

<b>SUBJECT:</b>	<b>LETTING OF PENARTH FARM, LLANISHEN</b>
<b>MEETING:</b>	<b>Delegated Authority - Head of Commercial and Integrated Landlord Services</b>
<b>DATE:</b>	<b>4<sup>th</sup> May 2018</b>
<b>DIVISION/WARDS AFFECTED:</b>	<b>Trellech United</b>

## **NON-PUBLICATION**

*This report is not exempt from publication however Appendix 1 of the report is exempt by virtue of Part 4 of Schedule 12A of the Local Government Act 1972. It is excluded on the basis that it (a) contains information relating to an individual, (b) contains information that will reveal the identity of an individual and (c) contains information relating to the financial or business affairs of any particular person (including but not limited to the authority holding that information).*

### **1. PURPOSE:**

This reports seek to gain authority for the letting of Penarth Farm for a period 5 years to a tenant following a successful tender process.

### **2. RECOMMENDATIONS:**

- a) That the letting as outlined below progress in order for the farm to be occupied for the next 5 years.

### **3. KEY ISSUES:**

- a) Following the previous tenant vacating the farm in Feb 2018, we advertised the holding via our appointed agent for letting for a period of five years
- b) Tenders were received and appraised by both the Council's agent and officers of the Estates Department and three applicants were shortlisted and interviewed. The interviews sort to challenge and further investigate the applicants suitability to be a tenant of the Council at the holding.
- c) Following the interviews, a candidate was selected as the preferred candidate and further due diligence was carried out prior to them being offer the tenancy agreement.
- d) The tenancy will be for a period of 5 years from the 1<sup>st</sup> June 2018 and the tenant will pay a market rent for the property (achieved via the public tender process). The tenancy will be contain a rent review at the commencement of the third year and prescribed repairing obligations on both parties to ensure.
- e) The agreement will also include a clause that will allow for the landlord to undertake any necessary surveys as part of due diligence for development, provided they don't unreasonably impact on the tenants operation of the holding and also a clause allow resumption in part of section of the land by the landlord.
- f) The selected tenant (a mainly stock farmer) was able to demonstrate suitable experience of operating a farm business and is not intending to make any significant investments in

the farm. The latter of these two options is considered advantageous for all involved given the relatively short term nature of occupation at the holding.

- g) The letting will enable a family business the opportunity to consolidate operation onto one site, this brings with it the option to draw out efficiencies in the business which will assist with generating additional income.

#### **4. OPTIONS APPRAISAL**

- a) Progress the letting as discussed above.
- b) Dispose of the asset now with vacant possession, this is not recommended as it will prevent the Council from benefitting from any future enhanced capital receipt
- c) Dispose of the buildings of the holding and retain the land - this was considered however due to the topography of the site, access restrictions and highway infrastructure locally the area in and around the buildings is considered to be a suitable future access to any future development of the site.

#### **5. EVALUATION CRITERIA**

An evaluation assessment has been included at Appendix A for future evaluation of whether the decision has been successfully implemented. The officers of the Estates Department will review the letting in 12 months to evaluate if the tenant is performing as expected in their responsibility to the landlord.

#### **6. REASONS:**

- a) The letting will generate an income for the Council as well as relieve the Council of the liabilities associated with a vacant property.
- b) The tenant will be able to consolidate his farming activity all onto one holding thereby allowing him to operate a better more commercial business.

#### **7. RESOURCE IMPLICATIONS:**

The letting of this property will generate the Council an annual income as detailed in the exempt appendix as well as offering the option to benefit from any uplift in rent at the point of the rent review in the third year.

The Council will also be relieved of its void property costs, currently these stand at £1500 per annum in Council Tax. This however can be considerably more when officer's time is taken into account of inspecting vacant properties and reacting to matters such as security breaches and the additional maintenance required to empty properties.

#### **8. WELLBEING OF FUTURE GENERATIONS IMPLICATIONS (INCORPORATING EQUALITIES, SUSTAINABILITY, SAFEGUARDING AND CORPORATE PARENTING):**

Attached

**9. CONSULTEES:**

Local Ward Member - Cllr D Blakeborough  
Cabinet Member - Cllr Phil Murphy  
Monitoring Officer - Robert Tranter  
Legal Services - Joanne Chase  
Estates Manager - Ben Winstanley

**10. BACKGROUND PAPERS:**

Appendix 1 - Location Plan (attached)  
Appendix 2 - Exempt from publication - Details of the letting agreed with the prospective tenant.

**11. AUTHOR:**

**Gareth King MRICS - Principal Estates Surveyor**

**12. CONTACT DETAILS:**

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## Evaluation Criteria – Cabinet, Individual Cabinet Member Decisions & Council

<b>Title of Report:</b>	
<b>Date decision was made:</b>	
<b>Report Author:</b>	

### **What will happen as a result of this decision being approved by Cabinet or Council?**

What is the desired outcome of the decision? - The letting of the farm to a tenant

What effect will the decision have on the public/officers? - Little to no impact on the public, officers will be relieved of the duties associated with managing a void property with these passed to the tenant in occupation.

12 month appraisal

Was the desired outcome achieved? What has changed as a result of the decision? Have things improved overall as a result of the decision being taken?

### **What benchmarks and/or criteria will you use to determine whether the decision has been successfully implemented?**

Is the tenant still in occupation?

Is he successfully operating a farming business from the site?

Is he complying with the terms of the tenancy agreement? Both the spirit of the agreement and actual obligations set down.

12 month appraisal

*Paint a picture of what has happened since the decision was implemented. Give an overview of how you fared against the criteria. What worked well, what didn't work well. The reasons why you might not have achieved the desired level of outcome. Detail the positive outcomes as a direct result of the decision. If something didn't work, why didn't it work and how has that effected implementation.*

### **What is the estimate cost of implementing this decision or, if the decision is designed to save money, what is the proposed saving that the decision will achieve?**

The saving that are made by the letting of this farm are mainly around the reduction of void costs that will be incurred by the Council should the property remain vacant.

12 month appraisal

*Give an overview of whether the decision was implemented within the budget set out in the report or whether the desired amount of savings was realised. If not, give a brief overview of the reasons why and what the actual costs/savings were.*

Any other comments

