relationships involved within the ‘crofting community right-to-buy’ programme in Scotland. In order to provide relevant data, Brown developed a two-phase research strategy that
utilised a postal questionnaire survey and case studies. The two-phase research strategy not only added to the understanding of the subject, but also helped its evolutionary progression. Brown used the questionnaire to establish the basic structural dimensions and social relationships involved with common grazing, “from which an in-depth investigation of case studies using semi-structured interviews could be designed and taken forward” (Ibid: p. 636).

The mixed methods approach adopted by Brown (2007a) relied heavily on its own evolutionary development. Brannen (2005) highlighted how this approach can become problematic if research loses touch with its theoretical background. Baxter and Eyles (1996) also noted this issue, particularly in relation to the ways in which the researcher engages with and interprets text. It is an acknowledged strength of the mixed methods approach that it provides opportunities for research findings to be validated. This can occur in two ways as research strategies can either incorporate feedback or validation is provided through the collection of a large amount of empirical data from a number of different perspectives. This latter approach encourages engagement with numerous actors who are experts in their own right, but who provide a number of different perspectives on the studied phenomenon (Baxter and Eyles, 1996; Sarantakos, 2005). This allows the research findings to be verified through repetition or by developing an enriching knowledge by studying the issue from the different perspective of numerous actors (Sarantakos, 2005). A reliance on key actors to provide empirical data in this way encourages the use of participatory research methods (Kesby et al. 2005). Participatory research engages with those connected to a phenomenon to promote collaborative research and effect social change (Breitbart, 2003). Within this research on the CFE, this was certainly a relevant issue. The ACES Rural Practice Branch, as the professional body representing CFE estate managers, was the research collaborator and thus had a vested interest. Tenants and other stakeholders also had a vested interest, as the long-term security of the CFE is somewhat uncertain. These groups of actors, therefore, are at the forefront of the research. They offer a variety of experts with whom the research needs to engage and who can validate findings as the research progresses.

Following these arguments, a three stage mixed methods strategy was adopted to allow examination of the CFE. This was developed to satisfy the needs of the
conceptual framework developed in Chapter 3. It was also developed to provide
rigour within the research process, encouraging the adoption of participatory
methods. The first phase utilised an extensive array of secondary data to provide a
quantitative analysis of the structural development of the CFE. This was then used as
a platform for subsequent phases of the research. The second phase utilised a
questionnaire survey of CFE managers, identified as key actors in chapter 3. This
facilitated the collection of quantitative and qualitative data to help explore the key
issues surrounding the CFE. Case studies provided the research strategy for the final
phase, encouraging the use of participatory methods and providing an opportunity to
verify the research findings. Face-to-face interviews and focus groups formed the
basis of the case study research, which were replicated in three individual local
authorities. The application of this mixed methods strategy is discussed in the
remainder of this chapter.

4.3 Using secondary data to identify the structure of the County Farms
Estate
The analysis of secondary data involves the use of datasets for purposes other than for
which they were originally collated. They are classed as such to differentiate them
from any primary data gathered as part of the research for which they are being used
(Johnston, 2000). Analysis of secondary data provides a relatively easy, speedy,
inexpensive and effective way to generate geographical knowledge (Clark, 2005).

The main sources of secondary data are statistical databases, often compiled on behalf
of the State. Agriculture benefits from a plethora of such statistical databases. Many
of these are well-established surveys and provide long-term records of statistical
performance (e.g. MAFF, 1968). It was the availability of medium to long-term
datasets that allowed the Wise Committee to provide such a detailed temporal
analysis in their Inquiry into Statutory Smallholdings (Wise Committee Report,
1966). Thus secondary data provide a useful starting point to develop an
understanding of the historic and contemporary CFE.

As a state-defined service, information on the contemporary CFE is recorded within
two datasets. The Chartered Institute of Public Finance and Accountancy (CIPFA)
publishes a detailed statistical breakdown of the CFE in England and Wales. These
datasets are slightly more in-depth than those published in the Annual Report to
Parliament on Smallholdings in England. Given the focus of this research on the CFE in England and Wales, CIPFA statistics were used as a source of secondary data. The availability of other datasets allowed the development of the CFE to be put into context with the agricultural and tenanted sectors across England and Wales. The Department for Environment, Food and Rural Affairs (Defra), for example, produces a range of datasets showing trends in farming practice, land use and land management on behalf of the State. Of particular relevance to this research is the June Survey of Agriculture and Horticulture, which provides a detailed regional breakdown of land use issues. Datasets recorded by the CAAV under the Agricultural Land Occupation Survey (formerly, the Tenanted Farms Survey) were also utilised within this first stage of the research. Additional datasets published by other landed estates allowed comparisons to be made between the CFE, the Forestry Commission, the Ministry of Defence, the National Trust, the Crown Estate, the Duchy of Cornwall, and the estate of the Royal Society for the Protection of Birds (RSPB).

The availability of these secondary datasets permitted an analysis of seven structural aspects of the CFE. The temporal period of each analysis was determined by the availability of suitable data, and is given below:

5. The contribution of the CFE to agricultural and tenanted sectors – 2010.

The analysis of these seven structural elements was undertaken by comparing temporal patterns in structural change and the changing spatial distribution of the CFE in relation to the agricultural and tenanted sectors. This involved a different level of engagement with raw data, which is discussed below.

4.3.1 Analysing patterns of structural change within the CFE
The availability of comparable secondary datasets allowed analysis of structural change within the CFE over two temporal periods. First, the long-term pattern of
structural change, in relation to land area and number of holdings, was assessed from 1907 to 2010. 1907 was chosen as a base year for the historic analysis of the CFE as it was the only year for which comparative secondary data were available. These historic data were taken from Levy (1911), Smith (1946), the Wise Committee Report (1966), and the Northfield Report (1979). Whilst each provided secondary data, a review of this work helped to provide explanations for long-term structural development. Secondly, analyses of more contemporary structural change were undertaken from 1997 to 2010. 1997 was selected as a base year for this analysis as it represented a ten year period prior to the start of this research in 2007. This choice was also influenced by the nature and form of the statistics produced by CIPFA. The datasets have been published in their current form since 1996-97, so the selection of a longer study period would have involved the use of non-corresponding datasets. The analysis period has been subsequently updated in order to reflect recent changes.

Analysis was undertaken at national and local authority levels. At the national level, this was fairly straightforward, although some problems were encountered when comparing changes in the area of traditional institutional estates. So, for example, the estate of the Forestry Commission extends across the United Kingdom (England, Scotland, Northern Ireland and Wales), whilst the National Trust estate is found in England, Wales and Northern Ireland. This is in contrast to the CFE and the Duchy of Cornwall estate that are confined to England and Wales. However, this analysis was concerned with temporal trends in land ownership in light of changing regulatory guidance. As a result, the different geographical extents of these estates were incidental. With analysis at the local authority level, care had to be taken to ensure that county boundaries corresponded. Rather interestingly, most early commentators, such as Levy (1911) and Smith (1946), were more specific about the spatial distribution of the CFE than is possible for the current estate. These authors were

3 The possibility of comparing structural change in the CFE between 1964 and 2010 using data contained within the Wise Committee Report (1966) was considered. However, disparities in data caused by local authority boundary changes prevented this. It would have been possible to combine the data for historic local authorities, such as Holland, Kesteven and Lindsey as the modern county of Lincolnshire. However, there is no way of defining the area of the CFE apportioned from existing local authorities (e.g. Lincolnshire) when new local authorities were created (e.g. North Lincolnshire). Similar problems arise between Gloucestershire and South Gloucestershire and Cambridgeshire and the Unitary Authority of Peterborough (the Soke of Peterborough was included as an individual local authority estate in the Wise Committee Report; since then it has been re-incorporated as part of Cambridgeshire and then recreated as the Unitary Authority of Peterborough).
able to identify how the CFE developed on a regional or local scale. The Fenlands around the Wash and the Vale of Evesham were two such examples of this. Each area of development transgressed local authority borders. To avoid any confusion, the historical development of the CFE is defined in terms of the old and modern name of the specific area, local authority or region being discussed. The analysis of secondary data on the contemporary CFE between 1997 and 2010 has been complicated by boundary changes to individual local authorities. In 1997, the counties of Cambridgeshire, Hereford and Worcestershire and Berkshire were devolved with the creation of new CFE owning local authorities in the Unitary Authorities of Peterborough, West Berkshire and Herefordshire and the counties of Cambridgeshire and Worcestershire. As these changes occurred in 1997, comparable data exist to allow temporal analysis. However, the devolvement of Cheshire County Council in 2009 and the creation of the Unitary Authorities of Cheshire East, and Cheshire West and Chester prevent direct comparisons under these new boundary changes. In this example, the comparable analysis was undertaken using the old boundary of Cheshire.

Fotheringham (2005) noted how the analysis of data between different geographical areas could be problematic as bias may be shown towards larger concentrations. In the analysis of structural change in the CFE, the focus is on the changing temporal distribution either within individual local authority areas or at the national level. As this method does not compare the performance of individual areas, it removes the potential of bias being shown towards the larger local authority areas. In contrast, the analysis of the geographical distribution of the CFE demands a direct comparison between individual local authority estates. In order to remove any bias shown towards larger areas, Location Quotient (LQ) analysis was used to examine the spatial significance of the CFE. This is explained below.

4.3.2 Mapping the significance of the geographical distribution of the CFE

In order to examine the geographical significance of the CFE, it was contrasted against both the agricultural and tenanted sectors in each local authority area.

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4 It should be noted that CIPFA statistics do not include a comprehensive dataset for every CFE holding local authority in England and Wales. For those statistics produced between 1997 and 2007, the total response rate from local authorities varied from 86% (2004/05) to 97% (1998/99). In order to
Analysis compared the size and number of holdings within the CFE against corresponding figures for the agricultural and tenanted sectors. In order to reduce any bias towards larger estates, LQ calculations were used as these provide a ratio measure between two datasets. The LQ uses a mathematical equation, as shown in the example in Table 4.1, to compare the CFE area with the total agricultural area of an individual local authority.

\[
\frac{\text{Area of CFE in region 'x'}}{\text{Total area of CFE in England and Wales}} = \frac{\text{Total agricultural area in region 'x'}}{\text{Total agricultural area in England and Wales}}
\]

Table 4.1: The LQ calculation for CFE area against total agricultural area within a local authority area.

The LQ calculation produces one of three outcomes: an LQ value equal to 1.0; an LQ value greater than 1.0; or an LQ value below 1.0. LQ values equal to 1.0 represent the expected distribution of an entity within the study region. Within the context of this research, an LQ value of 1.0 suggests that a particular local authority has neither more nor less of its share of the CFE area than its overall agricultural area would suggest. It follows, therefore, that an LQ value of over 1.0 suggests that a local authority has a higher than expected concentration of CFE in comparison to its overall agricultural area i.e. a relative spatial concentration. In contrast, an LQ value below 1.0 indicates that a local authority has less than its expected concentration of CFE than its overall agricultural area would suggest. It should be noted that the LQ calculation is sensitive to small numbers and so anomalies may occur in the analysis of smaller local authority areas (Ilbery et al. 2006).

circumvent these omissions and for comparison purposes, CIPFA provide “grossed data, which includes estimates for missing data” (CIPFA, 2007: p.2). However, grossed data are provided only in relation to the performance of the CFE at the National level; it does not extend to provide missing data for individual local authorities. As a result, comparable data are available to allow analysis of the CFE at the National level. However, given the omission of data, it is not possible to include all CFE owning local authorities within this analysis at the local level.
In order to compare the relative concentration of the CFE with the wider agricultural and tenanted sectors, four LQ calculations were undertaken. The first two calculations compared the area and number of CFE holdings with the total land area and the total number of holdings in each local authority area. The third and fourth calculations compared the same structural aspects of the CFE with those of the tenanted sector in each defined area. Data used in the LQ calculations were derived from CIPFA, the June Survey of Agriculture and Horticulture (Defra, 2007a) and the Welsh Assembly (2007). Examples of their calculation are given below.

The first LQ calculation uses Powys as an example to assess the relative concentration of the CFE in relation to the total agricultural area within the county (Table 4.2).

\[
\frac{\text{Area of CFE in Powys}}{\text{Total area of agricultural land in Powys}} \div \frac{\text{Area of CFE in England and Wales}}{\text{Total area of agricultural land in England and Wales}} = \frac{4,677}{112,260.8} \div \frac{392,975}{10,828,179} = 1.15
\]

Table 4.2: The LQ calculation for CFE area against total agricultural area in Powys

It should be noted that, within the following worked example, Powys is compared to the total area of land in England and Wales, as this is the geographical boundary of the CFE study area. The resultant LQ value is over 1.0, indicating that Powys has marginally ‘more than its fair share’ of the CFE than its overall agricultural area would suggest. Table 4.3 repeats the LQ calculation, but this time in relation to the number of CFE holdings in relation to the total number of agricultural holdings in Powys. Once again, the LQ value is greater than 1.0, indicating a relative concentration of CFE holdings. As the LQ value for holdings is higher than that for total land area, it suggests that the CFE tends to provide smaller holdings than those generally found in Powys.
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Table 4.3: The LQ calculation for number of CFE holdings against total number of agricultural holdings in Powys

Unfortunately, the Welsh Assembly does not make data available on the tenanted sector in Wales. Estimates suggest that it accounts for between 20 per cent (Bleasdale, 2007) and 24 per cent (Agricultural Land Tribunal, Wales, 2007) of agricultural land. Given this lack of clarity in official statistics, it is possible only to compare the concentration of the CFE against the tenanted agricultural sector within English local authorities. Table 4.4 uses Cheshire as an example and shows an LQ value of 2.53. This is considerably higher than 1.0, indicating a significant concentration of CFE land in relation to the overall amount of tenanted land in the county.

Table 4.4: The LQ calculation for CFE area against total tenanted land area in Cheshire.
The final calculation compares the number of CFE holdings with all tenanted holdings in Cheshire and produces an LQ value of 2.02, again indicating a significant concentration of CFE holdings in the county. As this LQ value for holdings is not as high as the one for area, it suggests that the CFE holdings in Cheshire have a higher average area than all tenanted holdings in the county.

<table>
<thead>
<tr>
<th>Number of CFE holdings in Cheshire ÷ Number of CFE holdings in England</th>
<th>Total number of tenanted holdings in Cheshire ÷ Total number of tenanted holdings in England</th>
</tr>
</thead>
<tbody>
<tr>
<td>191 ÷ 3,658</td>
<td>1,289 ÷ 49,763</td>
</tr>
<tr>
<td>=</td>
<td>=</td>
</tr>
<tr>
<td>0.05195614035087719</td>
<td>0.02587135140905911</td>
</tr>
<tr>
<td>=</td>
<td>=</td>
</tr>
<tr>
<td>2.02</td>
<td></td>
</tr>
</tbody>
</table>

Table 4.5: The LQ calculation for number of CFE holdings against total number of tenanted holdings in Cheshire.

Once the four sets of LQ values had been calculated, they were used to generate four individual maps. The data for each individual local authority area were entered into ArcGIS software, to produce the following maps:

1) Figure 5.1 – CFE area in relation to total agricultural land area.
2) Figure 5.2 – CFE holdings in relation to all agricultural holdings.
3) Figure 5.3 – CFE area in relation to tenanted agricultural area.
4) Figure 5.4 – CFE holdings in relation to tenanted holdings.

The LQ values were banded into six individual classes to create the maps. Table 4.6 highlights these bandings and the corresponding levels of CFE concentration. The value of 1.0 is a critical divide and LQ values below 1.0 were categorised into two different bands highlighting ‘low’ and ‘below average’ CFE concentration. LQ values greater than 1.0 were categorised into three bands to represent ‘above average’, ‘high’ and ‘very high’ concentrations of the CFE. Different shades were used to differentiate between classes, with the darkest shades representing areas of highest concentration. Local authority areas with no data were left blank.
Table 4.6: The banding of LQ values and their concentration.

<table>
<thead>
<tr>
<th>Band</th>
<th>LQ value</th>
<th>Level of CFE concentration</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.01 - 0.50</td>
<td>Low</td>
</tr>
<tr>
<td>2</td>
<td>0.51 - 1.00</td>
<td>Below average</td>
</tr>
<tr>
<td>3</td>
<td>1.01 - 1.50</td>
<td>Above average</td>
</tr>
<tr>
<td>4</td>
<td>1.51 - 2.00</td>
<td>High</td>
</tr>
<tr>
<td>5</td>
<td>2.01 - 5.88</td>
<td>Very high</td>
</tr>
<tr>
<td>6</td>
<td>No data</td>
<td>Unknown</td>
</tr>
</tbody>
</table>

The analysis of secondary data served important purposes within the context of this research. Initially, it was used to help illustrate the historical development and current structure of the CFE. Through this process, it identified areas where knowledge about the current CFE was lacking. So, for example, whilst key elements of contemporary structural change were noted, no explanations of these changes were available. Alongside this, it also helped to identify some of the key geographical regions and individual local authority estates. In order to further develop this initial phase of the research and to start the process of explaining structural change within the CFE, the following section discusses the second phase of research – a questionnaire survey of CFE managers.

4.4 Questionnaire survey of estates managers

Whilst providing a good starting point for this research, the analysis of secondary data left a number of information gaps. In particular, secondary data did little to explain how the wider agricultural restructuring process impacted on the CFE. In order to develop an understanding of this, the second phase of research explored in greater detail the current structure and future potential of the CFE. Following Brannen’s (2005) discussion on research design, the focus of the research was still on the collection of quantitative data to explain ‘what’ was happening within the CFE. However, from this point forward, the generation of quantitative data to help explain ‘why’ these changes were occurring would be welcome additions to the research. Chapter 3 identified those associated with the development of estate management.
strategy as key actors. Within this group of actors, estate managers were singled out as the ‘gatekeepers’ as they are involved with the development and implementation of estate management strategy. This is in contrast to others, such as councillors, who develop policy but are not directly involved with its implementation. The suitability of estate managers as key actors was further endorsed by their direct involvement with the research, through the collaboration with the ACES Rural Practice Branch.

A questionnaire survey was selected as it is primarily a tool for collecting quantitative data, but it also allows some scope for limited qualitative questions to be included. They provide descriptive and representative generalisations rather than an in-depth analysis of causal explanations (Sayer, 1994). An electronically distributed questionnaire was selected as it offers a relatively quick and cheap way of conducting research (Sarantakos, 2005). It also provided respondents with the opportunity to complete the questionnaire electronically or to print it off and return via the post. The nature of the research questions also aided the choice of an electronically submitted questionnaire survey. Many of the questions dealt with historical or policy related issues. These questions required some level of research on the respondents’ behalf before completion. By allowing them the opportunity to complete the questionnaire in their own time, it was hoped to facilitate more detailed responses. Other methods of undertaking a survey, such as face-to-face interviews, may not have allowed respondents sufficient opportunity to provide the required data.

The questionnaire contained 21 questions, which sought to gather data on four broad themes (Appendix 2 contains a copy of the questionnaire and the cover letter that was circulated with it):

1. Patterns of structural changes by farm type over the past ten years.
2. Entry, progression and exit patterns of new and existing tenants.
3. How the service is utilised by tenants and landlords to satisfy contemporary agricultural and non-agricultural uses.
4. How these and any predicted future changes are likely to impact on the CFE service over the next ten to fifteen years.

Containing a number of closed questions, requiring short, numerical answers, the questionnaire provided quantitative data on the structure of the CFE. A number of open questions were incorporated, encouraging respondents to register their views on
the driving forces behind structural change. Additional open questions allowed respondents to discuss other relevant issues, thus helping to develop a deeper understanding of the wider social issues affecting the CFE. Feedback on the questionnaire layout and suitability of questions was received from the then chairman of the ACES Rural Practice Branch.

The questionnaire survey was distributed in July 2008. At this time, some 62 local authorities were believed to still possess a CFE (CIPFA, 2007). Unfortunately, CIPFA was unable to provide a full list of contacts within these 62 local authorities because of client confidentiality issues. However, the ACES Rural Practice Branch was able to submit a list of contact details for 36 associate members who had previously consented to being collaborators with the research project. Details for the other 26 local authorities were sourced from official contacts displayed on local authority web pages. Where this process failed, local authorities were contacted by telephone to obtain the details of estate management personnel. These three sources yielded email addresses for contacts within the 62 CFE owning local authorities across England and Wales.

Two emails were returned almost immediately as undelivered and no further contact details could be found to allow delivery. After eight weeks, 16 responses had been received, representing 25.8 per cent of the survey sample. Of these, two local authorities claimed they no longer possessed a CFE and one refused to release information. This left 13 local authorities (21 per cent) that provided a full response. Given this low rate of return, the remaining 44 local authorities were contacted again. Twelve estate managers were contacted in person at a meeting of the ACES Rural Practice Branch. This resulted in a further three full responses. The remaining 32 local authorities were contacted by telephone, yielding partial responses from a further 24 individual estate managers. By this time, one additional completed questionnaire had been returned. In total, 40 (64.5 per cent) of the 62 local authorities made some level of positive response to the survey. However, of these only 17 (27.4 per cent) provided a full response.

The feedback from telephone conversations with estate management staff provided an unexpected insight into the position of the CFE within many local authorities. Many
respondents noted how the availability of time and appropriate personnel, and a lack of available data, all contributed to the non-completion of the questionnaire survey. This suggested that for many local authorities, the contemporary CFE is a low priority service and this issue is discussed in Chapter 5.

Analysis of the empirical data from the questionnaire survey was undertaken in two ways. Quantitative data were used to analyse different aspects of structural change in each local authority. Given the discontinuities in the primary data, analysis was undertaken in two ways. Full analysis was undertaken where existing secondary data were available to supplement the primary data. Where this was not possible, the incomplete primary datasets were utilised to provide an indication of structural change occurring within the contemporary CFE. Qualitative data were analysed through a process of transcription and coding to allow the emergence and sorting of key themes (Parfitt, 2005). This process relies on the categorisation of themes, concepts, key words or phrases within the data. Those defined as having a similar meaning are denoted by the use of code words associated with the research (Cloke et al. 2007). A feature of the coding process is that it allows analysis of data at different levels. Cope (2003), for example, demonstrated how successive rounds of coding can be used to identify themes and patterns within coded text.

The analysis of quantitative data gathered through the questionnaire survey served three main purposes: first, it helped to develop an initial understanding of the issues surrounding structural change within the contemporary CFE; secondly, it identified some of the key issues that required further consideration in the final phase of the research; and thirdly, it helped to identify other key actors who that needed to be considered within this final phase of research. The role of these actors as research participants is discussed in Sections 4.5.1 and 4.5.2.

In order to clarify and confirm the validity of the questionnaire survey findings, a feedback process was undertaken with members of the ACES Rural Practice Branch. A summary report was distributed to all members. Following this, a discussion on some of the key findings was held at an ACES management meeting on the 22nd of April 2009. Twenty ACES members, along with a representative of the Duchy of Cornwall Estate, attended the meeting. A brief presentation was given on the key
points to arise from the questionnaire in terms of how local authorities view their estates, the nature of structural change (particularly losses in the dairy sector), and issues of tenant diversification. The subsequent feedback and comments provided additional empirical material to be incorporated into the research findings.

The first two phases of research helped to examine the structural dimensions of the CFE and the main issues affecting it. The third phase of the research built upon these findings to explore in much more detail what they actually mean in specific case study areas. In order to do this, qualitative data were needed to gather perceptions of what the CFE actually means to those actors associated with it. This final stage was undertaken through case study research, an outline of which is discussed in the following section.

4.5 Case study research

The case study provides an opportunity for in-depth analysis to help understand the relationships involved within a specific case (Yin, 2009). Within the context of this research, the requirements of the conceptual framework suggested that a case study approach would help to analyse how CFE management strategies inform the distribution of property rights and impact on the tenant. As the case study is a research model, rather than a method of data collection, it allows the research to engage with different groups of key actors (Sarantakos, 2005). By doing so, it is possible to develop a more balanced understanding of the CFE within each case study area by considering the views and opinions of all the key actors involved.

Sayer (1994) noted how use of the case study approach in wide ranging geographical studies is open to some critique. He demonstrated how the impact of factors outside those being studied is spatially variable, thus questioning the representative nature of the research. He reasoned “in such wide-ranging studies the temptation to over-extend inferences drawn from case studies is strong” (ibid: p. 250). However, it is not the purpose of the case study to be fully representative of the entire CFE; it serves as an important indication of how property relationships develop in light of specific local demands. Munton (1995) noted the significance of the case study approach when examining the impacts of ‘real’ regulation on rural land use. He argued that the case study could be used “to interrogate the significance of local circumstances,
including local histories and social practices, to outcomes. In practical terms, this meant finding a way of linking the experiences of individual actors, local and non-local to the changing ‘rules of transference’ that have regulated shifts between land uses, as well as the economic conditions within each land use, in recent years” (ibid: p. 275).

To allow an evaluation of how ‘real’ regulation promotes geographical variation within the CFE, three case studies were undertaken. Cambridgeshire, Powys and Gloucestershire were selected as individual case studies to allow an illustrative and in-depth study of the distribution of property rights within the contemporary CFE. Each case study selection was based on the findings of the first two phases of research. These highlighted how individual circumstances within each local authority area produced differing conditions that influence approaches to estate management. Cambridgeshire was selected to represent the arable areas of eastern England. As the largest individual CFE across England and Wales, it had a relatively high proportion of bare land lets and had seen a substantial loss of holdings since 1997. The questionnaire survey response also highlighted how property within the Cambridgeshire CFE was increasingly being utilised by the landlord and tenants for new or non-agricultural services. Powys was chosen as it had traditionally provided a large number of dairy holdings, but the restructuring process had seen a major reduction in these. The questionnaire survey identified how the Powys CFE had a high incidence of farm diversification, particularly agricultural contracting. Further to this, management also acknowledged how tenants had limited progression opportunities due to a lack of alternative holdings in the private sector. Gloucestershire became the final case study area as it represents the traditional livestock areas of western England. Whilst the Gloucestershire estate has historically been dominated by dairy holdings, structural change has encouraged an increase in mixed arable farms. The Gloucestershire approach to CFE management has been championed over recent years by industry lobbyists, such as the Tenant Farmers Association, as an example of a well-managed contemporary estate. However, the adoption of policy to allow the sale of parts of the Gloucestershire estate in 2011 provided an unexpected insight into how the economic downturn of 2007/08 can impact on the CFE.
Each case study started with a face-to-face meeting with the local authority estate management team, recognised as gatekeepers within the research. These estate managers not only developed and delivered estate management strategy, but were also the main point of access to the tenants. As Hammersley and Atkinson (1995: p. 134) noted, it is often “necessary to negotiate with gatekeepers before one can contact the people one wants to interview”. These meetings with estate managers served five main purposes and the meeting format followed these accordingly.

1. To establish personal contact with estate managers and to explain to them the full nature of the research and the significance of the case study phase of this.
2. To allow the estate management team the opportunity to raise and discuss any issues they saw as relevant within the context of the research.
3. To discuss the questionnaire survey and any issues arising from it.
4. To identify key personnel associated with the CFE at the local or national level.
5. To establish a process for identifying those tenants who meet the criteria for participation in the interview process. These criteria are discussed below.

These initial meetings with estate managers went some way to identifying those who would be approached to participate in the research. This reliance on gatekeepers to identify research participants is not without critique. Cloke et al. (2007), for example, noted how gatekeepers could unintentionally influence the choice of participants based on their own knowledge of the subject, rather than on the requirements of the research. As Valentine (2005: p. 117) noted, it is important “to make sure the gatekeeper is not trying to steer you away from [potential participants] in order to prevent you hearing a dissenting voice”.

This issue certainly required careful consideration when selecting tenants to participate in the case study research. As one estate manager pointed out, “there are farms I will not visit alone, because I fear for my safety”. Based on the findings of the first two phases of research, the criteria for selecting participating tenants included farm size, nature of farming practice, length of time as a tenant, and engagement with farm business diversification. Each manager duly provided a list of those they deemed to be suitable participants. Powys provided a list of every tenant, allowing the researcher to select potential interviewees. Cambridgeshire submitted a
contact list of around 40 names, based on the tenant satisfying one or more of the selection criteria. This allowed some flexibility in the selection of participants. Gloucestershire responded with contact details of 25 tenants, all of whom were eventually contacted as potential interviewees. The potential for bias to enter the research process through the selection of participants promoted the importance of triangulation and the role of the researcher. Through adoption of a case study approach, the views of numerous and different actors can be gathered to develop an understanding and to reduce the risk of unbalanced data. The role of the researcher is also important to this triangulation process. Berg (1989: p. 35), for example, noted how “interviewers must be conscious and reflective...they must carefully watch and interpret the performance of the subject”. This can be achieved by engaging with participants, thus encouraging the choice of semi-structured interviews as they main method within the case study research. To help facilitate the verification of interview findings, focus group meetings were also held as part of the case study research. The development of these two methods is discussed in more detail below.

4.5.1 Semi-structured interviews

The semi-structured interview recognises that respondents are experts and a source of valuable information about the topic being studied (Sarantakos, 2005). This promotes the role of the interviewer, who must act accordingly to “achieve the desired depth and scope of conversation” (Cloke et al., 2007: p. 158). Within this research, semi-structured interviews were conducted face-to-face at the farms of individual tenants. This benefitted the research in two particular ways. Firstly, conducting the interview in person allowed any interesting points raised by tenants to be pursued through further questioning. Questionnaire surveys, for example, would not have provided this opportunity. Secondly, visiting the tenants’ farms allowed the researcher to develop an understanding of the tenant and his/her relationship with CFE property. This was useful as it gave tenants an opportunity to show the interviewer any particular issues they had in relation to property. It also allowed any extreme views held by tenants to be put into the context of property conditions and the relationships associated with it. This was particularly pertinent in Gloucestershire, given the reliance on gatekeepers to identify the tenants to take part in the research.
Individual estate managers made first contact with those tenants selected as potential participants in order to inform them of the research. This not only forwarned the respondents, but also eliminated the necessity for ‘cold calling’. Valentine (2005) argued that cold calling is intrusive and can contribute to higher refusal rates. Potential respondents were contacted by telephone and meeting times arranged for those willing to participate. Work commitments, particularly amongst those tenants who engaged with contract work, were the main difficulty preventing participation. For this reason, a number of interviews in Gloucestershire were held back until December when the main contracting season was over. Refusal rates in Cambridgeshire and Gloucestershire were low, with one tenant in each case study unwilling to participate. One tenant cited a lack of interest and the other deemed he was not suitable to participate in the research. Refusal rates were higher in Powys, with three tenants refusing to participate. One possible explanation for this arose during the interview process. It became apparent that prior to the estate manager contacting the tenants about this research, letters had been distributed to tenants on the issue of sub-letting land. This appeared to cause some consternation amongst tenants and a few were concerned that this research was directly connected to the issue of sub-letting land. Whilst some tenants declined to participate, others agreed to participate only when they were fully convinced that there was no connection between the two issues. Interviews were carried out between July and December 2009 with a total of 60 tenants across the three case study areas. Table 4.7 provides a geographical breakdown of those interviewed and the percentage that these figures represent of the total number of CFE tenants.

<table>
<thead>
<tr>
<th>Case study area</th>
<th>Number of tenants interviewed</th>
<th>Percentage of total number of tenants in case study area</th>
<th>Interview period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cambridgeshire</td>
<td>25</td>
<td>10.4 %</td>
<td>July, 2009</td>
</tr>
<tr>
<td>Gloucestershire</td>
<td>17</td>
<td>15.6 %</td>
<td>July to December, 2009</td>
</tr>
<tr>
<td>Powys</td>
<td>18</td>
<td>10.5 %</td>
<td>October, 2009</td>
</tr>
<tr>
<td>Total</td>
<td>60</td>
<td>11.5 %</td>
<td></td>
</tr>
</tbody>
</table>

Table 4.7: A breakdown of the number of tenants interviewed per case study area.
The tenant semi-structured interview schedule was developed using the key findings of the previous two phases of research. In total, ten key themes were addressed based on the tenant’s background, tenure arrangements, the nature of the landlord/tenant relationship, current farm business, progression plans and overall opinion of the CFE service. Tenants were also allowed the opportunity to discuss any further issues and to identify individuals or groups they saw as important to the CFE; they were also asked if they were interested in participating in the focus group meetings. A copy of the interview schedule and accompanying letter is enclosed in Appendix 3. Tenants were encouraged to talk freely, although the subject headings listed below were used to provide some kind of structure to the interview:

1. The tenant’s background.
2. Experiences of becoming a CFE tenant.
3. Current tenure arrangement and the rights this provides.
4. Relationship with landlord.
5. Current farm business.
6. Produce marketing.
7. Engagement with diversification and alternative incomes.
8. Future plans.
9. Opinions on the CFE service.
10. Any other relevant issues.

In reality, the conversations followed a much less defined pathway. At the start of each interview, each participant was given a one-page summary of the research and its intended outcomes. Interviews were conducted only once the respondent had provided a signature of consent to say they were happy to participate; it was explained that the interview could be terminated at any time. Each interview was recorded, with the consent of the participant, and research notes were taken throughout. At the end of each interview, participants were asked if they would like a transcribed copy of the notes; no tenants asked for these. Five tenants did express an interest in the overall research findings and asked to be kept informed of any published material. An email address was taken to allow published findings to be sent to these tenants. Once the interview had finished and at the first available opportunity, the three or four key points to arise from the interview were noted. To ensure participant confidentiality, all hand written notes and transcribed interviews...
were kept in locked drawers in a locked office. Each set of notes was given a code, known only to the researcher. Electronically stored data, including interview recordings, were stored on a portable storage device under lock and key. This procedure was followed for all interviews and focus group meetings.

Once transcribed, the research findings were analysed using NVivo, a qualitative analysis computer software package. NVivo provides a time and labour-saving system of analysis that offers quicker and easier access to texts and codes. The text of transcribed interviews was analysed to identify key words, phrases or sentences. The single word codes used within the analysis were taken from the themes that informed the tenant interviews. Once this initial round of coding had identified the key passages of dialogue within the text, a second round of analytic coding was undertaken. This analysed the key text further to identify its significance to property rights and property relationships that are central to the conceptual arguments developed in chapter 3. These analysed data were then used to support the discussions within chapters 6, 7 and 8.

Alongside tenants, it was also part of the research strategy to interview other key actors with an interest in the CFE. Chapter 3 identified how those involved in the delivery and implementation of state regulation in relation to the CFE are one such body of actors. As a result, seven interviews were undertaken with additional local authority personnel, advisers on land management issues and relevant political figures (Table 4.8). Using a kind of snowballing technique, these actors were identified as important to the CFE during the meetings with estate managers (Sarantakos, 2005).

Five face-to-face interviews were undertaken with those directly involved with the CFE within the three case study areas. Two further responses (one interview and one email) were obtained from national political figures, recognised as significant to either the local or national CFE. It is worth noting that at the time of research, a general election was imminent and took place on the 6th May 2010. The views of these new political figures were therefore relevant to the future regulation of the CFE, given the change in government that took place. The interviews were informed by a five-phase interview schedule, containing the following headings:
1. The role of the interviewee within the local authority and their interest in the CFE.
2. Defining the role of the CFE within the local authority.
3. The future direction of CFE policy.
4. Threats to the CFE.
5. The role of state regulation in defining management strategy.

Interviews were conducted and the analysis of text undertaken as described above.

<table>
<thead>
<tr>
<th>Associate area</th>
<th>Organisation</th>
<th>Position of participant</th>
<th>Interview type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cambridgeshire</td>
<td>Cambridgeshire County Council</td>
<td>Director of Finance, Property &amp; Performance</td>
<td>Face-to-face</td>
</tr>
<tr>
<td>Cambridgeshire</td>
<td>Cambridgeshire County Council</td>
<td>Head of Strategy and Estates</td>
<td>Face-to-face</td>
</tr>
<tr>
<td>Gloucestershire</td>
<td>Gloucestershire County Council</td>
<td>Cabinet member for Finance – holder of CFE portfolio</td>
<td>Face-to-face</td>
</tr>
<tr>
<td>Gloucestershire</td>
<td>Gloucestershire County Council</td>
<td>Head Of Property Services</td>
<td>Face-to-face</td>
</tr>
<tr>
<td>Powys</td>
<td>Private sector land agents - external property consultant to Powys County Council)</td>
<td>Chairman of Partners</td>
<td>Face-to-face</td>
</tr>
<tr>
<td>Powys / Wales</td>
<td>Welsh Assembly</td>
<td>Assembly Member for Brecon and Radnorshire</td>
<td>Face-to-face</td>
</tr>
<tr>
<td>Cambridgeshire / England</td>
<td>Central government</td>
<td>Then Shadow Agriculture Minister (appointed Agriculture Minister 13th May 2010)</td>
<td>Written response to email questions</td>
</tr>
</tbody>
</table>

Table 4.8: A list of interviewees associated with the estate management decision-making process.

Other key stakeholders with an interest in the CFE were identified during the tenant interviews. Tenants were encouraged, using the snowball sampling technique, to
identify those who they saw as important actors within the local or national CFE. Table 4.10 highlights those identified and interviewed as part of this process.

<table>
<thead>
<tr>
<th>Stakeholder group</th>
<th>Role</th>
<th>Position of participant</th>
<th>Interview type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tenant Farmers Association</td>
<td>Lobbyists for tenant farmers</td>
<td>Chief Executive</td>
<td>Face to face</td>
</tr>
<tr>
<td>Tenant Farmers Association</td>
<td>Lobbyists for tenant farmers</td>
<td>National Chairman</td>
<td>Telephone</td>
</tr>
<tr>
<td>Central Association of Agricultural Valuers</td>
<td>Commentators on agricultural tenanted sector</td>
<td>Secretary and Adviser</td>
<td>Face to face</td>
</tr>
<tr>
<td>National Federation of Young Farmers’ Clubs</td>
<td>Representing interests of young farmers</td>
<td>Agriculture and Rural Affairs Officer</td>
<td>Face to face</td>
</tr>
<tr>
<td>Country Land and Business Association</td>
<td>Representing interests of landowners</td>
<td>Rural Economy &amp; Renewable Energy Policy Adviser</td>
<td>Telephone</td>
</tr>
<tr>
<td>National Farmers Union</td>
<td>Main farmers union</td>
<td>Rural Surveyor</td>
<td>Face to face</td>
</tr>
<tr>
<td>National Farmers Union</td>
<td>Active within Cambridgeshire CFE</td>
<td>East Anglia regional senior policy adviser</td>
<td>Face to face</td>
</tr>
<tr>
<td>National Trust</td>
<td>Alternative institutional estate</td>
<td>Rural Skills &amp; Training Advisor</td>
<td>Face to face</td>
</tr>
<tr>
<td>Fresh Start Initiative</td>
<td>Promoting industry entry opportunities</td>
<td>National Project Manager</td>
<td>Face to face</td>
</tr>
<tr>
<td>Camgrain</td>
<td>Marketing opportunities in Cambridgeshire</td>
<td>Managing Director</td>
<td>Email</td>
</tr>
<tr>
<td>Barclays Bank</td>
<td>Banking sector</td>
<td>National Agricultural Specialist</td>
<td>Face to face</td>
</tr>
<tr>
<td>Duchy of Cornwall Estates</td>
<td>Alternative institutional estate</td>
<td>Chief land steward</td>
<td>Face to face</td>
</tr>
</tbody>
</table>

Table 4.9: A list of other stakeholders interviewed as part of the case study research.
Given the variation in the relationships between these stakeholder groups and the CFE, each interview had a different focus, although it was based around a four-theme interview schedule, including:

1. Defining the relationship of the interviewee with the CFE.
2. Identifying the value that the interviewee, or the organisation they represent, places on the CFE.
3. The future potential of the CFE.
4. Threats facing the CFE.

Given the diversity of these stakeholders, the nature of the interviews varied markedly. Those conducted with national bodies, such as the Tenant Farmers Association (TFA) or the National Farmers Union (NFU), were in-depth and covered many issues surrounding the CFE, its management and the impacts on tenants. The approach to Camgrain, on the other hand, was to address one specific issue in relation to the financial implications of grain storage and marketing for new entrants and small producers.

Interviews followed the same procedures as described above. Once completed and transcribed, they were categorised dependent on their significance to management or tenant issues and analysed and coded accordingly. To help verify and confirm the initial findings from the case study interviews, focus group meetings were held as a second part of the case study approach. The application of these focus group meetings is discussed in the following section.

### 4.5.2 Focus groups

As part of the verification process associated with a mixed methods approach, focus group meetings were convened in each case study area. This allowed a group of selected participants to discuss some of the key research findings. Krueger and Casey (2009) argued that the focus group is not just about a group of people sitting around discussing certain issues; instead, it is a carefully selected group of people giving their opinions on specific issues and following certain procedures. Within the context of this research, the purpose of the focus group was three-fold: firstly, it gave participants the opportunity to discuss key issues and refine and verify their significance as research findings; secondly, it also gave participants the opportunity to respond to the comments of others within the group; thirdly, this enhanced interaction
between those involved, allowing the research to develop an understanding of the different ways in which participants view the issues being discussed (Conradson, 2005; Cloke et al., 2007). Such an approach places the onus on the researcher to define the success of the focus group. This success comes through careful organisation, by inviting suitable participants and raising relevant topics to be discussed (Krueger and Casey, 2009).

The number of participants within a focus group is open to some negotiation, with between four and ten being considered ideal by some (e.g. Conradson, 2005; Sarantakos, 2005; Krueger and Casey, 2009). In total, five tenants and a combination of up to five management personnel and other stakeholders were invited to each focus group. Whilst this may be at the higher end of the ideal number of participants, it allowed for refusals and non-attendance. The process of participant selection started during the interview phase of the research. Those interviewed were asked if they would be interested in participating in the focus group meetings; if a positive response was obtained, their suitability for inclusion was assessed. Selections were based on trying to bring a mixture of attributes to the focus group sessions such as new entrants; established tenants; tenants with a diversified farm business; tenants with relatively small farms; tenants with relatively large farms; tenants who positively supported the landlord; and finally, tenants who constructively questioned the decisions made by landlords. The selection of management and other stakeholders was a more straightforward task, with those deemed to be best suited to a specific area invited to attend. Each potential participant was initially contacted by phone, with those providing a positive response then formally invited by letter (Appendix 4). The number of attendees varied between five and seven; a breakdown of each focus group session is shown in Table 4.10.

<table>
<thead>
<tr>
<th>Case study area</th>
<th>Date held</th>
<th>Venue</th>
<th>Number of attendees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Tenants</td>
</tr>
<tr>
<td>Gloucestershire</td>
<td>17th May 2010</td>
<td>Waterend Farm, Coaley</td>
<td>4</td>
</tr>
<tr>
<td>Cambridgeshire</td>
<td>18th May 2010</td>
<td>Fliegcroft Farm, Whittlesey</td>
<td>4</td>
</tr>
<tr>
<td>Powys</td>
<td>11th November 2010</td>
<td>Welshpool Livestock Centre, Welshpool</td>
<td>3</td>
</tr>
</tbody>
</table>

Table 4.10: A breakdown of attendees at each focus group session.
Chapter 4: Methodology

Each focus group session lasted for no more than two hours, with strict adherence to this time constraint. Notes were taken during the session and it was recorded electronically. The sessions started with a brief introduction to the research and participants were asked to introduce themselves to the meeting. This not only allowed people to become familiar with their fellow participants, but it also helped the researcher put a name to each voice when the recordings were replayed later. The job of the mediator was to direct an in-depth discussion on the following five topics (full schedule is shown in Appendix 4):

1. The optimum size of CFE holdings.
2. Issues of family succession or the mentoring of non-family members.
3. The length of tenancy agreements.
4. Investment in estate infrastructure.
5. The future of the CFE.

Each topic was initially presented to a specific participant, based on information gained from the semi-structured interviews. Others were then encouraged to contribute their opinion. Having discussed the five topics, members were asked for any closing comments. The meetings closed with a summary by the chair of the key issues raised. Data analysis and storage were undertaken following the same procedure already described for interview data.

4.6 Chapter summary

This chapter has demonstrated how a mixed methods research strategy, based on the conceptual framework developed in chapter 3, has been devised to gather empirical data for the research. This approach allowed for the generation of both quantitative and qualitative data about issues affecting the CFE at national and local levels. The mixed methods approach also facilitated the continued verification of key findings as the research progressed. In particular, it allowed for the analysis of three particular aspects of the CFE.

1. Identifying the nature of structural change.
2. Developing explanations for these structural changes.
3. Analysing the impacts of structural change in specific local authority areas in relation to the distribution of agricultural property rights.
These empirical findings are now discussed in chapters 5, 6 and 7.
Chapter 5

The County Farms Estate in England and Wales

5.1 Introduction

The conceptual arguments developed in chapter 3 focused on how the State regulates traditional landed institutions through three forms of real regulation: by regulating the letting of agricultural property through appropriate tenancy legislation; by regulating the uses to which landed estates can be put; and by regulating the wider aims and purposes of the traditional landed institutions. This chapter uses the findings of the secondary data analysis and the questionnaire survey of estate managers to demonstrate how these latter two modes of regulation have influenced the structural development of the CFE in England and Wales. It is argued that direct regulation of the CFE was utilised initially to encourage the occupation of agricultural property and to satisfy the social needs of agricultural labourers, the landless, ex-military personnel and the unemployed. Under the guidance of the Agriculture Act 1947, the regulated purpose shifted towards the provision of agricultural opportunities through the occupation and use of rural property. Since publication of the Agriculture Act 1970, however, the State has distanced itself from direct regulation of the CFE. This has allowed local authorities to manage rural estates as a property asset to help fulfil wider statutory obligations. Structural changes within the wider agricultural sector have also impacted and helped to encourage a shift away from agricultural production towards the multifunctional use of rural property.

These regulatory influences have encouraged a spatially variable distribution of the CFE. It is the purpose of this chapter to highlight these geographical variations and to consider the reasons why they have occurred. Accordingly, the chapter is structured into four main sections. Section 5.2 identifies how regulatory influences have informed three distinct phases that have shaped the spatial and temporal development of the CFE since its inception in 1892. More recent structural changes, between 1997 and 2010, are considered in Section 5.3. This analysis initially places structural
change within the CFE in the context of other landed estates. It then compares structural change between individual local authorities and by farm type. Finally, this section also explores how structural change has allowed tenants to diversify their farming business. The remainder of the chapter assesses the value of the contemporary CFE. Thus Section 5.5 assesses the role of the CFE within the agricultural industry and Section 5.6 considers the value of the CFE to local authorities and how this is likely to develop in the medium to long-term. The focus of this analysis is on the economic performance of the CFE and alternative ways in which rural property is used to satisfy a range of other local authority objectives. A brief summary draws the chapter to a close.

5.2 The spatial and temporal development of the County Farms Estate

In 2008, a number of local authorities across England and Wales celebrated one hundred years of CFE ownership. These centennial celebrations marked the implementation of the Smallholdings and Allotments Act 1908, which facilitated the development of statutory smallholdings. These statutory smallholdings have developed over time to become what is now recognised as the CFE. The origins of the concept can be traced back to social concerns for the rural peasantry throughout the nineteenth century (Smith, 1946). This background is worth discussing here as it not only explains how a range of social issues have been central to the CFE development, but also how these issues have influenced its uptake and spatial development (Levy, 1911).

Within the first half of the nineteenth century, British agriculture was underpinned by the Corn Laws, which were introduced to maintain national self-sufficiency and protect farmers from competition from foreign suppliers. Adams (1976), for example, argued that the Corn Laws encouraged farm restructuring as economies of scale led to a concentration of corn production on larger agricultural units. In what was a contradictory move when compared to the contemporary notion of the farming ladder, many small landowners gave up their farms to become tenants on larger holdings. This helped bring about a decline of the ‘yeoman’ - or the small owner-occupier farmer - and placed the vast majority of land in the hands of a limited number of owners (Orwin and Whetham, 1964). By 1873, 80 per cent of land within the UK was owned by just 7,000 people and most was let under the landlord/tenant
Levy (1911) argued that this pattern of farm restructuring was regionally variable and did not occur evenly across England and Wales. Quoting an unknown author, Levy (1911: p. 48) suggested, “the Corn Laws ... have induced farmers to rely for profit upon a great breadth of wheat, to the neglect of stock-rearing and improved systems of husbandry”. Levy argued that this allowed the persistence of small family farms in northern and western regions, with larger arable holdings occurring in eastern and southern areas. These arguments are not uncontested. Orwin and Whetham (1964), for example, argued that the presence of larger holdings in eastern areas was due to the ‘late’ completion of the enclosures, recent conversion to arable production and land reclamation. Indeed, these authors described Cambridgeshire as a “backward county” due to the lateness of completion of the enclosures (Ibid: p. 3). Whatever the underlying reasons for these structural changes in agriculture, they can still be recognised today i.e. large intensive, predominantly arable, production units prevailing in eastern and southern areas of England and smaller marginal livestock and dairy holdings in western and northern areas of England and Wales.

Repeal of the Corn Laws in 1846 brought about a period of laissez-faire economics within British agriculture as the government allowed market forces to dictate commodity prices (Levy, 1911). This influenced a slow decline in the economic value of corn, which had the effect of bringing down the rental value of farms. As a result, rental returns for land in the north-west of England fell by 12 per cent and by as much as 41 per cent in arable areas of the south-east (Winter, 1996). Levy (1911) noted how the decline in demand for agricultural property was such that many arable farms remained un-let for long periods of time. The economic impacts of this were felt across the agricultural sector with landowners, farmers and labourers all suffering from the decline in corn prices. Social reformists, most notably John Bright and John Stuart Mill, were particularly concerned about the social problems facing the small farmer and agricultural labourer. These concerns led to the formation of the Liberal Land Tenure Reform Association circa 1871 (Laxton et al., 1987). Proponents of land reform were concerned about the accumulation of land by a limited number of owners and an over-reliance on the landlord/tenant system. Reformists identified the landlord/tenant system as detrimental to both agriculture and the farm labourer, being
described by one source as “the antiquated structure of the English land system, which has at length broken down” (Anonymous, 1885: p. 92).

Numerous attempts at land reform were made throughout the nineteenth century based around the provision of small holdings and allotments for the poor (see Levy, 1911; Smith, 1946; Wise Committee Report, 1966). However, it was only under the legislative guidance of the Small Holdings Act 1892 that any meaningful development of what became recognised as the CFE can be seen. This Act empowered local authorities to provide opportunities for individuals to farm in their own right where a demand existed. The emphasis was on the provision of smallholdings, which were defined as “land acquired by a council…that exceeds one acre and does not exceed fifty acres” (Small Holdings Act 1892, Part I). Development of smallholdings was limited under the 1892 Act; by the end of 1907, only 356 hectares (ha) and 244 holdings had been occupied as smallholdings (Wise Committee Report, 1966). Levy (1911) argued that the 1892 Act failed to encourage any significant growth of the CFE as it was weak and lacked the authority to bring about change. Further legislative reform brought about the Small Holdings and Allotments Act 1908, which contained two significant additions to previous legislation. Firstly, it provided a statutory requirement for local authorities to provide smallholdings where a need existed. Secondly, the Act contained a compulsory purchase clause that, whilst not often utilised, posed a sufficient threat to landowners to ensure they made land available on which to develop smallholdings (Levy, 1911). These clauses within the 1908 Act provided the impetus to allow the CFE to develop and expand in size; by 1914, the national estate extended to around 80,600 ha and some 14,908 holdings.

Since the passing of the 1908 Act, the structural development of the CFE has been heavily influenced by legislative reform. Three distinct periods can be identified within this development (see Figure 5.1): a period of sustained growth between 1907 and 1938, influenced by the Small Holdings and Allotments Act 1908 and the Land Settlement (Facilities) Act 1919; a loss in holdings between 1939 and 1969, driven by the Agriculture Act 1947; and finally, with strong links to the Agriculture Act 1970, a

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5 1907 is used as a base year in Figure 5.1 as it is the only year for which comparative secondary data are available.
sustained decline in both area and holdings from 1970 to 2010. The following subsections discuss each of these three phases of development.

Figure 5.1: The area and number of holdings on the County Farms Estate, 1907 to 2010 (source: The Wise Committee Report, 1966; the Northfield Report, 1979; CIPFA, 1997; 2010)

5.2.1 Phase 1: Sustained growth – 1907 to 1938
Under the legislative guidance of the Small Holdings and Allotments Act 1908, the CFE entered a period of sustained growth and development, although this was halted by the onset of World War One. After the War, the CFE entered another period of sustained expansion between 1919 and 1926. This was driven by the Land Settlement (Facilities) Act 1919, which looked to provide opportunities for ex-servicemen and to address issues of food security (Smith, 1946; Wise Committee Report, 1966). These concerns were addressed within this Act, which stipulated that:

“A council, when selling or letting a small holding...shall give preference to suitable men who have served at any time in the forces of the Crown and to suitable women who are certified by the Board to have been engaged in whole-time employment on
agricultural work for a period of not less than six months” (Land Settlement (Facilities) Act, 1919: Part II, paragraph 11).

The Land Settlement (Facilities) Act highlights the use of the CFE to satisfy wider social considerations, alongside agricultural provision. However, its ability to provide long-term opportunities for ex-servicemen was questioned by the Wise Committee Report (1966). That said, both Smith (1946) and the Wise Committee (1966: p. 15) deemed it to be “the outstanding effort in the modern history of land settlement in England and Wales”. By 31st March 1926, the estate extended to 177,265 ha of land and 29,532 holdings, of which over 60 per cent (17,958 holdings) consisted of bare land only⁶ (Wise Committee Report, 1966).

A further example of the wider social objectives underpinning the development of the CFE can be seen through adoption of the Agricultural Land (Utilisation) Act 1931. This Act sought to “offer opportunity for the unemployed”. Whilst this provision may be seen as an extension of the original motives of the CFE, uptake by the unemployed had until now been limited. Only the counties of Durham and Glamorgan created any significant number of holdings for the unemployed, with 320 and 20 holdings respectively (Wise Committee Report, 1966). Between 1926 and 1938, a further 25,000 ha and 2,781 holdings had been added to the national estate. During the 1930s, the expansion of the CFE slowed and was eventually halted by the onset of World War Two.

Smith (1946)⁷ noted how the development of the CFE between 1907 and 1938 had been spatially variable. He identified a key area of development within the Fenlands of eastern England. This occurred in an area surrounding the Wash, comprising parts of south Lincolnshire, Cambridgeshire, Norfolk, Suffolk and the Unitary Authority of Peterborough⁸. Levy (1911) also noted this concentration of the CFE in the Fenlands, arguing that the downturn in agriculture during the nineteenth century was a major influence on this spatial development. He reasoned that a decline in agricultural

⁶ Bare land is defined as land let without the provision of a farmhouse and/or buildings.
⁷ It is worth noting that whilst Smith published in 1946, most of his research was undertaken in the early 1930s.
⁸ When discussing individual local authorities, regard must be given to changing boundaries and, unless otherwise stated, they are defined by their modern boundaries and names.
rental returns and the difficulties faced by some landlords in letting land made property available on which the CFE could develop. Levy also identified how this availability of property was supplemented by an increased demand for smallholdings due to the large number of agricultural labourers in the area. Smith (1946) noted that in 1901 Norfolk had 4,330 labourers per thousand farmers, whilst pastoral regions, such as Cumberland, contained only 888 labourers per thousand farmers (Ibid: p. 46). Research published by MAFF (1968) demonstrated how the modernisation of the agricultural industry brought about a decline in the number of full-time agricultural labourers in many of the arable areas of eastern England. Between 1921 and 1966, the total number of full-time workers per 1000 acres (400 ha) in many arable areas of eastern England fell from over 30 to 20 or less (MAFF, 1968).

Smith (1946) also noted how small, localised concentrations of the CFE occurred where intensive and specialised farming methods flourished. These holdings specialised in the production of vegetables and small fruit, poultry and pig breeding, or a combination of all three. Concentrations of these units were noted in Cambridgeshire, Hampshire, the Biggleswade region of Bedfordshire and the Vale of Evesham (primarily Worcestershire, but also Warwickshire and Gloucestershire). Smith observed that these types of holdings were usually just bare land, without the provision of buildings or accommodation. The progression of specialised holdings is likely to have been driven by two factors. Firstly, changing consumer demands for fruit, poultry, eggs and vegetables provided new market opportunities. Secondly, the advancement of rail links to the major conurbations of London, Birmingham and Southampton opened up further marketing opportunities (Levy, 1911).

Development of the CFE between 1907 and 1938 should be considered within the context of wider changes occurring in the agricultural sector at that time. Further to the debate surrounding the plight of the small farmer and the agricultural labourer, there were issues of land reform. According to Cannadine (1990), the growth of the CFE coincided with the sale of one-quarter of the total land of England and up to one-third of land in Wales between the late-1870s and the late-1930s. These sales were coupled with the lowest financial returns for land in over a century (Newby et al. 1978). However, despite the expansion of the CFE, Winter (1996) argued that within this wider reform process the success of the CFE was limited and changes in the
structure of land ownership were not of benefit to small farmers and agricultural labourers. Perren (1995) went even further, being particularly scathing about the success, or even relevance, of the CFE prior to 1940.

5.2.2 *Phase 2: Loss of holdings – 1939 to 1969*

The advent of the Second World War limited structural changes within the CFE, although some losses of land were noted for defence purposes and development (Wise Committee Report, 1966). The post war years, notably through legislation contained within the Agriculture Act 1947, reinvigorated the CFE. Policies that had previously sought to satisfy a range of social concerns, such as land for the poor and opportunities for ex-servicemen and the unemployed, were no longer considered in isolation, but as part of an integrated agricultural policy. A key political desire underpinning this policy was to provide “a stable and efficient agriculture industry capable of producing the nation’s food and other agricultural produce” (The Agriculture Act 1947: Part I). This policy intervention brought about a shift towards larger production units across the agricultural sector and these changes also occurred within the CFE. As can be seen in Figure 5.1, this had minimal effects on the area of the CFE, but the number of both holdings and tenants decreased markedly. By 1964, the area of the CFE extended to 172,600 ha, comprising some 15,212 holdings. The fall in area was slight, down only 2 per cent from 1949. Over the same period, however, the number of holdings had fallen by 22 per cent as they were amalgamated to create larger, more efficient agricultural holdings.

The Wise Committee Report (1966) mapped the spatial distribution of the CFE in 1964 and this is reproduced in Figure 5.2.
In line with the findings of Smith (1946), this map highlights the significance of the CFE in the arable areas of eastern England (including parts of Norfolk, Suffolk, Cambridgeshire, Bedfordshire, south Lincolnshire and Peterborough). The map also highlights two other significant concentrations of the CFE in western England and Wales: firstly, a cluster adjacent to the Severn Estuary (Somerset, Wiltshire, Gloucestershire, Glamorgan (Bridgend, Merthyr Tydfil, Rhondda Cynon Taff, Cardiff, Vale of Glamorgan, Neath, Port Talbot and Swansea) and Gwent (Blaenau Gwent, Caerphilly, Torfaen, Monmouthshire and Newport); and secondly, a cluster of local authorities in north Wales and north-west England, comprising the Isle of Anglesey, Merioneth (Gwynedd), Montgomeryshire (Powys) and Cheshire (Cheshire...
East, and Cheshire West and Chester). The Wise Committee Report (1966) offered little explanation as to the development of these two significant concentrations of the CFE. However, following the arguments of Levy (1911) and Smith (1946), it is possible to suggest that they developed due to their proximity and connection via rail to expanding local urban markets e.g. Bristol, Cardiff, Swansea, Manchester and Liverpool. In particular, these clusters of concentration may have developed to satisfy markets for fresh milk, butter and cheese as most of the individual CFE listed have traditionally focused primarily on dairy production (CIPFA, 1997).

Figure 5.2 highlights a number of areas where the development of the CFE had been minimal. The distribution of these local authorities is dispersed, but there are notable concentrations of limited development in northern regions of England (Northumberland, Cumbria, North Yorkshire, Lancashire, Derbyshire, Nottinghamshire and North Lincolnshire), along the south coast of England (Kent, East and West Sussex and Hampshire) and in parts of south-west Wales (including areas of the modern counties of Carmarthenshire, Ceredigion and Powys). Outliers include parts of Caernarfonshire (Gwynedd) in north Wales and Rutland and Northamptonshire in the English Midlands. The Wise Committee Report (1966) offered few reasons to explain why the uptake of the CFE in these areas was minimal. They did, however, discuss the specific issue of hill farming, arguing that the area of land needed to provide a satisfactory income on a hill farm was “well above the statutory limit” (ibid: p. 65). A further explanation for the low uptake of CFE within these areas may be gleaned from work by MAFF (1968). This charts the decline in the number of agricultural workers employed on farms within individual local authority areas between 1921 and 1966. Over this 45-year period, the greatest losses of agricultural worker jobs occurred in eastern, south-east, southern and western counties in England. Areas of northern, central and the extreme south-west (Devon and Cornwall) of England and the whole of Wales had more stability in labourer numbers. The relatively low uptake of the CFE within the listed areas can, therefore, be attributed to a low demand for the service as labourers were able to retain employment and be less likely to need the opportunities offered by the CFE.

In summary, it is argued that the spatial development of the CFE increased where land and labour were readily available. Good soils and transportation links facilitated
this and allowed tenants to focus on arable, dairy and specialised food production in order to satisfy the growing demands of developing urban markets.

5.2.3 Phase 3: Loss of area and holdings – 1970 to 2010

The Wise Committee conducted a wide-ranging review of the CFE within England and Wales between 1964 and 1966, and their comments and conclusions were implemented within the Agriculture Act 1970. This Act created the impetus for the third development phase of the CFE, as it helped to foster a change in purpose of the service that the national estate provided. Part III of the Act provided legislative changes to previous policy in relation to the general aims of the CFE and also brought about the reorganisation of the estate. The Act stipulated that local authorities:

“Having regard to the general interest of agriculture and of good estate management, shall make it their general aim to provide opportunities for persons to be farmers on their own account” (Agriculture Act 1970: Part III, Section 39).

The Act retained the regulatory purpose of providing opportunities for people to be farmers in their own right, but it also promoted a focus on agricultural production to meet the demands of the industry. Thus it encouraged the end of part-time holdings and a transition towards a commercial approach to estate management. This was facilitated under Part III, section 40, which stipulated that an authority’s smallholdings estate should be reorganised by:

a) Enlarging one or more existing smallholdings or amalgamating;
b) Improving one or more existing smallholdings; and
c) Creating one or more new smallholdings.

The combination of these two legislative changes promoted a sustained period of CFE restructuring. In order to maintain the economic efficiency of farms, there was an increase in average holding size, bringing with it a decline in the total number of holdings. Through this process, it became easier for local authorities to justify the sale of outlying, spare and commercially valuable land. A lack of data prevents a direct analysis of CFE structure between 1970 and 2010. However, between 1964 and 2010, the area of the CFE declined by around 34 per cent, whilst the number of holdings fell by almost 75 per cent. The extent to which local authorities have
engaged with this restructuring process appears to be influenced by interpretation of the Agriculture Act 1970. The wording of the Act has proved to be ambiguous as it did not specify that local authorities shall provide smallholdings as a ‘duty’, as it had previously done under the Agriculture Act 1947. This has led to debate about the level of service that local authorities were expected to provide. Successive governments have failed to clarify this through any additional CFE regulation. It is argued here, therefore, that some local authorities have interpreted this approach by the State as a shift in emphasis of the real regulation of the CFE. As a result, they are allowed freedom to manage the CFE as a property asset to satisfy their wider statutory demands and local needs and aspirations. The impact of this on the structure of the CFE is assessed in the following section.

5.3 Recent change in the structure of the County Farms Estate

The spatial distribution of the CFE varies across England and Wales and this has continued through recent rounds of structural change. In order to put recent changes into context, they are discussed in relation to four issues within this section: comparing changes against those occurring in other landed estates; comparing changes between individual local authorities; discussing change by farm type; and discussing the changing nature of farm outputs and tenant diversification.

5.3.1 Comparing change between landed estates

Figure 5.1 demonstrates how the CFE has continued to lose land and a number of holdings during the period 1997 to 2010. To put these losses into context, Table 5.1 compares changing trends in the size of seven other landed estates between 2001 and 2010. These dates have been selected as they are the only ones for which comparable datasets are available.

Three distinct patterns can be discerned from Table 5.1. Firstly, major declines have occurred in the area of non-agricultural estates, such as the Ministry of Defence and Forestry Commission. Secondly, there has been a notable growth in the size of environmental and heritage estates, particularly the National Trust and the Royal Society for the Protection of Birds. Finally, there has been a slight decline in the size of traditional institutional estates, such as the Crown, the Duchy and CFE. It is noticeable from these comparisons how the losses of land from the traditional
institutional estates have been remarkably similar between 2001 and 2010. A continued reduction in estate size, therefore, cannot be seen as a CFE-specific issue. Instead, it should be seen as a consequential outcome of the rationalisation and restructuring of modern landed estates.

<table>
<thead>
<tr>
<th>Institution</th>
<th>2001</th>
<th>2010</th>
<th>Total area change</th>
<th>Per cent change</th>
<th>Geographical location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forestry Commission</td>
<td>971,267</td>
<td>350,000</td>
<td>- 621,267</td>
<td>- 64</td>
<td>UK</td>
</tr>
<tr>
<td>Ministry of Defence</td>
<td>303,521</td>
<td>218,000</td>
<td>- 85,521</td>
<td>- 28</td>
<td>UK</td>
</tr>
<tr>
<td>The Crown Estate</td>
<td>155,403</td>
<td>145,000</td>
<td>- 10,403</td>
<td>- 7</td>
<td>UK</td>
</tr>
<tr>
<td>CFE</td>
<td>121,408</td>
<td>113,677</td>
<td>- 7,731</td>
<td>- 6</td>
<td>England and Wales</td>
</tr>
<tr>
<td>Duchy of Cornwall Estate</td>
<td>57,062</td>
<td>54,090</td>
<td>- 2,972</td>
<td>- 5</td>
<td>England and Wales</td>
</tr>
<tr>
<td>RSPB</td>
<td>114,529</td>
<td>130,000</td>
<td>+ 15,471</td>
<td>+ 14</td>
<td>England, Wales and Scotland</td>
</tr>
<tr>
<td>National Trust</td>
<td>222,582</td>
<td>255,000</td>
<td>+ 32,418</td>
<td>+ 15</td>
<td>England, Wales and Northern Ireland</td>
</tr>
</tbody>
</table>


5.3.2 Comparing change between individual local authority estates

Between 1997 and 2010, the loss of land area from individual local authority estates was spatially variable. These changes are mapped in Figures 5.3\(^9\). In order to

\(^9\) Since 2007, the Forestry Commission only provides data on land they manage rather than on land they own. These figures represent the ownership of property by the Forestry Commission in 2007 and are used to indicate ownership trends only.
structure them, the area and number of tenant changes have been categorised into four key groups:

1. Significant decline (over 60 per cent losses in area or total number of tenants);
2. Substantial decline (losses of area or tenants between 30 and 60 per cent);
3. Slight decline (losses of area or tenants below 30 per cent); and
4. Growth (areas where an increase in area or number of tenants has been registered).

Figure 5.3: Percentage change in CFE area, 1997 to 2010 (Source: CIPFA)

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10 Figure 5.3 contains a number of omissions, where data are not available in relation to the CFE. In many cases, such as those in and around the major conurbations of London, the West Midlands, the north-west and the north-east of England, this is because these authorities possess no CFE. There are exceptions to this, such as the London Borough of Hillingdon, which possesses an estate but is not recorded in published data. Other more rural authorities with no CFE include Derbyshire, Rutland and South and West Yorkshire. Peterborough Unitary Authority, Pembrokeshire, Ceredigion and Denbighshire all possess a CFE, but a lack of data prevents their inclusion within this analysis.
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The dominant trend highlighted in Figure 5.3 is one of slight decline in the area of many individual CFE. As CIPFA statistics provide no explanation for these losses of land area, the questionnaire survey asked respondents to provide an explanation as to why these changes are occurring. The slight decline in land area is seen as a consequence of the estate restructuring process encouraged under the regulatory guidance of the Agriculture Act 1970. This allows local authorities to dispose of property to suit management needs. The approach of Cornwall Council provides a good example of this, as it is their “long-term strategy to create more full-time progression holdings than starter units. Under this process, some outlying and isolated holdings are sold, as they are unsuitable for amalgamation and offer no progression opportunity”. This strategy has resulted in the loss of only 0.3 per cent of land area during the years 1997 to 2010. Throughout this period, land has been traded as a commodity to the benefit of the long-term estate management strategy. This included purchase of 90 ha in 2006/2007, which was offset by the sale of over 59 ha at a similar time.

Other local authorities have used the restructuring process to increase the economic returns of CFE ownership. In Surrey, for instance, the restructuring process has encouraged a seven and a half per cent decline in the size of the CFE, from 965 ha in 1997 to 892 ha in 2008. This slight decline has resulted from the sale of freehold property. The revenue from these property sales was not reinvested within the CFE, but provided additional income for the county council. The significance of economic considerations in the development of CFE management strategy was noted within the Surrey questionnaire response, which explained:

“Surrey County Council has only a very limited amount of available capital for investment in fixed equipment, much of which is beyond its original design life. This reduces opportunities for re-organisation and rationalisation of the estate. Furthermore, this has the effect of keeping farm rental returns low. The pressure for land development in the south east is high, with considerable pressure for this in Surrey”.

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Economic issues were central to explaining the reason for the substantial declines (Cumbria, North Yorkshire, West Sussex, Buckinghamshire, Bedfordshire and Wiltshire), and significant declines (Essex, Kent, East Sussex, Shropshire, Lancashire, the Unitary Authority of York, Durham and Northumberland) exhibited in Figure 5.3. The substantial decline in area recorded within the Wiltshire CFE, for example, can be attributed to a two-pronged management strategy. This aims to continue to provide agricultural opportunities for persons to farm in their own right, but also to generate capital receipts and reduce the economic burden of CFE ownership. This has encouraged a substantial decline in size of the Wiltshire CFE, as management strategy is developed to meet three objectives:

1. To amalgamate property to create larger holdings and provide better opportunities for existing and future tenants;
2. To undertake prudent estate management that reduces the costs and backlog of repairs and maintenance; and
3. To meet the need to generate capital receipts for reinvestment back into the estate and to fund other corporate needs.

These objectives of the Wiltshire management strategy identify how the process of real regulation allows the development of individual management CFE strategies. As real regulation is disseminated by the State and implemented at the local authority level, Wiltshire Council has been able to capitalise on the economic benefits of CFE property sales. The estate is still held to satisfy CFE regulation, but it is also managed as a property asset and used to meet wider local authority demands.

Developing CFE management strategy to meet the needs and aspirations of individual local authorities has allowed others to adopt a policy of wholesale disposal. An example of this was recorded within Northumberland, where the CFE is seen as a property asset to support the wider front line services provided by the county council. It was explained within the questionnaire response how a “decision was taken in 1997 to manage the estate based on a strategic asset management approach and not to retain a farm estate at ‘all costs’. Consequently, farms have been sold rather than re-let”. This policy has seen the size of the Northumberland CFE fall from 937 ha in 1997 to 230 ha in 2009. Similar policies have encouraged property disposal in Kent, Essex, Shropshire and North Yorkshire.
Figure 5.3 also highlights how some local authorities have registered a growth in the size of their CFE from 1997 to 2010 (Hampshire, Brighton and Hove, Milton Keynes, South Gloucestershire, North Lincolnshire and the East Riding of Yorkshire). It should be stressed that the reliability of the data for smaller CFE, particularly those belonging to newly created unitary authorities, needs to be treated with caution. For example, whilst CIPFA data suggest a growth in the South Gloucestershire estate, land sales/purchase statistics show a net loss of land during this period. In a similar vein, the net gains in the CFE in Brighton and Hove have no statistical support. That said, changes in the Milton Keynes CFE are supported by confirmation of land purchases in 2001. Growth in the Hampshire estate can be attributed to a reclassification of other land held by the local authority.

The significance of economic considerations within contemporary CFE management strategy also influences the number of holdings and tenants within individual estates. A decline in the number of CFE holdings can be seen as a necessary outcome of the restructuring process that has occurred over recent years. Within the contemporary CFE, this process of reducing the number of holdings, and subsequently the number of tenants, has economic benefits to tenants and landlords alike\(^\text{11}\). For tenants, the enlargement of holdings is vital to maintaining the economic viability of those remaining holdings. This process also benefits landlords as it reduces the need for capital investment in fixed equipment, buildings and housing. Figure 5.4 maps the percentage change in the number of tenants within individual estates between 1997 and 2010 (categorisations are the same as those described for Figure 5.3).

\(^{11}\) Chief executive of the TFA, Gloucestershire Focus Group Meeting, 18\(^{th}\) May 2010.
Figure 5.4: Percentage change in number of CFE tenants, 1997 to 2010 (Source: CIPFA)

Figure 5.4 highlights how three local authorities appear to have recorded an increase in tenant numbers between 1997 and 2010. These gains occur in North Lincolnshire, the East Riding of Yorkshire and Milton Keynes. Each of these local authorities also recorded an increase in estate size over the study period. However, the increase in tenant numbers is not easily explained, especially as each local authority recorded an increase in average farm size over the 1997 to 2010 period. It is likely that these apparent increases are anomalies of the data collection process. Apart from these three anomalies, all other local authorities have recorded a decline in the number of CFE tenants between 1997 and 2010. Those local authorities recording a significant decline in land area have also seen a similar decline in the number of tenants (Northumberland, Durham, Lancashire, Unitary Authority of York, Shropshire, Essex, Kent and East Sussex). The overall trend is for individual local authorities to
record higher rates of decline in tenant numbers than in land area. This is noticeable in two regional clusters in the west and south-west of England (Cornwall, Devon, Somerset, Wiltshire, Hampshire, Gloucestershire, Herefordshire, Worcestershire and Cheshire) and in eastern England (Norfolk, Cambridgeshire, the Unitary Authority of Peterborough and Lincolnshire). Outliers include the Welsh local authorities of Flintshire and Carmarthenshire. Clusters of higher rates of decline in the number of tenants appear to be related to farm type and the provision of holdings. These influences can, in turn, be linked to the economic cost of delivering specific holdings. These issues are discussed in the following section.

5.3.3 Changes by farm type
Historically, the provision of the CFE by farm type has shown a distinctive pattern, with arable farming in eastern England and livestock rearing and dairy production in west and south west England and Wales. CIPFA statistics categorise individual local authorities, depending on their dominant farm type, into one of six groups: horticulture; mixed/general; dairy; arable; dairy/stock rearing; and stock rearing. Changes in these dominant farm types between 1997 and 2010 are shown in Figure 5.5. This graph shows how dairy production and stock rearing have declined within the CFE over the study period. At the same time, mixed farming and arable production have slightly increased in significance at a local authority level.

![Figure 5.5: The changing nature of dominant farm types within individual local authorities, 1997, 2008 and 2010 (source, CIPFA, 1998; 2007; 2010)](image-url)
In order to investigate the influence of farm type on the structure of the CFE, the questionnaire survey asked respondents to provide details on changing farming practices between 1997 and 2008. Rather than relying on the six farm types identified by CIPFA, the questionnaire survey asked respondents to comment on ten farm types. This expanded number of farm types was generated following feedback on the questionnaire survey from the then Chairman of the ACES Rural Practice Branch. He argued from his experiences of the contemporary CFE that the six farm type categorisation was too confined to represent the changing nature of farming practices on increasingly large holdings. Following these discussions, ten farming practices were identified that were likely to be dominant in the contemporary CFE, representing a shift towards mixed farming methods. Thirteen respondents provided details on this subject, providing the number of holdings specialising in each farming activity. Figure 5.6 summarises how the actual number of holdings specialising in each farm type in 2008 has changed against the expected number based on figures for 1997. During this period, the average number of all CFE holdings fell by 20 per cent. If the incidence of each farming type in 1997 was represented as 100 per cent, the average level in 2008 would be 80 per cent. Thus the horizontal line, running from 80 on the y-axis, represents the average level of each farming type expected in 2008. The vertical columns represent the actual number of holdings specialising in each farming type in 2008. Thus those farming types below the 80 per cent line have suffered above average losses. Conversely, those farming types above the 80 per cent line show an increase.

Figure 5.6 highlights how holdings specialising in beef, dairy and, to a lesser extent, horticultural production have declined in greater numbers than expected. In contrast, the number of holdings practising mixed production methods has expanded more than expected. Caution should be exercised as the changes in sheep production, for example, have all occurred within Powys, reducing its significance at the national level. The farming types classified as ‘others’ include organic horticultural production, livery and short-term grazing lets.
Chapter 5: The County Farms Estate in England and Wales

Figure 5.6: Changes in farming types practised by CFE tenants in 13 respondent local authorities, 1997 to 2008

These patterns suggest that as holdings have increased in size specialised production has become economically less viable, whereas the incidence of mixed production units has increased. The increase in the arable and livestock farming category, for example, can be explained in two ways: firstly, arable farmers look to utilise existing property, or produce, to raise animals, generating additional farm income; and secondly, livestock farmers react to the present economic position of the industry by reducing input costs and growing their own stock feed. A decline in the number of holdings focusing solely on milk production can be associated with a pattern of decline across the dairy industry as a whole. As the financial returns for dairy produce fall, many small producers are either forced out of production or encouraged to grow their own animal feed in order to reduce input costs. Both options promote mixed farming methods on holdings that have traditionally focused on dairy production. This transition was summarised by one local authority respondent who reasoned:
Many of our dairy farmers have been forced out of milk production due to the economic realities of the industry. They do, however, retain their links to the sector by breeding replacement heifers” (CFE 3).

Structural change within the dairy sector is likely to encourage a continued process of restructuring in the west and south-west areas of England. As predominantly dairy estates, these local authorities have increased the average holding size to reduce capital expenditure and to ensure the financial viability of the remaining farm businesses. Recent implementation of Nitrate Vulnerable Zone (NVZ) and legislation for slurry storage facilities have increased the costs associated with dairy farming. The consequence of this is continuation of the likely shift towards fewer, but larger dairy holdings. This was noted in the questionnaire response from Wiltshire Council, which explained how “the tightening of environmental protection, such as the NVZ, Waste Regulations and National Dairy Farm Assurance Schemes, continues to put extra cost burdens on tenants’ businesses. This leads to them needing to spread costs over more land to capitalise on economies of scale”.

Regional variations in farm types also influence levels of provision associated with individual holdings. Again, distinct regional differences between the arable areas of eastern England and the livestock rearing areas of west and south-west England and Wales can be recognised. Arable holdings in eastern England provide a high percentage of bare land holdings. Lincolnshire, for example, provided 281 holdings in 2007, of which 156 (55.5 per cent) were equipped and 124 (44.1 per cent) were bare land holdings12. Similarly, Norfolk offered 255 holdings in 2007 with 119 (46.7 per cent) being equipped and 121 (47.5 per cent) bare land holdings. In comparison, the needs of livestock and dairy production rely more on the provision of fully equipped holdings. Cornwall, for example, provided 108 equipped holdings out of a total of 109 in 2007. Likewise, Powys provided only two bare land holdings out of a total of 170. This trend between farming type and holding provision is not always apparent. For instance, the Wiltshire estate provided 102 holdings in 1997-98, with 99 (97per cent) of these being equipped holdings. However, as a result of the

12 Lincolnshire and Norfolk both let holdings that are not classified as either equipped or bare land holdings, hence the irregularities in the percentages.
restructuring process, the current estate extends to 71 holdings, of which only 46 (65 per cent) are equipped.

These findings provide an insight into the factors contributing to the relatively high losses of CFE tenants in local authorities specialising in dairy production in the west and south-west of England and Wales. It does little, however, to explain similar losses in local authorities specialising in arable production in eastern England. Responses to the questionnaire survey offered little explanation for these losses, other than being a consequential outcome of the restructuring process and a response to the economic realities facing small farms. It was argued in Lincolnshire, for example, that individual farms have to get larger in order to maintain their economic viability. Management personnel believe that the only way a tenant can develop their farm business is by relying on agricultural production and economies of scale. As a result, land is amalgamated as and when it becomes available to increase the average size of holdings for existing tenants. This policy has resulted in no new tenants entering the Lincolnshire CFE over the past six years or so. In contrast, the restructuring of the Cambridgeshire CFE is undertaken in accordance with long-term strategy developed in 1988 and last reviewed in 2006. This strategy encourages the development of larger holdings, but also accommodates an acknowledgment that all CFE tenants are to some degree ‘part-time’ given the nature of arable farming. This policy has allowed 64 new entrants to establish a farming business since 1998 within the Cambridgeshire CFE. It also encourages tenants to engage with alternative activities and develop diversified farm businesses. The issue of diversification and how tenants are developing their farming business formed a significant part of the questionnaire survey. The findings of this are discussed in the following section.

5.3.4 Farm diversification within the County Farms Estate

In line with the rest of the agricultural sector, CFE tenants have responded to reduced subsidy support and exposure to market forces by diversifying their farm businesses. Thirteen local authorities responded to the questionnaire survey with information in relation to the types of diversification activities undertaken by tenants. These findings are summarised in Table 5.2. In total, 24 diversification activities were identified and, following Maye et al. 2009, these can be categorised into four main
types: hire and/or contract services; on-farm services; specialised products; and food processing and direct marketing.

<table>
<thead>
<tr>
<th>Hire / contract services</th>
<th>Number of examples</th>
<th>Number of examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural contracting</td>
<td>66</td>
<td>Vehicle storage / parking</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Commercial contract services</td>
</tr>
</tbody>
</table>

**On-farm services**

<table>
<thead>
<tr>
<th>Accommodation and catering</th>
<th>Sport and leisure</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Caravan site</td>
<td>Shooting</td>
<td>6</td>
</tr>
<tr>
<td>Bed and breakfast</td>
<td>Horse riding / livery</td>
<td>39</td>
</tr>
<tr>
<td>Rented accommodation</td>
<td></td>
<td>7</td>
</tr>
</tbody>
</table>

**Specialised products**

<table>
<thead>
<tr>
<th>Goats</th>
<th>Organic products</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sheep dairy</td>
<td>Milk</td>
<td>10</td>
</tr>
<tr>
<td>Bees / honey</td>
<td>Meat</td>
<td>6</td>
</tr>
<tr>
<td>Flowers / fruit</td>
<td>Vegetables</td>
<td>4</td>
</tr>
</tbody>
</table>

**Food processing and / or direct marketing**

<table>
<thead>
<tr>
<th>Food processing</th>
<th>Direct marketing</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Milk bottling</td>
<td>Pick your own</td>
<td>2</td>
</tr>
<tr>
<td>Other dairy products</td>
<td>Farm shop</td>
<td>11</td>
</tr>
<tr>
<td>On-farm butchering</td>
<td>Market stall</td>
<td>5</td>
</tr>
<tr>
<td>Fruit and vegetable preparation and grading</td>
<td>Farmers’ market</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Internet sales</td>
<td>5</td>
</tr>
</tbody>
</table>

**Table 5.2: A summary of diversification activities on 13 responding County Farm Estates in England and Wales**
By far the most popular individual activity was agricultural contracting\(^{13}\), with 66 tenants engaging with this form of diversification across the 13 respondent local authorities. This equates to around 31 per cent of the diversification activities recorded in the questionnaire survey. As a combined total, hire and/or contract services accounted for nearly four out of every ten recorded diversification activities. This is in keeping with previous studies on diversification, where hire and/or contract services have been the most popular form of diversification activity (McNally, 2001; Maye et al., 2009; Defra, 2009). Horses riding and livery, on-farm accommodation services, organic food production, and food processing and direct marketing are also popular diversification activities.

The distribution of diversification is regionally variable. For example, Somerset tenants engage in 17 different activities, of which direct marketing and organic food production are the most popular. Horse riding and livery services are most common in Hertfordshire, Hampshire, Gloucestershire and Devon. A concentration of organic farming is found in the south-west of England, notably Cornwall, Somerset, Gloucestershire and Wiltshire. This trend is in line with national patterns, where the south-west has the largest proportion of land under, or in conversion to, organic production in England (Defra, 2008b). Food processing and direct marketing also prevail in Pembrokeshire, Powys and Surrey, whilst on-farm accommodation is found in greatest numbers in Devon and Gloucestershire.

The questionnaire responses revealed an interesting juxtaposition on how different local authorities view farm diversification and the generation of alternative incomes by tenants. A number of respondents accepted that the present economic climate facing relatively small farms meant that many tenants have to engage with diversification to bolster farm incomes. The extent of this was neatly encapsulated by one respondent who reasoned:

“The impossibility of earning a viable income from conventional farming on the scale of county farms [is a major problem facing the CFE]...Indeed, the difficulty of

\(^{13}\) The inclusion of contracting as a farm diversification activity was described by Ilbery (1991: p. 209) as “interesting”; it does not occur on the operator’s farm or contribute to an increase in the agricultural income generated by the holding. Despite this, it is classed as a form of diversification as income is derived through the use of farm resources (Ilbery, 1991).
earning a living from the size of farm by introducing diversification/added value etc is also questionable” (CFE 12).

This view was not uncontested, with other respondents arguing that tenants should be discouraged from being part-time because “by nature, a farmer with 60 milking cows cannot be part-time” (CFE 3). This divergence of opinion raises questions about the role of the CFE in providing tenants with the opportunities that best suit the needs of contemporary agriculture. Influenced by the Agriculture Act 1970, local authorities are providing tenants with larger agricultural units in order to help maintain farm incomes. Despite this, the findings from the questionnaire survey demonstrate that tenants are increasingly forced to diversify their business interests to generate additional income. In some instances, such as organic production, this process can be incorporated into the main farming enterprise. In many other cases, most notably agricultural contracting, the tenant is still engaged in mainstream agricultural activities. However, as these generally take place off the holding, the tenant spends less time on the primary agricultural enterprise, essentially creating a part-time holding. Most estate managers said they expect tenants to maintain their commitment to farm diversification. As a result, tenants are likely to spend less time engaged with their primary agricultural enterprise.

Engagement with farm-based diversification activities within the CFE provides an interesting link between tenants, property and place. Many of the activities listed in Table 5.2 are reliant on available property to aid their execution. For example, accommodation and catering services opportunities, including caravan sites, bed and breakfast and rented accommodation, can be exploited only if suitable property is available. Furthermore, by developing alternative businesses, tenants become tied to specific farms for production and/or certain areas for markets. In the long-term, this can reduce tenant mobility. In the example of the two most popular diversification activities, agricultural contracting and horse riding/livery services, the tenant relies on a certain area for their client base. Once these client bases have been established, tenants are unlikely to readily surrender them by moving away. This reliance on property also means that tenants would consider progression only if they found a holding offering similar attributes to allow continuation of their business activities. Of all the diversification activities listed in Table 5.2, only Internet sales and
specialised production do not tie tenants to existing holdings or localities. This issue is discussed further in Chapter 7.

The development of successful and diversified farm businesses within the CFE can be seen as evidence of the progression of entrepreneurial drive in the industry. This issue was first noted in the Wise Committee Report (1966: p 142), which argued that the CFE “should be thought of as a ‘gateway’ to farming through which only the best young [farmers] may enter”. The introduction of new blood and entrepreneurial drive into the industry has recently been revived in an online debate hosted by the Royal Agricultural Society of England and the Arthur Rank Centre. Within these debates, the CFE is continually championed for the role it plays in facilitating the progression of new blood into the agricultural industry. In order to understand fully the role of the CFE within the wider agricultural sector, it is further discussed in the following section.

5.4 The role of the County Farms Estate within the agricultural industry

Defining issues of occupation and use of land in England and Wales is not a straightforward task. Cahill (2002), for example, argued that a historical reluctance amongst landowners and a subsequent lack of in-depth data make it difficult to analyse issues of land occupancy. Despite this, it is possible to assess the contribution of the CFE to both the tenanted and agricultural sectors in England and Wales. According to Defra (2011a) and the Welsh Assembly (2011), the agricultural area of England and Wales extends to around 8.9 and 1.71 million ha respectively (Table 5.3). This provides a combined total of 10.6 million ha across the two countries. According to the 2010 June Survey of Agricultural and Horticulture, around 3.1 million ha of land in England are occupied under the landlord-tenant system. This equates to around 35 per cent of all English agricultural land. Assessing the occupation of land in Wales is more difficult as the Welsh Assembly has removed questions specific to tenanted land area from the June Survey of Agricultural and Horticulture and the data are no longer collected. Estimates of the

14 This debate can be found on the following online pages:
http://www.cobritishfarming.org.uk/activities/farming_and_countryside_education/newbloodres.asp
area of tenanted land in Wales vary from just over 20 per cent (Bleasdale, 2007) to 24 per cent (Agricultural Land Tribunal (Wales), 2007). Using these figures as a guide, the tenanted sector in Wales accounts for between 342,000 and 410,000 ha. As an aggregated total for England and Wales, the tenanted sector accounts for between 32 and 33 per cent of agricultural land occupancy.

<table>
<thead>
<tr>
<th>Area in ha</th>
<th>England</th>
<th>Wales</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total area of agricultural land</td>
<td>8,900,000</td>
<td>1,710,000</td>
<td>10,610,000</td>
</tr>
<tr>
<td>Total area of tenanted land</td>
<td>3,100,000</td>
<td>Upper limit – 410,400</td>
<td>Upper limit – 3,510,400</td>
</tr>
<tr>
<td>Tenanted land as % of total area</td>
<td>35 %</td>
<td>20 – 24 %</td>
<td>32 – 33 %</td>
</tr>
<tr>
<td>Total area of CFE</td>
<td>95,916.9</td>
<td>17,759.7</td>
<td>113,676.6</td>
</tr>
<tr>
<td>CFE as % of total area</td>
<td>1.08 %</td>
<td>1.04 %</td>
<td>1.07 %</td>
</tr>
<tr>
<td>CFE as % of tenanted sector</td>
<td>3.09 %</td>
<td>4.33 – 5.19 %</td>
<td>3.24 – 3.30 %</td>
</tr>
</tbody>
</table>

Table 5.3: The size and significance of the CFE in relation to agricultural and tenanted land sectors in England and Wales (CIPFA, 2010; Defra, 2011a; Welsh Assembly, 2011).

According to CIPFA and as of the 31st of March 2010, the CFE in England and Wales offered 4,152 rural business opportunities, supporting 3,223 tenants across 113,677 ha of property. In terms of land area, the CFE accounts for between 3.24 and 3.3 per cent of the tenanted sector and just 1.07 per cent of agricultural land occupation across England and Wales. In England, it covers 3.09 per cent of the tenanted sector and 1.08 per cent of all land occupation. In Wales, these figures are higher in relation to the tenanted sector (4.33 to 5.19 per cent), but lower for the overall agricultural sector (1.04 per cent).

A more detailed breakdown of the distribution of CFE in relation to the agricultural and tenanted sectors is shown in Figures 5.7 to 5.10. These four maps are based on
Location Quotient (LQ) calculations that compare the distribution of CFE land in relation to agricultural and tenanted land within each individual local authority. It is worth reiterating that LQ calculations produce three possible outcomes: LQ values equal to 1.0, which represent the expected distribution of the CFE against the agricultural or tenanted sectors within a specific area; LQ values greater than 1.0, which indicate a relative concentration of the CFE; and LQ values of less than 1.0, indicating that the CFE has a lower than expected concentration in relation to the agricultural or tenanted sectors. The four maps provide a snapshot of the distribution of the CFE using statistics for 2008. Figures 5.7 and 5.8 compare the CFE land area with the total area of agricultural and tenanted land. In contrast, Figures 5.9 and 5.10 focus on the number of CFE holdings rather than land area.

![Figure 5.7: LQ of CFE land area in relation to total agricultural land area in England and Wales, by local authority area](image)

In terms of CFE land area, Figure 5.7 shows notable concentrations of the CFE in a small cluster in eastern England containing Cambridgeshire, Bedfordshire and
Peterborough\textsuperscript{15}. Dorset and Cheshire (now Cheshire West and Chester and Cheshire East local authorities) provide isolated areas of high CFE concentration. In contrast, the north and south-east of England has a low concentration of CFE land. These local authorities include Northumberland, Cumbria, Lancashire, North Yorkshire, Essex, Kent, East and West Sussex, Shropshire and Oxfordshire.

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{figure5_8.png}
\caption{LQ of CFE holdings in relation to total agricultural holdings in England and Wales, by local authority area}
\end{figure}

The significance of the CFE in eastern England is further emphasised when the number of CFE holdings are compared to the total number of agricultural holdings (Figure 5.8). The East Riding of Yorkshire, Lincolnshire, Norfolk, Cambridgeshire, Bedfordshire, Hertfordshire and Buckinghamshire all have a high concentration of CFE holdings. Other isolated areas of significance include Cheshire and

\textsuperscript{15}LQ calculations are sensitive to small numbers and so anomalies may occur in some of the smaller CUA. Therefore, the significance of the CUA of Peterborough, Swindon and Milton Keynes should be treated with caution.
Worcestershire. A low concentration of CFE holdings is recorded in the north and south-east of England and Devon. These changes can be explained by the relative size of the holdings provided on these CFE. So, the CFE in the East Riding of Yorkshire, Lincolnshire, Norfolk, Hertfordshire and Buckinghamshire have smaller holdings than those in the wider agricultural sector in those areas. As a result, the significance of the number of CFE holdings is increased. Conversely, the holdings on the Devon CFE are on average larger than holdings within the agricultural sector and their significance is accordingly reduced.

The distribution of the CFE area against the tenanted sector area in England is shown in Figure 5.9.

Figure 5.9: LQ of CFE land area in relation to tenanted sector land area in England, by local authority area
Unfortunately, a lack of suitable data prevents analysis of the CFE against the Welsh tenanted sector\textsuperscript{16}. However, Figure 5.9 highlights the significance of CFE land area in eastern England, where the concentration is most notable in Suffolk, Cambridgeshire, Peterborough and Buckinghamshire. A small cluster in the north-west of England, containing Cheshire and Staffordshire, also records a high concentration of CFE land. Once again, a low concentration of CFE land is highlighted in northern and south-east England.

The distribution of the number of CFE holdings in relation to tenanted sector holdings is shown in Figure 5.10.

\textbf{Figure 5.10: LQ of CFE holdings in relation to tenanted sector holdings in England, by local authority area}

\textsuperscript{16} Whilst it is not possible to analyse the significance of the Welsh CFE against the tenanted sector, it should be noted that the agricultural tenanted sector in Wales accounts for a lower percentage than its English counterpart (Bleasdale, 2007; Agricultural Land Tribunal, Wales, 2007; Defra, 2007a). Thus the significance of the CFE within Welsh local authorities is likely to be higher for the tenanted sector than the wider agricultural sector.
This analysis demonstrates that more local authorities register a significant concentration of CFE holdings in relation to tenanted sector holdings. This can be explained by the size of holdings, with those local authorities showing a concentration having smaller, but more, holdings than the tenanted sector in those areas. So, Gloucestershire, Worcestershire, Surrey, Norfolk, and the East Riding of Yorkshire all demonstrate a significant concentration of CFE holdings. Hertfordshire, Buckinghamshire, Cambridgeshire, Peterborough, Cheshire and Staffordshire also retain a significant concentration of holdings. Once again, northern England and the south-east record a low significance of CFE holdings.

Despite the relatively small contribution of the CFE to land occupancy in England and Wales, its significance to the agricultural industry comes with the opportunities it provides for persons to be farmers in their own right. The importance of this has been identified in data published by the CAAV, who provide comment on activity within the agricultural tenanted sector. These data show that during each year from 2003 to 2009, the CFE provided between 4.6 and 11.5 per cent of total new land lettings (recorded by the CAAV). In contrast, private owners accounted for between 71.5 and 80.2 per cent of all recorded new lettings during the same period. These figures demonstrate how, relatively, the CFE provides a greater percentage of new tenancy opportunities than its overall estate size would suggest. However, the real contribution of the CFE to the agricultural sector comes through the provision of equipped holdings. In 2006, for example, a total of 1,188 new tenancy lettings were recorded by the CAAV (2007). Of these, 913 holdings were for bare land only, 190 holdings comprised buildings and land (no accommodation) and only 85 holdings were let as fully equipped. Of these 85 equipped holdings, 31 (36 per cent) were provided by the CFE, whereas private landowners offered 40 (47 per cent). In 2009, the CFE provided 17 (33.3 per cent) of the 51 newly let equipped holdings. In contrast, private landowners contributed 29 (57 per cent).

Two points of note stand out from these statistics: firstly, the contribution of the CFE to the provision of newly let holdings; and secondly, the relatively low number of annual lettings, given that the tenanted sector accounts for the occupation of well over three million ha of land in England and Wales. This reliance on the CFE to provide equipped holdings can be attributed to wider industry failings. In particular, three
types of legislation informing the tenanted and agricultural sectors contribute to a continued lack of opportunities for new entrants. Firstly, the security of tenure and succession rights offered by the FAT encourages the career tenant (Ravenscroft, 1999). This reduces activity in the tenanted sector and promotes succession by family members, especially on larger and equipped holdings (CAAV, 2009). Secondly, the advent of the FBT under the Agricultural Tenancies Act 1995 has encouraged short-term tenure arrangements and allowed landlords to retain buildings and accommodation for non-agricultural uses (Whitehead et al. 2002). Finally, the implementation of the SFP, introduced as part of the 2003 CAP reforms, has further encouraged landlords to retain control of their property. Under the SFP, agricultural production is no longer a prerequisite for receipt of payments and thus, in some cases, this encourages landlords to retain control of their land and the SFP entitlements associated with it (Ilbery et al. 2006; 2010; CAAV, 2007).

These three structural changes contribute to the limited availability of equipped holdings in the tenanted sector. This in turn promotes the significance of the equipped holdings provided by the CFE. Historically, these CFE holdings have been utilised to the benefit of new industry entrants. However, the same structural changes limited the availability of progression opportunities for established tenants as they look to vacate their original CFE holding to be re-let to additional new entrants. This problem was first recognised by the Wise Committee Report (1966) and more recently by the Association of County Councils (ACC, 1989). This research highlighted the continuing difficulties facing CFE tenants as they look to progress beyond their current holding. It highlighted the following trends relating to the movement of tenants between 1977 and 1988:

- 1,400 new entrants used the CFE to establish an agricultural business;
- 2,229 tenants used CFE property to progress their business either through expanding the existing holding or by moving onto a larger farm; and
- Only 102 tenants progressed onto holdings beyond the CFE.

These problems have become more acute over recent years, leading the Chief Executive of the TFA to acknowledge that the contemporary CFE could at best be seen as a “springboard” for a few tenants to advance into the tenanted or agricultural
sectors\(^{17}\). These comments are supported by statistics recorded by CIPFA, which show that during the four years between 2007 and 2010, 148 new entrants were able to develop an agricultural business through opportunities provided by CFE tenancies. However, during the same period, only 37 existing tenants progressed onto holdings beyond the CFE. At the same time, 79 tenants progressed internally onto larger CFE holdings (Figure 5.11).

Figure 5.11: The annual movement of tenants into, within and beyond the CFE, 2007 to 2010 (source CIPFA, 2007; 2008; 2009 and 2010)

It is notable that these figures are relatively low and on average for the years between 2007 and 2010:

- Less than two per cent of CFE tenancies were let to new entrants;
- Less than half of one per cent of tenants progressed externally beyond the CFE; and
- Less than one per cent of existing tenants progressed internally onto larger CFE holdings.

These figures do not identify how many tenants have progressed their farming business by obtaining additional land through the CFE restructuring process.

\(^{17}\) Comments made at ACES Rural Practice Branch meeting, 22\(^{nd}\) April, 2009.
Questionnaire responses indicated that all responding local authorities do add additional land to existing holdings as part of the restructuring process. In this way, they can be seen to satisfy the demands of the Agriculture Act 1970 by providing opportunities for internal progression within the confines of the CFE. The questionnaire survey asked estate managers to identify and explain strategies used to encourage tenant progress. Of the thirteen responses, five local authorities employ no such strategies. Five respondents identified how short-term tenure arrangements were used to try and encourage tenants to progress. A notable example of this was the strategy adopted by Devon County Council, which was heavily criticised by the TFA in 2009. Under the policy, deemed the ‘two strikes and your out’ system, tenants were granted a maximum of only two short-term tenancy agreements. If a tenant failed to progress beyond the CFE during this time, they faced the prospect of not being granted a third term of tenure (Hetherington, 2009). Powys and Gloucestershire try to promote internal progression by advertising larger holdings initially to existing tenants. Only when demand for these holdings is low, are they advertised externally. The Cambridgeshire questionnaire response identified how they place no onus on tenants to progress. Despite this, they continue to offer the most number of opportunities for new entrants as recorded by CIPFA. The Cambridgeshire questionnaire response noted:

“It could be argued that we encourage our tenants to stay by offering long tenancy terms, reasonable rents and flexibility to operate their businesses. We have gone through a period where good new tenants were hard to come by and retention of talent is important”.

Figure 5.11 also provides an insight into the level of retirement by CFE tenants. It can be seen that the combined total of new entrants and those progressing internally far exceeds the number of external progressions. Responses to the questionnaire survey suggested that around one-quarter of all tenant movement involved retirement from the industry. This reliance on retirement, rather than progression, is attributed to the relatively high average age of CFE tenants. The mean age of tenants within responding local authorities was 53.4, only slightly younger than the estimated industry average of 54 (RuSource, 2008). Each responding local authority had tenants over the recognised national retirement age of 65; seven authorities had tenants over 80, two over 90, with the oldest recorded CFE tenant being 97 years old.
Two factors can be seen as contributing to the relatively high average age of CFE tenants. Firstly, the provision of lifetime FAT agreements allows tenants to remain in occupation beyond the national retirement age of 65. Secondly, the agricultural experience and business portfolio required by prospective applicants mean that many are in at least their late 20s or early 30s before they become tenants. Three policy documents inform the choice of suitable candidates: the Agriculture Act 1970; the Smallholdings (selection of tenants) Regulations 1970; and the Smallholdings (selection of tenants) (Amendment) Regulations 1976. These requirements cover a range of traits, such as agricultural experience and/or training, available finance, desire and ability to occupy a farm, and the entrepreneurial vision to build and progress a viable rural business. All responding local authorities cited training and experience as being the most important of these attributes.

Whilst the success of the CFE has historically been defined by the provision it offers new and existing tenants, its ability to provide local authorities with additional economic, environmental, recreational or social services is increasingly being recognised (Curry, 2008; TFA, 2010; ACES, 2011). The next section turns to assess the value of the contemporary CFE to local authorities.

5.5 The value of the County Farms Estate to local authorities

The ACES Rural Practice Branch is keen to promote the wider benefits that can be attained through CFE ownership. As the professional body that represents estate managers, ACES identifies how the CFE provides three further areas of benefit alongside agricultural provision: rural development; economic resource; and wider social value including environment, heritage, public access and education. It is as an economic resource that the CFE is most commonly utilised and this performance is confirmed by CIPFA. The rental income from the CFE has remained fairly consistent over the past twelve years or so (Figure 5.12). Between 1998 and 2010, rental returns fell slightly from just under £26 million to £24.5 million. During the same period, capital expenditure rose markedly from £3.3 million in 1998/99 to £7.1 million in 2009/10. Expenditure peaked at £10.3 million in 2008/09. This rise comes about as a result of an increase in construction and improvements expenditure. In 2007/08, these services cost £7.8 million out of a total capital expenditure budget of £8.3
In 2009/10, the cost of improvements to comply with NVZ legislation added another £725,000 to capital expenditure. This was on top of the existing construction and improvements budget. The rise in capital expenditure has, therefore, led to a reduction in estate surplus from £22.5 million in 1998/99 to £12.9 million in 2008.09. This figure rose in 2009/10 to £17.4 million.

Figure 5.12: The annual headline economic performance of the CFE, 1998 to 2010 (Source: CIPFA)

These headline figures suggest that the economic value of the CFE is dwindling as capital expenses rise. They are, however, distorted somewhat by the continued disposal of property from the CFE portfolio. This reduces the size of the CFE and reduces the economic performance of the smaller estate portfolio. These figures also omit the capital returns achieved through the annual disposal of property. Some ACES members see this as downplaying the economic significance of the CFE as sale receipts are not directly attributed to estate ownership. Table 5.4 estimates the annual estate revenue by combining the capital surplus with annual freehold land sales.
Table 5.4: The estimated annual value of the CFE including land sales and freehold estate value, 1998 to 2010

<table>
<thead>
<tr>
<th>Year</th>
<th>Estate size (ha)</th>
<th>Freehold sales (ha)</th>
<th>Freehold land sale receipts (£)</th>
<th>Annual estate revenue (£)</th>
<th>Estate freehold value (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998/99</td>
<td>132,768</td>
<td>3,600.7</td>
<td>17,823,465</td>
<td>40,322,948</td>
<td>657,202,095</td>
</tr>
<tr>
<td>2000/01</td>
<td>126,671</td>
<td>2,515.5</td>
<td>11,571,300</td>
<td>32,708,943</td>
<td>582,686,140</td>
</tr>
<tr>
<td>2002/03</td>
<td>124,504</td>
<td>1,889.4</td>
<td>8,823,498</td>
<td>26,954,580</td>
<td>581,431,812</td>
</tr>
<tr>
<td>2004/05</td>
<td>121,755</td>
<td>1,136.1</td>
<td>6,169,023</td>
<td>24,157,562</td>
<td>661,129,107</td>
</tr>
<tr>
<td>2006/07</td>
<td>117,705</td>
<td>1,360.0</td>
<td>8,064,800</td>
<td>20,874,628</td>
<td>697,988,871</td>
</tr>
<tr>
<td>2007/08</td>
<td>115,676</td>
<td>1,492.6</td>
<td>13,284,140</td>
<td>28,006,368</td>
<td>1,029,514,620</td>
</tr>
<tr>
<td>2008/09</td>
<td>113,523</td>
<td>1,416.7</td>
<td>15,725,370</td>
<td>28,589,478</td>
<td>1,260,105,300</td>
</tr>
<tr>
<td>2009/10</td>
<td>113,677</td>
<td>801.7</td>
<td>9,905,003</td>
<td>27,335,960</td>
<td>1,404,474,393</td>
</tr>
</tbody>
</table>

In order to generate the freehold land sales value, the amount of land sold per annum is valued at the average UK land price for that year as recorded by Savills (2009). It should be noted that land values vary regionally, by land type and by land quality. These calculations also omit residential property and building sales and are, therefore, on the conservative side of the actual income generated from property sales. The same average UK land value has also been used to calculate an estimated value of the remaining CFE portfolio per annum. Again, these calculations consider only land value and the actual estate value is considerably higher. Table 5.4 suggests that the income generated through estate ownership has fallen from just over £40 million in 1998/99 to £27.3 million in 2009/2010. This decline is linked to the fall in annual estate surplus and a reduction in the area of land sold each year. Despite declines in estate revenue, the estimated value of the CFE, based on land valuations, has more than doubled from £657 million in 1998/99 to over £1.4 billion in 2009/10.
Beyond the use of the CFE as an economic resource, engagement with other alternative uses appears to be varied. A summary of alternative uses reported by estate managers is shown in Table 5.5.

<table>
<thead>
<tr>
<th>Commercial lettings</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Garage/MOT testing station</td>
<td>Animal feed suppliers</td>
</tr>
<tr>
<td>General storage</td>
<td>uPVC window manufacturer</td>
</tr>
<tr>
<td>Concrete products manufacturer</td>
<td>Plant hire</td>
</tr>
<tr>
<td>Scaffold store</td>
<td>Art studio</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Educational facilities</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Secondary school outdoor classroom</td>
<td>On-farm education centre</td>
</tr>
<tr>
<td>Training centre for adults with learning difficulties</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Environmental resource</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Woodland</td>
<td>Renewable energy</td>
</tr>
<tr>
<td>Recycling organic waste</td>
<td>Low key agronomy/arboriculture trials</td>
</tr>
<tr>
<td>Conservation</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Recreational usage</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Permissive access to land</td>
<td>Creation of rights of way</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Social benefits</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing</td>
<td>Land bank</td>
</tr>
<tr>
<td>Allotments</td>
<td>Park and ride</td>
</tr>
<tr>
<td>Playground</td>
<td></td>
</tr>
</tbody>
</table>

Table 5.5: A resume of the non-agricultural uses of CFE property by local authorities.

Over 20 individual alternative activities were identified, although these could be distilled into five key areas: commercial lettings; educational facilities; environmental resources; recreational usage; and social benefits. The underlying theme from most questionnaire responses was that local authorities are becoming increasingly aware of the wider array of services the CFE provides. Most estate managers were keen for the CFE to continue to be used in a diverse manner. Particular interest was identified in the use of property for environmental, educational and land bank services. However, with the exception of land bank services, most examples are either a ‘one-off’ or
future proposal. For example, it was common for respondents to use the future tense when discussing proposed alternative property uses..."we are undergoing an initial study"..."we are in the process of a planning application for"..."discussions are being held"..."the council are looking for alternative uses". These statements suggest that the true multifunctional value of the CFE may yet to be realised.

The questionnaire survey demonstrated how many local authorities are open to exploiting the wider benefits of property ownership. Cornwall Council, for example, is eager to engage with the municipal opportunities afforded by property. These include the development of anaerobic digestion and renewable energy facilities to help meet recycling and carbon sequestration targets and to reduce the cost of landfill. Cambridgeshire County Council is also keen to explore the opportunities associated with renewable energy and is the first local authority to install wind turbines. Responses offered little insight into why the level of engagement with alternative services varied between individual local authorities.

5.6 Chapter summary

Two regimes of state regulation have helped to shape the structural development of the CFE. Historically, this has been through direct CFE legislation. Recent structural change, however, is increasingly influenced by the wider state demands placed on local authorities. Invariably, this promotes economic issues as the main influence on the development of the CFE. Affected by changes occurring across the wider agricultural sector, farm type, provision of holdings and farm diversification all play a significant role in influencing the changing nature of the CFE. However, it is ultimately the renegotiation of real regulation at the local authority level that influences the spatial development of the CFE.

Two distinct regional clusters of the CFE can be found, in the arable areas of eastern England and the dairy and livestock rearing areas of west and south-west England and Wales. At the local level, these spatial differences are influenced by:

1. The development of individual CFE management strategies.
2. The number and size of holdings offered by local authorities.
3. The ability of tenants to engage with economies of scale and/or farm diversification activities.
4. The opportunities afforded new and existing tenants.
5. Alternative uses made of CFE property.

The following chapter uses the findings from the case study research to analyse in greater detail the processes informing the CFE management strategies developed by three individual local authorities.
Chapter 6

Developing estate management strategy and the distribution of property rights

6.1 Introduction
Chapter 5 identified how the renegotiation of real regulation informs the spatial distribution of the CFE in England and Wales. In order to explore this process in more detail, this chapter examines the findings of case study research in three specific local authorities. It is argued that within these three examples, three regimes of real regulation are active in the formulation of estate management strategy and the distribution of property rights. The first of these is the historic regulation of the CFE through direct legislation contained within Part III of the Agriculture Act 1970. Under this Act, the provision of a CFE service is discretionary. This has encouraged local authorities to utilise the contemporary CFE as a property asset in order to address wider state-defined objectives. It is these wider objectives that represent the second regime of real regulation which influences the aims and objectives of CFE ownership. As local authorities engage with these regulatory regimes at different levels, so management strategies are geographically variable between individual local authorities. A third regime of real regulation underpins the distribution of property rights through the CFE and this occurs under the regulatory guidance of the agricultural tenanted sector.

These arguments are developed through the three case studies, drawing on in-depth interviews with eight management personnel associated with the Cambridgeshire, Gloucestershire and Powys CFE. These data were supported by official policy documents relating to the management of individual estates (e.g. Cambridgeshire County Council, 2006; Powys County Council, 2009; and Gloucestershire County Council, 2010). Further to this, the discussions from three focus group meetings and interviews with other associated actors are also used to inform and verify the arguments. In order to present these arguments, Chapter 6 is structured into four
Chapter 6: Developing estate management strategy and the distribution of property rights

main sections. The first introduces Cambridgeshire, Powys and Gloucestershire as the three case study areas. This provides necessary background information that outlines the structure and purpose of each CFE management strategy. The following sections then focus on each of the three regimes of real regulation that influence the management of the CFE. Thus section 6.3 considers the role of direct CFE regulation within the contemporary CFE. The impacts on CFE management strategies of wider state-defined regulatory influences are then considered in section 6.4. Finally, section 6.5 reviews the impacts of tenanted sector regulation on the CFE. This section focuses specifically on the role of the FAT and the FBT on the CFE and the benefits and limitations of each. A brief summary draws the chapter to a close.

6.2 Introducing the three case study County Farms Estates

The selection of Cambridgeshire, Powys and Gloucestershire as the three case studies was discussed in section 4.5. Each was chosen as it exhibited a range of key structural traits identified as significant during the earlier phases of research. Table 6.1 provides a summary of some of the key structural dimensions of each case study CFE.

Similarities exist between the CFE in Powys and Gloucestershire where livestock farming dominates production. Both of these CFE have traditionally been regarded as dairy farming areas, although the number of holdings specialising in milk production is in decline. In Powys, this has resulted in a shift towards mixed livestock farming, whilst in Gloucestershire production has moved towards mixed farming generally, involving arable and livestock production. The demands of livestock farming mean that the provision of equipped holdings is much higher in Powys and Gloucestershire than in Cambridgeshire. However, the average amount of land held by each tenant in Cambridgeshire is significantly higher. Within this county, arable farming dominates with all but seven of the holdings reliant on crop production as the main enterprise. Other farming enterprises include horticulture, sheep rearing and poultry. One holding was let as a livery rather than as an agricultural business.
In relation to management organisation, each of the three local authority estates is administered through a three-tiered structure. Within each, one individual Councillor holds the County Farms portfolio. Management strategy is developed by a combination of middle management including the portfolio holder, other county councillors and the senior land management team. A team of land managers then implements this management strategy. Despite these similarities in management structure, the decision making process within each case study area is different. In Cambridgeshire, the county farms portfolio is held by the Cabinet Member for Resources and Performance. The management team comprises the Rural Estates Manager, the Head of Strategy and Estates, and the Director of Finance, Property and Performance. Land agents from the private sector are involved with strategic reviews and in discussions concerning new opportunities in relation to estate management.

<table>
<thead>
<tr>
<th></th>
<th>Cambridgeshire</th>
<th>Powys</th>
<th>Gloucestershire</th>
</tr>
</thead>
<tbody>
<tr>
<td>Size (ha)</td>
<td>13,709</td>
<td>4,675</td>
<td>3,448</td>
</tr>
<tr>
<td>Holdings</td>
<td>242</td>
<td>172</td>
<td>169</td>
</tr>
<tr>
<td>Tenants</td>
<td>240</td>
<td>172</td>
<td>109</td>
</tr>
<tr>
<td>Average area held by each tenant (ha)</td>
<td>57.1</td>
<td>27.2</td>
<td>31.6</td>
</tr>
<tr>
<td>Percentage of tenants occupying equipped holdings</td>
<td>49</td>
<td>99</td>
<td>92</td>
</tr>
<tr>
<td>Number of FAT agreements</td>
<td>126</td>
<td>90</td>
<td>60</td>
</tr>
<tr>
<td>Number of FBT agreements</td>
<td>114</td>
<td>82</td>
<td>49</td>
</tr>
<tr>
<td>Main farming type</td>
<td>Arable</td>
<td>Livestock</td>
<td>Livestock</td>
</tr>
<tr>
<td>Other notable structural aspects</td>
<td>Alternative uses of property by landlord and tenants</td>
<td>Limited opportunities for tenant progression</td>
<td>Regarded as a well managed estate by industry commentators</td>
</tr>
</tbody>
</table>

Table 6.1: A summary of key structural dimensions of the three case study estates
Chapter 6: Developing estate management strategy and the distribution of property rights

This approach positions the CFE as an integral part of a mixed property asset portfolio\textsuperscript{18}. Management acknowledges that they are granted a high level of autonomy in relation to estate management, providing certain financial targets are met. In the financial year 2008-2009, the estate produced a revenue surplus of £1.9 million and surplus property sales achieved £3.5 million\textsuperscript{19}.

In Gloucestershire, the Cabinet Member for Resources holds the county farms portfolio. The management team comprises the Head of Rural Services and the Head of Asset Management and Property Services. They report to a small committee of cabinet members, which also includes tenant representatives. The Cabinet Member for Resources then makes the final executive decisions on estate management strategy\textsuperscript{20}.

In Powys, the CFE is held as part of the Corporate Governance and Assets Portfolio. Decisions on management strategy are taken by a small group of councillors. Between 2007 and 2010, the position of senior county farms manager was vacant and Bruton Knowles were employed as external property consultants. They advised on all issues of estate management, including rent reviews, capital reviews, negotiations with tenants and the management of the in-house team of land agents. A review of the Powys CFE held in January 2009 concluded that the service had become stale\textsuperscript{21}. This resulted in the appointment of a principal farms estate manager and more aspects of estate management being undertaken by the in-house team. Bruton Knowles were retained only for consultation purposes. Between 2005 and 2008, capital receipts from the Powys CFE generated around £4.2 million. The annual surplus was low, with £33,000 quoted for 2008. However, this produced a yield of around six per cent on investment, which was regarded as a good return by the management group\textsuperscript{22}.

\textsuperscript{18} Head of Strategy and Estates, Cambridgeshire County Council, personal communication, 10/07/2009.
\textsuperscript{19} Cambridgeshire County Council – County Farms Estate Annual Report 2008-2009.
\textsuperscript{20} Cabinet Member for Resources, Gloucestershire County Council, personal communication, 06/11/2009.
\textsuperscript{21} Notes of a meeting of the Powys county farms estate scrutiny review group, Welshpool, 27\textsuperscript{th} January 2009.
\textsuperscript{22} Notes of a meeting of the Powys county farms estate scrutiny review group, Welshpool, 27\textsuperscript{th} January 2009.
Within each case study, the development of CFE management strategy, particularly the continued restructuring of agricultural holdings, retains strong links with the requirements of direct CFE regulation. Each local authority argued that this process is undertaken to promote the agricultural efficiency of the CFE. The impacts of this on tenurial restructuring are discussed in the following section.

6.3 The influence of direct County Farms Estate regulation on tenurial restructuring within the case study local authority estates

In Cambridgeshire, Gloucestershire and Powys, CFE restructuring usually occurs as tenancies end, with properties re-let, amalgamated or sold. In general, this approach satisfies the requirements of direct CFE regulation as it has regard to the general interests of agriculture and of good estate management (Part III of the Agriculture Act 1970). Across the three local authorities, the perceived benefits of this continued restructuring process include:

1. maintaining the financial viability of existing holdings;
2. allowing established tenants the opportunity to progress internally;
3. reducing capital expenditure on maintenance and repairs; and
4. generating capital receipts from property sales.

The outcome of this restructuring process is the provision of fewer, larger holdings. A consequence of this has been a shift away from the tiered structure of different sized holdings called for in Part III of the Agricultural Act 1970. Under this guidance, each local authority had provided a range of holding sizes to satisfy the demands of tenants. So, for example, Cambridgeshire developed different sized holdings based on the amount of labour, or ‘standard man days’, required to operate them. Under this system, holdings were categorised from the smallest to the largest, as non-commercial, intermediate and commercial holdings. Gloucestershire developed a similar tiered system, classifying holdings as starter, intermediate and promotional as they increased in size. However, it is now accepted in Cambridgeshire, Powys and Gloucestershire that the demands of contemporary agriculture mean that this multi-tiered structure is no longer appropriate. In Gloucestershire, management argued that smaller holdings are no longer suitable for the needs of tenants. As a result, they have a general policy to provide one smaller holding (below 40 ha) to every three larger farms (greater than 40 ha in size). Adopting this strategy allows Gloucestershire County Council to limit capital
investment by reducing the number of equipped holdings it provides. A similar shift in the structure of the Powys estate is also in evidence, with a reduction in the need for capital investment a central requirement.

In Cambridgeshire, the number of smaller holdings has been reduced in direct response to the needs of new tenants. This policy came about following a review undertaken in 2006. During the policy review, a focus group comprising newly established tenants argued that smaller, unequipped holdings no longer provided a suitable foundation for developing an agricultural business. Management explained how a number of tenants had encountered difficulties in progressing from starter holdings, particularly as they struggled to build up reserves of capital on small farms. A further point noted by management was how the provision of buildings was central to tenants’ requirements. These requirements have encouraged a progression towards larger equipped holdings within the Cambridgeshire estate. The consequences of this were explained during the Cambridgeshire case study in an interview with the rural estates manager, who reasoned:

“We were providing starter holdings for new entrants...I remember one particular example where the tenant was occupying a 16 ha bare land holding on a five year tenancy. He kept trying to progress to other farms, but he got nowhere. So we gave him the same farm again on another five year agreement. He explained to us that as he had no buildings he was reliant on others to store his machinery and fertiliser. He was also losing out as he had to sell his crops straight off the fields to merchants and this put him at a disadvantage as he received lower prices. As a result he had no chance of building up capital. So when we had our review in 2006 we got together a focus group of recent new entrants. They told us they wanted to start on ‘proper’ sized holdings and they must have buildings. In the years since then we have been letting farms of around 60 to 80 ha and the people coming through and taking them on are new entrants. We haven’t ruled out the provision of smaller holdings in the future, but their omission from the estate has helped reduce our number of holdings”23.

23 Rural Estates Manager, Cambridgeshire County Council, personal communication, 5/7/2009.
Chapter 6: Developing estate management strategy and the distribution of property rights

The policy of providing fewer, larger holdings to meet the demands of new and existing tenants was questioned during the three focus group meetings. All attendees agreed that holdings should continue to be let as agricultural business opportunities rather than as smaller lifestyle holdings. There was also recognition that larger holdings afforded a tenant the opportunity to build up working capital. However, there was a general consensus across the three focus group meetings that the optimum size of farm varies between individual holdings. Some holdings are better able to focus on increased agricultural production, whilst others lend themselves more to the development of diversified business interests. Ultimately, the size of holding is reliant on capital, time and opportunity, and how these impact on business development. These issues are addressed further in chapter 7.

The trend towards fewer, larger holdings was observed across the three case studies, although restructuring takes place in accordance with the specific structural dimensions of each individual CFE. Current management strategy within Cambridgeshire is undertaken in accordance with plans implemented in 1988/89 and last reviewed in 2006. These incorporate a long-term strategy that specifies how properties are to be restructured as and when current tenure agreements expire. Management deems this procedure to be fair as it provides transparency for forward planning by both tenants and the landlord. A catalyst for the implementation of long-term management plans for the Cambridgeshire CFE occurred following the sale of surplus property to the Cambridge Colleges during the 1980s. Earmarked as non-development property, the land was sold for its agricultural value. However, within a relatively short period of time the land was approved for development. As a result, its value increased from a few thousand to a few hundreds of thousand pounds per acre. Management now considers the development potential of land until at least 2050. This is significantly less than the timescale adopted by some of the College estates that are believed to consider development potential over a one hundred year period.24

Restructuring of the Cambridgeshire CFE focuses on the creation of larger and equipped holdings; this allows for the sale of surplus and isolated property. A good example of the long-term consequences of the restructuring process was noted by

Cambridgeshire County Council in the example of the Halls Farm estate, Guyhirn. In 1988, the 120 ha estate contained four smaller farms. Since then, the estate has undergone three phases of restructuring. The consequences of this process are visualised in Figure 6.1. This figure provides a series of maps that highlight how land has been amalgamated on the retirement of tenants, reducing the number of holdings from four in 1988 to just one in 2008. Starting with the upper left map, each map shows the structure of the estate in 1988, 1991, 1993, 1997 and 2008. The final map highlights the location of the Halls Farm Estate within the Cambridgeshire Fens. As part of this restructuring process, the three remaining houses and yards were sold as surplus property to generate additional capital receipts for Cambridgeshire County Council.

There are two notable aspects of the restructuring of the Halls Farm estate. Firstly, the pace of restructuring is usually determined by the availability of property with vacant possession. Inevitably, this occurs at the end of tenancy agreements and is, therefore, heavily influenced by the nature of tenure arrangements. This issue is discussed in greater detail in section 6.5. The second issue is how the periodic enlargement of the remaining holding lessens the occupying tenant’s desire and need to progress beyond that existing holding. This, therefore, provides a good example of how tenants are now able to progress their agricultural business whilst remaining within the CFE. This issue is discussed further in Chapter 7.
Chapter 6: Developing estate management strategy and the distribution of property rights

Figure 6.1: The restructuring of the Halls Farm estate, Cambridgeshire between 1988 and 2010 (courtesy of Cambridgeshire County Council).

One distinctive aspect of the Cambridgeshire estate not exhibited in Powys or Gloucestershire was the availability of funding to invest in estate improvements or
property. A fund of £4.5 million was available for a range of activities, such as land purchase, new buildings or holding improvements. Investment would be made only if a capital return of over seven per cent (or an improvement in asset value) could be achieved. Recent investment projects have seen the upgrading of electricity supplies, crop storage refurbishment, vermin control measures, yard concreting and drainage programmes. Crop storage refurbishment, for example, results in tenants paying higher rents. The Rural Estates Manager argued that this benefits the tenants as they are able to keep crops cleaner and storage and drying costs are reduced. Yard concreting, on the other hand, is generally undertaken as a partnership between landlord and tenants. In this relationship, the landlord supplies the materials and tenants provide the labour. According to the Rural Estates Manager, this benefits both parties as the landlord gains an improvement in asset value and the tenant benefits from upgraded crop storage facilities.

In contrast, the management strategy in the Gloucestershire CFE is executed in accordance with the findings of a policy review sanctioned in 2007. Under this policy, the future of every farm is reviewed near to the end of its current tenancy. Options for the future use of holdings include re-letting the holding in its present state, investment to improve the holding for re-letting, reorganising of the holding through amalgamation, or releasing the capital potential of the property by selling it with vacant possession. Consideration is also given to any development potential the property may have over the next twenty years or so25. The findings of the individual holdings review are then discussed by the small committee of cabinet members and decisions made accordingly by the Cabinet Member for Resources26.

Gloucestershire County Council regard this strategy as prudent estate management and synonymous with the behaviour adopted by most landlords. The Head of Asset Management and Property services stated:

“One of our overriding policy mantras has always been to do what any other prudent landowner would do...If you have land with development potential, then you push this potential as hard as you possibly can...This is

25 Head of Asset Management and Property Services, and Head of Rural Services, Gloucestershire County Council, personal communication, 10/06/2009.
26 Cabinet Member for Resources, Gloucestershire County Council, personal communication, 06/11/2009.
what we do...we take a long-term approach, over twenty years or so, towards identifying the development potential of land...even if land has a conceivable prospect of speculative development, we will ring fence this area”.

This approach of Gloucestershire County Council has been cited as a good example of a well-managed contemporary estate (e.g. Curry, 2008). The focus of this approach has been to retain an agricultural estate and maximise the use and value of property with current or future development potential. This policy identifies property that can be sold for development, used to assist other local authority planning needs or to satisfy section 106 agreements 27. This approach benefits the long-term future of the CFE as only limited, high value property sales are made, thus minimising the amount of property sold. The recent reorganisation of the Ampney-St-Mary estate close to Cirencester provides a good example of how restructuring can be used to release the development value of property. This small estate originally contained five dairy holdings situated in and around the village. Upon the retirement of two older tenants, restructuring resulted in the amalgamation of land to create three larger holdings. Two farm houses and some of the buildings were sold to release their residential development capital value. Using some of the capital generated from these disposals, the council re-invested in the remaining holdings. This restructuring created three modern, well-equipped 100-cow dairy units. It also allowed the Council to retain some property within the village and the residential development value associated with it.

Since completion of the case study research, the Gloucestershire CFE has been subjected to a further strategic review. This has resulted in the adoption of a new management strategy that will see the size of the estate reduced by around 25 per cent and a loss of over 40 per cent of holdings. The policy has been designed to realise £125 million from property disposals, of which £25 million is to be generated in the

27 A section 106 agreement refers to the monies paid by developers to planning departments to offset the costs of the external needs of the development. So, for example, if a local authority builds a new school or fire station, then properties held by the local authority could be used for service roads etc. Gloucestershire County Council has used CFE land to do this.
first four years. Gloucestershire County Council acknowledges how this policy is driven by the current economic difficulties facing local authorities across England and Wales. They argue, however, that the restructuring process will benefit tenants in three ways:

1. by providing a mix of well equipped farms for new and established tenants;
2. by reducing the need for tenant investment on repairs and maintenance; and
3. by providing a clear long-term management strategy that reduces the uncertainty of the current individual holding review process.

The adoption of this new management strategy by Gloucestershire County Council, and the plans to dispose of large parts of the CFE, have been criticised by lobbyists within the farming press. The chief executive of the TFA, for example, has been quoted as saying:

“Over the past 30 years, the council has been able to raise something in the region of £100 million of value from carefully planned, strategic disposals of small parcels of land from its estate for development opportunity. The decision to move away from this strategy towards one which would see disposal of land outside of this framework is regrettable.”

Economic considerations were also to the fore in the CFE restructuring process undertaken within the Powys CFE. One of the main aims of management strategy in Powys is to reduce the accrued maintenance liabilities associated with the large number of buildings within the CFE. The impact of this structural aspect of the Powys CFE was noted in County Council documentation:

“The nature of the Powys estate was such that there were a large proportion of buildings – a 120 acre holding in Powys was likely to have up to 12 buildings, whereas a similar sized holding in another area may only support a farmhouse and one building. This made repair liabilities significantly higher.”

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29 The Chief Executive of the TFA, quoted in the Farmers Guardian, 13th January 2011
30 Notes of a meeting of the Powys county farms estates scrutiny review group, Welshpool, 27th January 2009
Current policy within the Powys CFE was determined following a strategic review undertaken in 1999 and follows a process of progressive rationalisation. This policy allows decisions on the future use of holdings to be made when tenancy agreements come to an end. Property can then be re-let, amalgamated or sold to best meet the temporal needs of tenants and landlord alike. The desire to reduce capital expenditure on repair liabilities in Powys encourages the release of residential property and farmsteads, with land amalgamated with adjacent holdings. This process was observed in the proposed reorganisation of the Pwilpatti estate near Cwmbach. This small estate contained two farms, each extending to around 20 ha. On the retirement of one tenant, the land was to be amalgamated and one residential property and out buildings were to be sold. The justification for this strategy was to reduce the financial burden of maintenance and repairs and to increase the economic viability of the remaining holding. Powys County Council would also benefit from the generation of capital receipts from property disposal.

The economic pressures facing the CFE were evident in the historical development of Powys estate management strategy. Over the past twelve years or so, Powys County Council has undertaken three strategic reviews on the future direction of CFE ownership. These reviews have been encouraged by changes in the political make-up of the Council and the need to raise capital receipts. Inevitably, strategic reviews come about because of financial pressures facing local authorities. Across the three case study local authorities, it was evident that financial pressures have intensified since the economic downturn that started in 2007. The economic pressures that encouraged Gloucestershire to implement plans to reduce the size of their CFE were also present in Powys. These were acknowledged during the 2010 Powys CFE Scrutiny Review, where the CFE portfolio holder recognised how the economic pressures facing the County Council would increase calls for the wholesale disposal of the CFE to generate capital receipts.

31 Chairman of Bruton Knowles, personal communication, 07/10/2009.
32 Notes of a meeting of the Powys county farms estates scrutiny review group, Welshpool, 27th January 2009
Under Part III of the Agricultural Act 1970, local authorities have been permitted to dispose of small parcels of land in the name of estate efficiency. However, the potential for large-scale property disposals discussed in Powys and Gloucestershire is an indication of the wider economic pressures facing these CFE owning local authorities. These pressures arise as the CFE is a discretionary rather than mandatory service. As a result, local authorities are disengaging with direct CFE regulation and utilising it as a property asset to meet other state-defined objectives. This allows other regimes of real regulation to influence CFE management strategy and one of these is discussed in the following section.

6.4 Engagement with wider regulatory demands and the impacts on County Farms Estate management strategies

The three case study examples highlighted how individual local authorities engage with the regimes of real regulation at different rates. This results in spatial variations in the development of CFE management strategy. On the one hand, Cambridgeshire County Council has disengaged fully from direct CFE regulation. Instead, they maintain and manage their rural estate in accordance with wider local authority objectives as part of an integrated property portfolio. On the other hand, both Powys and Gloucestershire County Councils are less inclined to engage with alternative regulation and retain stronger links with the agricultural orientation of direct CFE regulation. Yet, as discussed in the previous section, the long-term future of the Powys and Gloucestershire CFE appears to be less secure than that of the Cambridgeshire estate. This security can be linked to the ability of the Cambridgeshire CFE to generate additional economic income through the use of property, rather than by the generation of capital receipts through the disposal of property. Cambridgeshire County Council is able to do this through the use of the CFE to address wider local authority demands. This extends its benefits beyond agricultural provision and increases its value as a socio-economic service. This comes about as the Cambridgeshire CFE is managed as a commercial rural estate rather than as a traditional CFE; only when financial targets are met, can the estate start to satisfy a range of other services. This management position was explained during the case study research, with the influence of two regimes of state regulation evident. Firstly, Cambridgeshire County Council regards existing direct CFE regulation as outdated. This position was emphasised during an interview with the
Head of Strategy and Estates for Cambridgeshire County Council. When asked about the role of Part III of the Agriculture Act in informing estate management strategy, the response was as follows:

“Life has moved on [since the Agriculture Act 1970]...the present estate is one for the 21st century. If you go back to the Agriculture Act, it was all about agriculture...whereas estates these days do have that multitude of objectives. If we only kept an estate that did agriculture, we wouldn’t have one...if that was the sole purpose of an estate it would not work...it would not be sustainable”.

Secondly, they are guided on the use of property by a range of state-endorsed publications. These include the Best Utilisation of Property Assets (BUPA) (Audit Commission, 2000), the community use of public assets (Quirk Review, 2007), operational efficiency programmes (HM Treasury, 2009), strategic asset management (Audit Commission Report, 2009) and the Local Development Framework (Planning Inspectorate, 2011).

Despite this shift in the emphasis of estate ownership, the Cambridgeshire CFE still provides agricultural opportunities for new and existing tenants. However, these wider regulatory influences encourage its use for non-agricultural businesses, educational facilities, renewable energy generation, wildlife areas and permissive access. One notable alternative use of the Cambridgeshire CFE has been the development of the Red Tile wind farm on estate land near the town of Warboys. This development has provided Cambridgeshire County Council with three additional benefits:

1. Rental returns are considerably higher than the agricultural rental value of the land;
2. Generation of renewable energy helps towards Cambridgeshire County Council’s statutory Carbon Reduction Commitment obligations; and
3. Access to land is improved through the upgraded service roads that support the wind farm.

Cambridgeshire County Council is eager to expand the use of their estate to provide alternative services. Indeed, the rural estate is seen as being “well placed to benefit
from increased interest in local food, food security, climate change, the increasing
demand for leisure opportunities in the countryside and so on”\textsuperscript{33}.

Other examples of the non-agricultural use of the Cambridgeshire rural estate include
the provision of land to the RSPB and local wildlife trusts, resulting in environmental
benefits, and the use of property to generate non-agricultural business incomes, such
as letting land to Network Rail for car parking. As Cambridgeshire systematically
reviews the best use of property, other potential future uses of the CFE include more
wind farms, flood defences, nature trails, recreational sites, travellers’ sites, educational
services, and sport and leisure facilities. Cambridgeshire County Council views this wider
use of CFE property as indicative of the shift towards the ‘Big Society’. This concept
represents a transfer of power away from the central state and
back to communities at the local level. The Cabinet Office (2010: p. 1) explained
how:

“\textit{We want to give citizens, communities and local government the power
and information they need to come together, solve the problems they face
and build the Britain they want}”.

Cambridgeshire County Council recognises that many of the wider social services the
CFE provides, such as carbon reduction commitments, environmental benefits and
recreational usage, are difficult to value in non-economic terms. Despite this, the
ability of the CFE to provide these additional socio-economic services whilst still
maintaining a sound economic performance is valued by the County Council\textsuperscript{34}. In
contrast, Gloucestershire and Powys still regard their CFE as an agricultural service.
This was emphasised by the CFE portfolio holder in Gloucestershire who reasoned:

“\textit{The estate is very much a passive agricultural estate...by that I mean we
don’t really look to use it for anything else...any alternative uses would be
reliant on an approach from other parties. But that’s not to say we would
not use it for other purposes}”.

Despite these sentiments, CFE management strategy within Gloucestershire is
influenced by wider state regulation. This is, however, limited to maintaining the

\textsuperscript{33} Rural Estates Manager, Cambridgeshire County Council, personal communication, 5/7/2009.
\textsuperscript{34} Head of Strategy and Estates, Cambridgeshire County Council, personal communication, 10/07/2009.
economic performance of the CFE. This was stressed during the Gloucestershire case study, when the Head of Rural Services commented:

“There is other stuff out there that influences what you do...The Audit Commission stuff (Audit Commission Report – Hot property: getting the best from local authority assets) provides guidance...but in many ways this is similar to what we have been doing for a while now”\textsuperscript{35}.

By engaging with other regimes of real regulation, local authorities are able to justify the disposal of CFE property beyond the level expected through agricultural restructuring. The Audit Commission Report (2000), for example, recommends, “that councils dispose of assets that do not support core service objectives or fail to make an adequate return on investment” (quoted in Audit Commission, 2009: p. 28). The change of CFE policy adopted by Gloucestershire County Council in 2011 is indicative of the impact of this wider state regulation on the CFE. A central rhetoric of the new policy is to improve the economic performance of the CFE by:

1. Maximising the economic benefits of capital investment;
2. Prioritising revenue expenditure;
3. Helping tenants plan for long-term investment; and
4. Reducing the cost of management and the decision making process.

However, it is the generation of capital receipts through the disposal of property that underpins this change in CFE policy. These were noted in a consultation document published by Gloucestershire County Council on the strategic estates Review 2010, which stated:

“The Council, as with other public bodies, faces a substantial financial deficit that needs to be reduced and sales receipts would be an important contribution in reducing its level of debt and the associated debt servicing costs” (Gloucestershire County Council, 2010).

In a similar way, the management of the Powys CFE is underpinned by wider economic constraints facing the county council. Notes from a meeting of a CFE scrutiny review group (27/01/2009) identified this. It was noted how the CFE Portfolio Holder could foresee pressures being brought to dispose of the CFE for

\textsuperscript{35} Head of Rural Services, Gloucestershire County Council, personal communication, 10/06/2009.
financial purposes. However, without specific reference to regulatory guidance, it was argued that the estate should be retained, but not in line with the requirements of existing CFE regulation. Instead, it was seen as important to maintain the CFE as a service for new entrants because agriculture plays a small, but significant role within the rural economy of the area. Its contribution to the local agricultural industry and rural landscape was also acknowledged. Further to this, the benefits of CFE ownership and the capital investment it represented were documented. Despite these recognised benefits of CFE ownership, future CFE policy in Powys is to be informed by economic considerations. A policy of rationalisation or even accelerated rationalisation is to be followed to increase the viability of holdings through amalgamation. If this is not possible, then property is to be disposed of to provide capital receipts.

The freedom afforded to local authorities to engage with different regimes of real regulation, to formulate CFE management strategy to best suit their individual needs, was endorsed during the case study research by the shadow minister for agriculture and rural affairs, who was appointed Defra Minister of State for Agriculture on the 13th May 2010. When asked to explain the view of the Conservative party in relation to the future of the CFE, he explained:

“I think there is little doubt that the pressure to realise the asset value [of the CFE] will continue to increase and it will be harder and harder to justify a specialist entry mechanism for farmers as agricultural policy moves closer to the free market. At the same time, however, I do believe that some form of entry structure into the industry is important to continue to allow young people with fresh ideas to enter the industry, albeit they are in short supply at the present...we believe [the management of the CFE] is a matter for local authorities and we do not think it is something the national government should deal with; they are, after all, an asset of each individual county or unitary authority. I am, though, concerned that other possible ways forward are not considered and that sometimes the estates are sold piecemeal and, therefore, any benefit to the community

36 Notes of a meeting of the Powys county farms estates scrutiny review group, Welshpool, 27th January 2009
other than cash is lost” (Jim Paice, Conservative MP for south-east Cambridge, personal communication, 29th October 2009).

This latter argument concerning the benefits of the CFE to the wider community appears to be influenced by the relationship between the two regimes of regulation and the socio-economic outputs associated with rural property ownership. In Powys and Gloucestershire, the recognised socio-economic outputs are agricultural rental returns, agricultural provision, property disposal income and reduced capital investment (Table 6.2). In contrast, Cambridgeshire County Council cites business rental income, renewable energy income, environmental benefits, educational resource and recreational facilities as additional socio-economic outputs of estate ownership. These patterns suggest that by engaging fully with the second regime of real regulation, Cambridgeshire County Council is able to maximise the socio-economic benefits of CFE ownership. In contrast, the occupation of a middle position between the two regimes of real regulation appears to limit the number of socio-economic outputs achieved through CFE ownership by Gloucestershire and Powys County Councils.

<table>
<thead>
<tr>
<th>Socio-economic benefits</th>
<th>Cambridgeshire</th>
<th>Gloucestershire</th>
<th>Powys</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural rental returns</td>
<td>√</td>
<td>√</td>
<td>√</td>
</tr>
<tr>
<td>Agricultural opportunities</td>
<td>√</td>
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<td>√</td>
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<tr>
<td>Renewable energy income</td>
<td>√</td>
<td>X</td>
<td>X</td>
</tr>
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<td>√</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Educational resource</td>
<td>√</td>
<td>X</td>
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</tr>
<tr>
<td>Recreational facilities</td>
<td>√</td>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>

Table 6.2: The recognised socio-economic outputs of CFE ownership within the three local authorities (Source: case study research)
Based on these case study findings, Figure 6.2 visualises the ideal relationship between real regulation and the socio-economic outputs of the CFE. The two regimes of regulation are shown below the x-axis line at the bottom of the diagram; direct CFE regulation is positioned to the left side, with wider regulatory local authority influences to the right. The socio-economic outputs identified during the research are listed above the x-axis line and are positioned according to the regulatory guidance that encourages their provision. As the number of socio-economic outputs increases, so the value of the CFE as a wider community asset increases.

![Figure 6.2: Socio-economic outputs achieved through CFE ownership in relation to regulatory influences on management strategy (derived from case study examples)](image)

The findings of the case study research suggest that, in order to optimise the ownership value of agricultural property, local authorities need to disengage from direct CFE legislation. In many ways, this undermines their CFE status, although the example of the Cambridgeshire estate highlights how this approach can still maintain...
the provision of agricultural opportunities. Figure 6.3 attempts to visualise how each case study CFE occupies a different position in relation to the influence of real regulation and the socio-economic outputs obtained from CFE ownership. Based on the criteria given in Figure 6.2, the diagram highlights the relative position of each CFE in relation to real regulation and the socio-economic outputs this brings about.

Management of the Cambridgeshire CFE has disengaged from direct CFE regulation. Instead, management is formulated to satisfy wider local authority objectives. Whilst management is underpinned by economic objectives, policy is implemented to produce a wide range of socio-economic outputs. This positions the Cambridgeshire CFE in proximity to economic resources and wider social benefits in the upper right

Figure 6.3: The position of the three local authorities in relation to regulatory influences and the socio-economic outputs of their CFE (derived from case study examples)
sector of the diagram. Under this management strategy, agricultural service becomes an almost secondary outcome obtained through ownership.

In contrast, the Powys and Gloucestershire CFE retain greater links with direct regulation and less so with wider local authority obligations. This approach focuses on the economic efficiency of the CFE, thus limiting the socio-economic outputs it produces. In both local authorities, the aim of ownership remains the provision of an agricultural service, although property sales also promote value as a capital asset. This situates Powys and Gloucestershire in the lower left sector of the diagram.

The recent changes in the management strategy adopted by Gloucestershire County Council are represented in Figure 6.3 by a shift towards the lower right sector of the diagram. The retention of a core agricultural estate within Gloucestershire will still provide the current range of socio-economic outputs, albeit at a lower level. In lieu of these socio-economic outputs, Gloucestershire County Council will generate additional economic gain through the sale of property. This increases the value of the CFE as an economic resource, thus promoting wider community benefits. The level of agricultural service the CFE provides is, however, reduced.

In contrast to the spatial variability of the first two regimes of real regulation, engagement with agricultural tenancy regulation was uniform across the three case studies. This third regime of real regulation controls the distribution of property rights within the CFE and is discussed in the following section.

6.5 Regulating the distribution of property rights within the County Farms Estate

Across the three case studies, the distribution of property rights is regulated by agricultural tenancy legislation. Under this regime of real regulation, property rights are occupied under FAT agreements and, more recently, FBT arrangements. At the time of the research, in the summer of 2009, there were slightly more FAT agreements (n = 276) than FBT arrangements (n = 245) in use across the three local authorities. The number of FAT agreements is in decline as all tenure arrangements granted since implementation of the Agricultural Tenancies Act 1995 have been FBT arrangements. The main difference between these two agreements in relation to the
management of the CFE is the level of tenure security that each affords tenants. In order to explain the implications of this, the FAT and FBT are discussed in turn below. It should be noted that some smaller parcels of land, or property identified for disposal, were being occupied under grass keep or contract farming agreements. These were, however, isolated occurrences across the three local authorities.

6.5.1 **The impact of FAT agreements within the case study estates**

In contrast to their application in the wider agricultural sector, FAT agreements within the CFE do not afford succession rights. This prevents the continued occupation of holdings by successors when the original tenant retires. In all other aspects, use of FAT agreements within the CFE is the same as in the wider tenanted sector. Tenants are offered relatively long-term security through the FAT with terms of tenure lasting for a lifetime or until retirement. This security of tenure, particularly with lifetime FAT, creates recognised management problems across all three case study local authorities. Firstly, it prevents landlords from taking vacant possession of property, other than when the tenant wishes to relinquish it. Secondly, many older tenants in occupation beyond normal retirement age are often unable to undertake the work needed to maintain a holding. Thirdly, the death of a tenant can lead to difficulties in relation to the occupation of the holding by their partner. Finally, it creates problems if the tenant or their family need to be re-housed. This latter point is problematic as local authorities cannot simply find elderly tenants alternative accommodation. If they grant short-term assured tenancies for residential occupation to aid retirement, the tenant could utilise the right-to-buy legislation that covers other council housing arrangements. This prevents local authorities from allowing older tenants to occupy alternative housing or granting occupation of the existing farmhouse with the removal of the land from the tenancy arrangement.\(^{37}\)

Whilst the overall number of tenants holding FAT agreements within the CFE is in decline, estate managers in all three local authorities are actively trying to stimulate a reduction in the overall number. In Cambridgeshire, for example, tenants have been encouraged to surrender their original FAT in return for additional land being added to their existing holding on a new FBT. In Gloucestershire and Powys, succession

\(^{37}\) Chairman of the board, Bruton Knowles, personal communication, 07/10.2009.
rights have been granted to allow the children of the existing tenant to succeed their parents in return for the surrender of the original FAT agreement. The implications of this transfer to the FBT are discussed below.

6.5.2 The role of FBT agreements within the case study estates

The case study research highlighted how within the CFE there is remarkably little difference between FBT and FAT arrangements, other than the duration of tenure. Despite the freedom of contract the FBT provides, only one example was noted where a holding was let as anything other than as an agricultural business. This Cambridgeshire holding was let on a 20-year lease as a livery business. The business occupied the residential accommodation, the buildings and some of the land around the farmstead. The remaining land was being farmed under contract in an arrangement between the tenant and a local farmer. Cambridgeshire County Council was happy to let the farm in this manner as much of the land had been earmarked for development within the next 20 years or so. Letting the holding in this way allowed them to regain access to the land as and when the development potential of the property was likely to be realised. This could occur without reducing the tenant’s ability to maintain a viable livery business.

In all other examples, the transition to the FBT differed only through the duration of agreements. In Gloucestershire and Powys, for instance, the FBT is regarded as a tool that can help promote the movement of tenants up the farming ladder. As a general rule, both local authorities offer new entrants a five year FBT as a probationary period. Those moving to alternative holdings (or progressing their business internally) are granted 10 to 15 year FBT agreements, depending on age, experience and any other relevant factors. In some examples, longer FBT arrangements may be used, particularly if they tie in with a tenant reaching the national retirement age. For example, a 48-year tenant may be granted a 17 year FBT to allow them to retire around their 65th birthday.

The process underpinning the length of tenure arrangements was discussed during interviews with Gloucestershire management personnel. As one interviewee put it:

“You look at each letting on its own merits; what is appropriate for that farm? The smaller farms will be let for short periods...larger farms for
Chapter 6: Developing estate management strategy and the distribution of property rights

longer periods, with the inclusion of suitable break clause provision. In one respect, you want tenants to be motivated to move on and not be too comfortable on their current holding. In other respects, you want to give them sufficient periods of time to exploit the full potential of the holding and get the benefit back from their investment. It is a pragmatic approach, what is the best for each farm. The reality is there will never be enough farms available so that our tenants can afford to progress. We know that the vast majority of tenants will spend their entire farming career as a tenant on our holding. It is arguable that this adheres to the original objectives [of the CFE]...in reality, it probably is as that is the nature of farming”.

Cambridgeshire County Council also provides new entrants with a short-term probationary FBT. These are usually for between five to ten years in duration. However, it is the length of subsequent FBT arrangements that sets Cambridgeshire apart from Gloucestershire and Powys. Cambridgeshire County Council values the continuity that long-term occupation brings to the management of their CFE. As a result, they routinely offer tenants long-term tenure arrangements. The Rural Estates Manger explained the rationale for this:

“Why would we want to get rid of our best tenants? The experience they bring through the long-term occupation of holdings, or through succession, is beneficial to the general upkeep of our estate. For livestock farmers, the intrinsic value of their business is retained within the animals that they produce. The breeding lines are there, no matter where the person farms...so they can take this with them if they move...it is a portable asset. In contrast, the intrinsic value of arable farming is in the soil...and it can take years to improve this. So we don’t encourage our good tenants to move on. In fact, we encourage them to stay. And besides, if they have spent time and money on improving the soil, then they should be allowed the time to reap this investment”.

38 Rural Estates Manger, Cambridgeshire County Council, personal communication, 5/7/2009
This policy adopted by Cambridgeshire County Council can be seen as indicative of the shift away from management in accordance with direct CFE regulation. Current estate management strategy does not pursue a policy of encouraging new entrants. That said, the relatively large size of the Cambridgeshire CFE does allow three or four new entrants each year the opportunity to access a holding. This is deemed to be a reasonable number of new entrants to take on given the managerial work and risk associated with new entrants. The risk associated with new entrants primarily focuses on their ability to establish and progress a viable farm business. Indeed, in recent years the success rate of new entrants in Cambridgeshire, in terms of developing a viable rural business, has been high.

An active example of the FBT being utilised as a tool to benefit the management of the CFE can be demonstrated with a tenant in the Powys case study. This tenant had originally entered the Powys CFE on a 12 ha starter holding before progressing onto a 49 ha sheep farm in 2004. This holding was held on a ten-year FBT arrangement and the tenant was keen to expand the size of his farm and secure future tenure. The tenant explained how he had been working with the landlord as part of the CFE estate restructuring process. This opportunity had arisen as two adjoining holdings had recently become vacant. The landlord was looking to create two smaller starter units and one larger farm from the three original holdings. As this process relied on use of the property occupied by the tenant, the landlord had put two proposals before him. The first involved the tenant moving to an adjacent holding and retaining occupation of some of the land he already occupied, to create an 80 ha holding. However, as the tenant had made a significant capital investment in his current holding, he was reluctant to accept this proposal. The second option allowed the tenant to remain in occupation of his current holding, but increased its size to around 70 ha by taking on additional land from one of the vacant holdings. As part of this amalgamation, the tenant would surrender some of the land he currently occupied to create a smaller starter holding. The tenant agreed to this proposal and, in doing so, he had been granted additional tenure on a new ten-year FBT. The tenant explained how the landlord was willing to grant these improved terms because they were able to regain possession of land to aid the restructuring process.

39 Rural Estates Manager, Cambridgeshire County Council, personal communication, 5/7/2009
This ability to renegotiate the terms of tenure is indicative of the flexibility afforded by the freedom of contract associated with the FBT (Gibbard et al. 1999). According to Gibbard et al., this flexibility of contract invariably shifts the balance of power towards the landlord. However, there are two aspects of this example in Powys that challenge these assertions: firstly, the renegotiation process is reliant on the contribution of the tenant and provides them with additional benefits; and secondly, the restructuring process promotes the retention of all the agricultural rights associated with the property. Thus the balance of power has not necessarily shifted towards the landlord as the renegotiation of tenure provides benefits to the existing tenant and new entrants; this is discussed further in section 8.2.

The research findings indicate that, within the three case study local authorities, tenure arrangements and the property relationships between landlord and tenant are of relatively low significance in relation to the main issues surrounding the CFE. In all three local authorities, the relationship between the landlord and the State is paramount. It is this relationship that impacts on management strategy and thus the landlord-tenant relationship. In contrast, the case study research highlights that from the tenants’ perspective, property tenure and the implications of the landlord-tenant relationship are central to their experience of the CFE. These issues are discussed in detail in the following chapter.

6.6 Chapter summary

Three regimes of real regulation underpin the management of the CFE. Direct CFE regulation and the wider statutory obligations placed on local authorities combine to provide a base from which CFE management strategies can be developed. Once these strategies have been developed, the occupation of agricultural property within the CFE is legislated by a third regime of regulation contained within agricultural tenancy law. The case study research has demonstrated how the first two regimes of real regulation are central to local authorities’ engagement with their CFE. This allows them a certain amount of freedom to determine the purpose of CFE ownership to best meet their own needs. The outcomes of this include:

- Spatial differences in the development of CFE management strategies between individual local authorities;
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- The ability of local authorities to determine the socio-economic outputs they generate through CFE ownership;
- Some degree of estate restructuring that results in the sale of surplus property and the generation of capital receipts; and
- Different levels of CFE retention between individual local authorities.

In an apparent contradiction, the research findings suggest that the long-term future of the CFE is less secure within local authorities that still engage with direct CFE regulation than in local authorities that manage their estate for wider socio-economic benefits. This has clear impacts on CFE tenants, who are the main focus of the next chapter.
Chapter 7

The County Farms Estate: tenant perspectives

7.1 Introduction

The purpose of this chapter is to develop an understanding of how the CFE works from the point of view of CFE tenants. To do so, it draws upon the findings of 60 tenant interviews and three focus group meetings undertaken across the three case areas. These interviews highlighted how the CFE is a significant source of agricultural property for new and established tenants alike. They also identified how the concepts of ‘family’ and ‘social and financial capital’ are central to the property relationships that tenants develop within the CFE. In particular, it is the role of family in the provision of financial capital, labour and machinery that underpins the tenants’ ability to access agricultural property rights.

In order to address these issues, the chapter is structured into five main sections. Section 7.2 provides a brief introduction to the 60 studied tenant farms, including general information on the farm business, terms of tenure and the tenants themselves. Following this, section 7.3 discusses the key property relationships identified during the interviews and their impact on the tenants at various stages of their farming career. The provision of property rights within the CFE is discussed in section 7.4. This section focuses on the significance of the distribution of CFE property rights for new entrants. It also discusses the different requirements that new entrants and established tenants place on property and the competition for property rights this creates. Section 7.5 then demonstrates how the different pathways of farm business development employed by established tenants invariably tie them to either property or place. This analysis uses research findings to illustrate how tenants become reliant on the services provided by either a specific property or the marketing opportunities associated with a particular area. The final section discusses the impact of tenure arrangements on CFE tenants. It focuses on the role of FAT and FBT agreements and their influence on progression and retirement. This section also looks at the ways in
which tenants are trying to create additional security of tenure for themselves or their children by investing substantial financial capital in tenant improvements. A brief summary draws the chapter to a close.

7.2 The 60 tenant interviews

The tenant interviews were undertaken in 2009 with the aim of sampling 10 per cent or more of the total number of tenants in each case study area. The number of interviews conducted in each area indicates the relative size of individual CFE. In Cambridgeshire, the largest local authority estate in England and Wales, 25 interviews were undertaken, representing 10.4% of the total number of tenants. In Powys, the largest CFE in Wales, 18 interviews were conducted, representing 15.6% of the total tenant population. Finally, as the smallest case study area, 17 tenant interviews (10.5% of total number of tenants) were undertaken in Gloucestershire. This provided a combined total of 60 tenant interviews, covering 11.5% of the CFE tenant population within the three case studies.

The 60 tenants represented seven of the ten farm types discussed in section 5.3.3: arable (n = 22); arable and livestock (n = 4); beef (n = 5); dairy (n = 10); sheep (n = 7); mixed livestock (n = 11); and other (livery, n = 1). The main contrast between the three case study areas was the concentration of arable production in Cambridgeshire (n = 22) and livestock production in Powys and Gloucestershire. In Cambridgeshire, the only other methods of production included sheep (n = 2) and a livery holding let on a business tenancy. Across Powys and Gloucestershire, there was a decline in the number of holdings specialising in dairy production. At the time of interview, only five tenants in each county continued to engage with dairy farming. The most common type of production in Powys was mixed livestock farming (n = 9), with sheep (n = 2) and beef (n = 2) accounting for the remaining holdings. In Gloucestershire, tenants engaged with a mixed variety of production alongside dairy. These included arable and livestock (n = 4), beef (n = 3), sheep (n = 3) and mixed livestock (n = 2). A more detailed breakdown of the characteristics of the 60 interviewed tenants is provided in Table 7.1.
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<tr>
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<th>Gloucestershire</th>
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<td></td>
</tr>
<tr>
<td>Succession to parents</td>
<td>4</td>
<td>5</td>
<td>2</td>
<td>11</td>
</tr>
<tr>
<td>holding</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tenure arrangement</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FAT - lifetime</td>
<td>3</td>
<td>7</td>
<td>4</td>
<td>14</td>
</tr>
<tr>
<td>FAT - retirement</td>
<td>9</td>
<td>2</td>
<td>5</td>
<td>16</td>
</tr>
<tr>
<td>FBT - five years or less</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>FBT - six to ten years</td>
<td>1</td>
<td>7</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>FBT - eleven years or</td>
<td>10</td>
<td>2</td>
<td>6</td>
<td>18</td>
</tr>
<tr>
<td>longer</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Primary production</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arable</td>
<td>22</td>
<td>0</td>
<td>0</td>
<td>22</td>
</tr>
<tr>
<td>Arable and livestock</td>
<td>0</td>
<td>0</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Beef</td>
<td>0</td>
<td>2</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>Dairy</td>
<td>0</td>
<td>5</td>
<td>5</td>
<td>10</td>
</tr>
<tr>
<td>Sheep</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>7</td>
</tr>
<tr>
<td>Mixed livestock</td>
<td>0</td>
<td>9</td>
<td>2</td>
<td>11</td>
</tr>
<tr>
<td>Livery</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Granted additional</td>
<td>20</td>
<td>13</td>
<td>12</td>
<td>45</td>
</tr>
<tr>
<td>CFE land</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rent or bought</td>
<td>13</td>
<td>14</td>
<td>14</td>
<td>41</td>
</tr>
<tr>
<td>additional land</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>On-farm diversification</td>
<td>7</td>
<td>3</td>
<td>11</td>
<td>21</td>
</tr>
<tr>
<td>Off-farm employment</td>
<td>13</td>
<td>9</td>
<td>11</td>
<td>33</td>
</tr>
<tr>
<td>Entry into environmental</td>
<td>19</td>
<td>10</td>
<td>12</td>
<td>41</td>
</tr>
<tr>
<td>schemes</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organic production</td>
<td>1</td>
<td>0</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Entry Level Scheme</td>
<td>10</td>
<td>0</td>
<td>7</td>
<td>17</td>
</tr>
<tr>
<td>Countryside Stewardship</td>
<td>7</td>
<td>0</td>
<td>0</td>
<td>7</td>
</tr>
<tr>
<td>Scheme</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tir Gofal</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Tir Cynnial</td>
<td>0</td>
<td>5</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>Other</td>
<td>1</td>
<td>3</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Tried to progress</td>
<td>3</td>
<td>8</td>
<td>8</td>
<td>19</td>
</tr>
<tr>
<td>Retirement plans in</td>
<td>11</td>
<td>7</td>
<td>5</td>
<td>23</td>
</tr>
<tr>
<td>place</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 7.1: Summary characteristics of the 60 tenant interviews

Table 7.1 indicates how the majority of interviewed tenants came from a farming background; only five had no farming family connection. In Powys, all those
interviewed had close family connections to the industry. Rather surprisingly, given
the non-successional nature of the CFE, 11 of the 60 interviewees had succeeded their
parents as tenant on their current holding. Of these, five had gained direct succession
on the death of the incumbent tenant and four had been granted tenancies upon the
surrender of their parents’ lifetime FAT. The two remaining examples of
successional tenancies occurred when the children of the previous tenant had become
tenants in their own right, in open competition with other applicants.

The nature of tenure arrangements held by interviewees was split evenly between
those holding FAT (n = 30) and FBT agreements (n = 30). Of the FAT arrangements,
Powys contained a relatively high number of lifetime agreements (n = 7) and
Cambridgeshire recorded a high number of retirement agreements (n = 9). There was
a notable difference in the length of FBT agreements held by tenants in Powys against
those in Cambridgeshire and Gloucestershire. In Powys, seven out of nine FBT
agreements ran for between six to ten years and only two tenants held FBT
agreements lasting for eleven years or more. In contrast, six out of eight FBT
arrangements in Gloucestershire lasted for eleven years or longer. Of the thirteen
tenants holding FBT agreements in Cambridgeshire, ten were for eleven years or
longer, one lasted for between six to ten years and two for less than five years; the
latter two were both held by new entrants.

In terms of farming activities, the main contrast was between arable production in
Cambridgeshire (n = 22) and livestock production in Powys and Gloucestershire. In
Cambridgeshire, the only other methods of production included sheep (n = 2) and a
livery holding let on a business tenancy. Across Powys and Gloucestershire, there
was a decline in the number of holdings specialising in dairy production. At the time
of interview, only five tenants in each county continued to engage with dairy farming.
The most common type of production in Powys was mixed livestock farming (n = 9),
with sheep (n = 2) and beef (n = 2) accounting for the remaining holdings. In
Gloucestershire, tenants engaged with a mixed variety of production alongside dairy.
These included arable and livestock (n = 4), beef (n = 3), sheep (n = 3) and mixed
livestock (n = 2).
Chapter 7: The County Farms Estate: the perspective of tenants

The statistics shown in Table 7.1 provide some indication of how two aspects of property are significant to tenants. Firstly, they highlight how the CFE is not exclusively an entry mechanism for new industry entrants. Nine of those interviewed had previously held property within the private sector and the same number had moved to their current farm from a smaller CFE holding. Of those who moved internally within the CFE, five had done so in Gloucestershire, with two each in Cambridgeshire and Powys. Secondly, tenants are heavily reliant on additional land to their existing holding in order to progress their farming business. Of those interviewed, 45 had been granted additional CFE property, whilst 40 tenants had either rented land from the private sector or bought land, to run as part of an enlarged holding including CFE and non-CFE land.

It also became clear that the nature of rights held by tenants over property influenced other forms of farm business development. Approximately one-third of interviewees were able to engage with property rights in such a way as to enable on-farm diversification. The significance of this was most notable in Gloucestershire, where 11 tenants engaged with this activity. In contrast, only three tenants did so in Powys. Over half of those interviewed undertook some type of off-farm employment (n = 33), with a fairly even distribution of activity across the three case study areas. Engagement with environmental schemes was also common across the three case studies, with a total of 41 tenants doing so. Participation was highest in Cambridgeshire (n = 19), with the ELS (n = 10), Countryside Stewardship Scheme (n = 7), the Organic Entry Level Scheme (OELS) (n = 1) and Sites of Special Scientific Interest (n = 1) the specific agreements in place. In Gloucestershire (n = 12), seven tenants were entered into the ELS, four within the OELS and one in a floodplain scheme. Participation in environmental schemes was lowest in Powys (n = 10), where two tenants were entered in Tir Gofal, five in Tir Cynnal and three in other agreements.

Influenced by the age of tenants and the stage of their farm business, only 23 interviewees had any type of retirement plans in place. Those that had such plans did so by securing residential property through inheritance, by purchasing, or by using their own agricultural property rights to fund the purchase of residential property.
Whilst highlighting some of the key characteristics of tenants within the CFE, these statistics give no indication of the main property relationships involving tenants. The interviews highlighted that, whilst the landlord/tenant relationship is a prominent feature of the CFE, it is family relationships that underpin most things that tenants do. The extent and implications of these family relationships are discussed in the following section.

7.3 Property relationships within the County Farms Estate

Of the 60 interviewed tenants, only one expressed no reliance or connection with their parents, siblings or children. In some cases, the relationship between tenant and family was obvious. One interview in Powys was conducted with a tenant’s wife, who pointed out that she was an equal partner in the business in every way. A further 25 interviews were undertaken with family members in attendance during all or part of the interview. In other examples, the connection between tenant and family was less obvious. Tenant C11, for example, runs a 57 ha arable holding in Cambridgeshire on a retirement FAT. He also runs an event hire service and relies solely on hired labour rather than family help. Living alone, with no dependant children, he was one of the few examples where family considerations do not impact on the day-to-day running of his business. However, he still retains family links as he succeeded his father as tenant and relies on his father’s privately owned building space for crop storage.

Relationships between tenant and family develop in two distinct phases and impact at different stages of a tenant’s career. The first phase of the tenant/family relationship arises between new entrants and their parents. The second phase occurs between established tenants and their partners and children. Each of these phases is discussed below.

Many new entrants to the CFE noted how the financial demands of establishing a new farm business are excessive. In livestock farming, it is the financial outlay to stock and equip farms that confronts tenants. The financial requirements for establishing a new arable business appear to be lower, especially if tenants rely on contractors to carry out machinery work. Despite this, new entrants in the arable sector can face cash-flow problems given the length of time required to grow and market the first
season’s harvest. As a result, it can take up to 18 months to generate capital returns from arable produce. The financial issues facing new entrants appear quite acute within the whole tenanted sector as banks will generally lend a tenant farmer only around 50 per cent of any required working capital\textsuperscript{40}. The impact of this within the CFE has been to encourage new entrants to rely on their parents as a source of capital, machinery and/or labour (see Box 7.1). The number of tenants acknowledging assistance in the establishment of their farm business was similar across all three case studies. A total of 19 tenants acknowledged parental assistance: six in Gloucestershire and Powys and seven in Cambridgeshire.

<table>
<thead>
<tr>
<th>Box 7.1: The significance of the tenant/family relationship to CFE tenants: establishing a new farm business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tenant C13 became the third (non-successional) generation of his family to occupy a Cambridgeshire holding when he took over a 113 ha arable farm on a five-year FBT in October 2007. At the time, the tenant was only 22 years old and the youngest on the Cambridgeshire estate. His desire to succeed and progress his business, coupled with an impressive financial portfolio, had impressed the landlord and prompted his selection as a tenant\textsuperscript{41}. Despite this, the tenant was still unable to meet all financial demands of establishing an agricultural business and readily acknowledged the assistance of his family in helping to address this matter. Having worked previously for his father’s contracting business, he continued to do so as a CFE tenant. He also relied on his father’s contracting machinery to carry out his own work as he was unable to afford his own.</td>
</tr>
</tbody>
</table>

This reliance on family in the establishment of new entrants’ farm businesses prompted a few interviewees to question the legitimacy of some new CFE businesses. At least three interviewees argued that businesses relying heavily on the help of family were extensions of the family business, rather than businesses in their own right. Whilst this accusation was in no way raised in relation to tenant C13, his words explained well the need for family assistance in the establishment of a new farming business:

\textsuperscript{40} Barclays Bank Agricultural Advisor for Wales, personnel communication, 28/07/2009.

\textsuperscript{41} Rural Estates Manager, Cambridgeshire County Council, personal communication, 5/07/2009.
“I suppose like everyone you want to be your own boss and you also want to expand the family business at the same time. By having this farm, it has enabled us to do that. How it works out is that the family business contracts machinery to my farm allowing things to get done at the right time…it also allows the family business to generate money to pay for the bigger tractor and the new machinery. I certainly couldn’t afford the machinery if I had to buy it myself” (Tenant C13).

The reliance on family as a source of capital, machinery and labour perhaps explains why 54 of the 60 interviewed tenants come from farming backgrounds. These family connections allow new entrants to access capital, machinery, labour, stock and experience. One of the more interesting examples demonstrating the role of family in the establishment of a CFE tenant’s business is provided in Box 7.2.

**Box 7.2: The significance of the tenant/family relationship to CFE tenants: progressing a farm business**

Tenant P6 had occupied an 18 ha dairy holding since 1969. During occupation, he had been granted an additional five ha through amalgamation and managed to purchase a further 15 ha of land locally. His son had always wanted to be a farmer and initially occupied the CFE holding next door. Father and son tried to progress as a partnership onto a holding beyond the CFE, but suitable opportunities had not been available. As a result, the son of tenant P6 had recently been successful in his application for a larger dairy holding. To help his son reduce the capital demands needed to establish his dairy herd, tenant P6 allowed him to take his 76 head of dairy cattle. He explained that he was happy to do this, as his own holding would require investment to upgrade the dairy facilities. It also allowed him to reduce the work commitment of his own holding. Tenant P6 did not divulge the financial details of the cattle transfer, but suggested it did not provide a lump sum, as other sale strategies would have done.

Once tenants have become established, the development, progression and cessation of their farm business are influenced by three distinct stages of the family life cycle. These individual stages place different financial demands on the holding and influence the availability of family labour. The combination of these factors appears
to influence the tenants’ ability and desire to progress, thus influencing the future direction of the business. The three phases of family structure can be categorised as:

1. Early phase – when the tenant first enters the CFE and has a young family, or he and his partner are of child bearing age (Box 7.3).
2. Middle phase – when children are either in education or of working age. They live at home and work on or off the farm (Box 7.4).
3. Late phase – when all the children have left home, the tenant and their partner are beyond child-bearing age, or they have no children (Box 7.5).

**Box 7.3: The influence of the early phase of family structure on the establishment of a farm business**

Tenant G4 successfully applied for a 26 ha starter holding on the Gloucestershire estate in late 2007. Given the relatively small size of the holding, the tenant continued to work part-time for his former employer. Part of the submitted business plan was for the tenant’s wife to develop the sales of free-range eggs through a farm gate honesty box, local car boot sales and small local markets. However, the arrival of the couple’s first child impacted significantly on these plans and also on the financial performance of the holding. Revenue had been lost due to the reduction in hours of paid work undertaken by the tenant’s wife. Alongside this, the demands of the child meant that both parents had less time to develop the egg business. During the interview, tenant G4 expressed his shock at how much it actually costs to establish a farming business and the impacts of this on their ability to expand the business. He reasoned:

“Obviously we did all the sums before we took the farm on, but I am shocked at how much it has actually cost to start up. Part of the sums included my wife’s contribution from work and we’ve not been able to push the egg business like we wanted to [since we’ve had a child]. We can work round it of course…but the arrival of our child is, in all honesty, likely to slow down the future progression of the business”.

"Obviously we did all the sums before we took the farm on, but I am shocked at how much it has actually cost to start up. Part of the sums included my wife’s contribution from work and we’ve not been able to push the egg business like we wanted to [since we’ve had a child]. We can work round it of course…but the arrival of our child is, in all honesty, likely to slow down the future progression of the business”.

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Box 7.4: The influence of the middle phase of family structure on the development of a farm business

Tenant G5 was granted a lifetime FAT on an 18 ha holding in Gloucestershire in 1985. Through the restructuring process, an additional 31 ha have been added to the holding. The tenant also rents over 350 ha from private landlords and contract farms a further 80 ha. During the interview, which took place with both the tenant and his wife, the relationship between the development of the farm business and the influence of their family was discussed. The conversation went as follows:

Tenant G5 - “we’ve succeeded [in developing the farm business] but we’ve also failed... but it’s difficult to progress, because the next steps [on the farming ladder] aren’t really there. We have tried to leave this holding... when the kids were younger we did; certainly when they were just born and up to the age of five or six”

Wife - “oh we tried after that, right up to the age of thirteen to fourteen”

Tenant G5 - “but once the kids grow up and get into secondary school it becomes more difficult”

Wife - “especially once they are into their O-levels”

Tenant G5 - “you don’t want to move them then, so we didn’t try so hard [to move on]... But of course you’ve got to make a living and still have to develop the business. And of course the longer we stay here, the more our business has developed around this place; so you get your feet ‘stuck further in the mud’... you get offered 150 acres of land down the road and you take it”.

Tenant G5 - “but once the kids grow up and get into secondary school it becomes more difficult”

Wife - “especially once they are into their O-levels”

Tenant G5 - “you don’t want to move them then, so we didn’t try so hard [to move on]... But of course you’ve got to make a living and still have to develop the business. And of course the longer we stay here, the more our business has developed around this place; so you get your feet ‘stuck further in the mud’... you get offered 150 acres of land down the road and you take it”.
Box 7.5: The influence of the late phase of family structure on the cessation of a farm business
Tenant C6 has occupied an arable holding in Cambridgeshire since 1989. During this period, the holding increased in size from 26 ha to 130 ha through property amalgamation. As part of this arrangement, the tenant surrendered his FAT to be replaced by a FBT agreement that expires when he reaches 65 years old. He has implemented his retirement plans and, with his son having chosen a different career path, he has no intention of remaining in occupation of the holding for the full term of tenure. He stated:
“I’ll pack up when I’m 60 in eight years time. My son has taken a different career, so I can’t see the point of flogging myself to death...we’ve enjoyed what we’ve done, but it will soon be time to retire”.

These findings are broadly in line with the three-phase theoretical typology of family farm development cycles identified by Nalson (1968). Of the 60 tenants interviewed, 11 could be categorised in the Early phase, 28 in the Middle phase and 21 in the Late phase (Table 7.2). The relatively low number of tenants in the early phase of family development is perhaps surprising, given that the CFE is regarded as a service for new entrants. However, it can be explained in part by the CFE restructuring process which encourages the amalgamation and enlargement of holdings. This places property in the control of established rather than new entrants. The consequence is a rise in the age profile of the CFE, resulting in higher numbers of tenants in the middle and late phases of the family life cycle. Despite this, each of the three case study CFE still offer new entry opportunities, but at a lower level. Thus the number of tenants in the early phase of the family structure is low.

<table>
<thead>
<tr>
<th>Phase of family structure</th>
<th>Total number of tenants</th>
<th>Cambridgeshire</th>
<th>Gloucestershire</th>
<th>Powys</th>
</tr>
</thead>
<tbody>
<tr>
<td>Early</td>
<td>11</td>
<td>6</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Middle</td>
<td>28</td>
<td>6</td>
<td>12</td>
<td>10</td>
</tr>
<tr>
<td>Late</td>
<td>21</td>
<td>13</td>
<td>3</td>
<td>5</td>
</tr>
</tbody>
</table>

Table 7.2: The number of tenants within each phase of family structure.
Table 7.2 demonstrates how the number of tenants in each category varies geographically. In Cambridgeshire, 13 of the 25 interviewed tenants can be categorised into the late phase of family development. In contrast, the majority of in Gloucestershire (12 of 17) and Powys (10 of 19) fell into the middle phase of family development. These differences can also be explained by the influence of individual management strategies and the nature of arable farming in contrast to livestock production.

Two aspects of estate management strategy can explain the greater number of tenants in the late phase of family structure in Cambridgeshire. Firstly, the granting of long-term tenure arrangements encourages older tenants to remain in occupation of their holding. This raises the age profile of tenants. Secondly, Cambridgeshire County Council regularly grants new, non-successional tenancies to the children of existing tenants. As a result, the children of tenants are less likely to remain at home and work for their parents. Instead, they are able to apply for CFE holdings and become farmers in their own right. As a result, older tenants in Cambridgeshire transcend into the late phase of family structure as dependent children leave home. In Gloucestershire and Powys, CFE management strategies discourage long-term occupation and succession. However, it appears that the labour demands of livestock production and a lack of opportunities for aspiring young farmers encourage the children of CFE tenants to remain at home within these case study examples. This does not necessarily lower the age profile of tenants, but it does appear to increase the number of tenants in the middle phase of family structure.

A consequence of the higher number of children working at home on Gloucestershire and Powys holdings is that it encourages tenants to try and secure future, long-term tenure for themselves or their children. Tenants in these areas were more prepared to invest their own capital in the holding, often using the legislative support of ‘tenants’ improvements’. This legislation provides tenants with the right to be compensated by the landlord for investments they have made to their holding on the termination of any tenancy agreement. Many tenants believe that, rather than pay these compensatory payments, their landlord will grant them, or their children, future occupation rights.
It was not always clear during the interviews whether personal investment had been undertaken under the legislative guidance of tenants’ improvements, or if tenants undertook it themselves for the longer-term benefit of their business. The interviews highlighted how common areas of investment included improvements to houses, buildings and land, erection of new buildings, fixtures and fittings in existing buildings and the development of diversified business premises. In Cambridgeshire, the need for tenant investment was reduced by the availability of funding from the landlord and the availability of commercial crop storage companies, such as Camgrain and Fengrain. Examples of tenant investment in Cambridgeshire included Tenant C14, who had erected a new building at his own expense for the long-term benefit of his diversified business interests. In contrast, Tenant C12 had undertaken investment with the landlord and renovated redundant farm buildings to develop his diversified business portfolio. The landlords justified their own investment by charging additional rent. Overall, the level of tenant investment was noticeably lower in Cambridgeshire than in the other two study areas. Of the 25 tenants interviewed, nine claimed not to have made a personal investment. Of these, five had benefited from the restructuring process and now considered themselves too old to invest, two were new entrants and not had the time or opportunity to do so, one recognised the need, but was unprepared to invest, and one had never recognised a need to invest.

In Gloucestershire (n = 16) and Powys (n = 16) the number of tenants claiming to have invested in their holdings was higher. Of the three tenants making no such claims in relation to investment, two were new entrants and had not had the opportunity to invest. The third tenant occupied a dairy holding and recognised the need for investment to bring facilities up-to-date. However, as he only held a six-year FBT, he was, at the time of interview, unsure if personal investment in dairy facilities was a prudent financial practice. Across Gloucestershire (n = 11) and Powys (n = 10), 21 of the 35 interviewed tenants had undertaken personal investment, either on their own or in conjunction with the landlord, as a tool to secure future tenure for themselves or their children. Examples of such tenant investment in conjunction with the landlord were discussed in Section 6.3. A good example of a tenant utilising tenants’ improvement legislation to secure future tenure for his son is given in Box 7.6.
Box 7.6: Investing in tenant improvements to enhance the succession opportunities for tenants’ children

Tenant P7 occupies a 31 ha dairy holding on a lifetime FAT on the Powys estate. He retains a good working relationship with the landlord, but recognises the financial constraints they work under. As a result, he has invested £25,000 of his own money to upgrade the milking parlour and dairy facilities on the holding. He has undertaken these upgrades as ‘tenant improvements’, ensuring he is entitled to compensation on the termination of the tenancy. However, tenant P7 believes that the landlord will be unwilling to make these compensatory payments. As a result, he argued that this places his son in a strong position to take on the tenancy of the holding. Tenant P7 reflected:

“The holding needed investment if we wanted to stay in milk production…I know there is no way the county council were going to pay and, in all honesty, I understand why…but at the same time, they are unlikely to want to pay out for tenant improvements if they want rid of me...so we took the plunge...£25,000 of own money...it is a decent investment on a farm like this. However, by undertaking these improvements, it must surely place my son in a good position to take over the farm from me...either that or the county council will have to pay me out”.

In many ways, the relationship between tenants and their families underpins the other key property relationships within the CFE. Table 7.3 provides a list of the key actors associated with the CFE, as identified by tenants during the case study interviews. A surprising feature of this is the low number of citations for each group of actors. When asked to identify such actors, 34 tenants could not think of any such individuals or groups. The significance of the banking and financial sector (n = 6) supports the argument that financial capital is a key issue to CFE tenants. With the exception of Natural England, the other seven groups of key actors are in some way related to issues surrounding the tenant/landlord relationship. Local councillors (n = 5), central government (n = 2), local authority land agents (n = 3) and council maintenance staff (n = 2) are all associated with the implementation of CFE management strategy. Local tenant associations (n = 3), external land agents (n = 3) and the NFU (n =3) are all options that tenants can utilise to deal with issues surrounding the tenant/landlord relationship. Natural England (n = 2) was noted as a source of advice on the entry of holdings into various environmental schemes.
### Table 7.3: Key actors within the CFE as identified by tenants

<table>
<thead>
<tr>
<th>Group of key actors</th>
<th>Number of references by tenants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banking and financial sector</td>
<td>6</td>
</tr>
<tr>
<td>Local councillors</td>
<td>5</td>
</tr>
<tr>
<td>Local authority land agents</td>
<td>3</td>
</tr>
<tr>
<td>Central government</td>
<td>2</td>
</tr>
<tr>
<td>Local tenants association</td>
<td>3</td>
</tr>
<tr>
<td>Council maintenance staff</td>
<td>2</td>
</tr>
<tr>
<td>External land agents</td>
<td>3</td>
</tr>
<tr>
<td>NFU</td>
<td>3</td>
</tr>
<tr>
<td>Natural England</td>
<td>2</td>
</tr>
</tbody>
</table>

In general, the relationships between tenants and land agents, as the first point of contact representing the landlord, can be seen as adequate working relationships. Most tenants recognise the constraints under which land agents work and appreciate that in many cases they are limited in what they can do as they have to follow policy procedure. Common complaints across the three case studies included the level of landlord investment, issues surrounding dilapidations from previous tenants and the duration of FBT agreements. Isolated cases were encountered where the personal relationship between tenant and landlord had broken down. In Gloucestershire, for example, tenant G7 had a particularly poor working relationship with the landlord. The tenant pointed out that he had erected nine cattle sheds on the holding to increase productivity. Having done this and taken on the investment himself, he was bitter towards the landlord for wanting to increase the rent, based on the enhanced productivity of the holding. The relationship had deteriorated to the point where he had been served with a notice to quit. Having successfully defended this, the tenant had threatened to serve notice to remedy for what he deemed to be outstanding landlord repairs to the house and buildings. At the time of interview, he had yet to carry out this threat. In Cambridgeshire, the two tenants that had issues with the landlord were in long-term occupation of their holdings on FAT lifetime agreements. The unwillingness of the landlord to either sell these tenants their current holdings or
re-house them was at the centre of these disagreements. These issues are discussed further in section 7.6.

One point noted by those tenants who had been in occupation of a CFE holding for a reasonable period of time was how the landlord had become less dictatorial and more flexible over recent years. They explained how this provided them with more freedom to react to a variety of different business opportunities. The inclination of landlords to allow tenants a higher level of autonomy appears to be indicative of their disengagement from direct CFE regulation. However, the case study findings suggest that, by permitting tenants greater autonomy to engage with the requirements of contemporary agriculture, local authorities have created a scenario that ultimately ties tenants to property and place. In order to explain these arguments, the following two sections discuss these issues in relation to the establishment and development of farm businesses within the CFE.

7.4 The significance of the County Farms Estate to new and existing tenants

It became apparent during the tenant interviews that the CFE is regarded as an important source of agricultural property rights on which to establish and develop a farming business. It is perhaps unsurprising that tenants thought like this, given that they had accessed property rights through the CFE to become farmers in their own right. However, three key patterns emerged within the interview data that highlight the significance of the CFE to new entrants and its role within the agricultural sector. Firstly, the distribution of property rights through the CFE is currently more important to new entrants than it was prior to the mid 1980s. Prior to this period, a number of older CFE tenants recognised, with the benefit of hindsight, how other industry entry mechanism had been available to them. In particular, tenants suggested that they would have been better served in the long-term if they had made a commitment to purchase agricultural property, rather than taking on a CFE tenancy. As one tenant noted, prior to the mid 1980s, the CFE was something of an easy option in terms of getting a farm (see Box 7.7).
Chapter 7: The County Farms Estate: the perspective of tenants

Box 7.7: The thoughts of older tenants on the long-term benefits of the CFE to their farming career

Tenant P2 has been in occupation of the same Powys holding on a lifetime FAT since 1978. During the interview, he reflected on the opportunities that had been available when he became a CFE tenant. He commented:

“Before we came here, we looked at smallholdings in Devon to buy. In those days you could have bought a 70-80 acre farm for £25,000 and, long-term, I suppose we should have done that...we were close to buying, but we ploughed everything into this holding in the end” (tenant P2).

Tenant P1 registered similar sentiments in relation to the long-term benefits of the CFE on his farming career. This tenant had occupied the same 35 ha mixed livestock holding in Powys since 1965. At the age of 64, he purchased a bungalow in a nearby village and was planning to retire. He also lamented on not progressing his business as an owner-occupier, reasoning:

“It was probably a mistake that we took on this holding. Now don’t get me wrong...I’m not being ungrateful...if we hadn’t had this farm, we would have had to look harder. I look at my friends who I went to school with. All the boys have gone into farming...and most have bought their own farms (tenant P1).

The reason why the mid-1980s appears to be a turning point for the significance of the CFE as an entry mechanism is linked to the greater number of small holdings available within the CFE. In Cambridgeshire, for example, there were over 1,200 tenants in the mid-1980s; by 2008, this had fallen to 240.\(^{42}\) Since then, the significance of the CFE as an entry mechanism has increased as the availability of other options is lower. Many recently appointed tenants expressed an unequivocal belief that the CFE has become the only significant industry entry mechanism. A number of these new entrants appeared to be well connected within the industry, but have had to rely on the CFE to access their first holding. Three particular examples of this are provided in Box 7.8.

\(^{42}\) Rural Estates Manager, Cambridgeshire County Council, personal communication, 5/07/2009.
Box 7.8: The experiences of three recent new entrants on gaining access to property rights to establish a farming business

Tenant G1 has lived and worked on farms in Herefordshire, Gloucestershire and Wiltshire. Initially, he had worked as a farm labourer, but over recent years has developed an agricultural contract business in north Wiltshire. Over this time, the tenant has developed many connections within the industry. Despite this, the only way he was able to become a farmer in his own right was when he successfully acquired a Gloucestershire holding in 2008.

Similarly, tenant C2 describes himself as a frustrated farmer, but a lack of opportunities encouraged him to pursue a career as an agricultural engineer. This work allowed him to develop contacts with farmers and landowners across the Fenlands of eastern England. He finally secured a ten-year FBT on a 91 ha arable holding in Cambridgeshire in 2006. He firmly believes that Cambridgeshire County Council is the only landlord currently taking on new entrants in the region.

Finally, tenant C5, in partnership with his wife, started an organic consultant business in 2005. This business currently covers the management of around 16,000 ha across England and the couple have established many industry contacts. Despite this, they were unsuccessful in numerous tenancy applications until they secured a 101 ha arable holding on the Cambridgeshire CFE in 2007.

Some indication of the demand for CFE holdings can be seen in the distances that prospective tenants are prepared to travel to obtain them. In Powys, most interviewed tenants were locals, with only two moving into the area from neighbouring Shropshire. In Cambridgeshire and Gloucestershire, however, a number of non-local tenants occupy holdings alongside those born in the area. In Cambridgeshire, tenants interviewed came from Scotland, Yorkshire, London and Nottinghamshire, alongside those appointed locally. Those interviewed in Gloucestershire, and not coming from the local area, came from Somerset, Derbyshire, South Yorkshire and Wiltshire. The story of tenant C3 exemplifies the role of the CFE as an industry entry mechanism. This tenant, of Scottish origin, had spent the best part of 20 years looking for a livestock holding in the Scottish Borders. It was only when Cambridgeshire County Council decided to create a sheep farm on ‘difficult arable land’ that he was able to
became a farmer in his own right in 1992. During the interview, tenant C3 highlighted the difficulties he had faced in trying to become a farmer. He recounted:

“When I left agricultural college, I worked on a local farm for a few years and then I went home to manage the family farm. I spent my 20s and 30s trying to get a farm in the Borders, but it was a complete waste of time…I never had anywhere near the amount of money needed to start up on my own. I did get short-listed for two farms on a local [private] estate, but as soon as you started doing the sums, I knew it could not be done. So I had to set my sights more realistically and wrote to a lot of private and county farms estates…you do not get that structure [of the CFE] up north…I was lucky to get this holding…they wanted someone to farm livestock on it as it is poor land and really needs to be put down to grass. I do not think they had many livestock farmers in this area, so I got it…I must have been enthusiastic and I must have fitted the criteria…although I do believe I just scraped in on the age range” (Tenant C3).

During the interviews, it became apparent that new entrants can, and do, access agricultural user rights from within the tenanted sector to establish their farming interests. These rights, however, are invariably for the use of bare land, rather than for the user rights associated with equipped holdings (accommodation and buildings). Of those interviewed, nine, or 15 per cent, had previously held agricultural user rights prior to entering the CFE. Despite the availability of alternative user rights, these new entrants were unable to develop a significant farm business without those rights offered through the CFE. One such example was that of Tenant P4, who at the age of 38 took over a 40 ha sheep farm in Powys on a seven-year FBT in 2008. Prior to this, the tenant had already secured a substantial block of around 110 ha of bare land from a private landowner. He had previously tried to buy additional land as a business base, but had been unsuccessful. By taking on the CFE holding, he was able to run 1,110 ewes on his amalgamated holdings. He argued that the CFE holding provided a base from which to develop his existing business. Tenant P4 succeeded his retired father as tenant, but in open competition with others. He believes that his application was ultimately successful due to a sound business plan rather than because he was the son of the previous tenant. There are two points to be made in relation to this example. Firstly, despite having already accessed bare land, the tenant was still
reliant on the CFE to provide a fully equipped holding. Secondly, the letting of this holding to tenant P4 allowed him to be a farmer in his own right. However, this letting goes against the ethos of the CFE as the tenant had already established a farming business and therefore was not a new entrant to the industry.

The dependence of new entrants on the CFE as a provider of user rights for accommodation, buildings and land is indicative of the shift towards a post feudal tenure system under the FBT (Ravenscroft, 1999). With FBT arrangements, landlords are able to retain power and the competition for agricultural property rights increases in two ways: firstly, non-agricultural capital competes with agricultural interests for rural property; and secondly, established farmers are in direct competition with new entrants for agricultural property rights. This encourages the distribution of agricultural property rights as bare land only. Recent research has highlighted how established farmers invariably outbid new entrants; thus the tenanted sector is increasingly becoming a service that excludes new entrants (Gibbard et al., 1999; Ilbery et al. 2006; 2010).

The research findings from the 60 tenant interviews support these arguments in relation to changes taking place within the agricultural tenanted sector. Whilst new entrants can access agricultural property rights, these are insufficient to support an agricultural farm business. As a result, new entrants become reliant on the CFE to provide accommodation, buildings and land. However, the conditions that limit entry opportunities also reduce the availability of progression holdings for established CFE tenants to move onto. Thus established CFE tenants have become reliant on taking additional land, rather than on physical progress, to develop their agricultural business. Table 7.1 highlights how 45 of the 60 tenants interviewed had developed their farm business by being granted additional CFE property. Further to this, 41 of the 60 interviewees had managed too either rent land from the private sector or purchase land, to run as part of an enlarged holding. To put these figures into context, only eight of those interviewed had physically moved from a smaller CFE farm to their current, larger holding.

There are two notable consequences of this reliance on additional property to established tenants. The first of these brings about an increase in the level of
competition for CFE property rights between new entrants and established tenants. The restructuring of the CFE across all three case study local authorities exacerbates this competition. As landlords look to reduce estate expenditure and release the capital value of property, so property rights are increasingly redistributed to established tenants. Invariably, this reduces the opportunities made available to new entrants. However, each of the three case study areas still provides such opportunities, as new entrants were interviewed as part of the research. The second consequence of established CFE tenants taking on additional property is that it enhances their reliance on their current holding. As tenants are often only able to access bare land, so their existing holding becomes a base for a larger farm business. This reduces their mobility and essentially ties tenants to a particular property. The research findings suggest that most of the farm business expansion pathways followed by CFE tenants encourage their reliance on either property or place. Many are reliant on either the services offered by a particular property or a client base within a particular area. This suggests that, rather than being a platform for tenants to enter the wider tenanted and agricultural sectors, the contemporary CFE provides a base for those unable to access other industry entry mechanisms to develop an agricultural career. These issues are discussed in the following section.

7.5 Progressing an established County Farms Estate farm business
The 60 tenant interviews identified seven pathways of farm business development across the three case study estates (Table 7.4). Each entry in Table 7.4 represents the total number of tenants who engage with each specific activity. The adoption of pathways is not singular and individual tenants frequently engage with more than one pathway of farm business development.
Chapter 7: The County Farms Estate: the perspective of tenants

<table>
<thead>
<tr>
<th>Pathway of farm business development</th>
<th>Cambridgeshire</th>
<th>Gloucestershire</th>
<th>Powys</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Progression to larger holding</td>
<td>3</td>
<td>4</td>
<td>1</td>
<td>8</td>
</tr>
<tr>
<td>Granted additional CFE land</td>
<td>20</td>
<td>13</td>
<td>12</td>
<td>45</td>
</tr>
<tr>
<td>Rent or bought land from the private sector</td>
<td>13</td>
<td>14</td>
<td>14</td>
<td>41</td>
</tr>
<tr>
<td>On-farm diversification</td>
<td>7</td>
<td>11</td>
<td>3</td>
<td>21</td>
</tr>
<tr>
<td>Off-farm employment</td>
<td>13</td>
<td>3</td>
<td>11</td>
<td>27</td>
</tr>
<tr>
<td>Entry into environmental schemes</td>
<td>19</td>
<td>10</td>
<td>12</td>
<td>41</td>
</tr>
<tr>
<td>Organic production</td>
<td>1</td>
<td>4</td>
<td>1</td>
<td>6</td>
</tr>
</tbody>
</table>

Table 7.4: Farm business development pathways identified in the case study research

Taking on additional land appeals to tenants as it provides opportunities for economies of scale. Bare land is available to established tenants through the CFE restructuring process and from the wider tenanted sector. This additional land is relatively easy and cost-effective to incorporate as part of an existing farm business. Tenant P5 explained this during interview when he noted:

“It does not really matter if you have 100 or 150 acres to crop...the fixed costs of the machinery you use are the same. It is the same when you are feeding the stock in winter...it only takes marginally longer to feed 150 cows than it does 100 cows... but it does make a difference when you go to market and you have 30 cows to sell, rather than just 20” (tenant P5).

Many tenants explained how tenure arrangements covering additional land are often for short periods or unsecured tenancies. Tenant G10, for example, had occupied a 42 ha livestock holding in Gloucestershire on a lifetime FAT since 1977. Throughout his occupation, he had been reliant on taking additional land to supplement the CFE holding. At the time of interview, he was renting 53 ha of land from the private tenanted sector on an annual grass keep tenancy. Whilst recognising the potential problems that this tenure arrangement presented, he was reasonably confident that his future access to this property was secure. It is the relative security afforded by the occupation of a CFE holding that allows established tenants to take on additional
land. In many examples, the amount of land rented from the private sector was greater than the area of the existing CFE holding. However, due to a lack of accommodation and buildings, and the relatively unsecured nature of these additional tenure agreements, tenants were not able to surrender their CFE holding.

Even when tenants held sufficient security over additional property, the economic benefits of retaining their CFE property meant they were reluctant to relinquish their existing holding. Tenant P8, for example, has occupied a 27 ha holding on a retirement FAT on the Powys CFE since 1993. During this period of occupation, the tenant and his spouse had been able to purchase a 16 ha holding, from which they run a successful livery business. Whilst recognising that they would eventually surrender their CFE holding to become owner-occupiers, it was not in their financial interests to do so until pressurised by the landlord.

This reliance on the CFE as a base was noted for other pathways of farm business development. The reasons why individual tenants follow particular pathways of farm business development were varied. Some, such as the examples of tenants G1 and C2 already discussed, continued with the employment they held prior to becoming a CFE tenant. Others, such as tenant G6, were influenced by a combination of property constraints and available family labour (Box 7.9).
Chapter 7: The County Farms Estate: the perspective of tenants

Box 7.9: Influencing the development of a family farm business in Gloucestershire
Tenant G6 was granted a retirement FAT on a 43 ha Gloucestershire dairy holding in 1985. Subsequent restructuring has seen the farm size increase to 51 ha. Working in partnership with his wife, the farm has been converted to organic and the couple currently run 65 milk cows and followers. During their occupation, the couple have tried to progress beyond the CFE, but have been unsuccessful. Developing the existing farm business has been difficult as they have been unable to access additional organic land in the local area. They are also restricted in the number of cows they can keep due to NVZ legislation. In order to generate additional family income, tenant G6 undertakes off-farm employment, working as a porter in a local hotel. The tenant explained these issues during the interview:

“I usually work four days a week and a couple of evenings. I am doing this instead of keeping an additional ten cows. My wife does a lot of work on the farm and, as she wanted to stay, it is me that goes out to work. Of course, the kids help out as well, but I’m not doing this instead of farming, but doing it in addition” (tenant G6).

The ways in which tenants engage with the seven pathways of farm business development show signs of regional variation. Higher levels of on-farm diversification in Gloucestershire and entry into environmental schemes in Cambridgeshire appear to be influenced by landlord intervention. In Gloucestershire, tenants have been encouraged by the landlord to pursue grant aid to develop on-farm diversification. Likewise, the landlord has actively encouraged Cambridgeshire tenants to enter environmental schemes (Box 7.10). Another trend associated with entry into environmental schemes is how older tenants appear to do so to reduce the labour demands of their holding. The incidence of organic farming is highest in Gloucestershire, with financial motives appearing to influence participation. This cluster of organic farming also conforms to regional trends, with high participation in the south-west of England.
Box 7.10: Engaging with environmental schemes to progress a farm business in Cambridgeshire

In conjunction with his father and uncle, tenant C12 has access to around 285 ha within the Cambridgeshire CFE. Initially, tenant C12 occupied a 10 ha starter holding, but progressed to a larger farm and has added additional land to his current holding. The tenant’s family also own a further 80 ha. With an active working relationship between landlord and tenant, tenant C12 was initially pushed into engaging with environmental farming. Land was entered into the Countryside Stewardship Scheme, encouraging the creation of bridleways. More recently, 140 ha of land managed by the family have been entered into the HLS. The tenant explained the motives for this during the interview:

“The land agent was the one who encouraged us to enter the Countryside Stewardship Scheme. He pushed us, and the implications of entry were not so bad, I mean in terms of how it affected our ability to use the land. Bridleways have been installed and they are well used...we have high public use across the farm. It is more personal now. I like the environmental aspect of farming and we have won awards from Cambridgeshire County Council for the work we have done...ultimately it is a personal choice, but of course the financial rewards of doing it help. Hedge laying is the thing at the moment...we have done around one kilometre already and hope to do around five in total” (tenant C12).

The key point to be made here is how engagement with one or more of these seven pathways of farm business development has the impact of increasing a tenant’s reliance on property or place. This occurs as the development of a contemporary multifunctional farm business relies on the service provided by property or the market opportunities developed within the locality of the property. As tenants develop these farm businesses, so they expand the income generating capacity associated with the property, beyond its agricultural worth. This means that, even if such opportunities were available, tenants could not simply replace CFE property with additional property. These connections between tenants and property and place are strengthened by the economic and social capital invested within a multifunctional farm business. A particularly good example of this was demonstrated by tenant G2, who took over a 53 ha livestock and arable holding in Gloucestershire in 1987. Holding a retirement FAT, the security this affords has allowed the tenant and his family to develop a
diverse business portfolio. This includes a bed and breakfast, a farm shop, butchery and hosting events, such as weddings and birthday parties. Alongside this, he rents around 160 ha of additional land on various tenure arrangements. This allows him to run 550 ewes, 250 head of cattle and grow 140 ha of crops. His wife also grows and sells sunflowers and his son keeps pigs and hens, with the produce being sold through the farm shop. The tenant estimates that his investment in the holding extends to around £100,000. Having initially looked for alternative holdings to progress onto beyond the CFE, the tenant would now be reluctant to consider such actions. Given the level of economic and social capital invested in the holding, tenant G2 could not envisage how progression onto another holding would be more beneficial for him or his family.

This example provides an insight into the issue of tenant mobility within the contemporary CFE. Chapter 6 explained how the approach to tenant mobility in the case studies varied between Cambridgeshire, Powys and Gloucestershire; the former was happy to promote long-term occupation by tenants, whilst the latter two were eager to encourage progression beyond the CFE. Despite these differing approaches, the conditions in which tenants operate in each case study in relation to the development and expansion of farm businesses are the same. This allows all tenants to take on non-CFE property rights to progress their existing CFE business. As a result, tenants have no real need to progress beyond the CFE in order to develop an expanded and/or diversified farm business. Thus they retain the CFE as a base and expand around it, rather than at the expense of it. This process appears to have developed since the Agriculture Act 1970 encouraged restructuring to promote internal progression opportunities. Subsequent restructuring has seen established tenants granted additional CFE property rights, encouraging a reliance on economies of scale. Tenants have supplemented this by taking on non-CFE property - a process that appears to have become acceptable over time, despite being prohibited within CFE legislation. It appears that this has become acceptable to landlords because it has no impact on the long-term objectives of estate management and allows tenants to maintain the economic viability of their farm business.

Whilst the conditions found in the contemporary CFE reduce a tenant’s ability and desire to progress beyond the CFE, the security of tenure afforded by the FAT has
also encouraged long-term occupation. Whilst the transition to the FBT has shifted the balance of power back towards the landlord, tenants are still able to engineer situations to create greater security of tenure. In order to unpack the influence of tenure arrangements on CFE tenants, they are further discussed in the following section.

7.6 The influence of tenure arrangements on County Farms Estate tenants

Since 1995, all new tenancies granted within the CFE have been FBT agreements. As a result, the number of FAT arrangements is in decline as tenants retire and arrangements are renegotiated. Of the 60 tenants interviewed, half (n = 30) occupied their holding under FAT agreements and the other half under a FBT arrangement. One recognised problem associated with the FAT is that it encourages long-term occupation of holdings (Ravenscroft, 1999). Within the CFE, four of those interviewed were known to be over the age of 65 years old. One of these was 67 and continued his occupation on a short-term FBT. Of the other three, one was unable to work, another was confined to a wheel chair and the third was still active as a farmer. The reasons for this continued occupation by these elderly farmers varied in each case, but they are all fostered by the security of tenure offered by FAT legislation.

At the age of 77, tenant C8 is still active in the running of his holding and has no immediate plans to retire. To reduce his workload, his entire holding is managed as a Site of Special Scientific Interest. This provides additional income and land is taken out of production. He also employs contractors to undertake the majority of the farm work. When considering his continued occupation of the holding he reasoned:

“If I cannot get on and off a tractor, then I shall pack up. It is as simple as that. I do the cultivating and I rear some pheasants, so it provides me with a jolly good interest”.

The tenant noted the relative position of power and the security of tenure his FAT provided him. When asked if had made plans for retirement, he was fully aware of the landlord’s requirement to provide alternative housing. He noted:

“My father left us a house in Cambridge, but technically the council would have to rehouse us. A bungalow in the village would probably suit my wife, but we don’t know. It could happen, but I’m not saying it would”.

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Tenant C9 also cited similar influences for his continued occupation of a Cambridgeshire holding at the age of 77 (Box 7.11). During interview, the tenant provided an insight into land management and upkeep issues that arise when older tenants retain occupation beyond their active working years. This issue of holding dilapidation associated with older tenants was of concern to management personnel and a number of the new entrants who had replaced elderly tenants. These concerns were primarily associated with the economic costs of returning the holding to full productivity.

Box 7.11: the recognised problems of long-term holding occupation: the views of tenant C9.

Tenant C9 took on a seven ha holding in Cambridgeshire on a lifetime FAT in 1967. The holding now extends to 40 ha, although the tenant is confined to a wheelchair. During the interview he discussed the issue of retirement:

“I could have bought a house down the village to retire into...perhaps some seven or eight years ago, but with property prices, I thought no...when I get to 65 I’ll retire, have my cottage in the village [provided by the landlord as alternative accommodation], thank you very much... I am now 76 and I should be finished farming...but I enjoy it. I wouldn’t know what else to do. When you put the corn in the shed, when you have finished harvesting and shut the door you go, ‘Yes, I did that’. Of course I used to do all the work myself...thoroughly enjoyed it. When you are out and about in the fields doing the work, it is the best place to spot problems. Of course now the contractors do it...they do not see things the same as I would. I can always find a field to moan about after they have been in” (tenant C9).

The research findings suggest that transition towards the FBT has produced only a slight shift of power away from the tenant back towards the landlord. In theory, the relatively short-term nature of the FBT can be used as a tool to encourage tenants to progress beyond the CFE. In reality, the failings of the wider tenanted sector mean that CFE tenants are unable to progress externally and local authorities are obliged, under legislative guidance, to grant additional terms of tenure to existing tenants. The case study research highlighted how even in Powys and Gloucestershire, where the landlord actively tries to encourage progression, tenants are unable to move holdings.
This results in the long-term occupation of CFE holdings by tenants, limiting the potential of the FBT as a management tool to encourage tenant progression.

### 7.7 Chapter summary

This Chapter has demonstrated how the tenants’ experience of the CFE is heavily influenced by the conditions found in the wider tenanted and agricultural sectors. In particular, the restructuring of these sectors and the transition towards fewer, larger holdings impacts on CFE tenants in five particular ways:

1. It increases the importance of the CFE at the local and national level as a provider of equipped holdings on which to establish a farming business;
2. The economic costs of establishing a farm business on larger, equipped holdings mean that the CFE is no longer a point of entry onto the farming ladder, but a means of progressing up it;
3. Once established, tenants have little alternative but to rely on the CFE as a base for expansion of the farm businesses;
4. The pathways of farm business development employed by tenants invariably tie them to the holding as a point of access to additional property rights, or business opportunities; and,
5. In order to try and secure the long-term occupation of holdings, tenants are engaging with the socio-economic capital provided by family to renegotiate more favourable terms of tenure.

The findings from the three empirical chapters are further discussed and placed into their wider academic context in the final chapter of this thesis.
Chapter 8

Discussion and conclusions

8.1 Introduction

The purposes of this final chapter are three-fold. Firstly, it discusses the research findings in the context of relevant academic debates and theoretical arguments developed in earlier chapters. Secondly, it draws conclusions from the research in relation to its original aims and objectives. Finally, the chapter also comments on the limitations of the research and potential directions for further research.

To meet these aims, the chapter is structured into two main sections. Section 8.2 considers three key aspects of the case study research findings, which are also supported by the review of secondary data and/or the email questionnaire survey of estate managers. Thus Section 8.2.1 considers the view that the development of geographically varied CFE management strategies can be explained by the conceptual arguments developed in Chapter 3. Following Spencer (1998) and Whatmore et al. (1990), it is argued that local authorities are engaging with real regulation at different rates, leading to a spatially variable redistribution of agricultural property rights within the CFE. Using the findings of the research, it is further argued that individual local authorities employ four distinct CFE management strategies: consolidation; partial disinvestment (rationalisation); partial disinvestment (core estate); and comprehensive disinvestment. Under these four approaches, local authorities are able to redistribute agricultural property rights to best serve the specific aims and objectives of CFE ownership. In general, these four approaches are detrimental to new entrants as they reduce the distribution of agricultural occupation rights. However, by using the legislative guidance of tenure arrangements, tenants and landlords are able to contest the position of power within their relationship. The implications of this are discussed in Section 8.2.2. In particular, consideration is given to the high
degree of flexibility demonstrated by tenants, and the significance of family within this, as they try to manipulate more favourable terms and conditions of tenure. It is argued that tenant responses may be better explained through recognising the importance of cultural influences, including family, which capture a more complex set of power relationships, in line with the discussions of Ravenscroft (1999) and Gibbard et al. (1999). These arguments are founded on the understanding that contemporary tenure arrangements (especially the FBT) are determined through dyadic negotiations between landlord and tenant (Ilbery et al. 2010). This freedom of contract is indicative of more post-modern concerns of individualisation, “being more culturally and contextually related to the structural shifts occurring elsewhere in society” (Gibbard et al. 1999: p. 269). Section 8.2.3 then discusses the research findings in the context of wider academic debates in an attempt to define the social status of CFE tenants, the position of the CFE within the wider agricultural sector and its role as a service to the agricultural industry. This discussion engages with the arguments of Gibbard et al. (1999), Ravenscroft (1999) and Ilbery et al. (2006; 2010).

Finally, Section 8.3 provides some concluding remarks and relates the main research findings to the original aims and objectives of the research. This section also considers the limitations of the research and potential directions for future research.

8.2 Discussing key research findings

To facilitate discussion, this section provides a brief résumé of the key issues surrounding three important empirical research findings. These findings are then discussed in relation to the wider theoretical debates associated with each issue.

8.2.1 Management strategies within the county farms estate

Under the regulatory guidance of the Agriculture Act 1970, the CFE has undergone a sustained period of restructuring. Within this Act, the justification for restructuring was agricultural efficiency and the promotion of fewer, larger holdings. This process has seen the amalgamation of holdings, encouraging the
disposal of geographically isolated, low value or high value property. Alongside the generation of capital receipts from these property sales, this policy has also allowed landlords to reduce the capital expenditure required to maintain less viable holdings. Over time, local authorities have challenged existing CFE regulation and many now employ management strategies to help meet wider state-regulated obligations. These wider influences promote the economic emphasis of estate management strategies and encourage higher levels of property disposal. They also promote the non-agricultural use of former agricultural property for additional socio-economic purposes. These issues were discussed at length in Chapter 6.

The conceptual arguments developed in Chapter 3 suggested that, following Spencer (1998), it is possible to theorise the different management strategies adopted by traditional institutional landed estates into three distinct categories: consolidation; partial disinvestment; and comprehensive disinvestment. Using these categorisations, one can theorise the consequential process associated with each - namely, tenurial restructuring, redefining the distribution of property rights and the ways in which this reduces or enhances the opportunities for new and existing tenants. These management strategies are influenced by the different regimes of real regulation that are applicable to traditional institutional estates. Within the CFE, two particular regimes of real regulation (direct CFE regulation and the wider regulatory purposes of local authorities) influence the development of estate management strategy. It is the ability of local authorities to engage with these regimes of real regulation at different levels of intensity that influences individual management strategies. By applying these theoretical arguments to the findings of this research, it is possible to explain why CFE restructuring occurs and the consequences of this for the retention and distribution of CFE property. However, these processes are more complex than the arguments developed in Chapter 3 (and visualised in Figure 3.6). Rather than promoting three categories of management strategy, four such strategies can be identified: consolidation; partial disinvestment (rationalisation); partial disinvestment (core estate); and comprehensive disinvestment. The presence of two partial disinvestment
management strategies arises due to the significant difference between landed (land) and domestic (houses and buildings) property within the CFE. The significance of the distinction between ‘land’ and ‘property’ was noted by Spencer (1998) within other traditional institutional estates. He argued, “this distinction is considered to be of particular importance given that the socio-economic relations associated with both types of property can help to shape and reshape the attributes of rural locales” (p: 338). In order to explain these arguments, each of the four management strategies is discussed in relation to the conceptual framework developed in Chapter 3.

Consolidation management strategies are concerned with the overall retention of landed estates to satisfy the oft-competing demands of direct CFE legislation and wider statutory obligations. The case study research highlighted how Cambridgeshire County Council and, formerly, Gloucestershire County Council adopted such a consolidation management strategy. Other local authorities identified as adopting similar strategies through the questionnaire survey of estate managers include Cornwall and Hampshire. Four key aspects of management define consolidation strategies:

- The economic efficiency of estate management;
- Wider use of CFE property to maximise its economic value;
- Undertaking agricultural restructuring to create larger, equipped holdings (even in Cambridgeshire, where the demands of arable farming have encouraged a lower percentage of equipped holdings, management strategy now promotes their provision); and
- The disposal of isolated, low yielding or high value property.

Under a consolidation management strategy, the purpose of estate ownership is the retention of agricultural interests, maintaining a reliance on the landlord/tenant system with minimal tenurial restructuring. Some degree of property disposal can be expected, as the need for economic efficiency demands a progression towards larger agricultural holdings. This promotes the letting of larger equipped farms and bare land that is generally amalgamated with other holdings. The creation of
larger holdings allows for the disposal of surplus property, which encourages owner occupation and non-agricultural occupancy. The consolidation management strategy offers opportunities for new entrants, but at a reduced level. This occurs as the restructuring process reduces the overall number of holdings that are re-let. The strategy also provides opportunities for established tenants as they benefit from the amalgamation of bare land, increasing the size of their existing holdings. An additional feature of the consolidation strategy is the use of property for non-agricultural purposes in order to maximise its economic potential (non-agricultural business, recreation, educational and environmental purposes).

Using the example of the Cambridgeshire CFE, it is possible to visualise the consequences of the consolidation strategy within the confines of the conceptual framework developed in Chapter 3 (Figure 8.1). This strategy encourages the retention of the landlord/tenant system and the distribution of agricultural occupation rights. Restructuring focuses on the provision of larger equipped holdings, but the restructuring process maintains the provision of opportunities for new entrants. Over recent years, the Cambridgeshire CFE has taken on the highest number of new entrants of any individual local authority. The restructuring process also sees the amalgamation of property to provide larger holdings for established tenants. These rights to property are distributed as agricultural user rights as they represent bare land. The consolidation strategy employed in Cambridgeshire does remove some property rights from agricultural production and the disposal of surplus property encourages low rates of owner-occupation and non-agricultural occupancy. The rights to this property are redistributed as owner and non-agricultural rights. Some property is also retained by the landlord, but removed from agricultural production. This promotes the distribution of non-agricultural user rights. The Red Tile wind farm is one example of this and the letting of property to commercial businesses. The consequences of this consolidation strategy is visualised down the left-hand side of Figure 8.1 (the key processes in Figure 8.1 are represented in bold).
### Chapter 3: Conceptualising agricultural property rights

#### Outcome of management strategy

- **Consolidation**
  - Partial disinvestment
  - Comprehensive disinvestment

#### Tenurial restructuring

- **Retention of Landlord/tenant system**
  - Owner occupation
  - Non-agricultural occupancy

- **Agricultural occupier rights**
- **Agricultural user rights**
- **Non-agricultural user rights**
- **Owner rights**
- **Non-agricultural rights**

#### Distribution of property rights

- **Entry opportunities**
- **Provision for established CFE tenants**
- **Provision for non-CFE farmers**

**Figure 8.1:** The distribution of agricultural property rights defined by the consolidation management strategy followed by Cambridgeshire County Council
Partial disinvestment management strategies are classified as such because of the systematic disposal of some, but not all, CFE property. Two different types of partial disinvestment strategy can be observed within the CFE, based on the significance of different types of property within the management approach: partial disinvestment (rationalisation) and partial disinvestment (core estate). The partial disinvestment (rationalisation) strategy is classified as such because the main objective of estate restructuring is to improve its economic and agricultural efficiency. This approach facilitates the provision of fewer, larger holdings to reduce capital expenditure on repairs and maintenance. It also focuses on the disposal of buildings and farmyards with a high financial liability, with an overall retention of land. In contrast, the partial disinvestment (core estate) strategy encourages a more uniform disposal of property to leave a core agricultural estate. This approach can lead to the disposal of property, land or entire farms. The purpose is again to improve agricultural efficiency, reduce capital expenditure and release the economic value of property.

The case study research identified how the management of the Powys CFE can be classified as a partial disinvestment (rationalisation) strategy. This CFE is served by a relatively high number of traditional stone farm buildings. These bestow a high financial liability on the landlord for repairs and maintenance. Thus the adoption of a partial disinvestment (rationalisation) strategy allows for the disposal of these financial liabilities, with bare land added to adjacent holdings to create fewer, larger holdings. Figure 8.2 demonstrates how the partial disinvestment (rationalisation) strategy impacts on the distribution of property rights associated with the Powys CFE. As this policy encourages the retention of land, but the sale of property, it places a continued reliance on the landlord/tenant system. Under this system, property rights are increasingly distributed as agricultural user rights (bare land), promoting the service for established tenants. Limited opportunities may be available for new entrants if and when equipped holdings are retained and re-let. This process also facilitates non-agricultural occupancy as buildings and farmyards are sold for development. This removes former agricultural property rights from the CFE.
In theory, the partial disinvestment (rationalisation) strategy should restrict the number of opportunities made available to new entrants. This occurs as vacant land is amalgamated with other holdings rather than being re-let separately. However, in Powys, the distribution of land is more flexible, allowing its transfer between different holdings. Powys County Council often alters the size of adjacent holdings as existing tenants retire. This allows them to create either larger holdings for progression or smaller holdings for new entrants. However, the Lincolnshire CFE, which was identified in the earlier phases of research as adopting the characteristics of the partial disinvestment (rationalisation) strategy, offers a contrast to the findings of the Powys case study. Lincolnshire County Council holds the view that tenants have few opportunities to engage with diversified business interests because of the distance to alternative markets or potential customers. As a result, the restructuring process fosters the provision of larger holdings, allowing tenants to access economies of scale. This encourages a redistribution of property rights as existing tenants are allocated agricultural user rights through amalgamation. Thus established tenants are given the opportunity to progress their farm businesses internally, at the expense of potential new entrants. In Lincolnshire, this strategy has meant that no new entry opportunities have been provided over the past six years or so.
Chapter 8: Discussion and conclusions

Outcome of management strategy

- Consolidation
- Partial disinvestment (rationalisation)
- Comprehensive disinvestment

Tenurial restructuring

- Retention of landlord/tenant system
- Owner occupation
- Non-agricultural occupancy

Distribution of property rights

- Agricultural occupier rights
- Agricultural user rights
- Owner rights
- Non-agricultural rights

Entry opportunities

- Provision for established CFE tenants
- Provision for non-CFE farmers

Opportunities for existing tenants - Decreased

Figure 8.2: The distribution of agricultural property rights defined by the partial disinvestment (rationalisation) management strategy followed by Powys County Council
The new CFE management strategy implemented by Gloucestershire County Council at the end of the case study research demonstrates the characteristics of the partial disinvestment (core estate) approach. The focus of this new strategy is to release some of its financial potential, whilst improving the economic and agricultural efficiency of the remaining core estate. Wiltshire County Council was noted in the earlier phases of research as also employing a similar management strategy.

In Gloucestershire, the transition towards a smaller, core estate will maintain the significance of the landlord/tenant system to distribute CFE property rights. This will, however, be at a reduced rate as property sales encourage owner occupation and non-agricultural occupation. The disposal of property encourages the distribution of owner rights and non-agricultural rights. Likewise, the economic value of property means that these rights will almost certainly be exploited by established farmers and non-agricultural capital. Those property rights retained within the CFE may be distributed as agricultural occupation or agricultural user rights. This occurs as the focus of restructuring is agricultural efficiency rather than the systematic creation of larger holdings. As a result, entire holdings may be re-let or amalgamated with an adjacent farm. This retains the provision of opportunities for both new entrants and established tenants, albeit at a reduced level.

This process is visualised in Figure 8.3, as a passage down the centre of the diagram. All three aspects of tenurial restructuring are encouraged under this strategy, although the majority of property is distributed through the landlord/tenant system. Under this strategy, the redistribution of property rights is also more evenly disseminated as agricultural occupation, agricultural user, owner and non-agricultural rights. This, in turn, theoretically offers some opportunities to new entrants, established tenants and non-CFE farmers.
Chapter 8: Discussion and conclusions

Outcome of management strategy

- Consolidation
- Partial disinvestment (core estate)
- Comprehensive disinvestment

Tenurial restructuring

- Retention of Landlord/tenant system
- Owner occupation
- Non-agricultural occupancy

Distribution of property rights

- Agricultural occupier rights
- Agricultural user rights
- Owner rights
- Non-agricultural rights

Entry opportunities

- Provision for established CFE tenants
- Provision for non-CFE farmers

Opportunities for existing tenants

- Increased
- Decreased

Figure 8.3: The distribution of agricultural property rights defined by the partial disinvestment (core estate) management strategy adopted recently by Gloucestershire County Council
Comprehensive disinvestment strategies represent the complete disposal of the CFE. Restructuring under such strategies can be variable: sales can take place as and when tenancy agreements end to maximise the freehold value of property; sales can be made to sitting tenants; and estates can be sold en bloc with tenants in occupation as investment opportunities (Spencer, 1998). This process leads to complete tenurial restructuring as the landlord/tenant system is abandoned and replaced by owner occupation and non-agricultural occupancy. This redistributes former CFE property rights as agricultural user, owner rights and non-agricultural rights. This offers no provision for new entrants, although some existing CFE tenants may be able to benefit if they are able to purchase their holding. Some agricultural user rights may be available if property is re-let by the new owner. However, the majority of property rights are likely to be taken on by owner-occupier farmers or non-agricultural capital.

The case study research did not examine an example of comprehensive disinvestment. However, the earlier phases of the research demonstrated how local authorities adopting such approaches to CFE management included Northumberland, North Yorkshire, Kent and Essex. The consequences of this have been a loss of at least 60 per cent of CFE area and number of tenants in these four local authorities between 1997 and 2010 (Section 5.3.2). It is possible to theorise the consequences of the comprehensive disinvestment strategy on the distribution of agricultural property rights using the example of Northumberland (Figure 8.4). The long-term strategy in Northumberland reviews the future uses of each holding as the existing tenure arrangements end. Over recent years, strategy has followed a comprehensive disinvestment strategy to take advantage of the freehold value of property. Figure 8.4 identifies how the outcomes of this strategy are visualised to the right hand side of the diagram. Property sales end the use of the landlord/tenant system, allowing owner and non-agricultural occupation. This process eradicates agricultural occupation rights accessible to new entrants and reduces the availability of agricultural user rights. Thus former CFE property rights are occupied as owner or non-agricultural rights in the private sector.
Chapter 8: Discussion and conclusions

Outcome of management strategy

Consolidation
Partial disinvestment
Comprehensive disinvestment

Tenurial restructuring

Retention of Landlord/tenant system

Owner occupation
Non-agricultural occupancy

Agricultural occupier rights
Agricultural user rights
Owner rights
Non-agricultural rights

Distribution of property rights

Entry opportunities
Provision for established CFE tenants
Provision for non-CFE farmers

Increased
Opportunities for existing tenants
- Decreased

Figure 8.4: The distribution of agricultural property rights defined by Northumberland County Council’s CFE management strategy
It is through the application of management strategies that local authorities are able to hold a position of power in relation to the CFE. All management strategies allow landlords to restructure their estates and undertake some level of property disposal. This process provides landlords with the power to manipulate the distribution and availability of rights to new and established CFE tenants. When a local authority adopts a comprehensive disposal strategy, it is able to execute the ultimate power held over property through the disposal of the bundle of rights attached to it (Blomley, 1994). However, where local authorities retain agricultural property, the research findings highlight how the position of power in the landlord/tenant relationship is open to constant negotiation. This is discussed in the following section.

8.2.2  *Negotiating the position of power in the landlord/tenant relationship*

Chapter 3 identified how the position of power within the landlord/tenant relationship varies depending on the type of tenurial arrangement being used. Whatmore et al. (1990), for example, argued that secure tenancies, including the FAT, allow tenants to access only the user rights associated with agricultural property. Under such arrangements, they argued that the ownership and occupation rights remain with the landlord, allowing them to retain the balance of power within the landlord/tenant relationship. Ravenscroft (1999) contested this assertion, based on the security of tenure offered by the FAT. He argued that as the FAT grants lifetime occupancy it provides tenants with long-term occupation. This promotes the concept of the ‘career tenant’, who is happy to remain in occupation until they retire or for the duration of their lifetime. According to Ravenscroft, the career tenant is a product of the neo-feudal structure of leasing arrangements, of which the FAT is indicative. This leasing arrangement represents a passive landlord/tenant system, where property is differentiated between ownership and occupation. Investment in property is for long-term benefits and tenure arrangements are regulated likewise.

Of those tenants interviewed as part of the research, half held FAT agreements. This gave them the security of tenure to continue to exploit the income generation capacity of the holding and placed no onus on progressing beyond the CFE. These tenants are able to dictate their exit from the CFE and the landlord cannot regain vacant possession of property until the tenant chooses to move off the holding. As a result, it
is the tenant, rather than the landlord, who retains the balance of power where FAT agreements are in operation within the CFE.

One aim of the FBT, introduced under the Agricultural Tenancies Act 1995, was to promote activity within the tenanted sector by allowing landlords and tenants greater freedom to negotiate tenure arrangements (Whitehead et al. 2002). Ravenscroft (1999) reasoned that this was indicative of the transition towards a post-feudal structure of leasing arrangements. Within such systems, “parties are free to determine the terms of the lease, with virtually no regulatory obligations (for the land or the lease) applying to either party” (Ravenscroft, 1999: p. 251). Recent research has demonstrated how this freedom to negotiate has allowed landlords to reclaim the balance of power from tenants. Firstly, the short-term nature of FBT arrangements makes it easier for them to reclaim the freehold ownership of property (CAAV, 2006; 2010). Secondly, they can differentiate between residential property and land in order to maximise its economic potential (Ilbery et al. 2006). This encourages the non-agricultural use of residential property and the distribution of agricultural user rights as bare land, which become add-ons to existing farm businesses (Gibbard et al. 1999; Ravenscroft, 1999; Ilbery et al. 2006; 2010).

These processes occurring across the wider tenanted sector are also prevalent within the CFE. The ability of local authorities to restructure the CFE under the consolidation, partial disinvestment (rationalisation) and partial disinvestment (core estate) strategies is underpinned by the differentiation of property, amalgamation of holdings and sale of surplus property. However, tenants have responded to this shift in the balance of power, particularly in relation to the short-term nature of FBT arrangements. They have utilised the socio-economic capital provided by their family to encourage a renegotiation of the position of power within the landlord/tenant relationship. This was undertaken under the patronage of ‘tenant’s improvements’ legislation, which allows the tenant to make capital investment to improve the condition of their holding. Under this legislation, tenants are entitled to compensatory payments for this investment when their tenancy agreement ends, providing it ends within a stipulated period after the investment was undertaken. Rather than make these compensatory payments, landlords are willing to grant additional terms of tenure. This process does offer benefits to landlords as tenant
investment provides an improvement in the asset value of their property. Granting additional terms of tenure to the incumbent tenant also reduces the management workload associated with installing a new tenant.

The research findings also identified how the ability to negotiate terms of tenure under the FBT has encouraged both landlords and tenants to contest the position of power associated with FAT agreements. This renegotiation process focuses on the surrender of the long-term FAT in return for new, improved terms of tenure. Tenants are willing to replace FAT with relatively short-term FBT arrangements in return for being granted additional land or succession rights for their children. The ability of tenants to renegotiate tenure arrangements in this way represents a significant shift in the balance of power in the landlord/tenant relationship. Rights of succession have historically been prohibited within the CFE and long-term occupation of holdings has been actively discouraged.

This process also provides benefits to the landlord and the research has demonstrated how they are willing to instigate tenure renegotiation in order to bring about the surrender of long-term FAT agreements. The motivation for this is three-fold. Firstly, it provides landlords with more control over the length of tenure arrangements. In particular, by replacing long-term FAT agreements with shorter-term FBT arrangements it is possible to pre-determine the end of tenancies. This strategy reduces the continued occupation by elderly tenants and the problems associated with this. These include the need to provide alternative accommodation and the deterioration of holding conditions as older tenants struggle to cope with the necessary workload. Secondly, the addition of extra land to existing holdings is part of the on-going restructuring process. By renegotiating the end of FAT agreements in return for additional land, landlords are actually ceding little power to the tenants. Thirdly, succession by family members provides certain benefits in relation to the management of the CFE. These include new tenants having existing knowledge and experience of farming on particular holdings or in certain areas. Succession can also facilitate a smoother transition between outgoing and incoming tenants.

Within the CFE, the renegotiation of tenure is still influenced by the remnants of the regulatory framework that informed the agricultural tenanted sector. Both the
continued influence of FAT and ‘tenant’s improvements’ regulation allow tenants to structure the negotiation process, even in relation to the FBT. This suggests that, even if the FBT is indicative of a full transition to a post-feudal structure of leasing arrangements, its operation in the wider tenanted sector prevents it from fully being so. The agricultural tenanted sector in England and Wales currently maintains the influence of regulatory guidance. Whilst this remains, the negotiation of tenure arrangements is likely to be influenced accordingly.

Gibbard et al. (1999) argued that the contractual nature of the FBT allows a shift in the emphasis of negotiation away from property, with an underlying motive to “replace the traditional, legally-defined, link between agricultural tenants and individual farms with the construct of the tenancy as short-term contractual arrangement...[which] effectively replaces ‘property’ with ‘contract’ as the dominant artefact of significance in the landlord/tenant relationship” (p; 276). However, within the CFE the continued influence of FAT and tenant’s improvement regulation means that, whilst the freedom to renegotiate tenure arrangements is apparent, property remains the significant factor within this process. The consequences of this are significant as it is only those who have access to the rights associated with CFE property that are able to participate in the negotiation process. As potential new entrants do not hold such rights, they are excluded from the negotiation process. The only party holding such rights and able to participate in the negotiation process are existing tenants. Thus it is only their demands that are represented within the negotiation process.

The ability of established tenants and the inability of new entrants to negotiate access to agricultural property rights within the CFE have been demonstrated within this research. It was noted in Chapter 7 how 45 of the 60 interviewed tenants had been granted additional CFE land through the restructuring process. In contrast, the CIPFA statistics discussed in Chapter 5 identified how, between 2007 and 2010, less than two per cent of CFE tenancies had been granted to new entrants. These research findings are in contrast to other research on the conditions found in the agricultural tenanted sector since the Agricultural Tenancies Act 1995. Gibbard et al. (1999: p. 277), for example, postulated:
“Perhaps the greatest, and most tangible, threat to farm tenancies is that they will continue to be devalued in the eyes of the rural community. Already, with the massive shift to owner-occupation, tenant farmers who have not, for whatever reason, sought personal enfranchisement, are becoming regarded as second class citizens, the last vestiges of rural peasantry”.

Presenting similar arguments, Ilbery et al. (2010: p. 433) suggested:

“Irrespective of changes in the amount of land available for rent...two significance groups in the let sector – traditional tenants and new entrants – are likely to fare worst over the coming years. This will contribute to the blurring between ‘owner-occupied’ and ‘tenanted’ sectors: as farming businesses get bigger, they will farm more land under a mixture of arrangements – as owner, tenant and/or agricultural contractor”.

Thus this research has demonstrated how established CFE tenants are able, through the flexibility of tenure encouraged by the FBT, to expand farm businesses through mixed tenure portfolios. Of the 60 tenants interviewed as part of this research, 41 had accessed additional land from the private sector as either renter or owner-occupier. Many held land under both arrangements and some rented off more than one additional landlord. This ability of CFE tenants to access additional property rights in this way suggests that they are becoming the epitome of Ravenscroft’s (1999) post-feudal tenant. The post-feudal tenant operates with flexibility in a short-term, multi-tenure contract system. This is in contrast to the more traditional career tenant, who operated under the security of tenure afforded by the FAT. Rather than becoming the ‘last vestiges of rural peasantry’, established tenants are able to utilise the CFE to enable personal enfranchisement and step up the farming ladder. Indeed, CFE tenants can be respected members of the rural community. This was noted in Cambridgeshire, where one CFE tenant has become the national spokesman on tenancy issues for the NFU. At least three other Cambridgeshire CFE tenants have also been NFU local branch chairmen at some point. This is, however, to the detriment of new entrants as the competition for agricultural property rights within the CFE restricts their chances of acquiring land. As a result, conditions in the
contemporary CFE empower the existing tenant and marginalize the new entrant. This not only helps to define what the concept of the CFE tenant is, but it also highlights the position of the CFE within the wider agricultural sector. These issues are addressed in the following section.

8.2.3 *The position of the county farms estate within the wider agricultural sector*

Despite the recognised difficulties facing new entrants within the tenanted sector, 15 per cent of those interviewed during this research had previously occupied land in the private sector prior to entering the CFE. Invariably, this occupation was for bare land, offering just agricultural user rights. It was only by taking on a CFE holding that these tenants were able to expand their farm business on an equipped holding. The ability of new entrants to access land prior to entering the CFE represents a shift in the original purpose of the CFE. Historically, the CFE has been seen as the first step on the farmer ladder, from which able tenants can progress into the wider agricultural industry (Wise Committee Report, 1966). However, these research findings suggest that the CFE is not always the first step on the farming ladder. Instead, it has sometimes become a subsequent step up the farming ladder that allows those with access to sufficient working capital (finance, stock, or machinery) to progress their farming business through the provision of agricultural occupation rights. This occurs as the restructuring process within the CFE encourages a shift towards larger equipped holdings. The economic costs of occupying such holdings are beyond the reach of many new entrants. Instead, potential CFE tenants need time, or the support of family, to accrue the necessary agricultural capital to occupy available holdings. Thus it is often those from a farming background and with the socio-economic support of family that are best placed to take on new tenancies.

Once in occupation of a CFE holding, there are few opportunities available to tenants to physically progress onto holdings in the wider tenanted sector or as owner-occupiers. The high occurrence of bare land lets means that tenants are unable to acquire agricultural occupation rights on larger equipped holdings to aid progression. However, CFE tenants are able to utilise bare land lets from the private sector to expand farm businesses established within the CFE. Historically, tenants have been prohibited from taking on additional land as part of an enlarged CFE farm business. However, many local authorities now appear to accept that individual tenants need to
take on additional land as a necessary farm business survival strategy. By following this expansion strategy, tenants are able to benefit from economies of scale, which promotes farm business development in three ways. Firstly, many tenants are already in possession of the means of production, such as stock and machinery. Secondly, most of those tenants interviewed had begun their farming career with what can be recognised as productivist ideals, whereby they wish to occupy enough land to allow them to devote all of their working time to conventional agricultural production (e.g. Walford, 2003). Finally, the rights granted to tenants through the occupation of agricultural property often prevent them developing a holding to its full multifunctional capacity (Wilson, 2008). This occurs as tenants do not generally hold the full rights over property, so its multifunctional use is constrained by the decision making influence of the landlord. This does not mean that tenants cannot demonstrate multifunctional traits, but to do so they often require the collaboration of the landlord.

The research findings indicate that the transition towards a more flexible (post-feudal) tenure system allows established CFE tenants to progress up the farming ladder. This progression occurs as tenants are able to take on available property rights to allow the development of a farming business within the CFE. By doing so, they ascend the farming ladder beyond the position of new entrants and traditional tenants. However, unlike many farmers, the structural framework of the CFE means that these tenants are also expected to step off the farming ladder upon retirement. With lifetime and retirement FAT agreements, tenants have been able to remain in occupation of a holding beyond their working life. However, as the overall number of FAT agreements falls, the increasing dominance of the FBT should encourage more CFE tenants to step off the farming ladder and retire. As tenants retire, so the CFE property rights they have occupied are released for occupation and use by the next generation of tenants. However, the CFE restructuring process redistributes many of these property rights to existing tenants rather than to new entrants. Opportunities for new entrants are further reduced as succession rights are granted to the children of existing tenants. This effectively allows them to replace their parents on the farming ladder, without having to compete for the associated rights.
In summary, the three regimes of real regulation identified by Spencer (1998) are central to the ownership, distribution and occupation of agricultural property rights within the CFE. The ability of landlords to engage with regimes of direct and indirect state regulation is resulting in the apparent deregulation of the CFE. In terms of occupation of CFE property rights, this deregulation allows landlords and tenants to contest the position of power within their relationship. However, it is ultimately the ability of landlords to develop their own CFE management strategies that determines the distribution of agricultural property rights. Given the current economic climate within England and Wales, the pressure on local authorities to raise additional capital will increase the pressure to maximise the full economic potential of the CFE through enhanced property sales. This will further reduce the already limited opportunities available to new entrants. It may, however, allow existing tenants the opportunity for further personal enfranchisement if sales are made to sitting tenants. These findings now need to be placed into the context of the original aims and objectives of this research; this is the subject of the following section.

8.3 Research conclusions

The need for research on the CFE was identified in a study of the agricultural tenanted sector in England (Ilbery et al. 2006). This highlighted how very little is known about entry mechanisms into the agricultural industry. In order to investigate one such entry mechanism, this research was developed with the explicit aim of providing the first comprehensive study of the CFE for over forty years. In order to support this aim, the research contained three research objectives:

1. To provide a comprehensive assessment of the current status of the CFE in England and Wales;
2. To develop an understanding of the main opportunities and barriers (e.g. institutional, socio-economic, cultural) to the future development of the CFE in England and Wales; and,
3. To consider the contribution of county farms to sustainable farming and rural development in selected counties in England and Wales.

The first task of this research was to establish an appropriate theoretical framework to examine these three key objectives. This focused on the concept of agricultural property and the ownership, distribution and occupation of the rights associated with
it. The developed framework was informed by the structuralist arguments of Spencer (1998; 2000), in relation to his notion of the real regulation of property, and the ideas of Whatmore et al. (1990), concerning the division of agricultural property rights. The framework attempted to examine how the social purpose of the CFE is informed by the State through regimes of real regulation. The State represents the changing social demands placed on property by allowing local authorities the freedom to shift the emphasis of estate ownership between regimes of regulation. This encourages a geographically variable distribution of the CFE as individual local authorities engage with regulation in different ways.

To test these theoretical arguments against the three research objectives, Chapter 4 explained the development of a three-phase, mixed methods research methodology. This incorporated desk-based research, an email questionnaire survey and case study research. The aim was to identify the key issues affecting the CFE and to examine them in greater detail in specific situations. The main findings of these three phases of empirical research are presented in Chapters 5 to 7 and help to address each research objective, as discussed below.

Objective 1 is satisfied through all three phases of research, as discussed in the main chapters of research findings. As a general rule, the comprehensive assessment of the current status of the CFE progressed from analysis at the macro level in Chapter 5 through to micro case study examples in Chapter 6 and 7. The analysis focused on the relationship between the State and local authorities and the role of regulation on the social purpose and structural development of the CFE since its inception in 1892. Under direct State regulation, the CFE expanded in size between 1908 and 1938. Variations in the distribution of the CFE at the local authority level appear to have been influenced by the availability of property and a demand from agricultural labourers. Thus the CFE service developed in arable farming areas of eastern England and livestock rearing areas of the west and south-west of England and Wales. Since then, however, the social purpose of the CFE has focused on agricultural provision and the trend has been towards free market orthodoxy. This has encouraged local authorities to adopt commercial approaches to estate management strategy. The consequence of this has been the creation of fewer, larger equipped holdings to improve agricultural efficiency in line with changes occurring
across the farming industry. This has encouraged a continued decline in the size of the national CFE, as surplus property has been sold off. Over recent years, this decline in the CFE at the macro level has been remarkably similar to that of traditional institutional estates. At the micro level, however, the disposal of property from the CFE has varied between individual local authorities. Despite this, the two historic regional clusters of eastern England and the west and south west of England and Wales remain as the key areas of concentration. The most notable losses of the CFE at the local authority level have occurred in the south-east and north of England and Shropshire. These losses can be explained by the ability of individual local authorities to disengage from direct CFE regulation. Instead, they have chosen to utilise the CFE for wider local authority objectives and to engage with comprehensive disinvestment management strategies.

The ability of local authorities to engage with different regimes of state regulation has encouraged them to adopt a commercial approach to estate management. This approach allows for an expansion of the benefits of rural property ownership beyond the confines of agricultural production. Five such uses were noted during the research, including commercial lettings, which are generally reliant on the alternative use of building space (e.g. mechanical workshops); educational facilities (e.g. outdoor classrooms); environmental resources (e.g. renewable energy production), recreational use (e.g. permissive access); and social benefits (e.g. allotments). A notable example of the alternative use of the CFE was noted in Cambridgeshire, where the Red Tile Wind Farm has been developed on CFE property. This not only allows the landlord to generate additional, non-agricultural rental returns, but also helps Cambridgeshire County Council to meet its Carbon Reduction Commitment Obligations.

The research findings suggest that the full potential of the CFE to satisfy the wider statutory demands placed on local authorities by the State is yet to be fully realised. Such alternative uses of property would be indicative of the current shift towards the wider community use of property. Since the turn of the 21st Century, the Labour government and the more recent Conservative/Liberal Democrat coalition have promoted the wider community use of local authority property. Various forms of state guidance, rather than direct regulation, now influence the use of local authority
assets by local people to meet their own specific needs (e.g. Audit Commission, 2000; 2009, Quirk Review, 2007, HM Treasury, 2009, Planning Inspectorate, 2011).

The changing role of the State and its influence on the CFE helps to unpack some of the main opportunities and barriers to its future development, thus satisfying objective 2 of this research. These extend beyond the actions of local authorities, particularly in the form of the tenure arrangements held over property by tenants. However, as the owners of the CFE, local authorities retain the ultimate power to dispose of property should they so desire. Thus the actions they take in relation to property ownership ultimately dictate the opportunities and barriers facing the contemporary CFE.

Chapter 5 demonstrated how the disposal of CFE property varies between individual local authorities. Whilst some disposals occur as a result of the restructuring process, the larger sale of property in areas such as Shropshire, Essex, Kent, Northumberland and North Yorkshire cannot be explained by such actions. An insight into the disposal of CFE property associated with partial disinvestment (core estate) was observed during the case study research in Gloucestershire. The adoption of this management strategy by Gloucestershire County Council highlighted how the current economic conditions facing local authorities are the biggest barrier to the future development of the CFE. As a discretionary service, the CFE faces an uncertain future in many local authority areas as it is increasingly seen as an economic resource to help meet wider financial needs. In contrast, the case study example of Cambridgeshire identified how the wider State influences on the CFE can offer opportunities for the future development of the CFE. Cambridgeshire County Council regards their estate as a fully commercial rural estate, rather than as a traditional CFE. This allows CFE property to be used for various socio-economic purposes that increase its economic value to the landlord.

Where local authorities retain a CFE, the empirical research identified how two key factors impact as either opportunities or barriers to its future development: the financial implications of establishing a farm business in the contemporary CFE; and the potential flexibility afforded by the FBT. The financial implications of establishing a farm business present a potential barrier to the development of the
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CFE. This scenario has been created by a combination of the CFE restructuring process that facilitates the provision of larger agricultural holdings and the mechanisation of the agricultural industry. These influences have increased the level of working capital required to establish a CFE business. This was perhaps best noted during the case study research on dairy holdings in Powys and Gloucestershire. On these holdings, the increase in size of milking herds, coupled with costs of buildings and fixed equipment, were recognised as being excessive to new entrants. The recent implementation of NVZ legislation placed additional financial burdens on dairy holdings. The implications of this are likely to further reduce the number of dairy holdings in the CFE. Even in Cambridgeshire, where the fixed costs of arable production are lower, the period of time before receiving payment for their first year’s harvest often presented new entrants with cash flow problems.

The response of new entrants in all three case study areas to the potential barrier of the rising cost of farm business establishment has been an increased reliance on the socio-economic capital (financial capital, machinery, stock and labour) provided by family members. This means that many holdings within the contemporary CFE are essentially family farms. However, there are a number of wider implications of this on the CFE:

1. It promotes succession by the children of existing tenants as a means of enabling new entrants to establish a farming business within the CFE – this is in direct contradiction to the traditional ethos of the CFE;
2. It influences the desire and ability to either progress their farm business or to retire (Nalson, 1968); and,
3. It has connotations with regard to the significance of the CFE within rural communities – this refers directly to objective 3 of the research and is discussed in more detail below.

The potential flexibility afforded by the FBT presents a number of opportunities for the CFE. An ageing tenant population is recognised as a consequence of FAT and as a barrier to the development of the CFE. This reduces tenant movement within the CFE and can lead to deterioration in the condition of property and farm businesses. In contrast, the FBT should create more activity in the letting market. In theory, this should invigorate the CFE as landlords and tenants try to negotiate the position of
power with new tenure arrangements. An example of this potential was noted in Powys, where the FBT allows greater flexibility in the transfer of land between individual holdings to suit the changing needs of tenants. The flexibility offered by the FBT has also been used to try and encourage tenant progression in Devon. Christened the ‘two strikes and out’ rule, this policy has tried to facilitate progression by offering tenants a maximum of two ten-year FBT arrangements. Tenants are expected to leave their holding by the end of the second term of tenure. While this policy has been roundly criticised due to its strict nature, it is an example of how the FBT can be used as a management tool to, for example, stimulate good husbandry or tenant investment as tenants try to ensure future tenure. This flexibility could be extended to include clauses to ensure that training needs are met, environmental procedures are followed and alternative uses of property are considered. However, in the current economic climate, the most obvious potential of the FBT relates to how the short-term nature of agreements allows landlords greater access to the freehold value of property. This is likely to increase the pressure to sell CFE at its maximum freehold value to help meet local authority budget deficits.

The contribution of county farms to sustainable farming and rural development (objective 3) was considered through the questionnaire survey and case study research. These phases of research highlighted three significant roles of the CFE in respect to sustainable farming and rural development:

1. as an industry entry mechanism;
2. the implications associated with the creation of internal progression opportunities within the CFE; and
3. the significance of county farms in rural communities.

The contemporary CFE still retains as its primary purpose the provision of opportunities for people to be farmers in their own right. It still operates as perhaps the most readily available entry mechanism, albeit with a relatively low number of opportunities for new entrants. There has been a significant shift in the beneficiaries of these new entry opportunities due to the increased level of succession by the children of existing tenants. The relatively low number of new entrants operating within the contemporary CFE can be attributed to the creation of progression opportunities for existing tenants. These are needed as the failings of the wider
tenanted sector mean that very few chances for external progression are available to CFE tenants. Thus the contemporary CFE acts as a gateway to the farming industry, but tenants are likely to remain within it throughout their working career.

The creation of internal progression opportunities for existing tenants is essentially a product of the CFE restructuring process. As local authorities create larger holdings, additional land is granted to existing tenants. This process appears to have encouraged tenants to seek economies of scale and to take on additional land alongside their existing CFE holding. This essentially ties tenants to particular holdings, reducing their need or desire to progress. Chapters 5 and 7 noted how tenants also engage with other, often innovative, forms of farm business diversification. This places the contemporary CFE in something of a contradictory position. On the one hand, the long-term occupation of a CFE holding and the reliance on renting bare land mean that CFE tenants have become the epitome of the problems facing new entrants (see Ilbery et al. 2010). On the other hand, tenants are able to demonstrate entrepreneurial drive to develop a viable farm business in restrictive surroundings, to the wider benefit of the agricultural industry (RASE, 2009; Spedding, 2010).

The research findings highlight how the significance of the CFE to rural communities extends to three particular areas: as an agricultural service; the socio-economic benefits of tenant families within rural communities; and the benefits of the CFE as a property resource for non-agricultural use. As an agricultural service, the CFE provides opportunities for new entrants and established tenants. The socio-economic benefits of this agricultural service were noted during the Cambridgeshire case study. Many of those tenants interviewed pointed out how they were surrounded by large agri-industrial businesses. This allowed a number of Cambridgeshire tenants to play a significant role in the NFU at the local and national level. The wider socio-economic benefits of the CFE within rural communities were observed during the Gloucestershire case study. In at least two villages, the only children in the village were those of CFE tenants. In these examples, the CFE provided a counter to the ageing profile of local villages. This was occurring as the desirability of these Gloucestershire villages to non-agricultural capital had seen farming families replaced by older and more affluent residents.
The socio-economic benefit of the CFE to rural communities varies depending on the level of property retention associated with the adopted management strategy. In Cambridgeshire, the consolidation management strategy encourages a range of socio-economic benefits for rural communities. These include opportunities for non-agricultural rural businesses as well as recreational services. The consolidation strategy also utilises CFE property for socio-economic services for the wider local authority populous. These include environmental services and the economic benefits of the CFE financial performance. As different management strategies increase the level of property disposal, so its significance to rural communities declines. In Powys, the partial disinvestment CFE management strategy means it contributes less to rural communities. The disposal of CFE property does provide benefits to wider local authority communities through the economic resource it generates.

Whilst identifying a number of key research findings and relating these to the three research objectives, it is acknowledged that the conducted research has some limitations. These are discussed below.

8.3.1 Limitations of the research

This section considers four method related limitations of the research. These relate to the shortcomings of the method and/or its relevance in generating empirical research findings, and include:

1. The relatively low response rate to the questionnaire survey of estate managers;
2. The use of only three case studies;
3. The sampling process associated with the choice of tenants as part of the case study research; and
4. The limited value of the focus group meetings.

The low response rate to the questionnaire survey of estate managers resulted in the creation of incomplete datasets. This was problematic as it reduced the generation of both quantitative and qualitative data. However, by utilising existing CIPFA statistics it was possible to supplement the collection of quantitative data. Nevertheless, the lack of quantitative data did limit the explanation of structural change and the drivers
of this in particular local authority areas. That said, the follow up telephone contact with non-responding local authorities did provide an unexpected insight into different aspects of CFE restructuring. Higher response rates may have been achieved through face-to-face interviews, although the time implications of this would have been restrictive. An additional consequence of the low number of completed questionnaire responses was that it often limited insights into the four-category classification of CFE management strategies.

Whilst the research identified four such management strategies, the research design allowed for the detailed study of just three case studies. Thus a local authority adopting a complete disinvestment management strategy was not considered as part of the case study research. This omission is a notable one and warrants consideration in further research, as discussed in the following section. Rather than employing the case study approach, other research methods could have been used. Questionnaire surveys submitted to tenants, for example, may have been used to provide a general overview of how they respond to structural change in specific geographic locations. However, Ilbery et al. (2006) noted that response rates to tenant surveys were low, especially since the 2003 CAP reforms. Also, findings from a questionnaire survey would not have provided the necessary qualitative information needed to examine and understand the management strategies of specific local authorities. This is where the case study approach was particularly strong.

A further limitation relating to the research process relates to the sampling process associated with the choice of tenants as part of the case study research. This process relied on the contribution of estate managers to supply contact details of CFE tenants. In Powys, the estates manager provided a full list of tenants and the researcher was able to select potential participants who met the selection criteria (see Section 4.5). However, in both Cambridgeshire and Gloucestershire, the limited number of tenant contact details forwarded by the estates managers was based on their own interpretation of the selection criteria. Thus there is less certainty in the selection process in these two case study areas. Interviewing a greater number of tenants during each case study using a snowballing technique may have helped to overcome this problem. Yet, this would have generated even more qualitative information and there is confidence that the number of tenants interviewed in each case study area was
more than sufficient to examine the key issues affecting the three selected local authorities.

The semi-structured face-to-face interviews used as part of the case studies yielded a great deal of rich empirical data. The key findings from these interviews informed the content of the focus group meetings. Whilst these focus groups provided a useful forum for discussion, they generally failed to provide any new ideas that had not already been raised in earlier stages of the research. Effectively, the focus group meetings tended to confirm the findings from the various interviews, acting as an important element in the triangulation process (Berg, 1989).

8.3.2 Directions for future research

This thesis has considered issues surrounding the current structure and future potential of the CFE. In order to explore some of these issues in greater detail and to develop a deeper understanding of the role of the CFE in the wider agricultural sector, five areas of future research are proposed:

1. The study of entry mechanism to agriculture within local authority areas adopting a comprehensive disinvestment management strategy;
2. An evaluation of external progression by previous CFE tenants;
3. An evaluation of the non-economic contribution of the CFE to local authorities;
4. Comparable studies of the CFE in relation to other traditional institutional estates, such as the Crown, the Duchy of Cornwall, the Church and the College estates; and
5. A detailed study of the dairy sector and its significance as part of the contemporary CFE

The first area for future research is to address the omission of a detailed analysis of a local authority engaging with a comprehensive disinvestment strategy. Research findings in this thesis have demonstrated how the CFE is a highly significant entry mechanism in areas where it operates. However, this analysis never considered in detail how (and if) new entrants are able to establish a farm business in the absence of the CFE. Thus additional research is required in local authorities such as North Yorkshire, Northumberland, Kent and Essex to assess alternative entry mechanisms.
However, as many of the issues relating to entry opportunities are industry-wide problems, this research should be extended to cover areas such as Derbyshire and Northamptonshire where the CFE has never been a significant entry mechanism. The research should take the form of case study analysis to examine the barriers and opportunities facing new entrants in different geographical locations. Recent new entrants who have not utilised the CFE would be key actors in this research. To access these, collaboration with bodies such as the Young Farmers Club and Fresh Start Academies would help to identify new entrants and those looking to establish a farming business.

Further research on alternative entry mechanisms would help to redefine the exact position of the CFE within the wider agricultural sector. It would also further clarify its relevance to the concept of the farming ladder. A second area of future research, focusing on the progression of tenants beyond the CFE, would also help to explore this role in greater detail. The need for such research arises from two conflicting scenarios facing CFE tenants in relation to external progression opportunities. On the one hand, conditions in the wider tenanted and agricultural sectors are limiting the availability of such opportunities. On the other hand, the need and desire to progress are reduced by the addition of CFE and non-CFE property rights to existing farm businesses. Thus in 2009/2010 only three tenants were recorded as progressing onto holdings beyond the CFE (CIPFA, 2010). Research is needed to assess if this failure to progress is due either to the lack of alternatives or the fact that tenants are able to meet all their business aspirations by remaining in the CFE. Such research could start with a study of secondary data to assess how many farmers across the industry physically move between holdings and the availability of opportunities in the contemporary market. It could then engage with former CFE tenants who have progressed onto alternative holdings (details in relation to tenant progression are recorded by CIPFA). Case studies could also be used to compare the factors influencing progression in relation to differing CFE management strategies. Devon, for example, would provide a good case study where management strategy actively encourages tenant progression. This could be contrasted against other local authorities where no examples of progress have been noted. The former county of Cheshire, now two unitary authorities of Cheshire East and Cheshire West and
Chester, would provide a contrast of the progression opportunities available in different dairy production areas of England.

The development of different CFE management strategies has been attributed to the ability of local authorities to engage with different regimes of regulation. This issue requires two areas of further research to help fully explain its consequence on the CFE. Firstly, an evaluation of the non-economic value of the CFE would be a timely piece of research given the political desire for local authorities to extend the range of social services provided by property. While the significance of these additional services is recognised, there appear to be few ways of defining their ‘exact’ value to local authorities. Nevertheless, Beedell et al. (2009) attempted to assess the economic, environmental and social contribution made by rural estates to the wider community. They concluded that rural estates “provide a role and ‘goods’ that might otherwise be left to the public sector. Estates should, therefore, be natural partners for the public sector, enabling them to reach further, and achieve greater local impact” (p: 5). This research could be undertaken by developing a model to assess the non-economic contribution of the CFE within specific local authority case studies. This could then be used to calculate the overall contribution at the national level. Given the current economic pressures facing local authorities and the longer-term security of the CFE, research of this type is urgently needed.

Secondly, this research has highlighted how a shift in the emphasis of state regulation has encouraged a convergence of management strategies within the CFE and other traditional institutional estates. Indeed, the process of restructuring within the CFE has been remarkably similar to that occurring in the Crown and Duchy of Cornwall estates. Thus future research is required to compare the ways in which these different traditional institutional estates interpret the changing emphasis of state regulation and the implications of this on estate restructuring. Comparisons could also be made between the CFE and the National Trust estate, as the latter are also active in the creation of opportunities for new entrants. Any research comparing these traditional institutional estates could adopt a mixed methodology, along the lines adopted in this research.
A final area for future research relates to the future of dairy farming in the CFE. This research has identified how restructuring across the agricultural sector has encouraged a shift towards larger and more capital-intensive farms. Within the CFE, this presents specific issues in relation to the funding of these holdings for landlords and tenants alike. This has three specific implications for the dairy sector in the CFE: firstly, it means that many smaller dairy farmers are retiring from milk production; secondly, the retention of larger productive holdings requires relatively high levels of investment, particularly with the implementation of NVZ regulations; and thirdly, many new entrants and younger tenants are unable to find the necessary working capital to take over these larger production units. Thus a detailed study of the dairy sector is required to identify its role and suitability within the contemporary CFE. This research could be undertaken through a questionnaire survey of dairy producers to explore the specific issues surrounding the sector. Alternatively, the key issues could be examined using case study examples within different local authority areas.

8.3.3 Final concluding remarks
The restructuring of the CFE over recent years has been informed by existing state regulation and incorporates the demands of the wider agricultural sector. This places the contemporary CFE in a contradictory position in relation to its role in the sector. The restructuring of the agricultural industry reduces the availability of opportunities to new entrants. This occurs as existing farmers are better placed to take on additional property to expand a farming business. The consequences of this have increased the significance of the CFE as an accessible entry mechanism over recent years. However, the same restructuring processes are operating within the CFE, reducing the availability of entry opportunities. This occurs as CFE restructuring has encouraged a reduction in the number of tenants as land has been added to existing holdings rather than being re-let. Established CFE tenants are reliant on this restructuring process as there are limited opportunities for progression in the tenanted sector. The same restructuring process benefits landlords as they are able to dispose of surplus property to reduce the maintenance requirements of holdings and to generate capital receipts.

The ability of local authorities to dispose of CFE property places it in another contradictory position in relation to the demands placed upon it by the State. Local
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authorities have been able to challenge existing CFE regulation and dispose of property to maximise its economic potential. This is occurring at different rates, as exemplified through the identification of four unique CFE management strategies. However, the example of change in the management strategy adopted by Gloucestershire County Council indicates how the future of the CFE is under threat due to the current economic downturn. The former management approach adopted in Gloucestershire allowed for the disposal of small quantities of high value property to maximise economic efficiency. Some industry commentators have championed this approach as a sustainable approach to CFE management (e.g. Curry, 2008; TFA, 2010). However, the impacts of the financial constraints facing Gloucestershire County Council have led to the adoption of a partial disinvestment strategy that further capitalises on the economic potential of CFE property sales. Yet, this is occurring at a time when the State is encouraging local authorities to utilise property for the wider benefits of communities. As the Cambridgeshire case study exemplified, this increases the socio-economic benefits of the CFE beyond its agricultural provision. This commercial approach provides a good return on the capital returns of the Cambridgeshire CFE, safeguarding its long-term future. Thus the Cambridgeshire CFE should be seen as a model for how a successful rural estate can satisfy a range of socio-economic obligations and still provide agricultural opportunity.

Despite the complexities of the CFE restructuring process, these research findings demonstrate how tenants are resilient, innovative and able to adapt to the changing structural conditions in which they operate. With the exception of those in dairy production, many CFE tenants are effectively part-time because the size of the CFE holding they occupy is insufficient to provide a reasonable income. In arable production areas, the efficiency of mechanical operations and the nature of crop growth cycles mean that tenants do not need to devote all their working time to them. Thus many engage with different forms of farm business income diversification. This invariably ties them to property or place as they become reliant on property services, marketing opportunities and/or employment in the local area. In addition, the family of tenants become settled in a particular area. Thus it is has become unrealistic to expect tenants to physically progress beyond the CFE. These tenants are already expected to establish, progress and end a farming business within their working
lifetime. No other groups of farmers are able to ascend and descend the farming ladder in this way.

The historic definition of the CFE, as provided by the Wise Committee Report 1966, was as a gateway to the industry through which the best young farmers are able to progress. This research suggests that the contemporary CFE can still be seen as a gateway to the industry, but only for a limited number of farmers. These are not necessarily new entrants and it is currently unrealistic to expect these tenants to progress beyond the CFE. The service offers these tenants the ability to ascend and step off the farming ladder using the CFE as a base for an agricultural business. The CFE also offers local authorities the ability to satisfy a range of socio-economic services beyond the confines of agricultural provision. These include non-agricultural business opportunities as well as recreational, educational and environmental services. As a discretionary service, the long-term future of the CFE remains uncertain due to the economic potential associated with its disposal.
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Appendices
Appendix 1

Co-authored refereed publications


Research and development

Structural change and new entrants in UK agriculture: examining the role of county farms and the Fresh Start initiative in Cornwall

Brian Ilbery, Julie Ingram, James Kirwan, Damian Maye and Nick Prince

Summary

In the context of the trend towards fewer and larger farms, and an ageing farming population, this paper examines the attempts by two schemes – the County Farms Estate (CFE) and the Fresh Start (FS) initiative in Cornwall – to provide opportunities for new farmers to enter agriculture in an affordable manner. The number of county farms has continued to decline since the 1950s through processes of farm amalgamation and disposal by county and unitary authorities. While the average size of those remaining has risen, this has not been at the same rate as that engendered through general processes of structural change in UK agriculture. FS has provided a range of support to help improve the vibrancy of the farming industry in Cornwall, but its overall impact has been limited. The extent to which these schemes have either contributed to or slowed down the process of structural change in UK agriculture is debatable.

Key words:
Agriculture; structural change; ageing farm population; county farms; Fresh Start.

Introduction

Referred to as changes in the number, size and layout of farms, UK agriculture has experienced successive rounds of structural change. The dominant trend has been towards fewer, larger and more capital-intensive farms, but as Bowler (1992 p. 89) suggested this trend is ‘not unilinear’. Thus, while the number of large farms (over 100 ha) continues to increase and account for a majority of agricultural land (over 60%), the largest growing size group since the early-1990s has been very small farms (less than 5 ha). This bi-modal distribution of farm sizes in the UK varies according to farm type and between localities (Lobley and Potter, 2004). So, while the number of dairy and general cropping holdings fell by nearly 50% and 40% respectively between 1985 and 2005, the number of horticultural holdings (mainly in ornamental production) more than doubled over the same time period (EFFP, 2005).

An important dimension of structural change in UK agriculture has been a general ageing of the farming population, with the median age of holders increasing from 55 in 1990 to 58 in 2005 (Defra, 2006). There are many reasons that lead to low exit rates from farming by older farmers including an inability to retire because they cannot afford to, enjoyment of farming and not wanting to lose control, inheritance tax reasons (keeping land in hand and using contract farming arrangements) and lack of a successor (Williams, 2006). Within many farming families, inertia and a commitment to stay in agriculture still remain strong (Savills, 2001; Lobley and Potter, 2004).

Concomitantly, the main barriers to entry into farming are poor availability of land and high start-up costs (ADAS et al. 2004; Williams, 2006), inextricably linked to the low rates

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44 Brian Ilbery is Professor of Rural Studies; Julie Ingram is a Research Fellow; James Kirwan and Damian Maye are Senior Research Fellows; and Nick Prince is a PhD student. All work at the Countryside and Community Research Institute: http://www.ccri.ac.uk/

45 It should be noted that official statistics may well over-estimate the ageing of farmers in the sense that in many cases it is the relatively younger farmer/successor who is responsible for much of the day-to-day operation of the business.
of exits. This is confirmed in a study of entries and exits from UK farming, with an entry rate of 2% between 2000 and 2004 being much lower than the 18% exit rate as the total number of farms and farm businesses decline (ADAS et al. 2004). The overall result is that prospects for new and young entrants have not improved. In addition, many of the county councils’ smallholdings (county farms), that in the past played a key role in bringing new entrants into farming at an affordable cost, have either been sold off or amalgamated into bigger holdings (Whitehead and Millard, 2000; Ilbery et al. 2006).

The emphasis in previous research has been on exits (including retirement) from farming rather than on new entrants to the industry. The aim of this paper, therefore, is to focus primarily on the latter and to examine two schemes that have attempted to provide opportunities for new farmers to enter agriculture: the long-established County Farms Estate (CFE) and the more recent Fresh Start (FS) initiative in Cornwall. It is recognised that both schemes have operated in different ways, over different periods of time, and in the context of contrasting policy backgrounds. Thus, while the section on county farms adopts an essentially historical perspective based on the analysis of reports, articles and secondary data, the evaluation of Fresh Start is based on the analysis of primary data gathered from interviews and focus groups with key stakeholders, delivery partners, industry representatives, consultants, land agents and FS applicants in Cornwall.

The County Farms Estate

A fundamental initial aim of the CFE in the 1890s was to provide an opportunity for new farmers, and especially young people, to enter agriculture in an affordable manner and to develop viable agricultural enterprises (ACES, 2007a). Initially, development of such farms was slow and, by the end of 1907, only 356 hectares (ha) and 244 holdings had been occupied as small holdings (Wise Committee Report, 1966). However, by 1914 the CFE had extended to 80,600 ha and 14,908 holdings. Although interrupted by the First World War, growth continued and the CFE accounted for 177,265 ha and 29,532 holdings in 1926. Significantly, and perhaps worryingly, over 60% of these county farms consisted of bare land only \(^{46}\). This growth of the CFE coincided with the sale of up to 30% of land in England and Wales between the 1870s and 1930s (Cannadine, 1990). This led Winter (1996) to argue that, despite expansion, the success of the CFE was limited because wider structural changes in land ownership in the UK did not benefit small-scale farmers and agricultural labourers.

Since 1947, the CFE has undergone a process of farm amalgamation and witnessed a continual reduction in the number of county farms. Indeed, the Agriculture Act of 1970 stipulated that the CFE should be reorganised by amalgamating and enlarging some of the existing holdings. Thus the pace of restructuring quickened, as both the number of county farms and the extent of the CFE started to fall quite rapidly. Moreover, a number of county and unitary authorities (CUA) have used the restructuring process as an opportunity to dispose of their county farms, taking advantage of a rising and very different land market to the one that yielded poor financial returns in the 1930s.

Table 1 (overleaf) summarises the main changes to the CFE and the number and size of county farms in England and Wales since 1964. It can be seen that the fall in number of county farms has been much more dramatic than the decline in the total area of the CFE. Despite continual growth in the average size of county farms, they are still well below the average size in England and Wales. Geographically, Cambridgeshire has the largest CFE in England, with nearly 14,000 ha and just over 270 county farms; at the other extreme, Kent has just 11 ha.

\(^{46}\) Bare land is defined as land let without the provision of either a farmhouse and/or outbuildings.
Table 1 Changes to the County Farms Estate (CFE) in England and Wales, 1964 to 2007

<table>
<thead>
<tr>
<th>Year</th>
<th>Area of CFE (ha)</th>
<th>No. of holdings</th>
<th>Average holding size (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1964</td>
<td>177,883</td>
<td>16,346</td>
<td>10.9</td>
</tr>
<tr>
<td>1974/5</td>
<td>164,725</td>
<td>9,823</td>
<td>16.8</td>
</tr>
<tr>
<td>1996/7</td>
<td>133,922</td>
<td>5,316</td>
<td>25.2</td>
</tr>
<tr>
<td>2001/2</td>
<td>126,188</td>
<td>4,684</td>
<td>26.9</td>
</tr>
<tr>
<td>2006/7</td>
<td>117,705</td>
<td>4,488</td>
<td>26.2</td>
</tr>
<tr>
<td>% change</td>
<td>-33.8</td>
<td>-72.5</td>
<td>+140.4</td>
</tr>
</tbody>
</table>


Using the location quotient statistic\(^{47}\), Figure 1 overleaf shows the spatial distribution of the CFE in relation to the total area of tenanted land in the CUA of England in 2007. Thus the highest relative concentration occurs in Eastern England, especially in Suffolk and Cambridgeshire, but with other CUA in parts of the South-West and West Midlands regions having relatively high concentrations. Cheshire appears as a significant outlier in the North-West region but the CFE is poorly represented in northern regions, the South-East and parts of the Midlands such as Nottinghamshire and Northamptonshire.

While the CFE currently accounts for just 3% of the total tenanted area in England (5.5% in Wales), it is still important. For example, in 2006 county farms accounted for 36% of all new let, fully equipped holdings (CAAV, 2007). Thus they still provide an important opportunity for new farmers to enter farming. Indeed, Whitehead et al. (2002) demonstrated that one-third of new county farm lets were to new starters and that 90% of these were for fully equipped holdings. In addition, rent returns from county farms in England and Wales realised over £20 million in 2006/2007, with an operating surplus of around £10.8 million, and in the same year the CFE employed nearly 6,000 people. Nevertheless, county farms continue to struggle in relation to wider trends in land ownership and land tenure in the UK. Increasing owner-occupation and the renting of additional bare land by larger-scale farms mean that first-time entrants to the farming industry will nearly always be outbid for tenanted land. Also, CIPFA (2007) suggested that in 2006 only 10 county farm tenants progressed to taking up farming opportunities. Thus stagnation within the CFE is a real problem, a situation made worse by the relatively high average age (55) of county farm tenants, with a number aged over 80 (ACES, 2007b).

In the last two or three years, a number of CUA have expressed an interest in selling off the CFE in order to benefit from soaring land prices (NFU, 2007). Thus North Yorkshire has adopted a blanket policy of selling off county farms at the end of tenancies; others have sought to follow a similar path. However, Gloucestershire has adopted a more ‘middle road’ policy through deciding to consider what is right for individual holdings at the end of each tenancy. This allows them to either use the land for the enlargement of

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\(^{47}\) The location quotient (LQ) is a measure of relative concentration. In this case, it compares the area of the CFE in each CUA with the national distribution of the CFE – both in relation to the tenanted farmed area in each CUA and England (see Ilbery et al. (1999) for a worked example). Location quotient values of over 1.0 indicate a spatial concentration i.e. more CFE in a CUA than their overall tenanted farmed area would suggest. The location quotient is sensitive to small numbers and so anomalies may occur in some of the smaller CUA.
existing county farms or to sell off small parcels of land for agricultural or non-agricultural uses.

Figure 1. The distribution of the CFE in relation to the total area of tenanted land in England, 2007.

Source: CIPFA statistics

As well as providing an opportunity for new tenants to enter, the CFE has always had an implied obligation to the wider community. Thus Gloucestershire, for example, has encouraged their farm tenants to 'adopt a school', just as Devon and Cornwall have developed educational centres on their CFE and provided important facilities for school children and added value to the county farm service. Such educational objectives can be extended to incorporate environmental/conservation goals and the links between the CUA and county farms could take on an added economic dimension through, for example, the public procurement of school meals. In addition, county farm tenants could
diversify into different forms of recreation and tourism; however, the concept of diversification has to be acknowledged and accepted by both the CUA and farm tenants. County farms have also recently linked up with the FS initiative, to which this paper now turns.

The Fresh Start Initiative in Cornwall

Following the Commission for the Future of Farming and Food’s recommendation to create new routes into farming (Defra, 2002), the Fresh Start (FS) initiative was launched nationally in December 2004. In the early stages of the programme (March 2005), a pilot initiative was launched in Cornwall (Fresh Start in Cornwall) by the Cornwall Agricultural Council’s Development Team (CACDT). Its aim was to help facilitate entry into, and exit from, farming. However, although it initially provided useful feedback as a pilot for the national FS scheme, the later scheme subsequently focused solely on new entrants and the setting up of FS Academies. The research presented here derives from an evaluation of the FS scheme in Cornwall between 2005 and 2008, and its attempt to address both entry and exit issues within farming.

FS in Cornwall was an industry-led initiative and had three key aims: first, to encourage and help newcomers to the agricultural industry to ensure its long-term health and vitality; second, to encourage those within the industry to plan ahead and explore new opportunities and options; and third, and in contrast to the CFE, to provide an opportunity for those wishing to leave the industry to do so with dignity. In order to help achieve these aims, FS offered a package of measures to applicants that were intended to make use of existing schemes and projects in the county, where possible.

A matchmaking element, facilitated by the scheme’s coordinator, tried to link new entrants to available holdings or put them together with existing farmers considering some kind of joint venture. Business support was available to those entering the industry and equivalent support was also available for those leaving the industry. In contrast, mentoring was envisaged as being distinctive from business support and intended to help build confidence, self esteem and the ability to make decisions. It was anticipated that the mentoring would operate alongside and after business support had been withdrawn. In terms of training, Duchy College put on a number of courses aimed at FS participants based on the results of training and business needs analyses. The FS initiative also included a financial engineering element and some activity and support for affordable rural housing.

Effectively, FS provided a range of support in order to help improve the vibrancy of the farming industry in Cornwall through facilitating exit from, and entry into, farming. Nevertheless, in terms of hard outputs it has been limited, with only six successful farm tenders (using business support), and one successful joint-venture. In addition, business support was provided to 43 people and 14 received mentoring support. Although numbers of applicants have been high, those who have gone on to train, acquire holdings or enter share farming arrangements with FS support have been low. For example, the numbers receiving mentoring support were quite small, but it did lead to strong and supportive relationships being developed between mentors and those setting foot on the farming ladder for the first time. Likewise, while matchmaking was acknowledged as being a good idea, it proved very difficult to match strangers together. While a budget of £235,000 was made available by Government Office South West (GOSW) for business support, nearly 80% remained unspent. It may be that the projected numbers submitted to GOSW were overly optimistic, but it also highlights the lack of opportunities available for new entrants trying to gain access to farms.

In terms of training, low uptake can be explained by the fact that those interested in training were thinking about learning short-term practical skills rather than enhancing their business and management skills. In this respect, FS has highlighted the need to provide

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48 Thus the Fresh Start initiative in Cornwall is very different from the current FS academies and the evaluation that follows should not be seen as a critique of FS academies.
support packages specifically targeted at industry restructuring, in addition to those that enable upskilling for those who are already in the industry. In a similar vein, only £84,200 out of the total budget of £250,000 for ‘financial engineering’ was allocated to three businesses. Nevertheless, the fund enabled three people to get into farming who would not otherwise have done so. Finally, a lack of suitable affordable housing has certainly acted as a block on mobility within Cornwall (which has exceptionally high property prices), and therefore acted as a brake on people’s ability to move off-farm. However, there was considerable scepticism that FS was a suitable vehicle to help address the issue.

The FS scheme has been operating against the backdrop of a lack of available land, a lack of finance/capital available to new entrants and a lack of affordable rural housing, all of which have restricted the opportunities for both new entrants and retiring farmers. The net effect of this has been that the number of holdings coming onto the market has been insufficient to meet the needs of aspiring new entrants in the region, causing a ‘bottleneck’ in terms of the scheme’s operation and effectiveness (notwithstanding that it was in part this bottleneck that FS was set up to address).

There is the potential for both the private and county farm sectors in Cornwall to provide tenancy opportunities for new entrants. However, both are constrained by the need to retain a profitable tenanted farm structure on their estates. Although county farms initially appeared to embrace FS (indeed the only successful FS new entrant tenancies were with county farms), there was increasing frustration amongst applicants that county farms are not sympathetic to younger people and that their land agents are under pressure to make the CFE economically viable in the face of a range of budgetary pressures. Given the competition for county farm tenancies and the limited opportunities on private estates, many participants in the evaluation felt that land being released from retiring land owners offered the best hope for new entrants. However, farmers thinking of retiring or winding down were found to be often looking for easy and/or short term solutions, as well as considering their taxation position. For them, dividing up the farm and buildings and letting out or selling their land (often to neighbours) is likely to be the easiest option, meaning whole farms do not often become available. This also enables farmers to stay in their homes, a further benefit given the shortage of affordable rural housing in the region. Such reluctance can explain, in part, why FS has failed to engage with the retirement community. FS applicants felt that FS should have been more proactive in linking those who want land with those that may be considering retirement.

Conclusion

This paper has provided a short evaluation of two schemes designed to enable ‘new blood’ to enter farming and thus overcome the barriers to entry into the agricultural industry: the CFE and the FS initiative in Cornwall respectively. By way of conclusion, it is instructive to consider the contribution that such policy interventions make to structural change in agriculture.

The performance of both schemes is quite poor when assessed in absolute terms. Indeed, the extent to which they have managed to slow down the rate of structural change in agriculture at national or regional levels is clearly debatable. What is more apparent is that wider structural and market pressures have tended to influence the nature, role and success of the schemes. No longer obliged to provide smallholdings, a number of CUA are increasingly pressured and inclined to sell off their farm estates to benefit from high land prices. Equally, the success of the FS initiative in Cornwall has been limited by a lack of holdings because of competition from the public and private tenanted sector, as well as pressures on capital and the rural housing market.

Nevertheless, measuring performance in absolute terms can miss more subtle points. Both schemes have been important for developing wider service initiatives and pilots, including joint ventures between potential tenants and farmers, and attempts to strengthen links with the local economy and community. These ‘softer’ contributions are important, although less easy to measure and quantify.
References


ACES 2007b. ACES Rural Practice branch: minutes of the meeting held at Waterend Farm, Coaley, Gloucestershire, 19/03/2007.

ADAS Consulting Ltd, University of Plymouth, Queen’s University Belfast and Scottish Agricultural College 2004. Entry to and exit from farming in the United Kingdom.


Introduction

Most chapters in this book examine different aspects of retirement, inheritance and succession in family farming. As they show, intergenerational transfers are a fundamental element of family farming systems and the transfer of business ownership and control to the next generation is often crucial to the continued development of the business (see also Brookfield and Parsons 2007). This chapter is different to these other contributions in the sense that it is concerned with non-successional entry into UK farming and examines two attempts to attract ‘new blood’ into an industry that is increasingly characterised by an ageing farm population and, by inference, a lack of innovation and competitiveness. As reported by Defra (2006), 68 per cent of the UK farming population was over 55 in 2005 compared to 49 per cent in 1990, with the median age of farm holders increasing from 55 to 58 over the same time period. Part of the explanation of this ageing process relates to low rates of entry into farming by new, young and non-family farmers (ADAS 2004). The main barriers to enter farming for non-successional entrants are the poor availability of land and high start-up costs (Williams 2006), inextricably linked to low rates of exits, especially from within the family farm sector. Indeed, the introduction of the Single Payment Scheme (SPS) in 2005, as part of the reforms of the Common Agricultural Policy (CAP), has arguably made it possible for some (who might otherwise retire) to remain on the farm without actually farming it. Thus, interventions that enable ‘new blood’ to enter the industry are important in a farm policy environment that increasingly recognises the need to increase agricultural productivity and develop sustainable systems of production to meet the concomitant challenges of climate change, food security and land resource management (Lobley and Winter 2009).

The difficulties associated with non-successional entry into UK farming cannot be examined in isolation from broader processes of change within the agricultural industry. Thus, market forces, changing patterns of land ownership and structural change all impact on the composition of the farming population. In relation to structural change, e.g. UK agriculture has experienced successive rounds of restructuring in which the main trend has been towards fewer, larger and more capital-intensive farms. However, as Lobley and Potter (2004) demonstrated, the process of structural change is geographically differentiated and influenced by a range of factors such as farm type, farm tenure, location and developments in the wider economy. Crucially, structural change has led to
a reduction in the number of holdings available, and a low turnover of farms to let, on the open market, both to the distinct disadvantage of potential non-successional entrants (Ilbery et al. 2010a). Lobley and Potter (2004) found that only 8 per cent of their farm sample in six study regions in England consisted of new entrants to farming. This figure is higher than an entry rate of just 2 per cent in UK agriculture found by ADAS (2004) between 2000 and 2004. Both figures are considerably lower than a suggested exit rate of 18 per cent as the total number of farms and farm businesses have declined. Such figures led Drummond et al. (2000) to talk about a structural crisis in British agriculture, although Lobley and Potter (2004) intimated that the process of disengagement from mainstream agriculture is more subtle, prolonged and spatially differentiated than a crisis perspective would suggest. The current policy emphasis on food security, and its inherent productivism, reflects this sense of spatial and temporal differentiation, in that family farms, in some places at least, may once again be encouraged to concentrate on ‘mainstream’ agricultural activities (if indeed they ever left them).

Nevertheless, processes of structural change are related to changing patterns of land ownership and a continued squeeze on available land for non-successional new entrants into farming. While the family farm has proved quite resilient to the growth in private land ownership, both at a relatively large (e.g. professional people including farming in their portfolio of business interests) and small (e.g. lifestyle hobby farmers) scale, this has had a negative impact on the supply of agricultural land for rent by new entrants. Indeed, stagnation in the provision of tenanted land, caused mainly by a system of Full Agricultural Tenancies (FAT) in which tenant farmers had a long-term agreement with their landlords and, often, rights of succession, led to the introduction of Farm Business Tenancies (FBT) in England and Wales in 1995 (Whitehead and Millard 2000, Whitehead et al. 2002, Ilbery and Maye 2008, Ilbery et al. 2010b). While the intention of FBT, with their shorter-term agreements and fewer succession rights, was to release more land for letting and so improve the chances of non-successional entrants gaining land, the prospects for new entrants have not really improved. This is because FBT agreements often cover relatively small amounts of land, over short periods of time, and involve ‘bare’ land without a house and/or farm buildings. Thus, they have been used by established farmers, including family farms, to expand their businesses; this has further restricted opportunities for new entrants. Not surprisingly, Whitehead et al. (2002) showed that less than 10 per cent of FBT went to new, non-successional entrants.

Clearly, if left to natural forces, the opportunity for non-successional entry into UK farming will continue to be reduced. Yet, significantly, most agricultural policies have focused on early retirement schemes, especially in mainland Europe, rather than on new entrants to farming. Thus, there is a need to examine related policy interventions that
support non-successional entry. The main objective of this chapter, therefore, is to examine two schemes in the UK that have attempted to provide opportunities for new farmers to enter agriculture: the long-established County Farms Estate (CFE) and the more contemporary Fresh Start (FS) initiative in Cornwall in the south-west of England. It is recognised that, while seeking similar goals, both schemes have operated in very different ways, over different periods of time, and in the context of contrasting policy backgrounds. Thus, the CFE has operated at the national scale while FS has had a more local (county) focus; likewise, the CFE has used its assets to ‘set up’ new farmers, whereas FS has effectively been working without any real assets. In both cases, and in contrast to the intergenerational transfer of assets in family farming, there is no transfer of assets as such in the CFE and FS.

A case study approach is adopted in this chapter. However, given the varying nature of the two schemes, the examination of the CFE and FS will also be different. While the section on county farms adopts an essentially historical perspective based mainly on the analysis of reports and secondary data, but with some primary data input, the evaluation of FS is based on primary data gathered from interviews and focus groups with key stakeholders, delivery partners, industry representatives, consultants and FS applicants in Cornwall. The intention is not to provide directly comparable analyses of the two schemes, given relative differences in terms of scale and operational mandate, but to draw out more general messages from both scheme evaluations in the context of debates about the family farm. The next two sections provide short cameos and evaluations of the two schemes, before the final section assesses some of the implications of the findings in relation to non-successional entry into farming and provides a general conclusion.

**The County Farms Estate**

Initially introduced under the Small Holdings Act of 1892, the fundamental aim of the CFE was to provide an opportunity for new, non-successional farmers, and especially young people, to enter agriculture in an affordable manner and to develop viable agricultural enterprises (ACES 2007). Under the original act, a small holding was defined as ‘land acquired by a Council … which exceeds one acre and does not exceed 50 acres’ (Small Holdings Act 1892: Part I). Crucially, this act imposed a statutory requirement on individual County and Unitary Authorities (CUA) to provide smallholdings (county farms) for farmers where a need existed; it also contained a compulsory purchase clause to ensure that land became available for such provision. After a slow start, the CFE had extended to 80,600 ha and 14,908 holdings in England and Wales by 1914. Growth continued after the First World War, accounting for 177,265 ha, or just over 1.4 per cent
of agricultural land in England and Wales, and 29,532 holdings by 1926. Perhaps worryingly, over 60 per cent of these county farms consisted of just bare land.49

Both Smith (1946) and the Wise Committee Report (1966) highlighted the significance of the CFE especially in the eastern region of England, notably in Norfolk, Suffolk, Cambridgeshire, Bedfordshire and south Lincolnshire, as well as in parts of the south-west (Somerset, Wiltshire and Gloucestershire), south Wales and Cheshire. Key factors in this development included the availability of land and labour, good soils for the development of intensive farming, and good transport links, especially railways, to the major conurbations of London and Birmingham. Of course, the growth of the CFE coincided with the sale of up to 30 per cent of land in England and Wales between the 1870s and the 1930s (Cannadine 1990). These sales also coincided with the lowest financial returns for land for over a century (Newby et al. 1978). More recently, Winter (1996) argued that, despite expansion, the success of the CFE was limited because wider structural changes in land ownership in the UK did not benefit smaller-scale farms and agricultural labourers.

Further growth in the CFE was limited by the state of the economy and the Second World War. After the war, smallholdings were seen as part of an integrated agricultural policy under the Agricultural Act of 1947. As a consequence, the CFE underwent a process of farm amalgamation and thus witnessed a continual reduction in the number of county farms. Initially, as more county farms became full-time businesses, the fall in numbers (just over 20 per cent by 1964) was much greater than the relative size of the total CFE. However, under the Agricultural Act of 1970 it was no longer the ‘duty’ of CUA to provide smallholdings, although they ‘shall make it their general aim to provide opportunities for persons to be farmers on their own account’ (Agriculture Act 1970: Part III). The act also stipulated that the CFE should be reorganised by amalgamating and enlarging some of the existing holdings, as well as creating new county farms. This quickened the pace of restructuring as both the number of county farms and the extent of the CFE started to fall quite rapidly. The intention of creating more economically-viable holdings was sound, especially when set against a wider national trend of fewer, larger holdings and increased land ownership (Northfield Report 1979). However, a number of CUA used the restructuring process as an opportunity to dispose of their county farms, taking advantage of a rising and very different land market from the one that yielded poor financial returns in the 1930s.

Table 7.1 summarises the decline of the CFE in England and Wales between 1964 and 2007. It can be seen that the fall in number of county farms, by over 70 per cent, has

49 Bare land is defined as land let without the provision of either a farmhouse and/or outbuildings.
been much more dramatic than the decline in the total area of the CFE, by about one-third. Accordingly, the average size of county farms more than doubled between 1964 and 2007; however, at just 26.2 ha this is much smaller than the average size of farm in England and Wales, at around 57 ha. Geographically, Cambridgeshire has the largest CFE in England, with around 14,000 ha and just over 250 farms, together with Suffolk (Eastern England), Cheshire (North West England) and parts of the West Midlands and the South West (e.g. Gloucestershire). However, in relation to the area of tenanted land more generally, the CFE is poorly represented in northern regions, the South East and parts of the Midlands such as Nottinghamshire and Northamptonshire.

Table 7.1  Changes to the CFE in England and Wales, 1964 to 2007

<table>
<thead>
<tr>
<th>Year</th>
<th>Area of CFE (ha)</th>
<th>No. of holdings</th>
<th>Average holding size (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1964</td>
<td>177,883</td>
<td>16,346</td>
<td>10.9</td>
</tr>
<tr>
<td>1974/5</td>
<td>164,725</td>
<td>9,823</td>
<td>16.8</td>
</tr>
<tr>
<td>1996/7</td>
<td>133,922</td>
<td>5,316</td>
<td>25.2</td>
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<td>% change</td>
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<td>-72.5</td>
<td>+140.4</td>
</tr>
</tbody>
</table>


Focusing on the more contemporary period of 1997 to 2007, significant losses in the area of the CFE occurred in three clusters (Figure 7.1): first, in the south east of England (e.g. Essex, Kent and East Sussex); secondly, in north eastern areas of England (e.g. North Yorkshire, Durham and Northumberland); and thirdly, in north-west England (Shropshire and Lancashire). These losses seemed to involve either large-scale disposals (as in Kent, East Sussex and, more recently, North Yorkshire) or gradual and regular losses that were consistent with the sale of property as and when freehold possession became available (e.g. Essex and Northumberland). The greatest losses of land within an individual CFE occurred in Shropshire, where regular disposals saw the estate decline from 2,366 ha in 1997 to just 797 ha in 2007. In contrast, some growth occurred in the area of the CFE in parts of southern England (e.g. Hertfordshire, Hampshire and Surrey), either side of the Humber estuary (North Lincolnshire and the East Riding of Yorkshire), and in north and south Wales (e.g. Gwynedd, Flintshire and the Vale of Glamorgan).

50 Cheshire County Council ceased to exist as of April 1st 2010, becoming two independent local authorities: Cheshire East Council, and Cheshire West and Chester Council. The county farms estate service is currently maintained under the banner of Cheshire Farms Service.
Appendices

(Figure 7.1). However, these relatively small gains were easily outweighed by the overall losses in the area of the CFE.

Two other key features characterised the CFE between 1997 and 2007. First, there was a considerable reduction in dairy farming, in comparison to some growth in arable and mixed farming. Reasons advocated for this decline include the economic realities and difficulties facing the UK dairy industry more generally, the implementation of Nitrate Vulnerable Zones (NVZ) policy which placed additional economic burdens on both tenants and landlords, and the high capital costs of renewing and/or extending fixed equipment for milk production. Local authorities have also found it just as easy to let non-dairy holdings that provide equal and sometimes higher rental returns, thus reducing the economic incentive to provide dairy holdings. Secondly, statistics released by the Chartered Institute of Public Finance and Accountancy (CIPFA 2007) showed a fall in the provision of equipped holdings and a growth in the letting of bare land holdings. The latter is again regionally specific and tends to be a feature of arable farming in eastern England where, e.g. over [insert Fig 7.1 here – full page portrait] Figure 7.1

**Percentage change in the area of the CFE in England and Wales, 1997 to 2007**

40 per cent of CFE holdings in Lincolnshire and Norfolk in 2007 were bare land holdings. This contrasts with more livestock farming areas, where in Cornwall and Powys, e.g. only one and two of its 109 and 170 holdings respectively comprised just bare land.

Thus, today the CFE accounts for only around 1 per cent of the agricultural area in England and Wales and about 3 per cent of the tenanted area in England (just over 5 per cent in Wales). Nevertheless, it retains some importance for a number of reasons. For example, the Central Association of Agricultural Valuers (CAAV 2007) showed that in 2006 county farms accounted for just over one-third of all new let, fully-equipped holdings; research by the current authors in 2008 also demonstrated that over 40 per cent of all new tenancy agreements on the CFE by responding local CUA were granted to new tenants. This provides evidence that the CFE still presents an important opportunity for ‘new blood’ to enter farming. Earlier research by Errington, Millard and Whitehead (1998) had shown that 24 per cent of those starting up non-inherited agricultural businesses were utilising county farms, just as Whitehead et al. (2002) demonstrated that one-third of new county farm lets were to new starters and that 90 per cent of these were for fully equipped holdings. In addition, rent returns from county farms in England and Wales realised over £20 million in 2006/7, with an operating surplus of around £10.8 million, and in the same year the CFE employed nearly 6,000 people. However, and despite such statistics, county farms continue to struggle in a number of respects, especially in relation to wider trends in land ownership and land tenure in the UK. Increasing owner occupation and the renting of additional bare land by larger-scale
farmers mean that first time entrants to the farming industry will nearly always be outbid for tenanted land (Ilbery et al. 2010b). The limited number of equipped holdings for rental (both county farms and private rental) is another potential obstacle as existing landlords are looking to use the farmhouse and/or outbuildings for non-agricultural activities.

Further investigations reveal that the problems of the CFE run deeper than this. A report by CIPFA (2007) suggested that in 2006 only ten county farm tenants took up farming opportunities elsewhere and thus released the land for either new entrants or the enlargement of existing county farms. Thus, stagnation within the CFE is a real problem, a situation made worse by the relatively high average age (55) of county farm tenants, with a number in their 80s and over. This lack of progression, an originally important function of the CFE, reflects a lack of desire by tenants to move and/or a lack of equipped holdings to rent within the wider agricultural sector. It also reflects an attempt by some county farm tenants to negotiate longer-term FBT than is normal in the tenanted sector as a whole. Indeed, some local authorities value the continuity that retaining tenants bring to their estate, even when this discourages progression. Cambridgeshire, e.g. has been keen to retain good tenants who understand localised farming requirements; as a consequence, they have offered them longer term tenancy agreements. CAAV (2007) suggested that the average length of FBT offered by the CFE has increased since 2001, to between five and 10 years; this compares with an average duration of a FBT of 3.75 years in the wider agricultural tenanted sector. Nevertheless, the number of lifetime and retirement tenancies in the CFE has been falling, especially among those CUA making increasing use of short-term agreements on land with an identified development potential. Indeed, some CUA expressed an interest in selling off the CFE in order to benefit from rising land prices (NFU 2007). Thus, North Yorkshire adopted a blanket policy of selling off county farms at the end of tenancies; some of these were sold to existing tenants. Other CUA, such as Gloucestershire, have adopted a more ‘middle road’ policy of deciding what is right for individual holdings at the end of each tenancy. This allows them to either use the land for the enlargement of existing county farms or to sell off small parcels of land for agricultural and non-agricultural uses.

Non-agricultural uses could help the CFE to satisfy its obligations to the wider rural community and to attract new entrants to farming. While rarely enacted during phases of growth and consolidation, different forms of diversification could represent a survival strategy for the CFE. Thus, Hampshire County Council has been keen to explore opportunities for the procurement of food produced by their tenants by local authority services, while Cambridgeshire has provided land and organised community tree planting events. Likewise, both Devon and Cornwall have developed educational centres on their
CFE with a view to providing important facilities for school children and adding value to the county farm service. Such education services could be extended to incorporate environmental/conservation goals. These kinds of developments could lead to new markets for county farm tenants, the creation of local food processing jobs and increased educational awareness of the benefits of local food. CFE tenants could also diversify into different forms of farm-based tourism and recreation. Different combinations of agricultural and non-agricultural uses might prove attractive to younger and more innovative first time farmers, bringing vital new blood to the CFE.

While the concept of farm diversification is more likely to be accepted by new entrants than by some of the existing and longer-term CFE tenants, it must not be seen as contradictory to the original goals of allowing ‘new blood’ and non-successional tenants into farming and developing viable farming enterprises. Indeed, recent policy debates in the UK have shifted attention away from local foods and diversification activities and towards more national and global issues associated with food security. In response to such factors as a rapidly rising world population, volatile energy and food prices, water resources and climate change, there is once again pressure to produce more food (Bridge and Johnson 2009, Chatham House 2009). This re-emphasis on agricultural productivism could have important implications for the future direction of the CFE and the attraction of ‘new blood’ into the industry, especially as the UK has a major deficit in the production of horticultural products, many of which could be grown on the smaller-scale county farms in different parts of the country. There is also potential for the CFE to link up more directly with initiatives like FS in Cornwall in order to attract new entrants to farming and the next section examines some of the developments relating specifically to the FS initiative in Cornwall.

**The Fresh Start Initiative in Cornwall**

Following the Commission for the Future of Farming and Food’s recommendation to create new routes into farming (Defra 2002), the Fresh Start (FS) initiative was launched nationally in December 2004. In the early stages of the programme (March 2005), a pilot initiative was launched in Cornwall (Fresh Start in Cornwall) by the Cornwall Agricultural Council’s Development Team (CACDT). It was intent on assisting Cornwall and the Isles of Sicily’s farmers to rationalize, restructure and improve efficiencies through an integrated system of elements that were aimed at facilitating both entry into, and exit from, farming. Although it initially provided useful feedback as a pilot for the national FS scheme, the later scheme subsequently focused solely on new entrants and the setting up of FS Academies. The research presented here derives from an evaluation of the FS scheme in Cornwall between 2005 and 2008, and its attempt to simultaneously address both entry and exit issues within farming.
FS in Cornwall was an industry-led initiative, run by CACDT in partnership with Business Link and Duchy College and funded by the EU Objective One Structural Programme. It had three key aims: first, to encourage and help newcomers to the agricultural industry to ensure its long-term health and vitality; second, to encourage those within the industry to plan ahead and explore new opportunities and options; and third, and in contrast to the CFE, to provide an opportunity for those wishing to leave the industry to do so with dignity. In order to help achieve these aims, FS offered an innovative package of measures to applicants that were intended to make use of existing organisations and structures in the county, where possible. These included: matchmaking; business support; retirement and succession planning; mentoring; training; financial engineering; and rural housing provision. These were co-ordinated by a full time FS co-ordinator, but delivered by a range of partners using established networks and expertise. Key amongst these partners was the Cornwall CFE.

The matchmaking element was facilitated by the scheme’s coordinator and involved trying to link new entrants to available holdings, or putting them in touch with existing farmers considering some kind of joint venture. Business support was available to those entering the industry on the basis of pre-tender, pre-investment and post-investment subsidised consultancy support, delivered through the existing mechanisms of the Rural Business Support Initiative (RBSI) and administered by Business Link Devon & Cornwall. Normally, this support is only available to those that are currently generating a minimum of £1500 income through farming and who have an agricultural holding number; however, under FS eligibility was extended to include anyone who had been accepted onto the initiative. Equivalent support was also available for those leaving the industry, under the heading of ‘retirement and succession planning’. In contrast, mentoring was envisaged as being distinctive from business support and intended to be primarily about setting goals and providing a listening ear. It also aimed to help build confidence, self-esteem and the ability to make decisions. It was anticipated that the mentoring would operate alongside and after business support had been withdrawn. In addition, and distinct from mentors, ‘farm buddies’ were introduced in 2006 to provide practical farming advice to new farmers such as giving advice on when to cut grass for hay, with up to a maximum of three days support.

In terms of training, Duchy College was allowed to spend the Voluntary Training Scheme (VTS) budget on ‘eligible beneficiaries’ within the FS initiative, including those who were not already in the industry. Duchy College offered a number of courses aimed

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51 An Agricultural Holding Number is assigned to land owners/managers who register their land with the government. This enables them to apply for the Single Farm Payment or other grant schemes from the Rural Payments Agency.
at FS participants based on the results of training and business needs analyses that were conducted. Following some initial delays, the financial engineering element of FS was finally agreed with Government Office South West (GOSW) in April 2006. The approved budget was £250,000, with the intention of delivering eight loans at an average of £31,250. With respect to the affordable rural housing element, the intention was to work with organisations such as the Addington Trust to stimulate activity in the county and put some pressure on the local planning departments.

It can be seen, therefore, that FS provided a range of support to facilitate exit from, and entry into, farming. Nevertheless, in terms of hard outputs it has been limited; despite having 212 registrations of interested applicants, there were only six successful farm tenders and one successful joint-venture. In addition, business support was provided to 43 people, 14 received mentoring support, four farm buddy support, two VTS training, two retirement support and three people received loans through the financial engineering package. So, although numbers of applicants have been high, those who have gone on to train, acquire holdings or enter share farming arrangements with FS support have been low.

Matchmaking, as a means of facilitating some form of shared farming or joint venture, was acknowledged by stakeholders to be a good idea. However, in reality there proved to be a number of significant barriers to its success: new entrants’ lack of capital, insufficient money being generated within the projected new business to support two families, and lack of housing for the new entrant. It also proved very difficult to match strangers together, and there was a perception that the effort might have been better spent facilitating the legalisation of agreements that had already been informally established, rather than trying to act as an initial matchmaker. Whilst the structural limitations to joint ventures have already been recognised (ADAS 2004), this evaluation has revealed that the human side of matching unknown parties also needs to be considered.

Business support was the most popular element with applicants, proving particularly valuable for new entrants applying for county farm tenancies. However, while a budget of £235,000 was made available by GOSW for business support, nearly 80 per cent of this budget remained unspent. It may be that the projected numbers submitted to GOSW were overly optimistic, but it also highlights the lack of opportunities available for new entrants trying to gain access to farms.

The uptake of the ‘retirement and succession planning’ initiative was minimal, mainly because farmers considering retirement do so over a long period of time, usually requiring professional legal and accountancy advice; as such, the support offered by FS was not seen as appropriate (or at least sufficient) to help them to make a decision to retire. Although the numbers receiving mentoring support were quite small, it was
described as being significant for the small minority that did, with strong and supportive relationships being developed between mentors and those setting foot on the farming ladder for the first time. Only four FS clients used buddies, but had buddy being introduced from the beginning of FS it is likely that the uptake would have been better. Where the buddies were used, they were felt to have been helpful to the new entrants concerned.

In terms of training, the low uptake of VTS can be explained by the fact that those interested in training were thinking about learning short-term practical skills rather than enhancing their business and management skills. In this respect, FS has highlighted the need to provide support packages specifically targeted at industry restructuring, in addition to those that enable upskilling for those who are already in the industry. In a similar vein, only £84,200 out of the total budget of £250,000 for ‘financial engineering’ was allocated to three businesses. The intention was for this package to be used as a lender of last resort for those unable to get funding from normal lending sources, due to a lack of track record or collateral. Although some concerns were expressed that there was a danger of supporting businesses that banks would not consider, those running the package (South West Investment Group) emphasised that they based their decisions on the viability of the business case in much the same way as a commercial bank; the only difference being that a commercial bank would be looking for more tangible security. Furthermore, the fund enabled three people to get into farming who would not otherwise have done so. It was felt that had the fund been available earlier in the scheme three further new businesses might have been supported. It was also the case that when it started the interest rates offered within the financial engineering scheme were not very attractive; this situation changed as the scheme neared its conclusion.

Finally, there is little doubt that affordable rural housing is perhaps the key issue that needs to be addressed within the context of industry restructuring, but also more broadly within rural areas. However, this proved to be the most difficult for FS to engage with and the scheme failed to identify any suitable mechanisms for addressing this issue. A lack of suitable affordable housing has certainly acted as a block on mobility within Cornwall (which has exceptionally high property prices), most notably affecting older farmers’ ability to move off their farm.

In theory, there is the potential for both the private and county farm sectors in Cornwall to provide tenancy opportunities for new entrants. However, in practice, both sectors are constrained by the need to retain a profitable tenanted farm structure on their estates. What this means is that when farms do become available, there is usually demand from existing tenants within the estate to increase the size of their holdings. Consequently, the size of holdings has tended to increase beyond the size
appropriate/affordable for a first time entrant to farming. Although the CFE supported FS (indeed the only successful FS new entrant tenancies were with county farms), there was increasing frustration amongst applicants that county farms are not sympathetic to younger people and that their land agents are under pressure to make the CFE economically viable in the face of a range of budgetary pressures. It is also clear that land agents on the private estates face similar pressures. Yet ironically, representatives of both the private estates and county farms acknowledge that they need to reinvigorate their farm estates with young farmers. In this respect, the evaluation suggested that schemes like FS have a potentially ‘linking role’ in facilitating young farmers’ entry into the county farm estate, before then progressing them onto private estates. Nevertheless, in practice there were no examples of this happening.

Given the competition for county farm tenancies and the limited opportunities on private estates, many participants in the evaluation felt that land being released from retiring land owners offered the best hope for new entrants. However, barriers were identified here as well. Farmers thinking of retiring or winding down were found to be often looking for easy and/or short-term solutions, as well as considering their taxation position. For them, dividing up the farm and buildings and letting out or selling their land (often to neighbours) is likely to be the easiest option, meaning whole farms do not often become available on the open market. This tendency towards taking a short-term ‘holding position’ was reinforced by uncertainties associated with the SPS in the early years of the scheme. Furthermore, this approach enables farmers to stay in their homes, an understandable consideration given the shortage of affordable rural housing in the region. These considerations, which have been articulated by other researchers (e.g., Williams 2006), can help explain, at least in part, why FS has failed to engage with the retirement community. However, there was also a perception amongst the evaluation participants that ‘older’ farmers were often not aware of what FS might have to offer them. FS applicants in particular felt that FS should have been more proactive in linking those who want land with those that may be considering retirement. The consultants interviewed also stressed that the focus of FS should have been on making it easier for people to exit farming, in that this was recognised as the principal ‘bottleneck’ to enabling ‘new blood’ to come into the farming industry.

In terms of facilitating non-successional entry into UK farming, FS has clearly been largely unsuccessful. Nevertheless, it is important to reflect that the FS scheme has been operating against the backdrop of a lack of available land, a lack of finance/capital available to new entrants and a lack of affordable rural housing (a particular problem within Cornwall), all of which have restricted the opportunities for both new entrants and retiring farmers. The net effect of this has been that the number of holdings coming onto
the market has been insufficient to meet the needs of aspiring new entrants in the region, causing a ‘bottleneck’ in terms of the scheme’s operation and effectiveness – notwithstanding that it was this blockage that FS was set up to address. In essence, FS as a policy intervention has been unable to overcome the structural barriers that new entrants face or, as one consultant pointed out, ‘you can’t buck the market’ however well-intentioned your initiative is. Nevertheless, there was recognition by stakeholders and applicants alike that FS had been worth a try. It represented an innovative approach to the entry-exit issue and provided some useful lessons for future policy interventions, as discussed.

Discussion and Conclusions

Problems of entry to and exit from farming in the UK are well-documented, a combination of a reduced rate of entry by new, young farmers and a reduced rate of retirement by older farmers (ADAS et al. 2004). Family succession, as the main route into farming, has dominated studies of agricultural adjustment and the role of succession. These studies – like most other chapters in this book – are about understanding the transfer of farm business assets between generations. The material presented in this chapter has not been about ‘keeping it in the family’, examining instead public policy initiated interventions – the CFE and the pilot FS initiative in Cornwall respectively – that have been designed to enable ‘new blood’ to enter the farming industry. The analysis shows that, although non-successional entrants into farming face a number of distinct challenges such as a lack of capital and land, they are also subject to the same wider structural forces that affect family farm succession.

The two schemes have contrasting geographical reach and start-up periods. The CFE is a well-established national scheme and has historically acted as an important first rung on the farming ladder. The historical and geographical analysis presented here shows that, despite an impressive growth in the number of farms in the first half of the twentieth century, the CFE has more recently experienced a decline in farm numbers through processes of farm amalgamation and disposal by county and unitary authorities. The CFE currently accounts for only 1 per cent of the agricultural area in England and Wales, with a notable reduction in dairy farms, as well as a fall in the provision of equipped holdings. The CFE equates to only 3 per cent of tenanted land in England, although significantly it was responsible for just over one-third of all new let, fully equipped holdings in 2006.

Evaluation of the more recently established FS pilot in Cornwall is equally gloomy; in essence, it failed to facilitate non-successional entry into farming, with limited uptake across a range of measures, which included matchmaking, business support and retirement, and succession planning. For example, despite 212 registrations of interested
applicants, there were just six successful farm tenders, one successful joint-venture and two instances of retirement support being provided.

It is clear in both cases that wider structural and market pressures have significantly influenced the nature, role and success of the schemes. No longer obliged to provide smallholdings, a number of CUA are increasingly pressured and inclined to sell off their farm estates to benefit from high land prices. Equally, the success of the FS initiative in Cornwall has been limited by a lack of holdings because of competition from the public and private tenanted sector, as well as by pressures on capital and the rural housing market.

The demise of the CFE has not gone unnoticed. A recent report by Sir Donald Curry (2008) argues, for instance, that the County Council Farm structure needs to be retained as one of the few entry points for those wanting to start a business. The CFE is rightly championed as an indispensable national asset for the structure of UK agriculture. This same report also notes the service benefits that the estate can bring to local authorities in meeting wider objectives in relation to countryside and environmental issues, including, e.g. renewable energy, waste utilisation, local food, access to the countryside, learning outside the classroom, planning policies, greenbelt management and assisting in the management of flood risk. In short, the CFE, and its espousal of ‘service provision’, embodies, if managed properly, the multi-functional properties of modern farming. However, as is clear from the analysis here (see also Ilbery et al. 2010a), a more strategic approach is necessary to realise these potential benefits; when properly utilised (as is the case in some local authority contexts), such farms become significant nodes of learning and demonstration, enabling new ideas, as well as new people, to enter farming and demonstrate new change processes.

Both schemes have been influenced by the effect of stagnation. In the case of the CFE, only a small majority of farm tenants have taken up farm opportunities elsewhere. They have not enabled new farmers to succeed them, a problem not helped by the relatively high average age of tenants, effectively mirroring the succession barriers noted in the family farming literature (see Brookfield and Parsons 2007). This stagnation would appear to be the consequence of poor management, or at least a lack of management relative to the aims of the scheme. Smaller county council farms arguably should only ever be viewed as starter units (as originally intended), and local authorities could use FBTs as a way to ensure that prospective tenants who are taken on understand that they should use the tenancy as an opportunity to establish a business and to then move on to a larger unit within a specified timescale (Curry 2008), thus allowing others to succeed them. In short, tenancies must be managed and succession plans established, thereby removing the temptation to remain on a farm and not move on, so often the primary
barrier in family farm contexts. In the case of the FS analysis, stagnation resulted largely from the farmers’ ability and desire to stay on the farm, accompanied by their inability to afford alternative housing for their retirement. This can, in part, explain the lack of FS’s engagement with those considering retirement; however, the inappropriate nature of the support offered was also identified as an issue.

The impact of such government-initiated schemes is clearly significantly determined by wider processes of structural change. This relationship with broader structural processes is also seen in mainstream farm succession work (Williams and Farrington 2006), with farm household intentions influenced by local context, especially surrounding labour markets. Research by ADAS et al. (2004) has shown, for instance, that the low rate of new entry into family farms reflected, at that time, the poor returns compared to alternative occupations rather than any barriers to entry. In a survey of students of land-based subjects, they found that they did not intend to run a farm business by the time they leave college, mainly because of the positive attractions of other careers, although most intended to come back to run a farm in the future. In other words, entry and exit rates are flexible and will be influenced by profitability and stability within the industry.

The current farming environment has clearly changed and there is now a stronger case to be made about considering a career in farming. The nature of the CFE still remains challenging, especially as a number of local authorities come under increased pressure to reduce spending and maximise assets. Nevertheless, given food and energy security demands, coupled with pressures to maintain and protect environmental services and assets (Lobley and Winter 2009), the demand and need for initiatives that have the potential to enable new farm families to enter the industry remain arguably stronger now than it has done in the past. Non-successional schemes that enable new blood to enter any industry are important to improve and fill skills shortages, encourage entrepreneurship and new ideas, improve resilience and adaptability, and, in the case of farming, to help reduce an ageing working population. The National Fresh Start initiative, in the form of its National Stakeholder Group, has recognised this need to ‘mend the farming ladder’ and recently launched a campaign to meet with large private and institutional landowners to better enable new entrants to access the industry. Similar actions are urgently required on the CFE side, to ensure it maintains its estate portfolio and continues to complement and support traditional family succession pathways. However, as this analysis as shown, any new initiatives to support new entrants must be accompanied by interventions to encourage and help older farmers to move on or leave the industry.
References


Defra. 2006. *Agriculture in the UK 2006*.


Appendix 2

Email questionnaire survey of County Farms
Estate managers

Questionnaire survey
Cover letter
A questionnaire survey into the current structure and future potential of the county farms estate in England and Wales

JULY 2008

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Funded by the Economic and Social Research Council,

in Collaboration with
The Association of Chief Estates Surveyors and Property Managers in the Public Sector (ACES), Rural Practice Branch.
This survey has two purposes: first to consider the current structure of the county farms estate within England and Wales; and secondly, to evaluate its future potential. I hope that you can spare the time to complete the questionnaire. Please be assured that any personal responses will be treated in strict confidence. It is acknowledged that some of the questions require detailed answers: please answer them to the level that your available data allow.

Name …………………………………………………………………………………………………………..
Council or unitary authority ………………………………………………………………………………………
Position …………………………………………………………………………………………………………..
Organisation (if external management) ………………………………………………………………..
……………………………………………………………………………………………………………………………..

**PART A: Current structure of the county farms estate**

1. a. Please provide the following details regarding the current structure of the estate within your county or unitary authority and how it has changed over the past 10 years (for Questions 1 to 5 please use comparable CIPFA statistics):

<table>
<thead>
<tr>
<th></th>
<th>1997-98</th>
<th>2008-09</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total area (ha)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total number of holdings</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average holding size (ha)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total number of tenants</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean age of tenants</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age range of tenants</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

b. Please list up to three reasons for these changes in the structure of the estate over this time period?
…………………………………………………………………………………………………………………..
…………………………………………………………………………………………………………………..
…………………………………………………………………………………………………………………..
…………………………………………………………………………………………………………………..
…………………………………………………………………………………………………………………..
…………………………………………………………………………………………………………………..

b. If there is a difference between the number of holdings and number of tenants today, please state why (e.g. limited holding size; dispersed location of land):
…………………………………………………………………………………………………………………..
…………………………………………………………………………………………………………………..
…………………………………………………………………………………………………………………..
…………………………………………………………………………………………………………………..
…………………………………………………………………………………………………………………..
…………………………………………………………………………………………………………………..

………………………………
2. Please identify the predominant farming activity on the holdings within the estate, now and in 1998:

<table>
<thead>
<tr>
<th>Type of holding</th>
<th>Number of holdings</th>
<th>Average size of holding (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1997-98</td>
<td>2008-09</td>
</tr>
<tr>
<td>Horticulture</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dairy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mixed dairy and arable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beef</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sheep</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pigs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Poultry</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mixed livestock</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mixed arable and livestock</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mixed dairy and livestock</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

3. Please complete the following table in relation to the type of holding condition, now and in 1998:

<table>
<thead>
<tr>
<th>Holding condition</th>
<th>Total number of holdings</th>
<th>Average size of holding (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1997-98</td>
<td>2008-09</td>
</tr>
<tr>
<td>Equipped holdings (accommodation and buildings)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings only holdings</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bare land only holdings</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4. What type of tenancy arrangements are in use on your estate, now and in 1998?

<table>
<thead>
<tr>
<th>Tenancy type</th>
<th>Number of agreements</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1997-98</td>
</tr>
<tr>
<td>Full Agricultural Tenancy</td>
<td></td>
</tr>
<tr>
<td>Farm Business Tenancy</td>
<td></td>
</tr>
<tr>
<td>Grass keep</td>
<td></td>
</tr>
<tr>
<td>Cropping licence</td>
<td></td>
</tr>
<tr>
<td>Informal agreement</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
</tr>
</tbody>
</table>
5. Could you complete the following table in relation to the length of current tenancy agreements?

<table>
<thead>
<tr>
<th>Length of tenancy</th>
<th>Number of agreements in place</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1997-98</td>
</tr>
<tr>
<td>Less than 1 year</td>
<td></td>
</tr>
<tr>
<td>1 to 5 years</td>
<td></td>
</tr>
<tr>
<td>5 to 10 years</td>
<td></td>
</tr>
<tr>
<td>10 to 15 years</td>
<td></td>
</tr>
<tr>
<td>15 years +</td>
<td></td>
</tr>
<tr>
<td>Lifetime</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
</tr>
</tbody>
</table>

6. Please complete the following table in relation to the movement of tenants on the estate?

<table>
<thead>
<tr>
<th>New tenancies granted</th>
<th>Number of occurrences</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2006</td>
</tr>
<tr>
<td>To existing tenants</td>
<td></td>
</tr>
<tr>
<td>To previously established farmers (but not from county farms estate)</td>
<td></td>
</tr>
<tr>
<td>To new entrants to farming</td>
<td></td>
</tr>
<tr>
<td>Progression of tenants</td>
<td></td>
</tr>
<tr>
<td>To new farm within county farms estate</td>
<td></td>
</tr>
<tr>
<td>To private tenanted sector</td>
<td></td>
</tr>
<tr>
<td>Purchased farm</td>
<td></td>
</tr>
<tr>
<td>Retired and moved off estate</td>
<td></td>
</tr>
<tr>
<td>Retired but stayed in estate farmhouse</td>
<td></td>
</tr>
<tr>
<td>Left farming industry but not retired</td>
<td></td>
</tr>
<tr>
<td>Unknown</td>
<td></td>
</tr>
</tbody>
</table>

7. a. What qualifications do potential new entrants require if they wish to be considered for a vacant farm?

b. Are any other issues taken into account when selecting suitable applicants for new tenancy agreements (e.g. local applicants, family of present or previous tenants)?
8. Are there any systems in place to encourage tenants to move through, and beyond, the county farms estate system (e.g. not allowing an individual tenant more than two terms on a specific farm)? If so, can you please expand:

9. Does the council or unitary authority offer support and guidance to the tenants at any stage once they are in occupation of the farm? If so, what does this support entail?

10. Does the county council or unitary authority encourage co-operation between individual tenants? If so, please comment:

11. Does your council or unitary authority have any links with private landlords? If so, what does this relationship entail?

12. Please list any alternative uses (other than farming) made of the county farms estate by your county council or unitary authority:
13. Could you please identify diversification activities that tenants engage with on the estate? (please insert numbers in appropriate boxes):

<table>
<thead>
<tr>
<th>Hire / contract services</th>
<th>Please insert number of tenants involved in each activity in the appropriate box</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural contracting</td>
<td>Non-agricultural machinery hire</td>
</tr>
<tr>
<td>Agricultural machinery hire</td>
<td>Vehicle storage / parking</td>
</tr>
<tr>
<td>Other hire / contracting services (please specify)</td>
<td>Commercial building rental / leasing</td>
</tr>
</tbody>
</table>

---

**Specialised products**

**Livestock products**

- Fish
- Deer
- Goats
- Sheep dairy
- Other livestock products (please specify)

---

**Organic products**

- Milk
- Meat
- Crops
- Vegetables
- Other organic products (please specify)

---

**Crop products**

- Special flowers / fruit
- Vineyard
- Energy / forestry crops
- Minority crops (e.g. fennel)
- Other crop products (please specify)

---

**On-farm services**

**Accommodation and catering**

- Caravan site
- Camp site
- Bed and breakfast
- Rented accommodation
- On-farm catering
- Off-farm catering
- Other accommodation / catering (please specify)

---

**Sport and leisure**

- Shooting
- Horse riding / livery
- Education facilities
- Nature wildlife trail
- Children's farm / farm park
- Picnic site
- Other sport and leisure (please specify)
Food processing and/or direct marketing

Food preparation and processing
- Milk bottling
- Other dairy products
- On-farm butchering - meat / game
- Egg packing
- Fruit and vegetable preparation / grading
- Other preparation / packing (please specify)

Direct marketing
- Pick your own
- Farm shop
- Market stall
- Farmers' market
- Internet sales
- Other direct marketing (please specify)

14. Please comment on the main issues, or problems, facing the current structure of the county farms estate:

15. Can you identify the most likely impacts of present management policy on the structure of the county farms estate over the next ten years? (please tick appropriate boxes):

<table>
<thead>
<tr>
<th></th>
<th>Short-term - 0 to 5 years</th>
<th>Long-term – 5 to 10 years</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No change</td>
<td>Decline</td>
</tr>
<tr>
<td>Total area</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total number of holdings</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average holding size</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total number of tenants</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

b. Please explain why any of the changes listed above are likely to occur:

16. If any future structural changes of the estate have been identified, please indicate how this is likely to impact on the following: (please tick appropriate boxes):
Appendices

<table>
<thead>
<tr>
<th>Farm type</th>
<th>Stock type</th>
<th>Holding type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Horticulture</td>
<td>Pigs</td>
<td>Equipped holdings</td>
</tr>
<tr>
<td>Arable</td>
<td>Poultry</td>
<td>Buildings only</td>
</tr>
<tr>
<td>Dairy</td>
<td>Mixed livestock</td>
<td>Bare land only</td>
</tr>
<tr>
<td>Mixed dairy and arable</td>
<td>Mixed arable and livestock</td>
<td></td>
</tr>
<tr>
<td>Beef</td>
<td>Mixed dairy and livestock</td>
<td></td>
</tr>
<tr>
<td>Sheep</td>
<td>Other</td>
<td></td>
</tr>
</tbody>
</table>

b. Please provide suggested reasons for such change:

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17. a. Are tenancy agreements likely to change in the future? If so, please insert tick the appropriate boxes for those which may become more prominent:

<table>
<thead>
<tr>
<th>Tenancy type</th>
<th>Length of tenancy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full Agricultural Tenancy</td>
<td>Less than 1 year</td>
</tr>
<tr>
<td>Farm Business Tenancy</td>
<td>1 to 5 years</td>
</tr>
<tr>
<td>Grass keep</td>
<td>5 to 10 years</td>
</tr>
<tr>
<td>Cropping licence</td>
<td>10 to 15 years</td>
</tr>
<tr>
<td>Informal agreement</td>
<td>15 years +</td>
</tr>
<tr>
<td>Other</td>
<td>Lifetime</td>
</tr>
</tbody>
</table>

b. Please provide suggested reasons for such change:

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18. Have any possible non-farming uses of the estate been identified within future management policy? If so, please provide further detail:

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19. Please identify any alternative uses of the county farms estate that you feel may be of interest to your county council or unitary authority over the coming years:
## Farmer diversification (see question 12 for full list)

<table>
<thead>
<tr>
<th>Category</th>
<th>Options</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hire / contract services</td>
<td>Specialised products</td>
</tr>
<tr>
<td>On-farm services</td>
<td>Livestock products</td>
</tr>
<tr>
<td>Accommodation and catering</td>
<td>Organic products</td>
</tr>
<tr>
<td>Sport and leisure</td>
<td>Crop products</td>
</tr>
<tr>
<td>Food preparation and processing</td>
<td>Direct marketing</td>
</tr>
</tbody>
</table>

## Municipal alternative use

### Environment
- Carbon sequestration
- Biofuel provision
- Composting facilities
- Flood defences
- National forest
- Nature trails

### Educational
- Farm visits for students
- School visits by farmers
- On-site education centres

### Sport and leisure
- Fishing
- Golf
- Leisure continued...
  - Shooting
  - Horse riding / livery
  - Motor sports
  - Water sports
  - Picnic site

### Planning
- Land bank for development (e.g. housing / roads / municipal buildings)

20. Please use this space to make any further comments about the future potential of the county farms estate within a) your county council/unitary authority and b) nationally:

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………………………………………………………………………………………………
Finally, in what ways does ACES contribute to the running and management of the county farms estate?

The findings of this report will be used to help develop further understanding of the structure and future potential of the county farms estate. It will also be a vital source of information to help inform future phases of the research. These findings will be made available to ACES at a later date. Any personal comments will be strictly confidential.

Thank you for helping to complete this survey.

Please return the form electronically by email to nprince@glos.ac.uk
A completed paper copy of this questionnaire can be posted, should you so prefer, to: N Prince, CCRI, University of Gloucestershire, The Park, Cheltenham, GL50 2RH.
Dear ACES member,

You may well be aware that ACES Rural Practice Branch is presently collaborating with the Countryside and Community Research Institute (CCRI) in Cheltenham on research into the current structure and future potential of the county farms estate in England and Wales. No major academic research has been undertaken on county farms since the publication of the Wise Committee Report (1966).

The research process consists of three main phases. An initial report has been compiled to identify gaps in readily available information relating to the county farms estate; this has been circulated to ACES Rural Practice Branch. The second phase consists of a questionnaire survey of all county councils and unitary authorities to gather data relating to the current extent and future potential of the estate. This will involve selecting case study regions to gather in-depth data relating to the contribution that county farms can make to sustainable farming and rural development. A number of reports will be compiled throughout the research process and made available to ACES members.

The data gathered during this questionnaire survey will provide the foundation for further stages of the research and so will have a considerable impact on its overall quality. I would be grateful, therefore, if you, or your nominee, could take time to complete the attached questionnaire. It consists of two sections with a number of closed and open questions. Anonymity and confidentiality will be assured. Please open the document in Word as this allows the flexibility to answer questions in as much detail and space as you feel necessary. Please return your completed questionnaire electronically.

I would be grateful if you could complete and return the questionnaire to me by Friday 8th of August at the latest. An aide-mémoire will be sent, if needed, on or about Monday 4th of August.

Thank you for taking time to participate in this survey.

Yours faithfully,

Nick Prince
nprince@glos.ac.uk; 01242 714147
Countryside and Community Research Institute, University of Gloucestershire, Dunholme Villa, The Park, Cheltenham, GL50 2RH.
Appendix 3

Tenant interview schedule

Interview schedule for tenant farmers

Accompanying flyer given to tenants to outline research
Interview schedule for tenant farmers

Before I start the interview can I just stress two points:

- Firstly, all information you provide in this interview is strictly confidential and your responses will be coded and remain anonymous. None of the information you provide will be made available to any other parties. Comments will be collated in databases to highlight patterns and trends, which are to be discussed as generalisations.

- Secondly, you are under no obligation to answer any of the questions and you stop this interview at any time.

If you are happy to have the interview recorded and to start, can you please sign below to give your consent?

Name
...........................................................................................................................................
......

Farm
...........................................................................................................................................
......

Signed
...........................................................................................................................................
......

Date
...........................................................................................................................................
......
I’ve devised a ‘prompt sheet’ for the interview, with a few areas I’d like to cover.

A. OK, I’d like to start by asking if you could tell me about your background and how you became interested in farming.

PROMPTS

Where were you born?

Can I ask what year that was?

Have you always worked in agriculture? (please expand and list previous employment)

So why did you want to become a farmer in your own right?
B. Perhaps we can now discuss your experiences of becoming a CFE tenant

PROMPTS

How did you first become aware of the CFE?

Did you consider any other methods of becoming a farmer, other than through the CFE?

Did you have any particular problems in becoming a CFE tenant?

Do you think the requirements you needed to become a CFE tenant have been beneficial to you as a farmer?

Is this your first farm?

How old were you when you took over your first farm?

And how long have you been on this farm?

Do you farm any additional land? (ask if owner occupied or rented)

Do you have any interactions with other CFE tenants – e.g. tenants association – machinery share?
C. Next I’d like to chat about the tenancy agreement you have and the rights this grants you – can you tell me about your present agreement?

PROMPTS

Are you still on the original tenancy agreement?

What is the nature, type and duration of the present tenancy agreement?

Is this suitable for your needs?

What rights over the property do you hold as part of the tenancy? (e.g. occupation, user, shooting)

Have these changed over time? (e.g. removal of rights / land / property)

Have you any issues over your property rights? (e.g. let bare land but would like buildings)

Does the local authority or other groups hold rights over the property, other than ownership? (e.g. access; shooting; recreation; education; environmental)

Has the holding undergone any investment during your tenure?
   Who contributed to this?
   Who carried out this work (probing for rural employment and developing skills)

Is the holding entered into any environmental schemes and does this affect the running of the farm?

How is the single farm payment distributed? (change aspect of this question dependent on how long the tenant has been on the holding)
D. Bearing in mind that all your comments are confidential, I would like to ask about your relationship with your landlord, or those acting on their behalf

PROMPTS

Generally, how would you describe your relationship with your landlord or their agents?

How often do you see them?

Is this suitable to your needs?

Have you had any particular problems with your landlord or their agents recently?

Do you feel they do enough to help?

Are you confident that your landlord would help you expand your business, should you wish to?
E. Ok, I’d now like to move on and discuss your present farm business

PROMPTS

How big is the farm?

Do you farm one holding, or a number of small holdings?

Do you employ any additional staff or family members to help on the farm; either full or part-time? (e.g. full time staff; relief milker; contractors; land agent)

How would you describe your type of farming (dominant type)?

Can you run through your agricultural enterprises?

<table>
<thead>
<tr>
<th>Stock</th>
<th>Number</th>
<th>Crops</th>
<th>Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dairy cattle</td>
<td></td>
<td>Horticulture</td>
<td></td>
</tr>
<tr>
<td>Dairy replacements</td>
<td></td>
<td>Combinable</td>
<td></td>
</tr>
<tr>
<td>Beef cattle</td>
<td></td>
<td>Potatoes</td>
<td></td>
</tr>
<tr>
<td>Sheep</td>
<td></td>
<td>Vegetables</td>
<td></td>
</tr>
<tr>
<td>Pigs</td>
<td></td>
<td>Meadow land</td>
<td></td>
</tr>
<tr>
<td>Poultry</td>
<td></td>
<td>Grazing</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

List of crops - ………………………………………………………………………………….

Have there been any changes in farm production during your tenure? (please explain why these changes occurred)

Have you any plans to change production in the future?

Do you think you will be able to implement these plans? (please explain the reasons for this)
F. I would now like to ask if you could briefly explain how you market each of these products

<table>
<thead>
<tr>
<th>Marketing channel</th>
<th>Produce</th>
<th>Percentage</th>
<th>Purchaser(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farm gate sales</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Farm shops</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Box schemes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Farmers’ markets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Independent retailers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Catering establishments</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local farmers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public sector procurement</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supermarkets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wholesalers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Abattoir/processor</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marketing cooperatives</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Livestock markets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

PROMPTS

What are your motives for these choices of market channel?

What is your attitude towards local food and value added products?

Do you believe there are opportunities or barriers to the development of either of the above markets from your perspective?
G. Do you supplement the income generated from your main farming enterprise(s) with other farming or non-farming enterprises?

**PROMPTS**

What brought about the need to diversify?

Did the role of family members influence the choice of diversification?

Have you encountered any problems setting up the diversification activity?

Do you presently have any plans to develop any future diversification activities?

The CFE is increasingly been seen as a provider of educational, environmental or recreational services – other than just an agricultural resource. Have you, either through your own ideas, or by discussion with others, thought about diversification into any of these services?
H. Ok, could you outline any future plans that you may have?

PROMPTS - DEVELOP QUESTIONS TO SPECIFIC TENANTS

- ESTABLISHED TENANTS

Have you considered progression from this farm? (including to another holding or retirement).

Are you under any pressure to move on from your present holding?

Have you encountered any difficulties 'moving on' from your present farm?

Could you please explain any consideration or plans you have made towards retirement?

- NEW TENANTS

How do you see your career in agriculture progressing?

Does this vision include plans for when your present tenancy expires?

Could you please explain any consideration or plans you have made towards retirement?
I. Can I ask you about your overall opinions of the CFE service?

PROMPTS
Are you aware of any problems facing the local CFE?

Do you think the CFE is important to the agricultural industry in England and Wales? Please explain how and why

Could the service be changed to the benefit of tenants?

From your experience of the CFE, would you recommend it to others?

Do you think you would be a farmer now if it was not for the CFE?

Finally, other than estate managers, are there any other people who you see as important to the CFE?
J. I think that about wraps up the interview – but are there any other issues that you would like to add about your experience of the county farms estate before we finish?
K. Finally, I’d just finally like to ask if you would be interested in participating in a group discussion that will take place in the next stage of the research – this will involve a number of tenants and others to discuss some of the key points identified within the interviews.

THREE KEY POINTS FROM INTERVIEW
The current structure and future potential of the county farms estate in England and Wales

The project

It is widely recognised within the agricultural industry that the county farms estate of England and Wales performs an important function, especially in terms of encouraging new entrants into the industry. Thus it is perhaps surprising that over the past forty years this phenomenon has not been the subject of serious academic research. Given this lack of study, a three year research programme has been developed at the University of Gloucestershire to look at the present structure and future potential of the county farms estate. The work is funded by the Economic and Social Research Council and is being conducted in collaboration with the ACES Rural Practice Branch.

Aims and objectives

The overall aim of the research is to assess the current extent and role of county farms in England and Wales and to examine their likely future impact on agricultural restructuring and rural development. More specifically, the research will:

1. Provide a comprehensive assessment of the current structure of the county farms estate in England and Wales.
2. Develop an understanding of the main opportunities and barriers to the future development of county farms in England and Wales.
3. Consider the contribution of county farms to sustainable farming and rural development in selected counties in England and Wales.
4. Explore the extent to which county farms can help provide employment, recreational and educational opportunities, as well as supporting the socio-economic well-being of the wider rural community.

A multi-phase research programme has been devised to help meet these aims and objectives. Three reports have already been produced and these add to the present understanding of the county farms estate; they also inform future phases of the research. The next phase of the research involves interviews with around 80 people who share an interest in the county farms estate across three local authorities in England and Wales. By interviewing a range of tenants and ‘others’, such as the NFU and TFA, it is hoped to develop a detailed and multi-dimensional understanding of the key issues, problems and opportunities facing the contemporary county farms estate.

For further information on this research project, contact Nick Prince (01242 714123) or via email to npince@glos.ac.uk
Appendices

Appendix 4

Guide notes and participation letter for the Gloucestershire focus group meeting
The county farms estate – Gloucestershire

Focus group themes for discussion

1. **Introduction**

   Good evening and welcome. Thank you for taking the time to join us this evening. Hopefully you’ve all received the invitational letter that gave a brief outline of the key issues we’re going to discuss tonight. You’ve been invited along tonight to participate in this focus group meeting in order to discuss some of the key issues to arise in the research so far.

   You have your own thoughts and experiences about the county farms estates and I look forward to hearing these. It’s roll is to guide and facilitate our discussions and I’m keen to hear from you all. In order to do so, I may interrupt occasionally to ensure every body’s opinions are heard and noted correctly. I should stress that any comments I do make are designed to promote debate.

   Nicola will be taking notes and our conversation will be recorded. All comments made this evening will be confidential; no names will be used in any written work to arise form tonight’s meeting and your anonymity is assured. Are there any questions anyone would like to raise about this issue? If not, can I ask that you each provide a signature to say you are happy to participate and comfortable that confidentiality and anonymity will be assured. This needs to be done in order to satisfy the requirements of the research ethics committee of the University of Gloucestershire – if anyone would like a copy of the transcribed notes, then please add an email address so I can send out a copy when they are written up.

   Before we start the main part of the discussion I’d just ask that you all introduce yourselves to the rest of the group and explain your links to the county farms estate. This not only helps us get to know each other, but will also help me recognise voices when listening back to the recording.
2. **Defining the present county farms estate service**  
   
   10 minutes

   Ok, I’d like to start by quickly asking you to all explain what service you believe the county farms estate currently provides; I’d like to stress, that by this I mean the service as you see it, irrespective of any national policy or local authority objectives.

   **GUIDE TOPICS FOR DISCUSSION**

   - Service for tenants
     - Entry mechanism
     - Progression
       - Internal
       - External

   - Service for landlords
     - Agricultural service
     - Economic asset
     - Alternative service asset
3. **The optimum size of county farms estate holdings**
   25 minutes

Across the agricultural sector, the average size of the farm holding is increasing as the total number of farms declines in order to satisfy economies of scale and maintain viable farm incomes.

Are local authorities providing the ‘ideal’ holdings to satisfy the needs of tenants?

**GUIDE TOPICS FOR DISCUSSION**

- What is the modern CFE tenant?
  - ‘Full-time’ and ‘part-time’ tenants on the CFE
  - Large-scale agricultural enterprises
  - Smaller diversified rural businesses?

- What would the implications of a shift towards larger holdings be on,
  - Encouraging tenant progression
  - Affordability for new entrants

- Could smaller holdings encourage the entrepreneurial activity so often associated with the county farms estates (rather than a reliance on economies of scale and production of a limited number of crops)?

- The sometimes-thorny issue of tenants taking on additional land; is this a necessity in modern farming or are there reasons why it should not be encouraged?

- Could smaller, bare land holdings provide an opportunity for a new entrant to become established in the industry?

- Could the transfer of property between tenants be more fluid? – The current structure of holdings is rigid and only changes when existing tenants retire. Could a more fluid property transfer system between tenants help both the development, and wind down of businesses, as tenant needs change in relation to age?
4. **Issues of family succession or the mentoring of non-family successors.**

The county farms estate has never included a facility for family succession, but many tenants follow their parents into the industry.

Are there any benefits for landlords and tenants in allowing more obvious succession to occur on county farms holdings?

**GUIDE TOPICS FOR DISCUSSION**

- Could succession by family members help the transfer of farms and allow an accumulation of family capital to aid progression beyond the county farms estate?

- Should tenants be expected to ‘give something back’ to the service and help to mentor potential successors as they approach retirement?

- Could this help facilitate a smoother transition in the establishment of new tenant businesses?
5. **The length of tenancy agreements.** 15 minutes

Lifetime and retirement tenancies are recognised as causing stagnation of tenants within the county farms estate and reducing opportunities for new entrants. In contrast to this, short-term tenancies are criticised as they only offer limited security and reduce the impetus for tenants to invest.

What impact does tenancy length have on farm business development?

**GUIDE TOPICS FOR DISCUSSION**

- Other than investment and progression, are there any other issues affected by tenancy length?

- Should good farming practice clauses’ be included in tenancy agreements to encourage good farming practice?

- Should good farming practice be rewarded by longer tenancy terms?
6. **Investment in estate infrastructure.** 15 minutes

During the interview process, the issue of estate investment has been one of the most talked about issues. Whilst this issue is likely to be of concern across the tenanted sector, can anything be done within the county farms estate to try and alleviate the problem?

Given the present economic environment, are there any ways to encourage investment without over stretching the budgets of landlords or tenants alike?

**GUIDE TOPICS FOR DISCUSSION**

- Could putting the onus for investment on local authorities be the ‘final straw’ and encourage widespread disposals?

- Should external funding, such as the RDPE be encouraged?
  - Who can help time strapped local authorities and tenants look in to these options?

- Could tenants be encouraged to invest in return for increasing their security of tenure?
6. **The future for the county farms estate.** 20 minutes

Are county farms still an appropriate way to provide industry entry opportunities and are local authorities the most suitable bodies to deliver this service?

- Does the agriculture industry need to assist local authorities in the delivery of these services?
- Should local authorities engage with non-agricultural activities to bolster estate incomes?

Ok, to finish, I’d like to quickly ask you all, bearing in mind the comments you have heard, what would you like to see the county farms estate service of the future deliver? By future, I mean the next 15 years or so.
7. **Closing remarks.** 10 minutes

Summary of key points

Any other issues that need to be addressed

Close meeting and thank participants

Drinks and light refreshments

---

**Gloucestershire Focus Group meeting – 18\textsuperscript{th} May 2010**

Attendees (please sign if you are happy to participate)
The present structure and future potential of the County Farms Estate
Gloucestershire case study focus group

ATTENDEES NAME

Further to our recent conversation please find enclosed more details on the focus group meeting on the future of the Gloucestershire County Farms Estate.

Date: Tuesday 18th May 2010

Time: 7.00pm for a 7.15pm start – 9.00pm finish

Location: Waterend Farm, Coaley, Dursley, Gloucestershire, GL11 5DR
- Light refreshments will be available

Attendees: A number of Gloucestershire tenants and other stakeholders, notably the Chief Executive of the Tenant Farmers Association, Chairman of the Association of Chief Estates Surveyors and Property Managers in Local Government (ACES Rural Practice Branch), and the Chairmen of Partners, Bruton Knowles (Consultants to local authorities on estate management).

Aims: To gather the views and experiences of actors associated with the county farms estate to further explore a number of themes that have arisen in earlier stages of the research. The themes for discussion include

- The optimum size of county farms estate holdings.
- Issues of family succession or the mentoring of non-family successors.
- The length of tenancy agreements.
- Investment in estate infrastructure.
- The future for the county farms estate.

I do hope you are able to attend the meeting and look forward to your contribution to the debate.

Kind regards,

Nick Prince
Countryside and Community Research Institute, University of Gloucestershire, Mobile: 07813350944 email: nicholasprince@connect.glos.ac.uk