

# What can promote access to land for agroecological farming in the UK?

Findings from participatory research and deliberation as part of the Transitions to Agroecological Food Systems project.

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This report has been prepared as part of the UK component of the Transitions to Agroecological Food systems project, in partnership between the STEPS Centre at the Institute of Development Studies and the Land Workers' Alliance. For more information, please contact Elise Wach, <a href="mailto:e.wach@ids.ac.uk">e.wach@ids.ac.uk</a>

# Contents

Access to land for agroecological farming	1
What policy tools (e.g. subsidies, taxation, tenancy legislation, etc.) can promote access to lan agroecological farmers? What can we learn from other countries/contexts in terms of alternate systems to promote access to land for sustainable farming?	tive
Findings from participatory research and deliberation related to subsidies as part of the Transitions to Agroecological Food Systems project.	1
Introduction	3
The cost of land	3
What policy tools (e.g. subsidies, taxation, tenancy legislation, etc.) can promote access to lan agroecological farmers?	
Planning	6
Working within the existing planning system	7
Changes to national policies to improve access to land	10
What can we learn from other countries/contexts in terms of alternative systems to promote access to land for sustainable farming?	17
France	17
Wales	18
Scotland	18
Additional insights from expert witnesses and deliberations	20
Conclusions	22
Glossary and acronyms	24
Resources	24
Endnotes	25

#### Introduction

Land emerged strongly, from the panel discussions, as a major issue for new entrants to agroecological farming. Access to land has long been a key barrier to new entrants to farming and has become more difficult in the last decade or so. A member of the farmers' panel commented that, back when she set up her business, it was possible to take out a loan to buy the land and pay that back with the profits from farming, but that route is now completely out of reach for the majority of farmers, especially small- and medium-scale farmers.

Land ownership, in the UK, has been heavily skewed towards the very richest for hundreds of years. In 2011, Kevin Cahill, found that over two-thirds of the land was owned by 0.36% of the population, or 189,000 families<sup>1</sup>. High land prices, due to speculation, combine with planning obstacles and typically short tenure agreements<sup>2</sup> to block access to land for would-be farmers. The existing system incentivises land consolidation which further compromises the ability of new entrants to acquire land and presents challenges for small-scale farmers to maintain viability.

In addition, to obtaining the land itself, finding somewhere to live is also a major difficulty for many would-be producers. Acquiring planning permits, for both agriculture and housing, is difficult due to regulations that were originally intended to ensure the availability of agricultural land. Meanwhile, new farm businesses often do not generate enough income to support a mortgage on a home nearby. Beyond the costs, the inability to live onsite is also problematic for engaging in agroecological approaches (e.g., in small-scale dairies and horticulture production), as they often require regular contact with the land.

In order to address these land access challenges, the panel discussed the potentials of both (a) working within the existing system (i.e. navigating existing policies, regulations and institutions), and (b) working to change the system (i.e. revising or introducing new policies, regulations and institutions). Approaches for working within the system, for example, included trying to match landowners who have unused land with new landless entrants looking to get into farming. This is an initiative, which the LWA has been planning to start and which is also carried out by organisations such as the Fresh Start Land Enterprise Centre. The Ecological Land Co-op is also working from this angle by acquiring larger pieces of land and making them accessible to tenant small-scale ecological producers by gaining the necessary planning permissions and installing utilities and road access. In terms of change at a higher level, some approaches include revising tax and other policies to facilitate more widespread change in access to land, for new entrants and ecological farmers (who often operate at smaller scales). This report explores both of these approaches in further detail based on a review of documents and a series of interviews. It then provides details of the presentations given by two key witnesses and a summary of the outcomes of the farmer panel deliberation.

#### The cost of land

The Royal Institute of Chartered Surveyors puts the soaring price down to four main factors: speculation, lifestyle buyers, foreign farmers buying UK land, and inheritance tax benefits. The majority of these foreign investors are from Ireland, the Netherlands and Scandinavia, where land prices are even higher.

In their 2016 Market Survey: UK Agricultural Land, Savills estates agents reported that farmers made up the smallest percentage of buyers of land since 2003, with only 43% of transactions (they do not say what proportion of acreage changing hands, this constituted). Conversely, non-farming purchasers including, "lifestyle buyers", investors and institutional/corporate buyers, made up the highest proportion of buyers in the last 12 years. Expansion of existing holdings was the principal motivation for farmers to buy with three-quarters of

Land prices in the UK have risen from an average of £4450/acre in 2010 to £8000/acre in 2015. As well as putting land purchase out of reach of more and more farmers, the increasing value has made it more tempting for County Councils to sell off their estates including the County Farms.

farmers, who took on more land, citing expansion as their reason. Savills do not indicate what the other 25% of farmers (making up 10% of total land transactions) had in mind – some of these may have been new entrants, but would also include farmers selling one piece of land and buying something more suitable for their needs).

Supply of land for sale is also unpredictable – Savills report a surge in land sales in Scotland in 2015, and suggest that this was due to owners holding back from selling until the outcome of the Scottish Independence Referendum was known. Similarly, uncertainty around farming subsidies post-Brexit is likely to delay decision-making for both buyers and sellers. There is strong competition from corporate, institutional and "heritage" (i.e. very wealthy) investors for large pieces of land, and from horse owners and other "lifestyle owners" for smaller pieces.

Overall, existing farmers are able to acquire more land relatively easily as they already have land to act as security on loans, subsidies to invest and machinery to work with.

Land is in the process of being adopted by the speculative commodity market – half a million acres of land are linked to pension funds in the UK. This inflow of capital plays a role in pushing up land prices. In 2016, the province of Saskatchewan (which accounts for 40% of all Canada's farmland) outlawed the purchase of land by pension funds<sup>3</sup>. Several US states including lowa, the largest producer of corn, have long prohibited corporate ownership of farms. Likewise, in many parts of the world, investors are permitted to lease, but not own land. Given the dominant ideologies amongst policy makers in the UK, however, the likelihood of this happening in the UK at present appears to be low.

This is also reflected in the pattern of investment in farmland for the avoidance of inheritance tax
There is perhaps a circular relationship occurring between land prices and food prices — with high

The Scottish secretary for rural affairs, Richard Lochhead, told an English agriculture minister: "Our struggle is to make more land available to let. You and your colleagues could make a difference by taking fiscal measures quickly." The junior minister George Eustice replied: "Property ownership and property rights are the fundamental of a free market." Rarely are the differences between an English and Scottish minister so publicly exposed.

From: Britain's Farmland Has Become a Tax Haven. Who Dares Reform it? By Peter Hetherington in the Guardian, 2015

land prices, housing is expensive, which leads to people having less money to spend on food, which makes small-scale farming less viable. Food prices as a percentage of income are as low as they have ever been<sup>4</sup>, but to many people they are still unaffordable, and a significant factor in this is the high

percentage of income that must be spent on housing.<sup>5</sup> This may contribute to the perception of organic prices being elitist and out of reach.<sup>6</sup>

At the recent 'Land for What' conference held in London, in November 2016<sup>7</sup>, a common sentiment expressed by participants was that land is not the same as other goods and therefore needs to be treated not as a commodity but as a common asset. According to Shared Assets (a land rights think tank and consultancy) "We are aiming for a land system that favours and supports projects that are sustainable and productive, create livelihoods, enhance the environment, and involve local people in making decisions about the places they care about.

"Six principles for Common Good Land Use reflect these aims. We want land use to:

- 1. Provide sustainable livelihoods
- 2. Enrich the environment
- 3. Produce things people need
- 4. Provide shared benefits
- 5. Be controlled by communities
- 6. Be at the centre of wider system change"
  - Sharedassets.org.uk

Currently these ideas are a long way from the free-market principles which currently shape land and agricultural policies in the UK.

Faced with so many obstacles to buying their own farm, inevitably many would-be farmers' thoughts will tend to turn to tenancies, the most accessible route to land. However, these bring their own issues, such as, the search for land, ongoing subsidy uncertainties in the light of reforms of the Common Agricultural Policy (CAP) and Brexit, meaning that landowners will sometimes hold off on creating new tenancies or will only offer them on very short terms.<sup>8</sup> A short-term tenancy is a much less favourable proposition for the new farmer looking to invest significant time and money in a piece of land and/or to persuade a bank to do so.

# What policy tools (e.g. subsidies, taxation, tenancy legislation, etc.) can promote access to land for agroecological farmers?

Many people have explored policy tools for promoting access to land for agroecological farmers, from the Land Workers' Alliance (LWA) to the Council for the Protection of Rural England (CPRE) and including our own, Chris Smaje. The problem has been approached from many angles, and here we set out policy suggestions, including those that can be implemented locally, and those that require change to happen nationally. For instance, according to DEFRA, what is needed is a more efficient, competitive agricultural sector; it sees larger farms and increasing mechanisation as the way forward. Thus, its aims are unlikely to be in synchrony with the goals of the average new entrant to agroecological farming. While

Current policy drives land away from common good use. Subsidies and taxation both limit the social, economic and environmental productivity of land and encourage people to treat it as a speculative asset. The current system of taxes and subsidies does little to encourage common good land use, whilst driving up the price of land.

- Shared Assets, 2016

working towards change at a national and global level is important, achieving change at a local level can be more feasible and more immediately useful to those already looking for land to farm, though this also depends on local situations. Local councils already have a number of tools at their disposal within current regulations, particularly through the planning system, and may be persuaded to use them differently through local campaigns and discussion.

### Planning

The town and country planning system comprises English land law, regarding land use planning. Its goal is to ensure sustainable economic development and a better environment. The system evolved over the course of the twentieth century as a response to concerns over industrialisation and urbanisation, specifically about pollution, urban sprawl and ribbon development. The foundation for the modern planning system was laid with the 1947 Town and County Planning Act, and is now set out in the National Planning Policy Framework (NPPF). There has also been subsequent legislation, importantly, 1990 and 2004 that should not be confused with policy, i.e. Circulars and Planning Policy Guidance and Statements that were distilled into the National Planning Policy Framework and Planning Policy Guidance. The NPPF itself is a much slimmed-down document, and hence much guidance from previous acts has been retained for reference as the Planning Practice Guidance.

A key barrier for many small-scale farmers is not being able to live on the land, whether they are tenants or owners. Farming in general and agroecological farming, in particular, is a labour-intensive business, and the farmer is at the centre of the human ecology of the farm, needing to attend to countless tasks large and small around the clock. The need for a family life is also a factor, but agroecological farming, from offsite, is scarcely viable for anyone with children. Economics are also a factor: the low profits of the majority of small farms (both agroecological and otherwise) mean that living onsite with no additional accommodation or travel costs can be essential to a viable business plan.

The key planning requirements for a new agricultural residence is the 'essential need' to be on site, which includes both functional and financial viability. In theory, these conditions are aimed at ensuring farmland is available to farmers and excluding those who would use a token farming activity to gain planning permission. However, in practice, many farming applicants run into problems with planners who do not understand the nature of small agroecological farms, which entail a functional demand to be on site, as well as those planners who make unrealistic assumptions about financial viability, given the low-profit nature of the whole sector (and the fact that established farmers often make money from alternative enterprises, including property letting 11). The previous incarnation of planning guidance, Planning Policy Statement 7 (2004), made an explicit provision for low-impact & low-profit enterprises, though this has been lost in the current NPPF. On the other hand, the NPPF has removed the stipulation that need has to relate to the enterprise and not the individual, potentially making it easier to present a viable business plan for a holding - though it may equally serve the aforementioned "lifestyle" land purchasers who might supplement their very small veg patch and 3 chickens with a job in town (or vice versa). Small-scale agroecological farmers are already confused by 'lifestyle farmers'. In the minds of some (e.g. some large-scale farmers and some politicians), the distinction between hobby farmers and those attempting to create a livelihood may become further blurred with the focus on the business plan instead of the individual.

Currently many would-be small farmers are fighting prolonged battles with the planners before eventually gaining permission to build a home:

"Most competent<sup>12</sup> low-impact smallholdings manage to acquire permission, usually at appeal, through a slightly fudged interpretation of the standard agricultural and forestry workers planning policy." (The Land, Issue 16, p54)

This situation, whereby the planning appeals system is used to negotiate agreements on which proposals will be accepted, has arisen by default in the absence of a better way of making decisions. It also arose, due to a lack of recognition by planning officers and/or council planning committees,

both of the value of ecological and small-scale farming, and of how to assess them under the planning policy framework. It could be argued that the applicants who are providing extensive documentation of their projects are building a set of planning precedents, which will make life easier for future applicants. However, it is placing a great burden on those individuals and is not viable for many would-be farmers given the time and costs involved.

At present the **National Planning Policy Framework (NPPF)** uses the UN definition of sustainable development as being that which meets the needs of the present generation, without compromising the ability of future generations to meet theirs. It does not expand on this definition with respect to farming and food. The CPRE, in their report, New Model Farming, propose that the **NPPF should be revised** to properly define what sustainable development means, with respect to farming (which it largely ignores at present) and use this to a) promote high standards for new on-farm development; and b) support on-farm development that enables processing, to add value or direct sales to customers. However, Dan Scharf in his 2015 paper, Food and Planning<sup>13</sup>, makes the case that **the NPPF already contains all that is needed for this to take place**, and that planners could go ahead and create precedents under the guidance they already have. His view is that "the NPPF is not hostile and in many ways, could be reasonably interpreted to support the development of local food systems."

In the sections that follow, we discuss possibilities to improve access to land for ecological and small-scale farming, both through the use of the existing planning system as well as through changes to national planning policy.

# Working within the existing planning system

Possibilities to improve this situation through the use of the planning system include:

- Maintain existing Agricultural Occupancy Conditions
- Use Section 106 agreements to encourage new Agricultural Occupancy Conditions
- Rural exception sites
- Influence Neighbourhood plans, and
- Create Simplified Planning Zones.

# Maintaining Agricultural Occupancy Conditions

Agricultural Occupancy Conditions are used to restrict the occupancy of a dwelling to those involved in agriculture. By constraining the right to live in a property, they reduce its value by one third to one half, and keep it available to future agricultural workers. However, should the local council fail to monitor the situation and allow the dwelling to be inhabited by no-one involved in agriculture for 10 years, then the condition will fall into abeyance (become dormant - though it will restart should the property later be inhabited by another farmworker), and the owner can apply for permission to sell the property on the open market, and separately from any land. The same applies, once the property has been marketed for a 'reasonable period<sup>14</sup>', but remains unsold. This removal of agricultural occupancy ties has contributed considerably to the loss of affordable housing in the countryside by ending the reservation of homes for farmworkers and opening those homes up for occupation by anyone, who may not even work in the area but commute to a job in the city.

According to planning consultant, Dan Sharf, one way in which this can be prevented is for all those wanting an agricultural dwelling, in a particular area, to register their interest with the Council in case an owner seeks the release of a condition on the basis of lack of interest/demand. Their registration of interest could potentially prevent the release of an agricultural occupancy condition.

The Welsh Assembly have closed this loophole by revising occupancy conditions to read:

"The occupancy of the dwelling shall be restricted to those:

- **a**. solely or mainly working or last working on a rural enterprise in the locality where there is/was a defined functional need; or if it can be demonstrated that there are no such eligible occupiers, to those;
- **b**. who would be eligible for consideration for affordable housing under the local authority's housing policies: or if it can be demonstrated that there are no persons eligible for occupation under either (a) and (b);
- c. widows, widowers or civil partners of the above and any resident dependents."15

By transferring the occupancy conditions to those in need of affordable housing, in the absence of demand from agricultural workers, the policy removes the incentive to buy up such properties with the intention of having the tie removed and profiting handsomely from the increase in value.

Simon Fairlie, editor of 'The Land Magazine' and author of 'Low Impact Development: Planning and People in a Sustainable Countryside', has suggested that England should also adopt this occupancy condition and where any tied dwelling is no longer needed for agriculture, or other rural industry, it should be prioritised for affordable housing rather than be released on to the open market. Oli Rodker, of the, Ecological Land Cooperative, in speaking from his experience of working within the planning system also indicated, during the deliberative process, that agricultural ties are a 'very important framework' and that more ties are needed, in addition to the better protection of existing ones.

A key difficulty with agricultural occupancy conditions is that of enforcement, whereby local authorities are hard pressed and many struggle, to stay on top of it. . There is also a risk that new entrants/agroecological farmers may be held to higher standards of e.g. financial viability than established mainstream farmers, which might be a consequence of rigorous long-term monitoring. Thus, the conception of what constitutes a farmer would need to include small-scale agroecological farmers in order for enforcement of agricultural occupancy conditions to facilitate improved access to land for this type of production.

# Using Section 106 agreements to encourage new agricultural ties

Planning obligations, under Section 106 of the Town and Country Planning Act 1990, are a mechanism which make a development proposal acceptable that would otherwise not be acceptable in planning terms. They are focused on site specific mitigation of the impact of development. The Ecological Land Cooperative have used agricultural occupancy conditions under Section 106 agreements to give councils the confidence to grant permission for the ELC's sites.

Dan Scharf, the planning consultant, has argued that in new developments, in the urban fringe, agricultural ties could be used to designate houses for rural workers, and the consequent decline in the value of new properties could allow those properties to be counted within the affordable housing quota. This approach would leverage the current planning system's strong emphasis on the provision of housing, and particularly 'affordable housing', according to Dan. He also suggests that planners could request that some land is associated with the houses, and that 5 acres would be a reasonable amount to be provided by the famers, selling the land for development through section 106 agreements <sup>17</sup>. This would mean that local plans could include policies in favour of local food production, whilst using section 106 agreements to implement them.

#### Leveraging Rural Exception Sites

There is some indication that would-be farmers could benefit from the 'rural exception sites' clause of the national planning policy, though it's potential may vary by council. The National Planning Policy Framework for England contains this text:

"Rural exception sites: Small sites used for affordable housing in perpetuity where sites would not normally be used for housing. Rural exception sites seek to address the needs of the local community by accommodating households who are either current residents or have an existing family or employment connection. Small numbers of market homes may be allowed at the local authority's discretion, for example, where essential to enable the delivery of affordable units without grant funding."

There is some confusion around this: Simon Fairlie stated in 2011 "Even when land is potentially available, the rural exception policy is of no use to an individual because it does not accommodate one-off developments (although the former South Shropshire District Council found a way of allowing one-off dwellings under the rural exceptions site policy)". Shropshire Council (which replaced the County and District Councils in 2009) still operates what they call "an innovative 'self-help' scheme" allowing people who meet the council's criteria to build their own homes on single plot exception sites. The Council's aim here is to "engender additional community resilience and sustainability, and increase the affordable rural housing stock" and the scheme is restricted to people with a strong local connection and is not available to recent newcomers.

#### *Influencing neighbourhood plans and policies*

Neighbourhood plans can be drawn up at a neighbourhood or town level, and if accepted at a referendum, they can become the statutory development plan for that area. Local planning applications must be determined in accordance with this plan.

There are a range of ways in which local policies can encourage more sustainable food systems, including using planning policy to facilitate agroecology. These include Daniel Scharf's idea mentioned above, of using section 106 agreements to allow smallholdings with dwellings that meet the affordable housing criteria, to meet affordable homes criteria. So far, Local Planning Authorities are typically not including food policies in their development plans, despite the recommendations of the NPPF which specifically states, at para 161: "Local planning authorities should ... assess the needs of the food production industry and any barriers to investment that planning can resolve." Daniel Scharf recommends<sup>18</sup> that planning authorities should be challenged to do this through conversations with Planning Officers, council committee members and MPs, while acknowledging that councils are struggling to be reactive to development pressures at the moment and that it would be ambitious to expect them to able to be proactive regarding these issues.

When Transition Town, Farnham, submitted a Supplementary Planning Document outlining a Food Policy, Waverley Council responded that although paragraph 161 requires the council to assess needs, there is no requirement to develop a local food industry, and that local plans must be "justified by a robust evidence base" 19. They went on to say that there is no evidence of demand for housing for agricultural workers in Waverley, and therefore no justification to allocate land for this purpose. This appears to be a chicken and egg situation because how could anyone attempt to start an agricultural business there if no land or housing is available? At least in Waverley, pressure for change on this seems likely to be a long-term project, and perhaps dependent on someone in the Borough stepping up to demand agricultural workers housing, for themselves.

Obviously needs and demand will vary in different locations. Until relatively recently, peri-urban areas were crammed with dairy and pig farms (the biggest crop of cities being food waste) and with market gardens (another valuable resource produced plentifully in cities being "night soil" or human waste). This land remains highly fertile as well as ideally placed for nearby markets. It is also highly valuable for housing developments, and this pressure (including pressure from speculative purchases undertaken with an eye to the possibility of planning permission being granted) is pushing land prices to extremely high levels. Local communities in these areas could look to their history and insist that land be allocated for market gardening and other small-scale intensive agroecological farming.

The Community Food Growers Network (CFGN)<sup>20</sup> suggest, in their London Plan policy proposal document (that would be binding for the 32 London boroughs), that: 'Every new housing development should incorporate food growing space.' It was also noted that in the definition of a 'decent home' created by the Radical Housing Network that 'access to green space' is a feature of this<sup>21</sup>.

#### Using Simplified Planning Zones

Simplified Planning Zones were introduced in the 1986 planning act and although intended mainly for business and enterprise, it has been suggested by, Simon Fairlie<sup>22</sup>, and others that they may provide a loophole for concepts such as Low Impact Development zones (proposed by Fairlie), or Permaculture zones as suggested by, Tony Wrench<sup>23</sup>. However, Lucy Murfett<sup>24</sup>, knows of no example, in which this has been put into practice by local councils in the 20 years since Simon Fairlie put forward the idea in his 1996 book 'Low Impact Development'. Daniel Scharf<sup>25</sup> suggests that this is due to a failure of support of the idea to convince the 'powers that be' of the value of this idea, and to adequately frame it as being in the "public good or public interest", which is the *raison d'etre* of the land use planning system. Scharf, suggests that the Sustainable Development Goals, which the UK is already signed up to, might be the most useful framework to achieve the incorporation of the idea.

'Neighbourhood planning is not a legal requirement but a right which communities in England can choose to use. Communities may decide that they could achieve the outcomes they want to see through other planning routes, such as incorporating their proposals for the neighbourhood into the Local Plan, or through other planning mechanisms such as Local Development Orders and supplementary planning documents or through pre-application consultation on development proposals. Communities and local planning authorities should discuss the different choices communities have to achieving their ambitions for their neighbourhood.'

https://www.gov.uk/guidance/neighbourhood-planning--2

#### Changes to national policies to improve access to land

Options for improving land access which would require changes to policies at a national level include:

- Creation of a new land use class designation
- Reinstatement of the statutory duty to provide smallholdings (County Farms)
- Reform of Farm Business Tenancies (FBTs)
- Fiscal measures
- Creation of constraints on land sales
- Creation of a transparent and complete Land Registry
- Changes to subsidies.

# Creation of a new land use class designation

It has been suggested<sup>26</sup> that there could be a new land use class designation of "land for agroecology", as distinct from conventional farming land. This could enable greater flexibility in planning decisions by allowing more leeway for planners to consider proposals for agroecological developments as a whole rather than through a framework designed for conventional agriculture. Daniel Scharf, has also discussed this and states that while the planning system is able to make very fine distinctions between the uses of land and buildings, he suspects that land-based projects will tend to be so distinct, it would be difficult to fit them into the same Land Use Class and that therefore, it is likely to be necessary to continue to argue the case for each one individually. He would, however, like to see more supportive local development plan policies to provide a better framework for doing this. The sheer variety of sustainable agroecological enterprises makes the use of Land Use Classes less practical because there are many variations on the theme involving not only the activity of agroecological farming, but associated activities including packing, processing and retail space. One option would be to piggy-back on existing schemes such as organic certification or environmental stewardship schemes, rather than reinventing the wheel.

#### Public land ownership – Reinstating the obligation to provide County Farms

County Farms Estate, owned by the English County Councils and rented out under short- to medium-term leases have long been a key point of entry for new farmers. County Farms Estate was established following the Smallholdings & Allotment Act 1908, under which councils had a statutory duty to meet the demand of applications by young people trying to enter farming. Funding for the purchase of estates was initially provided by the Ministry of Agriculture.<sup>27</sup> Unfortunately, although the provision of smallholdings (what are now the County Farms Estate) was originally a statutory duty of the county councils, this is no longer the case, and the service is now essentially discretionary.<sup>28</sup> Reinstatement of this duty would be one way of increasing access to land.

However, financial pressures are currently leading many councils to sell off their land—and not to acquire more—to generate revenue for the provision of services. This land is being sold off without any plans for replacing it, which arguably, could damage the future of agriculture in their counties. Since 2006, the total amount of land in county farms has declined from 96,206ha to 86,700ha<sup>29</sup>. These losses are not spread evenly across the country, as some counties have taken a longer-term view and continue to invest in their holdings. For example, Pembrokeshire County council has reaffirmed its commitment to maintaining a portfolio of farms, which by, October 2016, consisted of 45 equipped holdings, and 30-150 acres, totalling 4,500 acres. Pembrokeshire County also owns bare land and grazing sites across the county. Their long-term plan is to downsize the larger holdings as existing tenants leave, and use their resources to create more entry-level holdings. This plan has been praised by the Tenant Farmers Association, though with some reservations regarding the halving of the farms maintenance budget.

A 2008 review of the County Farm Service by Sir Donald Curry, chair of the Sustainable Farming and Food Delivery Group states that:

- Farms owned and managed by Local Authorities are an important, strategic, national asset that should be retained.
- These farms assist Local Authorities in meeting wider regional economic, countryside and environmental objectives and provide an essential route into farming for new entrants.

Local authorities have a responsibility to provide services to their constituents. While some councils have been selling off assets to raise funds for services, it does not need to be a choice between selling land and having sufficient budget for services, even under an austerity government'.

#### **Case Study - Gloucestershire**

The Curry review, reports that Gloucestershire County Council between, 1974 and 1997, raised around £50 million in disposals of land for development. It also secured a similar sum through Section 106 (planning gain) benefits from those developments, such as new roads and schools.

During that time, the Council invested about £10 million in the modernisation of its smallholdings and purchase of additional land, with the result that the total acreage of its smallholding estate has hardly changed at all.

However, dairying has long made up a large proportion of Gloucestershire farming, and this is a sector that has come under great and increasing pressure over the last few years. This year, Gloucestershire County Council has proposed a new Strategic Estate Plan which will involve selling off 10 of its 50 county farms, a reduction of 800 acres, in its holdings. The council suggests that this will allow some farmers to buy land they have long farmed, securing their homes and businesses; and others to end tenancies "early, simply and hassle free", but there is no denying that a reduction in the size of the estate will reduce opportunities for new entrants to farming locally. Some of the funds are to be reinvested in maintaining the estate and dealing with "any backlog of repairs". It is unclear what proportion of the funds this will be as the council have also stated that: "All the money that is made from the sale of the land will go back into the council's budget for its vital core service. We're also hopeful that the land sold will create much needed employment opportunities and be part of the solution to the shortfall of housing within Gloucestershire."

The <u>DEFRA</u> smallholdings report, for 2009-10, states that nationally the county councils of England owned in total 96,455 ha of land held for smallholdings. From this they generated £19.9 Million of income, which after £10.9mn of expenditure produced a surplus for the councils of £9mn, a profit of £93.67/ha held. At average land prices in 2010 of £4450/acre<sup>30</sup>, or roughly £10k/ha, this is a return of 0.84% on the capital invested.

By the time of the 2014-15 report, the total area held by Smallholdings Authorities in England appeared to be only 64,794 acres, a massive apparent drop of 33% in only 5 years, and numbers of tenants had dropped from 2,393 to 1,572. However, much of this is explained by a change in how the records are kept – almost 25,000 ha in 2009-10 was held by unitary authorities, which was no longer recorded by 2014-15 and would take the total back up to around 90,000 ha. This means that we no longer have any information on what those authorities are doing with their land holdings. Despite the removal of more than a quarter of holdings from the figures, the financial position remains very similar, with the total operational income at £18.2mn, expenditure at £7.4mn giving an operational surplus of £10.7mn for the 64,794ha. Profits have now risen to £165.25 per ha. However, as land prices had now risen to an average £8000/acre, £518.4mn of capital is estimated to be locked up and the return on investment has dropped slightly to 0.83%. Overall this land is a low risk investment, with low but steady returns.

These figures are averages – Norfolk CC <u>report</u> that their farms generate a significant income for the county<sup>31</sup>, as do Cambridgeshire, where a £2.5mn surplus is generated each year<sup>32</sup> (<u>Farmers Weekly</u>), plus £3mn from sales of land with high development value, some of which is reinvested to maintain the estate. Cambridgeshire gave 80 new tenants their first opportunity to take on a tenancy in 2013. Conversely, Somerset have <u>declared</u> that their County Farm Estate is no longer to be held primarily

for farming opportunity purposes and have sold off "a substantial number of holdings."<sup>33</sup> Somerset County see the sale of farms as very important to their future Capital Investment Programme Funding. North Yorkshire, Gloucestershire and Staffordshire are all following similar routes.

While some County Councils may be determined to make more by investing their money elsewhere, other local goals can be achieved through county land ownership, such as the promotion of healthy eating and outdoor activity for local residents, or increasing local resilience in terms of food supply and flood avoidance and mitigation. A strong food policy developed in partnership by councils and local organisations may be the best approach to ensuring these factors are taken into account – see the separate paper on local food policies and strategies for more details.

# Reform of farm business tenancies

Farm Business Tenancies (FBTs) came into being in 1995 under the Agricultural Tenancies Act which replaced the Agricultural Holdings Act (1986). The previous act provided security of tenure for tenants,

With much higher demand than supply, landlords can offer short-terms, for high rents at very little risk and obtain, into the bargain, 100% Agricultural Property Relief from Inheritance Tax. The short-term nature of tenancies is holding back progression, investment and sustainable land use.

from 1948, for their lifetime, and then from 1976, for two generations of the family thereafter<sup>34</sup>. One of the aims of the 1995 Act was the opening up of access to land for new farmers through encouraging flexibility and efficiency in the land market. It did this by tipping the balance of power away from the tenant and towards the landlord, and some have argued that this process has gone too far. Frustrated by the fact that the average length of an FBT is currently only four years – the Tenant Farmers Association (TFA) launched their campaign 'Too Short for Too Long', in January 2015, asking for reform of FBTs. The TFA believes that short tenancies inhibit business planning and lending

to tenants, while significant benefits accrue to the landlords in the form of high rents, flexibility and tax advantages.

"Landlords appear reluctant to use anything like the full extent of the flexibility of the legislation. Too often we see landlords using short-term agreements to maintain maximum flexibility, but leaving tenants in very difficult situations. The lack of security also provides little incentive for investment by farm tenants. In fact, landlords – particularly private estates – have gained considerably from the new legislation and its associated tax changes. With much higher demand than supply, landlords can offer short-terms, for high rents at very little risk and obtain, into the bargain, 100% Agricultural Property Relief from Inheritance Tax. The short-term nature of tenancies is holding back progression, investment and sustainable land use," said Stephen Wyrill, chair of the TFA.

Reforming farm business tenancies to increase their length from the current average of 4 years, would facilitate better security for tenants and would incentivize farmers to maintain and improve their land.

#### Enact Fiscal measures to lengthen tenancies and ensure availability of land

Restricting **Agricultural Property Relief** from Inheritance Tax, to land which is let out on tenancies of more than 10 years, would incentivise landlords to grant longer tenancies. Shorter tenancies would attract lower rates of relief.

Chris Smaje and Cordelia Rowlatt in their policy paper for the All-Party Parliamentary Group on Agroecology 35, proposed increasing estate taxes to prevent inter-generational concentration of

landed wealth. This is another policy that is likely to be challenged by the NFU and the landed gentry in parliament, but which could have significant impacts on the way land is accessed and used.

As discussed above, one key route by which housing for farmers is lost is when the land is sold separately from the house. Typically, the land will be bought by another local landowner and the farmhouse either remains with the retiring farmer or is sold to someone with no connection to farming. Agricultural Occupancy Conditions, are one way of preventing this. Another possibility, suggested by the Council for the Protection of Rural England (CPRE) in their paper, 'New Model Farming', is using **stamp duty** to discourage the separation of farms from farmhouses when they are sold and to encourage keeping them together instead. However, given the huge profits to be made by selling residential property at the moment it is questionable whether a rise in stamp duty alone would be enough to have this effect. A reduction in duty, when the two are kept together, might be useful as a sweetener if the application of agricultural ties were to be reformed as described earlier in this paper.

The CPRE also propose that the government should review fiscal and other incentives to encourage the release of small parts of large landholdings (perhaps 1% of holdings of 1,000 hectares or more) and provide new affordable<sup>36</sup> smallholdings near existing settlements. They recommend that this should be under some form of community land trust, or other structure, to offer protection from sales for non-agricultural use, or a long lease that enables reversion to the existing owner if the land ceases to be farmed.

A **land value tax** (a tax levied on the value of unimproved land) has been proposed as a potential solution to a variety of problems, from high house prices, to business tax avoidance, by groups ranging from the free-market oriented Adam Smith Institute<sup>37</sup> to the Labour Land Group.<sup>38</sup> In theory, it is the only tax which does not distort decision-making – income tax reduces the incentive to work, corporation tax reduces the incentive to invest in business, stamp duty reduces the incentive to sell property etc., whereas land continues to exist in the same way whether you tax it or not.

The valuation of land is a professional judgement. It is based upon a range of information including the market value of land and buildings in a neighbourhood, assessments of reconstruction costs and

Economic factors other than profitability of agriculture determine land values, including the capitalisation of single farm payments and business roll-over tax relief. This overvaluation of land is great for investors and speculators, but it is not in the interests of farming to have prices so removed from the potential profitability of the business.

existing planning permissions. Baseline residential land values are regularly published by the Valuation Office Agency (VOA). The value of land can vary from between 30% and 80% of the total purchase price of a property, depending on its locations.<sup>39</sup>

Andy Wightman explains how a land value tax could act to push land prices down. He gives the example of a Scottish dairy farm, on the market at £1.3 million. Assuming a land value of 75% of total property value would give a land value of £975,000, and at Wightman's proposed rate of 3.16% would attract a land value tax bill of £30,810. Obviously, for a farmer dealing with low

prices, debts and cash flow problems this is not an attractive idea, which prompts the question of why a business struggling to keep afloat has an asset value over, £1 million. The answer he gives is that economic factors other than profitability of agriculture determine land values, including capitalisation of single-farm payments and business roll-over tax relief. This overvaluation of land is great for investors and speculators, but it is not in the interests of farming to have prices so removed from the

potential profitability of the business. If a land value tax bill is deemed too much to pay on an annual basis for a farming enterprise, this will put downward pressure on land prices, ultimately reducing farm debts and increasing profits.

An extensive literature base discusses Land Value Tax and its pros and cons, and it is not possible to cover it all in-depth here. The Land published an extensive debate between Simon Fairlie and Alanna Hartzok of the Earth Rights Institute in Pennsylvania, covering key questions and answers.<sup>40</sup>

One of the problems with bringing in a Land Value tax, is the work involved in identifying the value of unimproved land in order to tax it. However, Andy Wightman points out that land values are already routinely calculated and that methods for doing so are readily available. His view is that the value of the property is equivalent to the market value minus the depreciated cost of replacement buildings (LVT report as before, p13). A number of other countries, including Denmark and the US, use a land value tax as part of the tax regime, though none use it as the only tax as suggested by purists. It is likely that the main difficulty is political, in that introducing the levy would mean a significant increase in tax bills for landowners and a reduced value of the land: i.e. it goes against the personal interest of landowning MPs and Lords.

"As the Danish smallholders appreciated a century ago when they put their political weight behind LVT, the shift from present taxes to LVT would make small scale farming more profitable, whilst the removal of speculative froth from land prices would enable more people to take up small scale farming as a way of earning a livelihood.

If a broad view is taken, the bulk of land value, in any country, is in the centre of the most prosperous cities. Thus, the effect of replacing existing taxes by LVT is to reduce the overall tax burden on agriculture."

 $\frac{http://www.landvaluetax.org/frequently-asked-questions/lvt-small-farmers-have-nothing-to-fear.html}{\\$ 

#### Constraints on land sales

The CPRE has suggested that a policy commission (with wide representation) should be set up and consider: "Limits on who is sold agricultural land within an area, with preference given to local tenant farmers or new entrants. This could help prevent land being bought primarily for investment or tax reasons. This model is used in France, where regional agencies intervene in the sale of local rural land." (New Model Farming, p23)

In conjunction with this idea, the CPRE suggests the establishment of a new community 'right-to-bid' scheme, for farmland, (near to communities) that comes on to the open market and which gives communities the time to raise funds. The CPRE acknowledges that a package of support might be needed to allow communities to raise adequate funds, such as setting up a national community assets fund, some form of tax break to social investors or tax exemptions for landowners selling to community groups. (CPRE, New Model Farming)

Both of these ideas are used elsewhere, see sections on France for details.

Governments could also intervene more directly in land markets via rent control - again something that is already in place in France.

#### Create a transparent land registry

A publicly available, comprehensive and transparent land registry would be highly valuable to would-be farmers to enable them to identify and make contact with landowners, and identify opportunities. The land registry, as it stands, does not fulfil this function, being incomplete (covering only 85% of land in England).

Land is only required to be registered when it is bought or sold. This means large historic holdings – such as those of Oxbridge colleges, where little may change hands in centuries – are not covered. As the CPRE put it in New Model Farming:

"This lack of transparency contrasts strongly with the passion of the Department for Environment, Food & Rural Affairs (Defra) for data access to engage the public."

As we saw above, with a reduction in the number of authorities required to report on their smallholdings, it also means local authority estates are often poorly recorded too. "At best, the public has less information with which to try to influence the use of public land; at worst, land, particularly if registered through companies based in international tax havens, can be used to launder money." – CPRE.

#### Reform subsidies

It has been noted by a number of people (e.g. Ed Hamer, The Land 13, p32 -36) that CAP area payments are contributing to the consolidation of land ownership. Landowners take their single farm payments and reinvest them in more land, increasing their holdings, and thus their entitlements and area payments. This pattern is widely observed across Europe, and the UK national government has been in strong support of the trend, saying in 2011 "The UK is opposed to the Commission's suggestion that direct payments to large farms should be capped. The CAP should encourage greater competitiveness, including by consolidation, which capping would discourage. This would be counterproductive to EU aims to develop a competitive agriculture sector."

This quote opens a window on to very different ideas on competitiveness. For small-scale farmers providing food locally, competition is not such an issue, but in a capitalist system in which the outputs of agriculture are valued primarily for their commodity value rather than their value as food for people (which provides livelihoods for farmers as well), then competition is a key aim.

Ed Hamer of the Land Workers' Alliance spoke at the Oxford Real Farming Conference, in 2016, on the topic of access to land including the 2013 reforms to the CAP, which were the most progressive reforms to date and which offered these levers for use by national governments:

- Proposed cap on farm payments to 150k<sup>42</sup> euros, per farm, per year
- Proposed small farmers scheme which could be up to 10% of national budgets
- Stricter enforcement of an active farmer clause to prevent landowners "sitting on" unused land just for the subsidy value.

All of these were proposed as part of the reforms, but were switched from compulsory to voluntary measures. DEFRA stated that England and Wales would not adopt any of the levers, as policy, and would also raise the minimum limit of eligible farm size of 5ha, thus removing 16,000 small farmers from the scheme. In contrast, the EU's proposed minimum limit is 1ha farms (up from 0.3 ha).

The Green party propose that all farmers could be paid the same rate of subsidy, with no connection to the acreage they farm. This would be a similar idea to a universal farmers' bursary (universal basic

income) and would level the playing field between small and large farmers, reducing the problem described above whereby subsidy payments are used to widen the gap between the two. Land Workers' Alliance speakers, at the Oxford Real Farming Conference, 2016, Humphrey Lloyd and Ed Hamer, felt that this would be better than the current system, but that a more progressive approach still would be to reward people demonstrating positive practices (biodiversity, soil development).

The CPRE anticipate fierce resistance to constraints on farm expansion (i.e. consolidation) from farming bodies, but suggest it could be traded for great liberalization elsewhere, or a commitment to making markets work better for farming.

# What can we learn from other countries/contexts in terms of alternative systems to promote access to land for sustainable farming?

The following section provides examples of France, Wales and Scotland's experiences and approaches to land access for small scale farmers.

#### France

Historically, the peasant possession of land was much more widespread in France than in England, however, many of these plots were too small to support a family and peasant farmers were subject to high rents (in part due to town-dwellers buying up land) and a struggle to bring in enough income for half of the year.

In contrast to the UK, French agricultural policy, whilst aimed at intensifying agricultural production has also aimed to ensure the persistence of viable human-size family farms.<sup>43</sup>

Approximately 80% of French farmland is worked by tenants, rather than landowners, and tenant farmers have very secure rights, with provisions to ensure predictability, limited costs, etc. Leases are for a minimum of 9 years and automatically renew unless one party requests it not to. Rents are controlled by the state and in 2014 were on average €172/hectare/year⁴⁴. By comparison, Savills quote a figure of £333/hectare⁴⁵ for new Farm Business Tenancies in England and Wales in 2015. They are indexed relative to agricultural prices and aimed at limiting the profit non-farming landowners can make on the land⁴⁶. Leases are transferable within the farmer's family, and may be taken over by family members working on the farm, in the event of the farmer's death. In direct contrast with DEFRAs policy, the French Land Development and Rural Settlement Associations (in French 'SAFER - Sociétés d'Aménagement Foncier et d'Etablissement Rural') system, specifically aims to restrict consolidation by regulating the land market, through a pre-emptive right-of-purchase for farmers when land is sold.

Michel Merlet, Director of Agter (a French association, which aims to contribute to improving governance of land, water and natural resources), stresses the importance of strong farmers' organisations in developing these kinds of systems. He refers to an instance in which a similar approach was attempted in Spain, but suggests that the lack of strong farmer representation (amongst other factors) led to an even worse outcome for small would-be farmers in some areas.

Three main policy instruments are used in France to manage farmland with the aim of maintaining a thriving system of medium size (30-50ha), but highly mechanised farms.

1. Restrictions on the right to rent farmland. Farmers and would-be farmers have to apply to the local agricultural administration for permission to rent and use farmland if the land is a)

deemed too small to be viable; or b) they already farm land and would be deemed to have too large a farm with the additional land, or if it would destroy an existing farm that is still viable; or c) if the future farmer does not have the required agricultural training, is too old, or has too much non-agricultural income.

- 2. Defining a minimum viable acreage, depending on the type of production and region. Farmers have to reach this minimum size to be eligible for the farmers' welfare system and various subsidies.
- 3. Regrouping of lands. SAFERS and various other public authorities have rights and tools to organise the regrouping of lands in regions where plots are still small and atomised. This was more commonly used in the 1960s-80s than now.

Terre de liens, a civic organisation in France, which promotes access to farmland for organic and peasant farmers, reports that pressure on access to land is increasing in France, in large part due to urbanization and development, but also and in spite of the above, due to increasing concentrations of land. They state that only 40% of land released by retiring farmers goes to new entrants to farming while 60% goes to consolidation by larger existing farms.

#### Wales

Planning is a devolved power in the UK, and Wales has its own policy, simply called Planning Policy Wales. The Welsh Government's Sustainable Development Scheme, 'One Wales: One Planet' has the objective that within the lifetime of a generation, Wales should use only its fair share of the earth's resources, with its ecological footprint reduced to the global average availability of resources of 1.88 global hectares per person, based on the global per capita availability of resources in 2007.<sup>47</sup>

The policy is used to grant permission for developments in the open countryside, which would not otherwise be permitted. Such developments are required to provide for the minimum needs of the residents in terms of income (estimated by Lammas as £3,000 per adult per year<sup>48</sup>), food, energy and waste management within five years from starting work on the site. Residents are allowed to earn further income from other activities including employment off-site, but must generate the minimum essentials from on-site land-based activity. Detailed management plans are required and form part of the occupancy conditions where permission is granted.

Overall the requirements are very rigorous (requiring large volumes of evidence and documents on plans for the site) and are thoroughly enforced and many proposed projects fail to gain permission. At the time of writing, there were 23 individual smallholdings up and running under the One Planet Development scheme in Wales<sup>49</sup>. It has taken 6 years to get to this point, which could suggest that the requirements are so stringent as to put off potential applicants.

#### Scotland

Scotland has even more unequal land distribution than England, though there have been a series of land reform bills which could help to change the situation. In Scotland, 0.002% of the population owns 60% of the land. As in England, much of the ownership is not transparent.

Some have argued that land became a political cause in Scotland due to the Highland Clearances (which largely took place between the mid-18<sup>th</sup> and mid-19<sup>th</sup> centuries). Following the clearances, areas where small-scale tenant farmers were living became protected as 'crofting areas'. The Crofters Act of 1886 guaranteed security of tenure to crofters and gave them the right to claim compensation from landlords for improvements made by themselves or their predecessors. It also set up the Crofting

Commission, which has the power to fix fair rents for crofter holdings. Later, in order to address the problem of people without holdings, or people on parcels of land that were too small, The Small Landholders (Scotland) Act of 1911 allowed the government to acquire land to create new holdings. It also extended security of tenure to small landholders across all of Scotland. Later, the Land Settlement (Scotland) Act of 1919 authorised the compulsory purchase of lands for settlement. In areas such as Skye, landlessness was nearly eliminated. However, crofting areas only cover 7 percent of Scotland.

Action to reform land policy, in the rest of Scotland, remained quiet until the 1997 devolution and formation of the Scottish Parliament, according to Peter Peacock, who has been involved in land reform in Scotland<sup>50</sup>. A Land Reform Act in 2003 formalised the right to (responsibly) roam and introduced the first *community* rights, to buy land, for crofting communities and rural communities of less than 10,000 people. However, this law was complex and difficult to use. It also only applied to land that was coming onto the market. If it was not on the market, there was no avenue for changing ownership. However, impressed by the nature of local community ownership the Scottish government intended to foster more community ownership. In 2011, the government committed to review the Land Reform Act and established the Land Reform Review Group (LRRG) for this purpose. The group used two frameworks for its reform process: the, **International Covenant on Economic, Social and Cultural Rights** and the **UN's Voluntary Governance for Responsible Land Tenure**.

Based on these frameworks, the LRRG declared that 'land is a finite and crucial resource that requires it be owned and used in the public interest and for the common good.' Prior to this, however, land was seen as a private good, or a market good, to be distributed based on economic competition. The LRRG quoted the line about land being a public interest good 'over and over again until it got into the MPs heads.' Eventually, land was viewed less as a commodity and more as a means to delivering multidimensional aims, a shift in perspective which was critical in the land reform process.

The Land Reform Act was further revised in 2015, and 2016, and the Scottish government is preparing for a further revision in the year to come. The 2016 revision included the addition of urban land reform, and the government of Scotland is currently receiving a large number of inquiries for community purchase in urban areas. New regulations are also expected in order to increase ownership transparency so that there are no more hidden ownerships. For this to take place, those working for land reform had to defeat arguments that this was against privacy human rights and were successful in doing so.

In speaking about the process, Andy Wightman—a land rights author, activist and now a Member of the Scottish Parliament —indicates that what is needed is 'land literacy': it is essential to identify the specific section or act that needs to change on a particular issue and communicate that effectively to the appropriate government representative. He notes that often NGOs and charities meet with members of parliament and ask for a change, but that the government itself is not likely to introduce bills and strategies – these need to be drafted by civic groups themselves. He states, 'we cannot allow those in power to be on the front foot while we are there waiting.' Rather than anticipating that land reform would not be possible in England, Andy encourages people to 'think big' and to do a 'big ask'<sup>52</sup>.

The Government of Scotland has set a 1-million-acre target for community ownership of land by 2020 and has a strategy in place to deliver this. There is currently a £10 million annual land fund for community purchases. There are currently 500,000 acres in community ownership in Scotland and 160 further cases, in the pipeline, to be processed. Currently, land policy works as follows:

**Willing Seller** - Any community can register an interest in land (urban or rural) and when it comes on the market they get the right to buy it first before any other bidders. There is also a provision for late

registration of interest. In this provision, once land is on the market, a community can still register its interest.

Non-willing Seller - A community can buy land even if the owner doesn't want to sell.

A community can make a case to buy the land where:

- The land is abandoned or neglected
- Land use is causing harm to the environmental well-being of the community

This year's reform added the following:

• Community purchase could further the achievement of sustainable development better than the existing ownership. Essentially, the community have to prove it is in the public interest.

This includes the community right to seek ownership (or lease) of public assets, including state forestry, crown estate assets, local authority or government agency land.

Communities able to purchase land can do so, based on the following criteria:

- Communities are based on postal codes, and thus are limited by a geographic boundary
- Communities need to have a democratic selection of leaders
- They must be a company, limited by guarantee
- Membership must be open and cannot exclude members of voting age
- At least 10% of community members must sign a petition to purchase the land (with signatures thoroughly checked).

The majority of community members must support the land use change.

After an offer to buy has been refused, a community can make a case to the Scottish ministers as a last resort power. In the time since this provision was granted to the crofting areas in 2003, only one community has successfully purchased land from a non-willing seller, after a 13-year court case. The community of the Isle of Eigg claimed that the owner of the island was not furthering community development and that community ownership would better foster sustainable development. After the success on the Isle of Eigg, previous residents started moving back to the island after the community gained ownership of the land. People wanting to live in the community can apply for a quarter acre of land and get it for free, and then are able to build their own housing on it.

The victory on the Isle of Eigg had far reaching effects across Scotland because once the community won, other owners started selling their land willingly, and to avoid long court battles. Most sales today are 'negotiated consent in the shadow of the law'. The Private Land Owners Association and Community Land Scotland jointly agreed a voluntary protocol, to guide sales in the recognition of changing times.

Community Land Ownership has become a driver of social reform in Scotland and is demonstrating that this increase in local community ownership can be achieved by consent<sup>53</sup>.

In terms of attaining sufficient equity, previous examples have seen communities engaging in public fund raising, but there are also funds from local development agencies and the land fund (£10 million fund created by the Scottish government from the lottery). Other options are to raise money locally or borrow money commercially.

# Additional insights from expert witnesses and deliberations

Expert witnesses: Oli Rodker of the Ecological Land Co-operative (ELC) and Daniel Scharf, planning consultant and writer. Oli Rodker noted that this report is very comprehensive.

Both our expert witnesses, on access to land, believe that changing attitudes among planning staff and elected members are key to changing outcomes for small scale or agroecological farmers. Planning for the Common Good, a report released in January 2017, by Shared Assets, addresses some of these issues. Dan's view is that the planning system already contains many tools to create the land use system many of us would like to see, but that they are not being used to their full potential, if at all.

Oli, spoke of the work of the ELC, in acting as an interface between planners and growers, buying up land and working with local councils, to obtain planning permission before leasing it (on leases of up to 150 years) to new agroecological farmers. The ELC is able to work effectively by holding onto the learning and experience of going through the planning process and reusing those skills.

Agricultural Occupancy Conditions (ties) were discussed at length. The ELC, use ties as part of Section 106 planning agreements and see them as useful to provide reassurance and compliance for the council. One of the key problems in getting residential planning for land-based business is cultural: many councils apparently consider it a "ludicrous idea" that anyone could make a living off a very small piece of land. The ELC were obliged to delay their planning process and produce the report 'Small is Successful'<sup>54</sup> to persuade the planning authority of the viability of their ideas.

Dan would like to see every peripheral development, in rural towns and villages, have some of its required affordable housing allocated to a farm/community garden, under section 106 agreements. The ELC or a similar organisation could then manage the sites, so that if a business fails, responsibility would return to the ELC, rather than the property being lost to standard residential use with the agricultural tie taken off. Regarding the relaxation of agricultural ties, the system, as it is understood, is that any application to relax a tie (i.e. allow occupancy of the property by no-one engaged in agricultural work) should be tested on the market: the property should be advertised on the open market at a reduced price, and demand gauged by the resulting interest. However, often no one sees the advertisement or responds, and the council goes ahead and relaxes the tie. Dan suggests that in parallel with the self-build registers <sup>55</sup>, councils should keep registers of people interested in agricultural dwellings, which could then be used as evidence when denying a relaxation of ties.

The panel were very interested in the self-build registers, both in their own right and as an example of what might be done in terms of registers, for interest in tied dwellings. It was suggested that someone would eventually have to bring a test case, saying they'd been on the waiting list too long and that they required action, to provide plots.

Dan suggests a similar case could be made regarding affordable land as is made for affordable housing — using a formula relating to what can be produced from that land, an affordable price could be determined, followed by a requirement that a certain amount be made available.

Oli would like to see the Welsh commitment to carbon footprint reduction (30% by 2020) replicated across the UK and enforced. The Welsh One Planet development policy is linked to this (see accompanying report for details).

The LWA have been working with the Green Party to develop a proposal for a new farming subsidy scheme. This would not be area-based, but would reward public goods, employment, new entrants, and environmental work. Payments would be tapered off according to the amount of land held, in order to mostly go to small/new farmers, and would also be capped at a relatively low level compared

to the current situation. This would end the trend for using subsidy payments to consolidate landownership.

The question of how best to tax landownership was debated. A panel member suggested that rather than taxing land sales for money, which goes to the Treasury, the tax could be levied in actual land, for example hiving off a few acres to create a Community Supported Agriculture scheme or similar. Oli responded that while no party currently has such a policy, the Green Party have mentioned the idea, as have the Council for the Protection of Rural England. However, he suggested the idea is unlikely to gain much traction in policy terms. Land Value Tax was also discussed briefly at this point, but Oli suggested that any work being done on it is not aimed at creating political change, and rather tends to occur mainly in more academic circles.

Oli mentioned a lack of forums for land-based organisations to talk and consider how to work together more effectively e.g. National Trust and LWA, or CPRE and Shared Assets – we (LWA) are not part of the networks that the big organisations have. The LWA, to date, is a very small organisation and has struggled to build strong relationships with larger organisations. These big organisations also have more to lose politically and their interests are not always aligned with the smaller farmers' groups.

The panel had been discussing who to lobby for improvements to access land, and Dan suggested that they do not rely only on the LWA, but look at lobbying planners and chartered surveyors, through the Royal Town Planning Institute (RTPI) and the Royal Institute of Chartered Surveyors (RISC). The RISC have double the membership of the RTPI and similarly, greater political influence.

The main targets for campaigns for change to planning guidance, at present, should be Sajid Javid and Gavin Barwell. These could potentially create the systemic change we need, as they have the power to achieve that, (though the support of the Treasury is also key). Ministers can be lobbied through local MPs - a written ministerial statement is a very powerful force for good or bad.

These ideas relate to enabling entry for new farmers. There is also a possible role for the planning system in bringing about changes in practice among existing farmers, which may be our biggest problem. In order to do this, it is necessary to find distinguishing characteristics between small-scale agroecology and large-scale agro-industry. If these were defined as distinct land uses, the existing planning system could discontinue permission for agro-industrial use of land, and grant new permission for agro-ecological usage, in its place. This would require a policy and cultural change, because at present, planners do not consider it their responsibility. The argument for this to happen relies on demonstrating the public interest in doing it, and producing the evidence.

One more open door we might push at is the role of garden cities/towns/villages - the original idea of these was to essentially combine the functions of town and countryside, but this hasn't been implemented effectively. We could demand better from the existing and proposed ones.

Six areas on which to work were chosen by the panel, and two of these were relevant to issues around access to land: working with planners, and shaping the reform of subsidies.

#### Conclusions

Land is overvalued and increasingly consolidated due to subsidy regimes, high house prices, and an influx of capital which is creating a speculative bubble, limited accessibility for small-scale and new

entrant farmers, and limited tenancies. The profitability of agriculture no longer determines land values. This overvaluation of land means high profits for investors and speculators, but is problematic for farmers and would-be farmers, particularly those wanting to practice agroecology.

There are many policy tools available to facilitate access to land for agroecological farmers, including maintaining and increasing council owned farmland, reforms of Farm Business Tenancies, reforming subsidies, demonstrating the importance of on-farm residency for agroecological farming and changing the perception of land from a commodity to a common good based on agreed international guidelines and rights. Rather than a lack of viable options, the main obstacle in England is arguably awareness of these possibilities (and their benefits) and the political will to put them into place.

Therefore, perhaps the most useful thing we can do, is to become involved in politics at various levels. We must engage our local councils, directly and through local NGOs for better policies and practices. We need to persuade our planners that increasing access to land for small-scale agroecological farmers, is both beneficial and achievable under existing guidance and will not lead to nationwide outbreaks of failed farms. We must talk to our MPs, our councillors and our planning officers and normalise the many ideas and values related to agroecological food systems.

# Glossary and acronyms

**CPRE** – Council for the Protection of Rural England

**TFA** – Tenant Farmers Association

**Community Land Trusts** - A form of community-led housing, in which local organisations, set up and run by ordinary people, develop and manage homes as well as other assets important to that community, like community enterprises, food growing or workspaces. The CLT's main task is to make sure these homes are genuinely affordable, based on what people actually earn in their area, not just for now, but for every future occupier. From the website <a href="https://www.communitylandtrusts.org.uk">www.communitylandtrusts.org.uk</a>

# Further resources

Dan Scharf, a planning consultant at the law firm, Blake Morgan LLP, has written extensively on the opportunities offered by the planning systems, as it stands, and this paper draws from his work. His papers can be read at dantheplan.blogspot.co.uk.

While this project has been underway, Shared Assets have produced a very useful report, Planning for the Common Good, aimed at helping local planners and social enterprises understand each other better and work together. It is available here: <a href="http://www.sharedassets.org.uk/wp-content/uploads/2017/01/Planning-for-the-Common-Good.pdf">http://www.sharedassets.org.uk/wp-content/uploads/2017/01/Planning-for-the-Common-Good.pdf</a>

Further discussion of Land Value Taxes can be accessed from: <a href="http://kaalvtn.blogspot.co.uk/2013/01/r-farmers-will-all-go-bankrupt.html">http://kaalvtn.blogspot.co.uk/2013/01/r-farmers-will-all-go-bankrupt.html</a> and: <a href="http://www.landvaluetax.org/frequently-asked-questions/lvt-small-farmers-have-nothing-to-fear.html">http://www.landvaluetax.org/frequently-asked-questions/lvt-small-farmers-have-nothing-to-fear.html</a>

# **Endnotes**

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9

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<sup>&</sup>lt;sup>1</sup> As landownership must only be registered with the Land Registry at a change of title, land which has not changed hands since it was set up remains unregistered, amounting to between 10 and 30% of the land area (depending on who you ask).

<sup>&</sup>lt;sup>2</sup> Short tenure arrangements tend to affect small-scale farmers and new entrants the most as they do not have the capital ready for the farm right away – it takes time to build. This includes both material equipment as well as the soil, etc, and probably in many cases of new entrants, knowledge also.

<sup>&</sup>lt;sup>3</sup> The Financial Times (2016) *The Great Land Rush: Investors face conflict in quest for farms*, 2 March, https://www.ft.com/content/84a646a0-dedc-11e5-b67f-a61732c1d025

<sup>&</sup>lt;sup>4</sup> 8% of income for high income households, 17% for low income households.

Office for National Statistics (2016) Statistical Bulletin: Family spending in the UK: financial year ending March 2016,

<sup>&</sup>lt;sup>5</sup> United Kingdom, Department for Communities and Local Government (2016-17) English Housing Survey, Private renters were paying an average of 41% of their income on rent in 2016-17, Headline Report, p16

<sup>&</sup>lt;sup>6</sup> Jowitt, J. (Feb 2010) Soil Association confronts image of organic food as elitist and expensive, *The Guardian*. <a href="https://www.theguardian.com/environment/2010/feb/01/soil-association-organic-food-elitist">https://www.theguardian.com/environment/2010/feb/01/soil-association-organic-food-elitist</a>

<sup>&</sup>lt;sup>7</sup> Land Justice Network (2017) Policy and Legislation Workshop. 'Towards a Land Reform Bill, taxation to benefit the many not the few', *Land Justice Network Blog*, September, http://www.landforwhat.org.uk/ <sup>8</sup> Hamer, Ed. (2016) Oxford Real Farming Conference

<sup>&</sup>lt;sup>10</sup> The Organic Grower (2017) Spring Issue, No.38

<sup>&</sup>lt;sup>11</sup> Farming UK (2016) 'Farmers need to look at diversification for alternative forms of income', *Farming Matters Blog*, 21 January, <a href="https://www.farminguk.com/News/-Famers-need-to-look-at-diversification-for-alternative-forms-of-income-38372.html">https://www.farminguk.com/News/-Famers-need-to-look-at-diversification-for-alternative-forms-of-income-38372.html</a>

<sup>&</sup>lt;sup>12</sup> The Land Magazine, Issue 16, p54. Definition of competence, in terms of planning policy competence

<sup>&</sup>lt;sup>13</sup> Dan the Plan (2015) 'Food and Planning', *DanthePlan Blog*, 6 May. http://dantheplan.blogspot.co.uk/2015/05/food-and-planning.html

<sup>&</sup>lt;sup>14</sup> Minimum of six months or preferably a year, at a discounted price reflecting the tie.

<sup>&</sup>lt;sup>15</sup> Welsh Assembly Government (2010) *Planning for sustainable rural communities*, Welsh Assembly Working Paper, http://gov.wales/docs/desh/policy/100722tan6en.pdf

<sup>&</sup>lt;sup>16</sup> Fairlie, S. (2011) 'Time running out to tell Government about true sustainable development', *Permaculture Blog*, 14 February, https://www.permaculture.co.uk/articles/time-running-out-tell-government-about-true-sustainable-development

<sup>&</sup>lt;sup>17</sup> Scharf, Dan (Jan 2017) Oxford Real Farming Conference

<sup>&</sup>lt;sup>18</sup> Quotation provided in personal communication (Dec 2016)

- <sup>19</sup> Simpson, R. (2015) Creating a Local Food Policy for Waverley', *Transition Farnham Blog*, https://transitionfarnham.wordpress.com/2015/05/18/creating-a-local-food-policy-for-waverley/
- <sup>20</sup> Quotation provided in Community Food Growers Network "group of groups' actively engaged in growing food plants, taking land back for community use, and supporting others to grow food, in healthy, sustainable ways."
- <sup>21</sup> Land for What? (2016) *Full Report of Discussions*, Research Report. http://www.landforwhat.org.uk/wp-content/uploads/2016/12/Land-for-What-Report.pdf
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- <sup>24</sup> Planning officer with the Chilterns AONB and sometime campaigner with Chapter 7/The Land is Ours, interviewed for this report (Nov 2016)
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- <sup>28</sup> Peretz, G. QC. (2003) Curry Review, 2008, Meeting Minutes.
  Following a request from a number of County Councils was asked by the Government to provide advice in relation to these powers. He advised that the Government had no formal powers to prevent Statutory Smallholdings Authorities disposing of their estates.
- <sup>29</sup> United Kingdom, DEFRA (2007 and 2017) 56<sup>th</sup> and 66<sup>th</sup> annual report to Parliament on Smallholdings in England, Annual Reports.
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- <sup>35</sup> Smaje, C. and Rowlatt, C. (2011) 'Key Policies for Agroecology in the UK', Policy Briefing. All Party Parliamentary Group on Agroecology. <a href="http://agroecology-appg.org/wp-content/uploads/2014/04/key policies">http://agroecology-appg.org/wp-content/uploads/2014/04/key policies</a> for agroecology in the uk.pdf
- <sup>36</sup> United Kingdom, National Planning Policy Framework, NPPF (2012) Definition of affordable rented housing is: that provided by Local authorities or registered Social Landlords at 80% or less of local market rates.

Affordable housing for purchase is only defined as less than market prices, often through shared equity or shared ownership arrangements with the providers.

- <sup>41</sup> United Kingdom, DEFRA (2011) UK response to the Commission communication and Consultation, DEFRA, 'The CAP towards 2020: Meeting the food, natural resources and territorial challenges of the future'. Archived at:
- http://www.supagro.fr/capeye/wp-ontent/uploads/reforme/Reforme2013/positions EM/110128-uk-cap-response.pdf
- <sup>42</sup> In the 2007 reform of the CAP, it was proposed to introduce an upper ceiling of £300k on subsidies to individual farm holders, and/or to introduce degressivity (i.e. reductions in the rate per hectare paid after a cut-off point). However, these measures were strongly opposed by the UK Country Land and Business Association (CLA, a membership organisation for owners of land, property and business) and the NFU, indicating the strong influence of the (minority) large-scale landowners within these institutions. Currently, member states have the option to voluntarily limit payments, with funds then being redirected towards rural development in their country. England has not decided to limit payments, though Wales, Scotland and Northern Ireland have done so.

http://ec.europa.eu/eurostat/documents/749240/749310/Research+Paper++Agricultural+Land+Prices+and+Rents+data+for+the+European+Union%2C+December+2016/15fad00e-6f464ee1-9c36-5bfc325b2384

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<sup>&</sup>lt;sup>37</sup> Worstall, T. (May 2017) 'Land Value Tax is a great idea but it'll never happen', *Capx Blog*, 30 May, <a href="https://capx.co/land-value-tax-is-a-great-idea-but-it'll-never-happen/">https://capx.co/land-value-tax-is-a-great-idea-but-it'll-never-happen/</a>

<sup>&</sup>lt;sup>38</sup> Labour Land Campaign (2017) Labour Land Campaign Blog. http://www.labourland.org/

<sup>&</sup>lt;sup>39</sup> Wightman, A. (2010) A Land Value Tax for Scotland: Fair, Efficient, Sustainable, Research Report, Scotland, Andy Whitman. <a href="http://www.andywightman.com/docs/LVTREPORT.pdf">http://www.andywightman.com/docs/LVTREPORT.pdf</a>

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<sup>&</sup>lt;sup>43</sup> Access to Land: A European network of grassroots organisations securing land for agroecological farming Blog. http://www.accesstoland.eu/Background

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<sup>&</sup>lt;sup>47</sup> One Planet Development (Oct 2012) Technical Advice Note 6: Planning for Sustainable Rural Communities. Welsh Government.

<sup>&</sup>lt;sup>48</sup> Bates, J. (2017) A Pioneering Ecovillage in West Wales, *Lammas Blog*. www.lammas.org.uk/en/planning

<sup>&</sup>lt;sup>49</sup> One Planet (2016) 'New Milestone – 23 individual One Planet Development smallholdings now up and running in Wales!', *One Planet Council Blog*, 1 July, <a href="http://www.oneplanetcouncil.org.uk/19-individual-one-planet-developments-now-up-and-running-in-wales/">http://www.oneplanetcouncil.org.uk/19-individual-one-planet-developments-now-up-and-running-in-wales/</a>

<sup>&</sup>lt;sup>50</sup> Peacock, P. (Nov 2016) speaking at the Land Justice Network (formerly, Land for What) event.

<sup>&</sup>lt;sup>51</sup> Ibid

<sup>&</sup>lt;sup>52</sup> (Nov 2016) speaking at the Land Justice Network (formerly, Land for What) event.

<sup>&</sup>lt;sup>53</sup> See the film on Landrightsnow.org

<sup>&</sup>lt;sup>54</sup> Dr. Maxey, L. Laughton, R. Rodker, O. and Wrangler, Z. (2010) *Small is Successful: Creating sustainable livelihoods on ten acres or less,* Research Report, London: The Ecological Land Cooperative. http://ecologicalland.coop/small-successful-0

<sup>&</sup>lt;sup>55</sup> Councils are now obliged to keep a register of people interested in land for self-build projects in their district, and to provide serviced sites for them and to have regard to this register when developing local plans <a href="https://www.gov.uk/guidance/self-build-and-custom-housebuilding">https://www.gov.uk/guidance/self-build-and-custom-housebuilding</a>