

RECORD OF DECISION

TITLE:

Hindlip Agricultural Land - Farming Business Tenancy Agreement

Ref: PCC/D/2020/12

EXECUTIVE SUMMARY

A decision is required of the PCC to agree for an early release from the annual rolling Farm Business Tenancy Agreement of current Leaseholder from September 2020.

A new Farm Business Tenancy Agreement to be drawn up between the Police and Crime Commissioner for West Mercia and new tenants.

PROPOSAL

The recommendation is to release the current Leaseholder from the current lease early and re-let the arable land at Hindlip to new tenants.

**APPROVAL OF
West Mercia Police and Crime Commissioner**

I hereby approve the above proposal.

Signed



PART 1 – NON-CONFIDENTIAL/EXEMPT FACTS AND FIGURES

SUPPORTING REPORT

The current Leaseholder have requested the early release from the annual rolling Farm Business Tenancy Agreement (FBT) from September 2020. Usually, the Police and Crime Commissioner for West Mercia would require twelve months' notice, however, with the early surrender this will give the opportunity for a new tenant to get an autumn crop in the land, and save any need for outgoing valuations.

The current Leaseholder own the entitlements for the Basic Payment Scheme and these will be dealt with accordingly.

The current Leaseholder have said they will keep the land in good order and weed free during the next six months, as they have not planted a crop on the land due to the wet autumn.

Halls Holdings Ltd. act as the 'managing agent' on behalf of the Police and Crime Commissioner and collect rent, manage tenancy, queried, etc. from the Leaseholder.

They have recommended the Police and Crime Commissioner agrees to the early surrender of the Farm Business Tenancy (FBT) and put the land out to tender in the Summer with the view that the new tenancy will commence from the 29th September 2020. This will achieve a higher rent this year than if the tenants are made to serve their full 12 months' notice, as the Basic Payment is due to start decreasing from next year and rents will start to decline.

There has been a number of enquiries from locals in the area seeking additional arable land, which presents the opportunity of re-letting the land quickly, with an informal tender process being the most effective route to secure this.

FINANCIAL COMMENTS

Halls Holdings Ltd. advise that they are confident the current agricultural land value, or above, can be achieved again this autumn.

If we were to delay until 2021, Halls Holdings Ltd. advise that with subsidy payments reducing, this could reduce.

An early surrender of the Lease would provide the opportunity to realise an additional annual income of approx. £6k as opposed to not providing an early surrender of the Lease.

LEGAL CONSIDERATIONS

By virtue of schedule 11, paragraph 14 of the Police Reform and Social Responsibility Act 2011 the Police and Crime Commissioner may do anything

which is calculated to facilitate, or is conducive or incidental to, the exercise of the functions of commissioner. That includes: entering into contracts and other agreements (whether legally binding or not) and acquiring and disposing of property (including land).

PUBLIC ACCESS TO INFORMATION

Information in this form is subject to the Freedom of Information Act 2000 (FOI Act) and other legislation. Part 1 of this form will be made available on the West Mercia Police and Crime Commissioner's website. Any facts and advice that should not be made automatically available on request are not included in Part 1 but instead in the separate Part 2 report.

OFFICER APPROVAL

Chief Executive Officer

Signature *Andy Chapman* Date 14th May 2020