



Report to Policy Committee

Author/Lead Officer of Report:

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Report of: *Kate Martin, Executive Director City Futures*

Report to: *Finance Sub – Committee*

Date of Decision: *Wednesday 22nd March 2023*

Subject: *Rural Estate Management Plan*

Has an Equality Impact Assessment (EIA) been undertaken?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
If YES, what EIA reference number has it been given? (1500)				
Has appropriate consultation taken place?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Has a Climate Impact Assessment (CIA) been undertaken?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Does the report contain confidential or exempt information?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-				

Purpose of Report:

The Council's Rural Estate has the potential to play a significant role in delivering a wide range of objectives and positive outcomes for the inhabitants of Sheffield.

The attached, Rural Estate Management Plan outlines how the Council will effectively and efficiently manage and develop its Rural Estate over a 10-year plan period, with interim reviews. It provides an overarching vision and strategy and principles to guide decision making as well as a practical working document to guide activity.

Recommendations:

- That Committee approve the attached Rural Estate Management Plan attached at Appendix 1 and adopts the policies contained within to ensure effective management of the rural estate

Background Papers:

Rural Estate Management Plan

Lead Officer to complete:-		
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.	Finance: <i>Kerry Darlow</i>
		Legal: <i>David Sellars</i>
		Equalities & Consultation: <i>Ed Sexton</i>
		Climate: <i>Jessica Rick</i>
	<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>	
2	SLB member who approved submission:	<i>Kate Martin, Executive Director City Futures</i>
3	Committee Chair consulted:	<i>Cllr Zahira Naz, Cllr Bryan Lodge Finance sub Committee</i>
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Committee by the SLB member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	Lead Officer Name: Tammy Whitaker	Job Title: Head of Regeneration and Property Services
	Date:	

1. PROPOSAL

1.1 Background - Sheffield City Council's Rural Estate

The Council's Rural Estate comprises a portfolio of rural land and properties extending to approximately 3,000 Ha (7,413 acres), including 14 farmsteads. The Estate has been accumulated from a variety of sources including: historic ownership by the Corporation of Sheffield; gifted to the people of Sheffield by benefactors; and land strategically acquired by the Council. The estate is let to some 61 different tenants by way of various agreements including: Agricultural Holdings Act Tenancy's (AHA), Farm Business Tenancy's (FBT) and commercial leases.

1.2 The majority of the estate lies to the west of the city within the upland areas on the edge of the Peak District National Park and comprises moorland, woodland and grassland with some lowland grassland and arable land located around the urban fringe of Sheffield. Much of the land is subject to specific designations, including: National Park, Conservation Areas and Sites of Special Scientific Interest (SSSI). Most holdings are small by modern farming standards which reduces their commercial viability.

1.3 Current Position

Brexit led to massive changes and greater uncertainty for the agricultural industry and this combined with the assent of the Agriculture Act 2020 and Environment Act 2021, extreme price volatility and unprecedented weather conditions has meant that farmers and land managers are facing some of their greatest challenges to date, particularly for marginal upland farms which forms the majority of the Council's land holdings.

1.4 Despite these challenges, the countryside, and the ecosystem services which it provides, offers the means to capitalise on opportunities such as sequestering carbon in pursuit of net zero targets, managing the natural landscape to reduce flooding and improve water quality and enhancing biodiversity in order to address the ecological and climate emergencies declared by the Council in recent years. With the incoming Environmental Land Management Schemes (ELMS), a system of public money for public goods will look to reward farmers who implement sustainable practices as stewards of the natural landscape.

1.5 The Rural Estate has previously been managed as a collection of individual tenancies but through proactive management, collaboration with tenants and partnerships with environmentally conscious third parties, much more could be done across the Estate to realise broader strategic ambitions and deliver key outcomes for the City and its people. Through the adoption of an Integrated Land Management approach, and finance through both public schemes the Rural Estate has the potential to deliver a 'stack' of environmental and wider objectives and other positive outcomes for the inhabitants of Sheffield.

1.6 Rural Estate Management Plan

The Rural Estate Management Plan (Appendix 1) establishes a framework and objectives to inform decision making and sets out how the Council's rural land holdings can be better aligned to support the delivery of broader corporate aims and objectives. The plan forms part of a wider review of Sheffield City Council's (SCC) assets, to establish and articulate its holistic approach to asset management.

1.7 The Rural Estate Management Plan (REMP) has been prepared as at April 2022 and reflects the position of legislation, policy, private markets and public grant schemes as at this date. This position is ever changing and therefore, some of the information relied upon within this document may have been superseded with additional guidance and material having been published since the April 2022 reference date. The Council and their advisors should seek to apply the most recent guidance and policies to inform the REMP and should continually review the information and schemes available

1.8 The plan provides a clear Vision:

"To promote the adoption of an integrated approach to land management facilitating the delivery of a diverse range of environmental and public benefits through collaboration"

and five strategic ambitions:

- **Maintenance & Improvements:** *To address the existing maintenance backlog and work towards improving the future sustainability of the assets and improving tenant relationships*
- **Low Carbon Economy, Renewable Energy and Climate Change:** *To contribute towards the Council's net zero, environmental and sustainability targets*
- **Public Access, Recreation & Education:** *To accommodate inclusive access and enhance education opportunities across the rural estate where appropriate in order to facilitate the health and wellbeing of Sheffield's inhabitants and visitors*
- **Collaboration and Partnerships:** *Strategic Ambition: Strengthen existing partnerships and build new relationships with relevant parties to deliver wider objectives and maximise outcomes*
- **Integrated Land Management:** *To utilise the rural estate to maximise the provision of ecosystem services, reduce emissions and address the nature and climate emergencies; utilising nature-based solutions in collaboration with third parties where appropriate*

1.9 The strategic ambitions are supported by a series of proposed actions to ensure that the Council efficiently and effectively manages its Rural Estate in order to fulfil wider objectives and realise income.

1.10 The plan proposes the retention of a 'core estate' to the north west (around Bradfield) and the south west (Ringinglow and Dore areas) of the City where the Council has a critical mass of land ownership, where the strategic ambitions can best be realised and where charitable objectives, designations and other constraints limit alternative use or disposal of the land.

- 1.11 The plan also provides a number of policies to assist with the day to day management of the Estate including:
- Core Estate Policy
 - Tenancy Management
 - Maintenance Policy
 - Decision Making Triangle
 - Environmental Policy/Integrated Land Management
 - Disposals Policy & Acquisitions Including Vacant Property & Development
 - Lettings Policy

2. HOW DOES THIS DECISION CONTRIBUTE ?

- 2.1 Currently, there is no Estate Management Plan for the Council's Rural Estate. This has led to ad hoc decision making and reactive as opposed to proactive management. Budgets are under constant pressure as property assets are expensive to procure, run and maintain in line with legislative requirements. Assets need to be carefully managed to ensure best value in terms of use, maintenance and financial return, whilst still ensuring they contribute towards the Council's wider objectives.
- 2.2 SCC asset investment programme has been highlighted as an area for development in, 'Our Sheffield Delivery Plan 2022/23'. Asset management is fundamental in order to reduce backlog maintenance and begin to rationalise the size and cost of the Council's estate. The Rural Estate Management Plan will form an important part of the estate review and management process designed to address budget savings and realise wider benefits for the Council through better use of its assets. The Rural Estate, if actively managed has the potential to contribute towards the delivery of wider SCC objectives

3. HAS THERE BEEN ANY CONSULTATION?

- 3.1 The Rural Estate Management Plan has been informed by engagement with key stakeholders including: Tenants, Local Landowners, Landowner Organisations, officers within relevant departments within SCC, Charities, Utility companies and Government Agencies. Engagement took the form of online surveys and focused stakeholder meetings.
- 3.2 Any future decisions taken on disposal of Council assets will be undertaken in line with the Leader Scheme of Delegation and statutory requirements.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality Implications

- 4.1.1 An Equality Impact Assessment has been completed for the REMP. Equality impacts will be considered for specific disposals if required when those decisions are taken.

4.2 Financial and Commercial Implications

- 4.2.1 There are no direct financial implications arising from this report, however due to budgetary constraints, there is a significant maintenance backlog cost for the Estate, which subsequently suffers from underinvestment. Many elements are in a poor and deteriorating condition, with statutory compliance and maintenance issues and as a result, tenant relationships are poor.
- 4.2.2 It is estimated that the current backlog of maintenance and statutory compliance is in excess of £1 million, which is largely due to the costs of repairing dilapidated listed buildings. If the estate management plan is approved a programme of inspection will be undertaken, any necessary maintenance/compliance works costed, and business cases developed for consideration for investment. The business cases will consider how the works can be funded including the use of a top slice of rental income and/or use of capital receipts from the disposal of assets outside of the retained core estate.

4.3 Legal Implications

- 4.3.1 There are no legal implications from the approval of the Estate Management Plan however as noted above the Council does have legal obligations as landlord and these will be addressed both holistically and on a case by case basis as and when they arise and prioritised accordingly.

4.4 Climate Implications

- 4.4.1 Considerations of climate implications and a full Climate Impact Assessment has been undertaken as appropriate for the Rural Estate Management Plan.

The Climate Impact Assessment has determined that this proposal should achieve a moderate decrease in CO₂e emissions compared to before. The REMP sets out a number of objectives/ actions that aim to decrease CO₂e emissions. Biodiversity gain is a central objective of the plan, alongside recommendations for progressing with renewable energy opportunities and highlighting the importance of working with stakeholders to achieve shared goal.

5. **ALTERNATIVE OPTIONS CONSIDERED**

The following alternative options have been identified:

5.1 **Dispose of the whole Rural Estate**

Holding a rural estate portfolio could be considered as outside of SCC's core

objectives and some local authorities have disposed of rural land holdings in their entirety. However, given the location and limitations of the majority of SCC land holdings this would not be straightforward or favourable as elements of the land holdings are held in Trust and were gifted to the people of Sheffield by benefactors. Also, areas of the Estate offer opportunities to deliver wider SCC objectives particularly in the upland areas working in collaboration with tenants and stakeholders. If the Rural Estate was disposed of this potential would not be realised. Some areas of the estate will however be considered for disposal at the appropriate time where they do not form part of the core estate.

5.2 Continue without a Rural Estate Management Plan

The Council could do nothing; resulting in continued ad hoc decision making and a lack of focus on priority action. Budgetary constraints and a significant maintenance backlog have impacted on tenant relationships. The Estate subsequently suffers from underinvestment with many elements in a poor and deteriorating condition. Without action the Rural Estate will continue to deteriorate eventually resulting in worsening tenant relationships and missed opportunities to work with other bodies to realise wider environmental benefits for the City and its people.

5.3 Rural Estate Management Plan

The rural estate management plan sets out a clear framework, objectives and actions to ensure proactive management of the Council's land holdings over the next 10 years and will ensure that the assets are effectively managed, that the Council meets its legal duties as landlord and that wider benefits can be gained from proactive management for the benefit of the city and its people.

6. REASONS FOR RECOMMENDATIONS

The Rural Estate whilst providing challenges, creates a number of opportunities for the Council to meet corporate objectives. The Rural Estate Management Plan provides a clear set of strategic objectives which will enable more active management of the estate.

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