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Retirement Housing for Farmers in the United Kingdom:

A review of the issues,
experiences and
possible answers

Acknowledgements	3
Background	4
Retirement Housing For Farmers In The United Kingdom: A Review Of Issues, Experiences And Possible Answers	6
1. Introduction	8
2. Taking Stock	14
3. Experience of Policy Tools	18
4. Demand and Need: Is There Evidence?	28
5. The Post-Brexit Challenges: New Stimuli to Retirement?	38
6. Possible Measures	44
7. Ways Forward	54
The Rural Housing Summit	60
8. Introduction	62
9. The Rural Housing Summit	64
10. Prioritising and Agreeing the Need/Demand	66
11. Discussing and Developing Issues – Solutions and Recommendations (chaired workshops)	72
12. Recommendations and Issues Output Summary	74
13. The Way Forward	76
Conclusion	78
Next Steps	82
Appendix A – Rural Housing Summit attendees, workshop chairs and workshop note-takers	84
Appendix B – Rural Housing Summit speaker profiles	88

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Thank you also to Jeremy Moody, Secretary and Adviser to the Central Association of Agricultural Valuers, Professor of Rural Land Management and Policy, Royal Agricultural University, and author of 'Retirement Housing for Farmers in the United Kingdom: A Review of Issues, Experiences and Possible Answers'.

A close-up photograph of a wheat stalk, showing the intricate details of the grain heads and the long, slender leaves. The image is partially covered by a semi-transparent brown overlay, which serves as a background for the text.

Background

The issue of retirement housing for farmers is of increasing importance as Jeremy Moody highlights in *Retirement Housing for Farmers in the United Kingdom: A review of issues, experiences and possible answers* (Chapter 4):

“There has been no specific policy intervention for farmer retirement of any sort in England and, indeed, no farming retirement schemes in the United Kingdom”.

This Retirement Housing for Farmers in The United Kingdom report seeks to harness the passion and expertise of those working in the rural housing sector by bringing together Jeremy Moody’s key review together with a summary of the Rural Housing Summit, which was held in July 2018 and was dedicated to identifying and addressing priorities and solutions for rural housing.

The Rural Housing Summit brought together key stakeholders from across the sector to share views and knowledge, and to discuss the current challenges, as well as envisioning the right solutions to the challenge of retirement housing for farmers. The Summit enabled opportunities for cross-fertilisation of ideas, with a mix of attendees drawn predominantly from the landowning and NGO (non-governmental organisation) communities, and identified key priorities and challenges for rural retirement housing.

An earlier version of Jeremy Moody’s review was used to inform and underpin the Summit, with a revised and updated version included in this report. The review provides an overview of the issues and experiences for farmers’ retirement housing, covers relevant policy tools and evidence of demand and need, and looks at post-Brexit challenges and possible measures for a way forward.





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experiences and
possible answers

A photograph of a rural landscape. In the foreground, a wooden gate with a cross-hatch pattern stands closed on a dirt path. To the right of the gate is a stone wall. The background shows a grassy hillside under a clear sky. The image is used as a background for text.

*“We need to be more creative if
we are to meet the housing needs
of rural communities.”*

Minister of State for Housing, Press release,
13th March 2018

*“And the best way to deal with
change is to develop adaptability.”*

Secretary of State, Department for Environment,
Food and Rural Affairs (DEFRA) Oxford Farming Conference,
4th January 2018



1. Introduction

- 1.1 Farming is a business about people; people living and working on a specific place. Many farming businesses are long-term, multi-generational family ventures – surveys show around 30 per cent to have continuity from before 1900 and 84 per cent to be at least the second generation¹. The life cycle and succession of members of farming families is a key component of the dynamics of each farming business. Farming's success depends on their work, insights, energies and care. In the longer term, it also depends critically on their ability to start, develop and then retire from farming businesses, accompanied by openness to both change and innovation. In turn, that requires farming opportunities to be taken by new people with their work, insights, energies and care. Together with those who are employed in (or by) the sector, all these people need housing, which is frequently both scarce and expensive in the rural areas where farming takes place.
- 1.2 There is a long history of on-farm housing. Many farm enterprises, especially livestock ones, rely on it for immediacy of supervision, alongside convenience, in a business of long hours and care. The farmhouse is the traditional centre of the business. Other dwellings may be needed for staff or family members and now may have been let out. However, it can be a problem for the business if critical housing on the farm is occupied by someone no longer farming, or a third party not crucial to the business. While many of these buildings may often now be let out, the disposal of a dwelling physically associated with the core of the farm can easily result in unwanted problems from neighbours not involved in the farm.
- 1.3 It is also an issue if housing concerns lead the occupier to remain farming long into old age, with the potential for increasing infirmity. As Agriculture and Horticulture Development Board (AHDB) papers² make clear, we have substantial reasons to be concerned about the productivity of agriculture. Resolving that is about having the right people with the right skills and right investments farming the land. The importance to productivity of having proficient users of the land is shown by evidence from the Republic of Ireland (reviewed in 6.3.2 below) in which the operational farmer's proficiency was found to matter more than the age of the farmer described as heading the business. Resolving housing problems can help open up the land occupation market to enable associated land to be used by those best able to do so efficiently, a change made more urgent by pressures likely to accompany and follow Brexit.
- 1.4 Rural areas are understood to have populations aging faster than the United Kingdom as whole, giving related housing issues a rural dimension. The recent All Party Parliamentary Group (APPG) report *Rural Housing for an Aging Population*³, was mindful that within 20 years half of rural households might be headed by someone over 65, and touched on some issues around housing for retiring farmers, but did not explore the topic further amid its larger concerns.
- 1.5 This paper focusses specifically on housing for retiring farmers and assisting business change with possible ways forward. Even more than the wider issues of rural housing, the limited number of potentially retiring farmers may make the problems less obvious and the need for more varied answers may deter policy makers. However, the issues are no less material to those affected and no less important to the release of land to the benefit of the farming sector.

¹ See Lobley, M. (2010) 'Succession in the Family Farm Business', presented to the 2010 Oxford Farming Conference [online]. Available at: www.ofc.org.uk/conference/2010/papers#256 [accessed 30 November 2018]. Also, Lobley, M. [et al.] (2002) 'Implications of changes in the structure of agricultural businesses'. Plymouth: University of Plymouth.

² For example, AHDB (2018) '*Driving productivity growth together*' [online]. Available at: <https://ahdb.org.uk/knowledge-library/driving-productivity-growth-together-2-january-2018> and 'Brexit: fit for the future' [online]. Available at: <https://ahdb.org.uk/brexit-fit-for-the-future> [accessed 30 November 2018].

³ Porteus, J. (2018) 'HAPPI 4 – The Rural HAPPI Inquiry' [online]. Available at: www.housingandcare21.co.uk/about-us/appg-housing-and-care-for-older-people/ [accessed 30 November 2018].

1. Introduction

- 1.6 Over recent decades, agricultural housing issues have perhaps become more subtle:
- They may remain most clear for the principals in the farming business requiring a farmhouse and housing for other involved family members, and for whom the “farmhouse” may be a symbol of where control lies.
 - Employees who, with their families, may now no longer wish to live on the farm but often prefer to be in settlements where there are services and society, as well as fewer issues over transport. That, as well declining farm employment, can release other dwellings that may be on the farm.
 - The labour needed for other enterprises on farms, whether to add value to produce or make other use of resources, may only be available if there is housing.
 - Traditions of self-reliance continue, retaining the benefits of continuing support from family and friends with the strong voluntary tradition of many rural areas.
 - There is an increasing reliance on self-employed workers, as or through contractors, who also require housing convenient to their work.
 - Opportunities to enter farming may be suppressed by the reduced housing stock – though equally some new entrants prefer the financial security of a separate home that may help fund the business.
- 1.7 This paper is particularly concerned with the housing issues bearing on potential and actual retirement from – or scaling down of – farming activity, considering:
- Where lack of housing may be an obstacle to that.
 - How to enable that with dignity and so making this a positive option for those who wish to choose it. Concern over potentially frustrated retirement has long been a theme in agricultural policy discussion with a recognition of the potential for there to be farmers, especially farming tenants who could
- be too poor to stay but too poor to go, and remain farming until external events intervene.
- 1.8 Managing retirement and the issues around it can then make it easier for:
- Generational succession within a farming family.
 - Generational succession outside a farming family so that others take on the land.
 - The release of land to those who will more readily respond to economic challenge by innovation in farming practice and the market place.
- 1.9 This is a longstanding concern, not a new issue. A 1973 House of Lords debate on housing for retiring farmers prompted by Lord Gisborough, noted the conflict between the then sympathetic local planning committees and planning officers. He proposed a ground for planning permission to be given for housing for retiring farmers based on a farmer’s long term “territorial association” with the farm⁴.
- 1.10 However, this may not always be an issue of rehousing the retiring farmer, but of new housing for the next farmer. Many may not wish, at the time of retiring or reducing farming activity, to leave a house that will often have been a long-term home or one with family significance. The 2004 study for DEFRA on *Entry to and Exit from Farming in the United Kingdom*⁵ found that:

⁴ House of Lords, 24th January 1973 Col 231 et seq – <https://api.parliament.uk/historic-hansard/lords/1973/jan/24/farmers-retirement-homes> [accessed 30 November 2018].

⁵ Final Report: ADAS (2004), the University of Plymouth, Queen’s University Belfast and the Scottish Agricultural College [online]. Available via the National Archives at: <http://webarchive.nationalarchives.gov.uk/20110318142205/http://www.defra.gov.uk/evidence/economics/foodfarm/reports/documents/Entry.pdf> [accessed 30 November 2018].

“A majority of farmers do not intend to move from their current residence on retirement, with the proportion rising steadily with number of years spent in farming. As many as 83 per cent of those who had been in farming for 50 years did not plan to move house on retirement.” (page 49)

- 1.11 That might variously mean that farmers:
- Positively wished to stay in their long-term home.
 - Could not envisage an alternative.
 - Did not see it as practical to move, whether because of finance, lack of alternatives or other reasons.

That could, though, be balanced for some by the attractions of moving to a property that may be easier and more efficient, and away from what may be an increasing burden of managing and maintaining a traditional farm dwelling. The force of those attractions may then grow over time.

- 1.12 It does also point to the need for the alternative option of new housing to enable the future farming of the land, with the existing dwelling being the retirement accommodation and so catering more effectively for the diversity of personal and farming circumstances.

- 1.13 So far as the answer is about housing those coming to farm the land, then ensuring or enabling it can be seen as an aspect of the larger issues, social and other; retaining younger or more active elements of the population in the countryside, where housing is often more scarce and less affordable.

- 1.14 Returning to farming, an urgency is now seen in advance of the economic challenges to its present structures that

many expect to be driven by the unfolding of the Brexit process, reviewed in Section 5. The prospect over the next decade of reducing business margins from state support, potentially greater exposure to more open trade, the probable consequent changes in farming and land use, and the need to improve productivity and focus on markets, can be expected to prompt greater interest in retirement over and above the normal cycle of family life.

- 1.15 It is recognised that, while recent decades have seen more discussion of farming retirement, many farmers do not envisage it as a complete change from farming, but rather a scaling back of:
- Work, to hours that others might ordinarily regard still as a full commitment.
 - Responsibility, as farmers move further along the spectrum of passing succession to the next generation.

Over and above that, with farming often being an aspect of personal identity, “retirement” may appear a forbidding word that can preclude a conversation that might otherwise open. According to the circumstances this could variously close matters, be confronted head on, worked round or see alternative concepts developed such as “handing on” or “future planning” with their possible overtones of proper stewardship of the land and business.

- 1.16 As Michael Winter and Matt Lobley observed in their report for The Prince’s Countryside Fund, *Is There a Future for the Small Family Farm in the UK?*⁶:

“There is little evidence that clear and unambiguous retirement and succession planning is a common feature of the agricultural sector.”

⁶ The Prince’s Countryside Fund (2016) ‘Is there a future for the small family farm in the UK?’ The Prince’s Countryside Fund [online]. Available at: www.princescountrysidefund.org.uk/research/is-there-a-future-for-the-small-family-farm-in-the-uk [accessed 30 November 2018].

1. Introduction

Even where the break is more complete, former livestock farmers may still like some continuing involvement with animals and some small farms are simply retirement holdings.

1.17 It has been traditional to think of retirement housing as being met by housing on the farm. In many cases, that might now be enabled by dwellings that are released as farming's workforce has reduced in recent decades. The more liberal residential tenancy law of recent decades has seen these let out rather than, as previously, sold and so potentially available for family use.

1.18 However, the current trend for residential tenancy law to become more restrictive may make this more complex and some dwellings will still be subject to statutory residential security of tenure. It may also be that the business needs the rent from these dwellings as an income source.

1.19 More generally, retirement can anyway require new, adapted or improved housing with potential issues of finance and development control.

1.20 Even where available, housing on the farm is not a complete answer:

- There will be some among the many farmers owning land for whom using or building a house on owned land is not feasible as an option.
- Those who are solely or predominantly tenanted will usually lack the land and sometimes the finance to achieve this.
- Increasingly, social preferences or personal need may see a need to move away from the farm. These might include:
 - A desire to be nearer services and company.
 - A wish for smaller, more convenient or efficient property.
 - Ill health and infirmity, more likely with advancing age and sometimes requiring single storey, adapted or sheltered accommodation.
 - The desirability of allowing the new farmer the space to develop their business.

Either way, the retiring farmer may typically want to remain in the specific community and near family. These housing needs will rarely be met by larger developers, more often by the action of the family, a landowner or charity able to act at a small scale on a local level.

1.21 Financially, a rational and voluntary decision to retire turns on confidence in an ability to provide for the future. Typically, that provision requires:

- Housing, whether owned or rented.
- Income, often from a pension but perhaps from continuing involvement in a family partnership, let properties, investments or other means.

In the absence of other existing assets, that provision might be encapsulated in either a capital sum or a secure income. In practice, it may be that it is more often the capital required for a house than the income for living that is the issue. Even for a modest lifestyle, the capital sum required to buy or fund the rent for a home (especially in the rural area where the family and business is based), and also deliver an income, is now more substantial than many farming tenants, and some others, may find easy to provide, especially where they are on smaller acreages. A key, if obvious, point in the farmer's own finances (or for any negotiation between landlord and tenant) is that there is likely to be more value available in 1,000 acres than in 80. In many cases, a smaller unit may, however considered, simply not be able to offer the necessary quantum of value to make retirement rational, whatever the circumstances of the farmer with the smaller unit.

1.22 From experience and survey work (such as that cited above by ADAS and others in 2004), the main barrier to retirement may be that many farmers do not want to retire, at least in any conventional sense. For many, this is a part of personal identity: farming is what they do, directly and, perhaps over time, also vicariously through the next generation. Finance and housing may simply be used to justify inertia. However, the issue may be forced by circumstances such as health (for

which issues often increase with age) or economic pressure (as may become stronger with post-Brexit policies for farming to recover relative productivity and competitiveness or future changes to trade).

- 1.23 There is no single “silver bullet”. With the issues already indicated and the human dynamics of each farm, the answers will be individual, bespoke and non-standard, very often using single plots or units within a small development. This calls for a flexibility that can take account of the different issues and how they vary by area, including relative housing costs. This paper closes with recommendations as to a suite of policies that do that, supported by advice and changing attitudes.





2. Taking Stock

- 2.1 Agricultural and rural housing has been the subject of both official reports and action by housing organisations, but less attention has been paid directly to the specific issues of housing and farming retirement with its role in managing change in a sector of small family businesses deeply committed to the farming life.
- 2.2 **The Prince of Wales' Rural Housing Initiative**
- 2.2.1 HRH The Prince of Wales has long seen the topic of rural housing in general and housing for farming business change, including retirement, as requiring attention. In opening the Royal Show in 2002, he described part of the background:

“My Presidency of the National Federation of Young Farmers' Clubs gives me a special insight into the concerns and ambitions of the younger generation. These young people are skilled and determined, but we need to do more to encourage young blood into agriculture. And one way in which we could do this is by finding a way to allow those who wish to retire to do so with dignity and security.”⁷

- 2.2.2 The following June HRH The Prince of Wales announced the Affordable Rural Housing Initiative, again drawing attention to the housing needs of new farmers:

“Even if new entrants to farming manage to acquire land, finding a house to live in is virtually impossible. Indeed, often they are living in the towns commuting out to their landholdings...”⁸

HRH The Prince of Wales launched the booklet, *Affordable Rural Housing: An Opportunity for Farmers and Landowners*, produced by The Housing Corporation, The Countryside Agency and The Country Land and Business Association. Aimed more broadly at rural social housing, its purpose was to encourage landowners to consider releasing land for social housing, guide them through the issues and to the organisations which could assist, with illustrative successful case studies.

2.3 ***Living Working Countryside: The Taylor Review of Rural Economy and Affordable Housing***

This 2007 report⁹ offered a wide review of housing and the rural economy but did not significantly touch on the subject of retirement housing for farmers. The references to farms are largely about the re-use of farmsteads.

2.4 ***Future of Farming Review Report***

- 2.4.1 A section of this 2013 report¹⁰ for DEFRA offered an overview of the arguments as they were seen then in an agricultural context, after the Taylor Report on affordable housing but before Brexit was on the horizon. Within the limited time available to it, its focus was on the position in England.

⁷ The Prince of Wales (2002) 'A speech by HRH The Prince of Wales at the opening of The Royal Show, Stoneleigh Park, Warwickshire' [online]. Available at: www.princeofwales.gov.uk/speech/speech-prince-wales-opening-royal-show-stoneleigh-park-warwickshire [accessed 30 November 2018].

⁸ The Prince of Wales (2003) 'A speech by HRH The Prince of Wales at the launch of the Affordable Rural Housing Initiative, St James's Palace, London' [online]. Available at: www.princeofwales.gov.uk/speech/speech-hrh-prince-wales-launch-affordable-rural-housing-initiative-st-jamess-palace-london [accessed 30 November 2018].

⁹ DCLG (2008) 'Living Working Countryside – The Taylor Review of Rural Economy and Affordable Housing' [online]. Available via the National Archives at: <http://web.archive.org/web/20110911012244/http://www.communities.gov.uk/documents/planningandbuilding/pdf/livingworkingcountryside.pdf> [accessed 30 November 2018].

¹⁰ GOV.UK, Department for Environment, Food and Rural Affairs (2013) 'Future of farming review: 2013 report' [online]. Available at: www.gov.uk/government/publications/future-of-farming-review-2013-report [accessed 30 November 2018].

2. Taking Stock

2.4.2 Unlike Taylor, this report was specifically focussed on farming, considering the housing needs driven by the progression needed for a successful sector, with entry, progression and retirement by or within the farming family as principals in the business.

2.4.3 The report looked at planning policies, incentivising landowners and questions of affordable housing.

2.4.4 Development Control – The Report noted:

- The provisions on rural housing and affordable housing in the then new National Planning Policy Framework for England that is currently under review.
- The Welsh policy (set out in the Welsh Government's Technical Advisory Note (TAN) 6 introduced in 2010) for new homes on farms to enable management change.
- The Northern Irish HOU10 policy in a similar vein.

The Group writing the Report for England did not have time to explore the operation of these Welsh and Northern Irish policies. Policy issues in all three territories are reviewed below together with the position in Scotland.

2.4.5 Encouraging Landowners – The Future of Farming Group saw that, in practice, landowners hold the key to the provision of affordable housing in many rural areas, making it important to encourage them to make land available for appropriate dwellings, particularly on “rural exception sites”.

2.4.6 Alternative Finance – The Group was briefed by the Hastoe Housing Association on the initiative to raise a bond to fund new affordable housing in the horseracing industry (reviewed below from 6.2.7.2). While the financial crisis had meant that the concept had not been taken forward, the Group thought it an interesting model that should be further explored in the context of agriculture.

2.5 The Prince's Countryside Fund Report

2.5.1 In 2016, The Prince's Countryside Fund published *Is There a Future for the Small Family Farm in the UK?*¹¹, a research report by Michael Winter and Matt Lobley of Exeter University. Having reviewed the recorded decline in the number of small family farms and the complex patterns of change in this, one of the recommendations to policy makers was that:

“Consideration should be given in planning policy to allow farmers of retirement age to build a retirement house when they agree to facilitate new entrants through FBTs (Farm Business Tenancies), share farming or land purchase.”

2.5.2 Alongside that was the recommendation that:

“Rural estates should encourage the creation of opportunities for new farm businesses by investing in the provision of new housing for existing tenants to facilitate new entrants.”

2.6 Housing Organisations

2.6.1 While there are many local and other bodies that are active, two stand out at the national level in England for rural focus, practicality and willingness to look at varied answers: the Addington Fund and the Hastoe Housing Association. These have offered a range of initiatives and actions that perhaps give the best sense available yet as to the practicalities of the issues here. Some of these are explored below.

¹¹ The Prince's Countryside Fund (2016) 'Is there a future for the small family farm in the UK?' The Prince's Countryside Fund [online]. Available at: www.princescountrysidefund.org.uk/research/is-there-a-future-for-the-small-family-farm-in-the-uk [accessed 30 November 2018].

2.6.2 The Addington Fund – With a specific focus on rural housing and often on those in farming, the Addington Fund has grown from its origin as a charitable means of relief for farmers affected by the Foot and Mouth Outbreak of 2001. Its approach distinguishes between providing “strategic” housing (where a house is bought for a tenant farmer’s retirement and can later be sold) and affordable housing (more generally aiding a local community, including retiring or new farmers).

2.6.3 It can provide homes to rent at an individual level through its Strategic Rural Housing Scheme, operating since 2002, and in Cornwall, Ceredigion and Worcestershire has developed a small stock of affordable rural housing specifically for people in rural occupations who cannot afford to rent on the open market.

2.6.4 With aid for its housing projects coming from gifts, the donation of land, or grants towards conversion costs, the Addington Fund has been able to provide housing within the affordable housing definition (rents at no more than 80 per cent of the local market rent).

2.6.5 The Hastoe Housing Association – This also has a specifically rural focus. Some of its actions, as discussed with the Future of Farming Group, have included:

- The cross-subsidy of some affordable houses by the sale of other houses on the open market.
- Taking long leases from landlords.
- Allowing landowners to have some nomination agreements.
- Investing in infrastructure to assist landowners in return for the release of sites.

It was suggested that a wider use of nomination rights might, for example, make it possible for landowners to house retiring tenants, thereby opening the door to succession. Some of these suggestions were raised in the Department for Communities and Local Government’s 2009 consultation, following the Taylor Review, on guidance to local councils to outline the ways in which landowners can be encouraged to release land for affordable housing. The Future of Farming Group recommended that the suggested guidance be issued formally.

2.6.6 Royal Agricultural Benevolent Institution (RABI) – RABI does not operate as a housing body, but offers individual assistance and also runs two care homes (including independent living accommodation) in Somerset and Suffolk. In Scotland, the RSABI offers individual assistance to farmers and their families.





3. Experience of Policy Tools

3.1 Development Control in England

3.1.1 Development control policy has, since 1947, been typically averse to new housing in open country. The reasons for that range from focussing housing in larger settlements, with a range of services easing the demand on public resources to protecting the landscape. This has served to give rural housing a significant scarcity value. Over time, it has proved necessary for there to be exceptions to such policies limiting the supply of rural housing.

3.1.2 This approach is then developed both by national policy and the different housing markets around the country, with rural housing (with competing sources of demand and limited supply) being under pressure in most of them. Within that, local communities can be concerned at the volume, quality and location of any development. The Rural Housing Alliance's "Rural Pledge" of 2011¹², adopted by some housing providers, includes commitments to certain standards, consideration for the local environment and community engagement.

3.1.3 **Agricultural Occupancy Restrictions** – Virtually from the start of comprehensive planning control in 1947, an exception has been allowed for dwellings needed for those working in agriculture or forestry. The standard form of condition regulating their occupation allows later occupation by those retired from such work.

3.1.4 **Rural Workers' Dwellings** – While variations of the policy for agricultural occupancy restrictions exist in all parts of the United Kingdom, they are increasingly for "rural" workers more generally, rather than just for agricultural and forestry workers. Thus, England's National Planning Policy Framework (NPPF) broadened this in 2012 to a policy for rural workers' dwellings.

3.1.5 **Dwellings for Change in Farming Businesses** – Now at paragraph 79 of the NPPF as revised in July 2018, this rural workers' policy has been developed

and reworded to include recognition of housing's place in farm business change by allowing "the development of isolated homes in the countryside" where:

"There is an essential need for a rural worker, including those taking majority control of a farm business, to live permanently at or near their place of work in the countryside".

That might be seen to echo the longer-standing Welsh TAN 6 policy discussed below with an analysis pointing to greater success than has been perceived, but with lessons to be considered. Only introduced in July 2018, it is clearly too early to comment on the use of the new NPPF policy, especially with the interaction between the NPPF and existing local plans.

3.1.6 While this change was introduced in the March 2018 consultation draft, neither that nor the final text of July 2018 offered any further material to explain or interpret the key phrase here. Much will turn on how it is understood for application in practice.

3.1.7 At the very least, it is specific in its reference to a change in the control of a farm business, with housing required by someone taking control who qualifies as a rural worker. An initial example would be where the next generation in a family takes majority control of a farming partnership. There has been recent experience of tests with the Young Farmer Top Up under the Basic Payment Scheme, which has turned on those under 40 having majority control of the business (including a combination of shares in the partnership held by qualifying people). The same effect would arise in the occasional case of a farming company where there was an equivalent movement of sufficient shares to a new controller.

¹² Rural Housing Alliance (n.d.) 'Our Pledge' [online]. Available at: <http://ruralhousingalliance.net/our-pledge/> [accessed 30 November 2018].

3. Experience of Policy Tools

- 3.1.8 As such, that might appear limited in practice to intra-family transfers since farming businesses rarely see equity held outside the family. While enabling that process of change in control within families is important, there is also the need to facilitate change that allows new farmers to take on the land (as where taking a tenancy of the land in question).
- 3.1.9 A larger view would see the phrase “including those taking majority control of a farm business” as simply giving an instance of the types of change in farming structures that may be supported by approving a new dwelling outside a settlement without excluding others, such as where the land is let out on a sufficiently secure basis to sustain a planning permission. That would be in keeping with the Welsh TAN 6 policy for allowing a second dwelling on an established farm that is financially sustainable to facilitate the handover of the management of the farm business to a younger farmer. Each case would fail to be taken on its own merits, but this view would support housing provision for the retiring farmer as another means of facilitating the same change in control.
- 3.1.10 In looking at housing for a retiring farmer, it is also worth noting the references in Chapter 5 of the revised NPPF to taking account of the housing needs of the elderly and people with disabilities at Paragraph 61:

“The size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies (including, but not limited to, those who require affordable housing, ..., older people, ..., people with disabilities ...”.

The NPPF’s definitions for this are:

- Older People – *“People over or approaching retirement age, including the active, newly-retired through to the very frail elderly; and whose housing needs can encompass accessible, adaptable general needs housing through to the full range of retirement and specialised housing for those with support or care needs.”*
- People with Disabilities – *“People have a disability if they have a physical or mental impairment, and that impairment has a substantial and long-term adverse effect on their ability to carry out normal day-to-day activities. These persons include, but are not limited to, people with ambulatory difficulties, blindness, learning difficulties, autism and mental health needs.”*

- 3.1.11 The precedents of the approach taken by employment law (as with the Transfer of Undertakings (Protection of Employment) Regulations applying to farm staff on a farm sale or change of tenancy) and, potentially, some of the Retirement Relief and Entrepreneurs’ Relief cases for Capital Gains Tax, point to the transfer of land being capable of being understood as a transfer of the business and so of being a circumstance to which Paragraph 79 can be appropriate.
- 3.1.12 However interpreted and applied, the essential need for a dwelling would still also need to be shown.
- 3.1.13 **Self-Build** – For families with land, that option could be developed in conjunction with the policy favouring self-build housing, as under the Self Build and Custom Housebuilding Act 2015 (with definitions at s1(A1) and A2). That could support either a house for the retiring farmer or one for the new farmer.
- 3.1.14 Indeed, Paragraph 61 of the revised National Planning Policy Framework advises local planning authorities to take account of “people wishing to commission or build their own homes”.
- 3.1.15 This approach has been further developed by Shropshire Council with its “single plot exception policy” whereby a single plot can be approved on an exception

site on the basis that it will be self-built, as by a farmer, on affordable housing terms, including a condition that it cannot be sold for more than 60 per cent of its unencumbered market value. Other conditions limit the size of the dwelling and impose design and resource efficiency standards¹³.

3.1.16 Rural Exception Sites – These are now a well-established feature of planning policy whereby sites that would not ordinarily be granted permission for housing will be allowed as rural exception sites on specific local occupation terms. The conventional model planning conditions for this have proved robust and can allow cross-subsidy between open market and affordable housing. These sites can offer opportunities for off-farm rural housing for retiring or new farmers.

3.1.17 Affordable Housing – Strongly encouraged by planning policy and the requirements for developer contributions, this is now defined for England by the Government as housing that is available at no more than 80 per cent of the local market rent. Hastoe notes that while 20 per cent of urban housing is said to be affordable, just 8 per cent of rural housing qualifies as such (when it was 24 per cent in the 1980s)¹⁴.

3.1.18 Neighbourhood Plans – The Localism Act 2011 allows very local planning with Neighbourhood Plans developed through local engagement and endorsed by referendum. These are potentially a means for the largest estates, as well as villages and parishes, to take a more proactive role in planning for housing provision and other issues. Considerable and growing use has been made of this opportunity and the Government has advised that December 2017 saw the 500th referendum on a neighbourhood plan¹⁵.

3.1.19 Conversion of Farm Buildings to Dwellings in England – With rural development control issues being more intense in most of England than in much of the rest of the United Kingdom, one significant policy change in England has been the advent of what is now Class Q of the General Permitted Development Order providing qualified rights for the conversion of some agricultural buildings into dwellings. (This was initially introduced as Class MB in 2014.)

3.1.20 There had previously been a little recognised “Home on the Farm” initiative from October 2010 to encourage farmers and local councils “to work together to secure the conversion of redundant and underused farm buildings to deliver affordable homes for local people”. These conversions still required planning permission and no central government funding was provided despite the typical costs of such conversions when set against the returns from affordable housing. The then Planning Policy Statement 7 on agricultural development advised that new dwellings should only be provided for someone working full-time, when the need discussed here is for retirement housing. The replacement and broader NPPF is again focussed on housing those in work, meeting “the essential need for a rural worker to live permanently at or near their place of work in the countryside”. Retirement housing was not considered, though it is now implied by the new wording for the rural workers’ housing policy as set out at paragraph 79 of the July 2018 edition of the NPPF.

3.1.21 Class Q gives a limited and qualified right to convert some agricultural buildings on farms into dwellings without planning permission, but subject to a notification procedure. Proposals can and do fail where they do not meet the statutory

¹³ Shropshire Council (2013) ‘Build your own affordable home, Information Pack April 2013’. Available at: <https://shropshire.gov.uk/media/4277/build-your-own-affordable-home-information-pack-april-2013.pdf> [accessed 30 November 2018].

¹⁴ Hastoe Group (2017) ‘breathing new life into country living’ [online]. Available at: www.hastoe.com/page/953/Breathing-new-life-into-country-living.aspx [accessed 30 November 2018].

¹⁵ GOV.UK, Ministry of Housing, Communities & Local Government (2018) Correspondence ‘Notes on neighbourhood planning: edition 20’ [online]. Available at: <https://www.gov.uk/government/publications/notes-on-neighbourhood-planning-edition-20> [accessed 30 November 2018].

3. Experience of Policy Tools

requirements. Uncertainty about the application and interpretation of those requirements, combined with the resistance by many local planning authorities to what appeared to be a major philosophical shift in policy, led the then Department for Communities and Local Government (DCLG, now MHCLG) to issue revised guidance which has aided practice. In the meantime, a body of appeal decisions has developed to inform practitioners.

3.1.22 This relaxation of development control does not apply in National Parks or Areas of Outstanding Natural Beauty. That excludes many of the areas where a retirement housing policy might most be needed by farming; National Parks tend to have larger than average let farm sectors. Use of Class Q excludes for ten years the use of agriculture's other permitted development rights for buildings (enlarged in April 2018 for the first time since introduction in 1960).

3.1.23 What is now Class Q was initially introduced to allow the conversion into no more than three dwellings of buildings that, as at 20th March 2013, were either in agricultural use or whose last use was agricultural. It is not relevant whether the buildings are traditional and vernacular or modern portal framed structures; there have been some modernist conversions of Dutch barns with lean-tos under this policy.

3.1.24 From April 2018, this Class has been enlarged to allow conversion to achieve up to five dwellings with a greater freedom over their size. It is too early to comment on the use of these new powers.

3.1.25 It cannot be said that this Class was a response to the discussion of retirement housing for farmers (though it may assist that). Accompanying similar measures for the conversion of offices and commercial property, it is more a reflection of the Government's need to increase the provision of housing,

wherever there is demand. That is being done within the context of the NPPF with its policies for rural workers' dwellings, replacing previous policies targeted just on agricultural and forestry workers. However, these new dwellings can be created for retiring farmers or rural workers (as defined) just as much as for sale, arm's length letting or holiday lets.

3.2 Wales

3.2.1 **Technical Advice Note (TAN) 6**¹⁶ – This planning policy document of July 2010 sets out the Welsh Government's planning policies for rural communities, the rural economy, rural housing, rural services and agriculture. It offers a particular emphasis on meeting local needs.

“Where development proposals are intended to meet local needs, planning authorities should recognise that a site may be acceptable even though it may not be accessible other than by the private car.” (para 2.2.3)

3.2.2 Within a general policy for “rural enterprise dwellings” (so not limited to agriculture), its paragraphs 4.5.1-3 specifically allow for a second dwelling (first additional dwelling built after July 2010) on an established farm, which is financially sustainable, to facilitate the handover of the management of the farm business to a younger farmer. Such permission requires the secure and legally binding transfer of majority control of the business to a younger person. The successor (or in other contexts, part-time worker) has to be critical to the survival of the business. The resulting dwelling is then to be tied to the holding by a legal agreement. Under Welsh Government Circular 16/2014, the associated rural enterprise occupancy condition would limit occupation of the dwelling to those working or last working in a rural

¹⁶ Welsh Government [2017] ‘Technical Advice Note 6: Planning for Sustainable Rural Communities’ [online]. Available at: <https://gov.wales/topics/planning/policy/tans/tan6/?lang=en> [accessed 30 November 2018].

enterprise in the locality, their surviving spouses and, failing them, then to those eligible for affordable housing.

3.2.3 In December 2011, the Welsh Government published *Practice Guidance – Rural Enterprise Dwellings*¹⁷ to clarify a number of issues in the hope of improving the use of this policy.

3.2.4 The practical experience of the operation of TAN 6 is discussed below at 4.4.3 below.

3.3 Scotland

3.3.1 Scottish Planning Policy 2014 offers some tolerance under paragraph 83 for new single houses outside settlements (subject to siting and design) with no expectation of occupancy conditions.

3.3.2 The Scottish Government's Chief Planner wrote to Heads of Planning in November 2009 to draw to their attention a recommendation of the Tenant Farming Forum that easing the retirement housing of a tenant farmer could open opportunities for new entrants, assisting the rural economy. Asking them

“to consider the need to plan positively to meet the housing needs of retiring tenant farmers”,

he advised that:

“The ability of landlords of such farms to construct a house on their land to provide accommodation for retiring tenants, where the incomer to the new tenancy takes up residency in the existing property on the agricultural

*holding, is seen as key in this context. ... Another option, provided land was available, would be to make provision for housing on other land nearby, perhaps in or close to a settlement. There might also be opportunities for the conversion of existing dwellings.”*¹⁸

3.3.3 More recently, in January 2017, *Places, People and Planning: A consultation of the future of the Scottish Planning System*, said:

*We are aware that a well-functioning planning system is vital for the business activities of Scotland's farmers and rural communities. We will be examining a number of planning issues, such as permitted development rights, which could potentially contribute to the development of economic activity in rural Scotland. We will also be examining what measures need to be taken to increase the supply of affordable housing available for retiring tenant farmers.”*¹⁹

¹⁷ Welsh Government (2011) 'Practice Guidance: Rural Enterprise Dwellings – Technical Advice Note 6 Planning for Sustainable Rural Communities' [online]. Available at: <https://gov.wales/topics/planning/policy/guidanceandleaflets/redpracticeguide/?lang=en> [accessed 30 November 2018].

¹⁸ Rural Workers Dwellings – Planning in the United Kingdom, CAAV (2014) at 3.4.1.

¹⁹ Scottish Government (2017) 'Places, people and planning: consultation on the future of the Scottish planning system,' [online]. Available at: www.gov.scot/Publications/2017/01/3486/5 at paragraph 2.52 [accessed 30 November 2018].

3. Experience of Policy Tools

3.3.4 Scotland has also developed the **Rural Housing Burden**²⁰ which operates as a burden or covenant on a property enabling a Rural Housing Body, approved by Scottish Ministers, to have a right of pre-emption when a property that it has sold for the provision of affordable rural housing is later offered for sale. It can only be created on rural land, normally associated with settlements of under 10,000 people. Its objective is to secure that such properties remain affordable with the discount applied to future sales and do not move into the holiday home or second home markets. The rural community or community landowner has 42 days in which to accept the offer and, if the burden is not exercised, it will remain effective for the next sale.

3.3.5 Conversion of Farm Buildings to Dwellings – Scotland consulted in spring 2018 on a permitted development right for this.

3.4 Northern Ireland

3.4.1 The Planning Strategy for Rural Northern Ireland offered a specific policy for housing for retiring farmers at HOU10:

“Planning permission may be granted for a dwelling house on a farm in a Green Belt or Countryside Policy Area, for a farmer retiring from farming, or for the widow or widower of a farmer, to facilitate the orderly transfer or sale of the farm.”

3.4.2 The gloss on this²¹ reads:

“Where a farmer is retiring from agriculture or dies, planning permission may be granted for a house on the farm, to enable the farmer or widow/widower to continue to live on that land, provided the application fulfils the

following criteria:

- *The applicant last worked mainly as a farmer, or is the widow or widower of someone who last worked mainly as a farmer;*
- *The applicant is of retirement age and has recently retired or is about to retire; or has to retire prematurely from farming because of ill-health; or is a widow or widower, as in the above criterion;*
- *The siting of the house is on the land which the applicant, or, in the case of a widow or widower, her or his spouse, farmed until retirement;*
- *The farm is viable and therefore capable of supporting a farmer in full-time employment;*
- *The farm holding is being sold or transferred as a going concern;*
- *The existing farmhouse will continue to be used as the main farmhouse on the farm;*
- *There are no existing alternative development opportunities available on the farm – see Policy HOU 9;*
- *No houses or housing development sites have been “sold off” from the holding;*
- *The site meets the planning and environmental criteria set out in policies HOU 8 and HOU 9.*

Information on the farming activities and the applicant’s or deceased’s part in them will be required. It will not be sufficient to have been involved in farming on a part-time basis, in the evening and at weekends, or to have received the main income from full time employment outside agriculture.

“Retirement in itself will not justify an additional dwelling on a farm holding. The future of the holding and the existing farmhouse are important considerations. It must be demonstrated that there is need for an additional house.

“It will not be necessary for a new dwelling, granted on retirement from farming, to be integrated with the existing farm buildings, although, on some occasions, this can be an

²⁰ Development Trusts Association Scotland [n.d.] ‘Rural Housing Guide’ [online]. Available at: <https://dtascot.org.uk/resources/rural-housing-guide> [accessed 30 November 2018].

²¹ Planning Portal [n.d.] ‘Planning Strategy for Rural Northern Ireland’ [online]. Available at: www.planningni.gov.uk/index/policy/rural_strategy/psrni_regional_policies/psrni_housing/psrni_hou10.htm [accessed 30 November 2018].

acceptable solution, particularly when a farm is being transferred within the family and the farmer wishes to retain a working link with the holding.

"All approvals under this policy will be subject to an agricultural occupancy condition - see Policy HOU 9."

3.4.3 That policy from 1993 was then made subject to Planning Policy Statement PPS 21, Sustainable Development in the Countryside, of 2010²². Its Policy CTY 10 allowed a new dwelling once every 10 years where there is an active established farm business and no dwelling or plot has been sold away in the previous 10 years. Such dwellings will ordinarily be sited within the steading.

3.4.4 That approach has then been carried forward for housing "to accommodate those engaged in the farm business or other rural dwellers" at paragraph 6.73 of the Strategic Planning Policy Statement of 2015²³. That was followed in 2016 by a Call for Evidence on Development in the Countryside, with the expectation of a conclusion to this "priority review" in 2018.

3.5 Direct Funding

3.5.1 While the Social Housing Grant has had perhaps only a limited role in some English affordable housing schemes, most experience with direct funding schemes for rural housing relevant to this topic has been in Scotland.

3.5.2 The Crofters House Grants scheme made payments of up to £22,000 without means testing.

3.5.3 Rural Housing Ownership Grants - The Rural Housing Ownership Grant (RHOG) was a scheme operated by Communities Scotland, a housing and regeneration agency, offering means-tested grants to enable local people to buy, build or improve a home in areas, especially

remote ones, where this might not otherwise be possible. Where given, the grant is protected by a 10 year charge on the property, subordinate to any bank or building society mortgage, so that it can be repaid if the house is sold in that period.

3.5.4 With no funding from 2011, that was replaced by an increase in the **Open Market Shared Equity** budget targeted at 13 remote areas. Councils could continue to make RHOG equivalent grants for self-build (funded from Council Tax on second homes) but only Dumfries and Galloway did so. The **Homestake** scheme also operated in the Lothians.

3.5.5 The Rural Housing Fund and Island Housing Fund now aim to increase the supply of affordable housing, offering both capital funding for new or refurbished housing and aid for feasibility studies. However, it seems not to have been widely used with the larger caution in Scotland about creating more let property, and some feeling that they can secure cheaper funding elsewhere while the property is then required to be affordable in perpetuity. Some owners have been deterred by the exposure to the EU's state aid rules.

3.5.6 The Self-Build Loan Fund is currently running for the next 3 years and offers loans of up to £175,000 to help with construction fees for self-build projects in both urban and rural areas to those who:

- Can show that they cannot obtain standard bank lending to cover construction costs.
- Own a plot of land to build on or have a contract to buy the land.
- Have planning permission and a building warrant in place to allow work to start.

²² Department of the Environment NI (2010) 'Planning Policy Statement 21 – Sustainable Development in the Countryside' [online]. Available at: https://www.planningni.gov.uk/index/policy/planning_statements_and_supplementary_planning_guidance/common-policypps21.htm [accessed 30 November 2018].

²³ Department of the Environment NI (2015) 'Strategic Planning Policy Statement for Northern Ireland (SPSS) – Planning for Sustainable Development' [online]. Available at: <https://www.planningni.gov.uk/spps> [accessed 30 November 2018].

3. Experience of Policy Tools

3.6 Taxation

3.6.1 Residential Nil Rate Amount for Inheritance Tax

(NB Specific advice should be taken on the possible use of this relief. This section only offers a general overview.)

3.6.1.1 It should be recognised that not every retirement requires a change of house. It may often be that the farmer has personal reasons for staying in the house, often long in the family, and is anxious to keep it as a “farmhouse” for Agricultural Property Relief (APR) from Inheritance Tax, even if this means continuing to farm in ways no longer sensible. This is often without understanding the tests that have to be met to qualify for this relief that some appear to take for granted. These tests have been clarified by a series of case law decisions where the taxpayer in cases such as *Rosser* and *Arnander* (*McKenna*) failed to qualify. Thus, farmers over-confident in the relief can fail to achieve it.

3.6.1.2 Since April 2017, a new relief from Inheritance Tax, the Residence Nil Rate Band Amount, has begun to offer an alternative option for many in this position. Now being phased in, from April 2020 it will offer a combined £350,000 of relief to a married couple (who leave a house they have lived in while owning it to a “lineal descendant”) provided the net estate of each deceased was £2 million or less at death (before reliefs). That drives consideration of gifting land to the next generation ahead of death (perhaps equally beneficial for the concerns of this paper) but for smaller farmers, enables:

- The land to be let, as a post 1995-letting typically securing full relief on the agricultural value of the land.
- The house to benefit from this new relief not requiring its agricultural use in the last two years before each death to qualify for APR. For houses below £350,000, this may offer at least as much relief as APR, potentially with more security.

Alternatively, it can be used on another qualifying dwelling in which the taxpayer has lived at some point while owning it.

3.6.1.3 The relief is also structured so that it can also follow the farmer when moving out of the farmhouse into another dwelling, perhaps “downsizing”, or if selling a qualifying house to move in with family or into care.

3.6.1.4 Greater awareness of this new relief may again assist retirement. In practice, professionals are wary of its complexity, while the requirement for net assets, before reliefs, to be below £2 million at future date of death to achieve maximum relief can be problematic in a farming context. Where the value of farmland means that ceiling is exceeded, lifetime gifts of land can be the answer, but that can turn on whether the next generation intends to farm indefinitely (and so can accept the low CGT base given by claiming Holdover Relief) or sell (when they might not).

3.6.2 Capital Gains Tax (CGT)

3.6.2.1 Principal Private Residence Relief – The owner-occupier of a house can usually claim full relief from CGT when the house is sold. Where owning more than one qualifying house, the owner can make an election as to which one is the principal private residence for this relief. Tax law has extended this relief so that it is available to those whose employment or other contract (such as a farm tenancy agreement) requires them to live in work-related accommodation. Thus, a tenant can elect for the relief to be applied to another dwelling which may in the meantime be let out, used for a holiday letting or as a second home, so enabling the provision of a home for retirement. If that house is sold (as when plans change), the gain is relieved and so the whole of the proceeds can be used to buy the next dwelling, rather than be reduced by tax.

3.6.2.2 One trap for a farm tenant is that, so long as this election is for another dwelling, the rented farmhouse cannot then not benefit from the relief. That is not ordinarily a problem unless the tenant is being paid to surrender the tenancy. As a surrender, that would be a disposal for CGT with potential liability on the gain, some of which would be apportioned to the

farmhouse and so currently taxable at 28 per cent unless qualifying for this relief.

3.6.2.3 Entrepreneurs' Relief – This family of routes to a reduced rate of tax (currently 10 per cent on lifetime gains of up to £10 million on business assets) was introduced from 2008 on the abolition of Business Assets Taper Relief, which had replaced Retirement Relief. It can, in practice, act as a retirement relief, notably where the business has ceased and in respect of gains on the disposal of the assets (as in a gift to the next generation as well as by sale) in the following three years. The main problem for farming situations has been

to ensure that farming by the taxpayer has ceased before the disposals are made.

3.6.3 Pensions Relief from Income Tax
Farmers can claim Income Tax relief for pension contributions on the same basis as any other taxable person. They may, like many small business owners, be susceptible to the view that the business is their pension, needing or preferring to invest now in the farm and its stock, rather than making separate provision, potentially to their cost. The relief is on taxable income from trading profit or earnings, not for income from investments such as rent.





4. Demand and Need? Is There Evidence?

4.1 The Scale of Historic Demand?

4.1.1 It is noteworthy that, despite all the discussion over the years, there has been no specific policy intervention for farmer retirement of any sort in England and, indeed, no farming retirement schemes in the United Kingdom.

4.1.2 That might be because:

- Such action has not been seen as philosophically attractive.
- If philosophically attractive, the difficulty in designing a scheme thought to be a good use of public money.
- Of a lack of confidence in the reality of the problem.
- Of concern over deadweight (funding change that would happen anyway) and perverse outcomes.

4.2 Evidence of Need

4.2.1 In many discussions of farming, attention is drawn to the average age reported for farmers. Aside from specific areas where this figure may be rising over time and so potentially showing demographic pressure, an average age of 58 or 59 might be thought unsurprising in a sector dominated by family businesses that are likely to be headed by an adult between 40 and 75. Society is generally seeing increased life expectancy, while farming is now often less demanding of manual work than was the case. The requirements of education and capital accumulation may delay the point where potential entrants become principals. More technically, the reported figure may obscure how the actual practice of farming is being handled between generations of a continuing farming family, with succession often unfolding as a process over time, with enterprise management passing earlier to the next generation and assets being last part of the business to be transferred.

4.2.2 While the conventional concern over the average age of farmers may be overstated, it is nonetheless relevant that it can be

associated with infirmity. Recent figures for Northern Ireland show 30 per cent of farmers surveyed reported a long-term illness or disability that limited their daily activities. Although distinctively concentrated on the smallest farms this rose steeply with age:

- On very small farms, 16 per cent were limited a lot and 16 per cent a little.
- On small farms, 11 per cent were limited a lot and 14 per cent a little.
- On medium-sized farms, 10 per cent were limited a lot and 15 per cent a little.
- On large farms, 8 per cent were limited a lot and 12 per cent a little.
- Of farmers between 50 and 59, 9 per cent were limited a lot and 11 per cent a little.
- Of farmers over 65, 26 per cent were limited a lot and 26 per cent a little.

The least affected sectors were cereals (77 per cent not limited), poultry (85 per cent) and horticulture (78 per cent). Cattle and sheep farms were most affected (69 per cent not limited whether in the LFA (Less Favoured Area) or not) and these formed the great majority of farms: 19,244 out of 24,472. While the specific figures are for Northern Ireland only, they may offer a glimpse of a larger picture²⁴.

4.2.3 In 2004, ADAS, the University of Plymouth, Queen's University Belfast and the Scottish Agricultural College published a report on a research project into entry to and exit from farming in the United Kingdom²⁵. Its summary on attitudes to exit was:

“The low rate of exit reflects the fact that many older farmers do not want to retire, not that they are unable to. Only about one third of farmers intend to retire completely.”

²⁴ Department of Agriculture, Environment and Rural Affairs (2018) 'Equality indicators report' [online]. Available at: www.daera-ni.gov.uk/publications/equality-indicators-report [accessed 30 November 2018].

²⁵ ADAS (2004), the University of Plymouth, Queen's University Belfast and the Scottish Agricultural College [online]. Available via the National Archives at: <http://webarchive.nationalarchives.gov.uk/20110318142205/http://www.defra.gov.uk/evidence/economics/foodfarm/reports/documents/Entry.pdf>.

4. Demand and Need? Is There Evidence?

“The evidence is that entry and exit decisions are rational and driven by strong market forces and personal motivations. There is no market failure case for special subsidy schemes targeted at entry and exit in the UK. Financial inducement to affect the rate of entry or exit is likely to be expensive and ineffectual.”

4.2.4 The report’s Executive Summary commented in more detail:

“2.4.3 Causes of Low Rates of Exit

“23. Many of the problems of high start up costs have been avoided in the UK because of the prevalence of family succession to a single inheritor and the legal and institutional arrangements which favour this. Nevertheless, this system depends on an adequate rate of exit to provide entrant opportunities. Several factors have been identified to explain the reduced rate of exit by older farmers.

“24. Older farmers choose to remain in agriculture because they like the lifestyle and have an attachment to a home which may have been in the family for many generations. Also, there may be delays due to lack of affordable and suitable housing for retiring tenants.

“25. Retirement is often a progressive and long-term transition and not the dramatic change in lifestyle and economic rewards experienced, for example, by a blue-collar employee. This leads to a confused picture of both succession and control with some successors having autonomy in major issues such as the strategic direction of the business but still without access to the cheque book.

“26. Inadequate pension provision has long been identified as a problem in agriculture, making it more difficult to retire from farming without liquidating business assets to supplement pension income. Retention of property assets, appreciating in value and capable of generating cash income, may be viewed as the optimal strategy for later life.”

4.2.5 The Executive Summary further recorded that:

“41. Only 7% of all farmers wish to retire but expect to be unable to do so. For almost half of this group, the reason given is financial. However over a third give their reason for staying as “enjoy the life”, suggesting they do not unequivocally want to retire.

“42. Among those already over 65 who are not expecting to retire, the great majority (86%) do not in fact want to retire. Of the minority who do, there are still two thirds who give “enjoy the life” as a reason for staying. About 2% of all farmers over 65 say they are unable to retire for financial reasons.”

4.2.6 In more detail, the Report’s Section 5.4 found that of the report’s sample from across the United Kingdom:

- 27 per cent did not expect to retire.
- 74 per cent of those did not want to retire (in Scotland this was 87 per cent).
- That figure rose to 86 per cent for those above 65; 66 per cent for those below 65.

4.2.7 Of those who expressed a wish to retire, but did not expect to do so:

- 47 per cent cited financial reasons for continuing farming (65 per cent in Wales).
- 37 per cent enjoyed the farming lifestyle (63 per cent in Northern Ireland); this figure was 64 per cent for those already over 65. This factor was perhaps less important to those running larger businesses (over 40 European Size Units), being cited by 29 per cent.

4.2.8 Of the 71 per cent who expected to retire or were semi-retired:

- The mean age when they expected to take retirement was 65.
- Those under 65 expected to do so at 64, those over 65 at 73.

4.2.9 This evidence can perhaps be seen as variously indicating that:

- As attitudes evolve over a working life, retirement issues move from a general, if distant, concept to a choice governed by current practicalities and wishes, often a decision that a farmer might not want to take now.

- Doubts about family succession may see the current generation continue farming until that uncertainty resolves (this may become more complex in Scotland with recent changes to property inheritance law there).
- These figures simply show that those who have yet to retire can only do so at a later age.

4.2.10 One of those involved in this work has recalled a summary view of a temperamental inertia supporting the status quo, with farmers using finance as an excuse not to retire. Where farmers did feel trapped, then capital for housing rather than revenue for income seemed to be the financial issue.

4.3 A Focus on Tenant Farmers?

- 4.3.1** So far as holdings-based data from each territory's official surveys provide an accurate picture and are consistent between parts of the United Kingdom:
- England has 41,000 predominantly rented holdings²⁶ (in more detail, 13,000 wholly tenanted holdings and 35,000 partly tenanted holdings).
 - Scotland has 6,500 farmers with rented land (excluding 10,000 crofts) with some 4,500 on secure 1991 Act tenancies. While historically Scottish farms may have been more traditionally self-contained complete units until recently, CAAV Surveys show that to be changing and so larger fractions of the 2,000 holdings on SLDTs and LDTs²⁷ will be bare land lettings and in mixed tenure businesses^{28, 29}.
 - Wales had some 1,800 wholly rented holdings and 2,200 mainly rented holdings in 2015³⁰.
 - Northern Ireland, traditionally using only seasonal arrangements (conacre) for

land taken by other farmers, currently has very few tenants though a revival of lettings is seen as desirable.

4.3.2 While wholly tenanted holdings tend to be towards the front of the discussion of retirement issues, any other land owned by a tenant may be small or large in area and may or may not be suitable or useful for housing. Even then, it may offer value as collateral or from sale that could assist with housing or retirement. However, that might point to a UK-wide pool of, say, 20-25,000 tenancies whose tenants appear to have no or limited resources in terms of owned farmland. A fraction will already have made off-farm retirement housing provision or accumulated other investments, but some will not; others will be tenancy arrangements within families, possibly with more flexibility in these matters.

4.3.3 While retirement is not necessarily solely a factor of age, age does offer an approach to modelling. The 2004 Report on entry and exit found that:

- only 28 per cent of farmers intended to retire fully – say 6,000 of those tenants of all ages with limited resources (ignoring for the moment the potential for their situation to mean that they are less likely to feel able to retire).
- 23 per cent of farmers were over 65 (those having an average age of 72), so perhaps pointing to a UK figure of some 5,000 tenants without significant other assets being over 65 and perhaps 1,500 intending to retire fully.

On that very basic approach to the arithmetic, that could be 150 or so retirements a year by tenants without resources.

²⁶ GOV.UK, Department for Environment, Food and Rural Affairs (2010) 'Statistical data set – Structure of the agricultural industry in England and the UK at June', last updated 16 November 2018 [online]. Available at: www.gov.uk/government/statistical-data-sets/structure-of-the-agricultural-industry-in-england-and-the-uk-at-june [accessed 30 November 2018]. Ref: The Land Use [Area and Holdings] 'Table of the Farm Type tab'.

²⁷ Short Limited Duration Tenancies (SLDTs), Limited Duration Tenancies (LDTs).

²⁸ Scottish Government (2016) 'Statistics Publication' [online]. Available at: www.gov.scot/Publications/2016/10/4348/334214 [accessed 30 November 2018].

²⁹ CAAV Annual Scottish Agricultural Land Occupation Surveys, 2012, 2013, 2014, 2015, 2016, 2017.

³⁰ Figures provided by Welsh Government Agricultural and Rural Affairs Statistics from Welsh Agriculture Survey 2015 to George Dunn, pers comm.

4. Demand and Need? Is There Evidence?

4.3.4 Tenants of secure holdings with protected security under the Agricultural Holdings Act 1986 and the Agricultural Holdings (Scotland) Act 1991 may wish to retire and may not always have an alternative home on the business:

- Some secure tenancies will end each year.
- This issue may be more evident for county farm tenants in England and Wales subject to potential Case A notices to quit once they reach 65.
- Increasingly, tenancies throughout Great Britain do not offer full extended security of tenure, whether as Farm Business Tenancies (FBTs) in England and Wales or, in Scotland, Short Limited Duration Tenancies (SLDTs), Limited Duration Tenancies (LDTs) or, now, Modern Limited Duration Tenancies (MLDTs), inherently raising the question about what might happen afterwards.

4.3.5 That can still leave the case of the owner-occupied or tenanted business where the retiring farmer may need or wish to live away from the farm, probably in a settlement with services.

4.3.6 The Landlord-Tenant Deal? – For tenanted farms, the classic practical answer has been an agreed deal between landlord and tenant to unlock value from the let farm, some of which might be used to assist with housing. However, this is by no means apt or sufficient in all circumstances. While the limitations of size and value are reviewed below, both parties have to be motivated; not every landlord has the available resources for this, not every tenant opens negotiations early enough to maximise the value at issue and not every circumstance offers an answer.

4.3.7 With a particular focus on “old” tenancies protected by the Agricultural Holdings Act 1986 (in England and Wales) or the Agricultural Holdings (Scotland) Act 1991, the potential for a deal lies in the prospect of unlocking value by the tenant agreeing to surrender the tenancy. With the resulting vacant possession, the landlord is then free to control the assets that were within the tenancy with options that might include:

- Selling some or all at an unencumbered value.
- Letting dwellings and land, often separately, to new advantage.
- Adding land to other tenants or to the landlord’s own farming business.

4.3.8 While there may be other factors in individual cases, the basic principle is that farmland is typically worth more when vacant than when it is subject to a tenancy. That is especially so where the rent is set on the statutory bases of either the 1986 or the 1991 Acts which are generally seen to be below market levels. That difference in value can be the subject of negotiation with the outcome depending on the position of the parties. In the real world, it is rarely split equally as the subject may often only arise when the tenant already has reasons to wish to leave. In some circumstances, the landlord may have an alternative dwelling that can be available for occupation by the tenant, who may be giving up a more valuable farmhouse.

4.3.9 However, the success of that approach depends on there being sufficient value to negotiate over. Smaller tenancies may simply not offer enough value for a deal to be done that would enable a retirement. There may be additional value where there are dwellings in the tenancy or the landlord particularly wants vacant possession. However, this approach does require the landlord to have sufficient resources and the wish to effect such a transaction.

4.3.10 As an example, for illustration only:

- A 400 acre farm might, if vacant, be worth £4,000,000
- It might have a sale value subject to tenancy of £3,200,000.
- Thus, the Vacant Possession Premium would be £800,000.

If the tenant were paid a typical 30 per cent of that, that would be £240,000 but were the same assumptions applied to:

- An 80 acre holding, the payment would be £48,000.
- A 1,000 acre holding, the payment would be £600,000.

4.3.11 It should be noted that those values, based on the landlord as a special purchaser extinguishing the tenancy and so achieving vacant possession, are different from those that might be achieved were the tenancy to be assigned for value in the open market for others to have the advantage of the rent review and other provisions of the legislation. That latter valuation would usually be based on the rent advantage offered to the tenant by the 1986 Act's basis for rent review when compared to the open market (the profit rent) and other circumstances, including the terms of the tenancy agreement. The resulting figure for the continuing tenancy might be higher or lower than that which might be agreed between landlord and tenant to merge their interests into a single freehold.

4.3.12 The surrender payment might then be subject to Capital Gains Tax, chargeable at 28 per cent on any element relating to a dwelling (relieved where it is the tenant's principal place of residence) and 20 per cent otherwise (10 per cent where this qualifies under the particular tests for Entrepreneurs' Relief). Rollover relief would only be available where the money was reinvested in qualifying business assets (not limited to farming).

4.3.13 There are, in general, fewer such opportunities and less value where the tenancy is a Farm Business Tenancy in England and Wales or one of forms of Limited Duration Tenancy in Scotland.

4.4 Results of Official Schemes

4.4.1 Agricultural Occupancy Conditions

4.4.1.1 These have been widely used, almost since the beginning of formal comprehensive planning control in the late 1940s. However, for this context, while dwellings subject to such conditions may be occupied by those retired from farming, they have typically only been granted for operational farming reasons. This means that they do not offer a direct answer for retirement provision.

4.4.1.2 A practical issue is that as the restrictions on who may lawfully occupy such dwellings limit their resale market, it is very difficult to secure a mortgage on a property subject to this form of planning condition.

4.4.2 Use of Class Q in England

4.4.2.1 MHCLG reports³¹ that there were 226 actual conversions of agricultural buildings to dwellings in 2015/16 (the second year of the policy) and 330 in 2016/17. Those figures compare with the data for applications (noting that each application might cover more than one dwelling):

- 685 granted in 2014/15 with a further 479 not needing prior approval.
- 1,329 granted in 2015/16 with a further 664 not needing prior approval.
- 1,248 granted in 2016/17 with a further 562 not needing prior approval.
- 724 granted in the first three quarters of 2017/18 with a further 343 not needing prior approval.

In reviewing the apparent shortfall in conversions completed, it may obviously take time to organise and implement a conversion scheme. Some may have been superseded by a subsequent full planning permission where the ability to exercise Class Q rights has then allowed negotiations to secure an otherwise unavailable actual planning permission for conversion, or a new dwelling, as a better outcome. It may be that others have not proved viable to convert. Over that period, 4,391 applications (42 per cent) had been refused.

4.4.2.2 There is no information as to how these converted dwellings were then occupied.

4.4.2.3 Those figures are (probably inevitably, given relative housing pressures, costs of conversion and sensitivity) substantially less than the figures achieved for actual conversions from office (12,824 and 17,751) and storage (55 and 106) uses in their typically more urban contexts. Many offices may be more readily suitable for cheaper conversion.

³¹ GOV.UK (2017) 'National Statistics – Housing supply: net additional dwellings, England: 2016 to 2017' [online]. Available at: <https://www.gov.uk/government/statistics/housing-supply-net-additional-dwellings-england-2016-to-2017> [accessed 30 November 2018].

4. Demand and Need? Is There Evidence?

4.4.3 Use of TAN 6 in Wales

4.4.3.1 Introduced in 2010, the Welsh Technical Advice Note (TAN6) includes a policy allowing a second dwelling on a farm where it can be shown to be required for generational change in the management of the farm, even if the dwelling would be in an isolated situation where it would ordinarily be contrary to policy (see 3.2 above).

4.4.3.2 While an apparently attractive policy directly relevant to the issues in this paper, the evidence has been thought to show that it has been relatively little used; that view is challenged by the analysis below. This analysis is significant as the issues reviewed appear relevant not only to policy in Wales, but also to make a success of the new English National Planning Policy Framework's provisions allowing new isolated housing (where essential) for someone taking majority control of a farming business.

4.4.3.3 After the introduction of TAN 6, the early impressions were of a general lack of awareness of the policy, including by local planning authorities, some of which were also thought to appear reluctant to accept it – as was also initially the case for Class Q in England. That led the Welsh Government to issue more guidance to enable its wider use.

4.4.3.4 Figures from the Welsh Government³² show that in 2016/17 there were 14 applications across Wales under TAN 6's policy for farm succession and all were granted permission. Of these, 3 were in Conwy and 2 in Gwynedd and 1 each in Caerphilly, Carmarthen, Ceredigion, Isle of Anglesey, Monmouthshire, Pembrokeshire, Pembrokeshire Coast

National Park, Rhondda Cynon Taff and Vale of Glamorgan.

4.4.3.5 That compares with:

- 64 applications for rural enterprise dwellings of which 15 were refused.
- 44 cases where an occupancy condition was applied under the Rural Enterprise Dwelling Practice Guide (12 in Powys, 11 in Ceredigion, 3 each in Carmarthenshire, Gwynedd, Monmouthshire and Pembrokeshire Coast National Park, 2 each in Conwy, Pembrokeshire and Vale of Glamorgan, and 1 each in Caerphilly, Isle of Anglesey and Rhondda Cynon Taff).

4.4.3.6 However, more perspective is given by reviewing the data since the TAN 6 policy was introduced. The figures for previous years for TAN 6 applications for second dwellings to enable management change on an established farm record (without full returns from all authorities in some years):

- July 2010 to March 2011³³ – the first eight months of the policy – saw 5 applications made and all were permitted.
- April 2011 to March 2012³⁴ saw 21 applications made with 17 granted and 4 refused.
- April 2012 to March 2013³⁵ saw 20 applications made with 19 granted and 1 refused.
- April 2013 to March 2014³⁶ saw 25 applications made with 18 granted (Note: the Welsh Government table gives a total of 17 but provides 18 cases) and 7 refused.
- April 2014 to March 2015³⁷ saw 19 applications made with 18 granted and 1 refused in Denbighshire.
- April 2015 to March 2016³⁸ saw 17 applications made 16 granted and 1 refused.

³² Welsh Government (2017) 'Rural Enterprise Dwelling Monitoring Returns' [online]. Available at: <https://gov.wales/topics/planning/planningstats/redmonitoring/?lang=en> [accessed 30 November 2018].

³³ Source: Welsh Government (2017) 'Rural Enterprise Dwelling Monitoring Returns' [online]. Available at: <https://gov.wales/topics/planning/planningstats/redmonitoring/?lang=en> and <https://gov.wales/docs/desh/publications/170117redmonitoringen.pdf> [accessed 30 November 2018].

³⁴ <https://gov.wales/docs/desh/publications/170117redmonitoring1112en.pdf> [accessed 30 November 2018].

³⁵ <https://gov.wales/docs/desh/publications/170117rural-enterprise-dwellings-en.pdf> [accessed 30 November 2018].

³⁶ <https://gov.wales/docs/desh/publications/170117rural-enterprise-dwellings-2013-2014-en.pdf> [accessed 30 November 2018].

³⁷ <https://gov.wales/docs/desh/publications/170117rural-enterprise-dwellings-2014-2015-en.pdf> [accessed 30 November 2018].

³⁸ <https://gov.wales/docs/desh/publications/170117rural-enterprise-dwellings-2015-2016-en.pdf> [accessed 30 November 2018].

4.4.3.7 Those figures can be represented to record 122 applications under this policy between July 2010 and March 2017 of which 108 were granted and 14 refused. That is 108 farms (say 15 a year) in Wales where a second dwelling was granted to enable a transfer of management control of the business, potentially a more significant contribution to change than had been appreciated and with a high (88.5 per cent) success rate for the applications made. No similar information appears to be to hand for any appeals that may have been made against refusals.

4.4.3.8 Taking these figures by each local authority with recorded cases (not every authority reported in all years) shows:

	<i>Applied</i>	<i>Granted</i>	<i>Refused</i>
Blaenau Gwent	1	1	0
Brecon Beacons National Park	1	0	1
Caerphilly	3	3	0
Carmarthenshire	21	16	5
Ceredigion	5	5	0
Conwy	7	7	0
Denbighshire	4	2	2
Gwynedd	6	6	0
Isle of Anglesey	10	10	0
Monmouthshire	6	3	3
Newport	1	1	0
Pembrokeshire	16	14	2
Pembrokeshire Coast National Park	7	7	0
Powys	12	12	0
Rhondda Cynon Taff	3	3	0
Snowdonia National Park	11	11	0
Vale of Glamorgan	1	1	0
Wrexham	7	6	1

4.4.3.9 The challenge has been to judge whether this is sufficient an answer to the problem it is meant to solve.

4.4.3.10 The accumulated data for the period from July 2010 to March 2017 show that more applications were made than had been generally appreciated. That can be seen to support the need for TAN 6. That appears further supported by the high success rate of the applications made: 88.5 per cent overall, 100 per cent in 2010/11 and in 2016/17 and nearly that in two other years.

4.4.3.11 It is likely that not only may there have been little initial awareness of the TAN 6 policy but both authorities and applicants had to develop an understanding of the new policy and its requirements, then aided by the further guidance from the Welsh Government. The number of applications then grew with the great majority being approved.

4. Demand and Need? Is There Evidence?

4.4.3.12 The annual rate of new TAN 6 permissions for second dwellings on farms is equivalent to 0.1 per cent of the number of Basic Payment claimants in Wales. However, many of those claimants (and most non-claimants with farmland) are identified as having very small areas – and so perhaps the farms for which the TAN 6 policy may anyway be less appropriate.

4.4.3.13 In focusing on the larger farms that appear more relevant, Figure 2 of the Welsh Government's July 2018 consultation on post-Brexit policies³⁹ shows 3,300 farms having a turnover of more than £125,000. Whether or not that is an appropriate measure of the scale suitable for a TAN 6 application, it may be at least indicative that the annual rate of these TAN 6 approvals is about 0.5 per cent of those 3,300. Over the nearly 7 years of the policy for which data is available, such TAN 6 approvals amount to some 3.2 per cent of those larger farms.

4.4.3.14 To put that into perspective, if generational change within a family with farming heirs might be expected every 30 years, then that rate of approvals for new dwellings is about 14 per cent of the expected number any year (15 out of 110) – higher if not all such farms have successors. Given all the other possible situations on farms from lack of heirs, simple withdrawal from farming, farm amalgamation, the presence of existing available dwellings and a wish or need to retire away from the farm, but also any willingness to let the land outside the family, that can suggest the TAN 6 policy is making an appreciable contribution to generational change.

4.4.3.15 That re-analysis of the operation of TAN 6 can also be seen to support the views that there is not only a need for on-farm housing for business change, but also that can be assisted by relevant planning policies.

4.4.3.16 In looking at the outcome so far from TAN 6 and so also possible lessons for making the best of the new English NPPF policy, it still seems valid to review the possible explanations identified for the perception that TAN 6 was little used, as these may still be limitations on the use of the opportunities offered by the policy. These include:

- Lack of real demand by those with access to owned land useful for this.
- Limits on financial resources, whether those of the retiring farmer or the new farmer.
- Lack of need for housing by the next generation, whether in the family or externally.
- Business change not occurring in ways that need extra housing.
- Lack of awareness.
- If there were a generally liberal approach to granting planning permissions in such cases that meant this policy, with its conditions, was not ordinarily needed.
- Potential applicants being deterred by the requirement to use the dwelling for social housing between use for business needs.
- A preference for using more traditional agricultural occupancy conditions.
- That it does not offer help to those without owned land on which they would like to live.

With those thoughts, the review here still points to it being desirable to increase awareness of and confidence in the policy among farmers, advisers and planners. The Welsh Government felt the need to issue supporting guidance only months after the policy was introduced to assist local planning authorities and applicants.

4.4.3.17 Of itself, that is a signal message in taking forward Paragraph 79 of the July 2018 English NPPF and its new provision for housing for those taking majority control of a farming business. In that, it seems worth applying the moral of conclusion of the 2014 Welsh review of

³⁹ Welsh Government (2018) 'Support for Welsh farming after Brexit' [online]. Available at: <https://beta.gov.wales/support-welsh-farming-after-brexit> [accessed 30 November 2018].



Rural Housing Enablers for affordable rural housing more generally:

“That it is that the RHE role has worked most successfully in the areas where rural housing is a real priority for the local partners. For the role to fulfil its potential it has to be one of a number of integrated mechanisms.”⁴⁰

4.4.3.18 Even with this analysis, it is suggested that for TAN 6 and Paragraph 79 to be fully effective as policies they should form part of a larger integrated approach that takes a farmer through the issues to the point where this policy is, where relevant, a means of implementing a transfer of business control and retirement. Access to advice, facilitation and finance (perhaps through some of the sources of affordable housing funds) may all be part of that package.

4.5 Action by the Private and Voluntary Sectors

4.5.1 There are several ways in which the private and voluntary sectors play a part in retirement housing for farmers but, perhaps by definition, this can only be partial. Even on that basis, they offer lessons to be learned.

4.5.2

At its most basic, such bodies can assist those involved in a set of individual circumstances to arrive at a means to reshape it so that a farmer can and does retire. This might be in contexts including:

- A landlord/tenant relationship where a negotiation releases the vacant or re-letting value of let land and the associated opportunities in an arrangement that sees the outgoing tenant:
 - Allowed the use of a dwelling by the landowner.
 - Receive a sum that funds retirement. Sometimes this has been done in conjunction with one of the rural or agriculturally oriented housing charities (see below).
- Arrangements within an owner-occupier family that either enable the next generation to move into the farmhouse or move the function of the farmhouse to where the next generation lives.

4.5.3

No statistics or reports will ever capture these activities, which may be instinctive in the case of some larger estates with the array of options, the greater resources and long timescales that they may have. Despite that, it will be reasonable to consider measures that would facilitate or encourage such pragmatic and voluntary action by more landowners.

⁴⁰ Welsh Government (2014) 'Evaluation of the Rural Housing Enablers (RHE) in Wales [online]. Available at: <https://gov.wales/statistics-and-research/evaluation-rural-housing-enablers-wales/?lang=en> [accessed 30 November 2018].



5. The Post-Brexit Challenges: New Stimuli to Retirement?

5.1 Introduction

5.1.1 While the evidence reviewed so far could indicate a limited case for public intervention, this section looks ahead to the acceleration of changes in farming generally expected to accompany Brexit.

5.1.2 When many of these changes might not be novel or, indeed, only arise with the United Kingdom leaving the European Union, it seems probable that their effects on farming practices and structures will be accelerated by what then follows.

5.1.3 In turn, post-Brexit policy changes to support payments are expected to drive significant changes in who is occupying and using farmland. That is especially so with the view that the area-based support payments of the Single and Basic Payment Schemes (and indeed the Arable Area Aid and livestock premium schemes before them) have, in effect, offered the equivalent of a pension receivable only while staying on the farm and meeting the tests for eligible occupation. That appears to have had the effect of deferring structural change and so now potentially increasing the changes that may now unfold.

5.1.4 That is the basis for a case for a transitional period in moving away from the structures of the Common Agricultural Policy. That period can be focussed on managing change and encouraging positive outcomes by both:

- Enabling a genuine improvement in the competitiveness and productivity of the sector.
- Ensuring that the social effects are handled humanely, in this case by facilitating successful retirement by those who wish to do this.

5.2 The Drivers of Change After Brexit

5.2.1 Two major new economic pressures for change are expected to have effects after the UK leaves the European Union:

- The first lies in **future changes to the support** payments currently made under the Common Agricultural Policy when area payments can be seen to have

encouraged stasis in the land occupation market

- The second, potentially more powerful (especially for the livestock sectors), being the effects of any **changes to trading relationships**, both with the European Union and with third countries, especially in so far as that latter might see the reduction or removal of tariff barriers to agricultural goods entering the United Kingdom

5.2.2 These may sharply test the comparatively poor recent productivity record of United Kingdom agriculture and so focus attention on both the key questions in tackling competitiveness:

- The who of farming.
- The how of farming.

The issues bearing on business evolution, land occupation and retirement are part of that concern.

5.2.3 In addition, the rapid development of **new technologies** and their application in agriculture may come to mark a significant divide between those who can and do take practical advantage of them and those who do not do so. Of itself, this may over time drive change in who is managing farm businesses and occupying farmland.

5.2.4 In considering the best responses to these pressures, it is worth recognising, as in its context has the Irish Government, that:

“Access to land and the low level of land mobility is one of the main challenges facing farmers who want to increase their productivity. There is a growing consensus that the actual use of land is becoming more of an issue than ownership.”⁴¹

That is a factor for the analysis of housing needs.

⁴¹ Department of Agriculture Fisheries and the Marine (n.d.) ‘Agri-Taxation’ [online]. Available at: www.agriculture.gov.ie/agri-foodindustry/agri-foodandtheeconomy/agri-foodbusiness/agri-taxation/ [accessed 30 November 2018].

5. The Post-Brexit Challenges: New Stimuli to Retirement?

5.3 Support

5.3.1 For most types of enterprise, support payments (now largely comprising Basic Payment) have become a significant, if not dominating, component of *net* farm income. At the average (within the very wide range of farming performance), some major sectors typically lose money farming before receiving Basic Payment (and also agri-environment payments and other income). For most compliant claimants, Basic Payment is a high margin payment that has few costs associated with it and can help stabilise farm accounts in periods of volatility in prices or yields.

5.3.2 In turn, the payments have sustained business and cost structures that would otherwise have changed. Perhaps most obviously as an area payment, it is likely that this has supported the rental cost of land. More generally, and as especially espoused by DEFRA (see, for example, February 2018's *Health and Harmony* consultation paper⁴² and the DEFRA paper, *Moving Away from Direct Payments*, accompanying the Agriculture Bill⁴³), the Basic Payment has been seen to act in the United Kingdom as a force for stasis and against innovation at substantial cost to the tax payer.

5.3.3 Lesley Griffiths, the Welsh Cabinet Secretary for the Environment and Rural Affairs put a similar view to the 2018 NFU Conference:

"... the status quo is not an option and I agree. While the basic payment scheme provides important support for many of our farmers, it will not help us withstand

the changes brought by Brexit. We need to provide support in a different way."

[Speech, 20th February 2018]

This sentiment was repeated in both a Written Statement to the Welsh Assembly (21st March) and in its Plenary Session on 8th May⁴⁴ and it is among the premises of the Welsh consultation paper on post Brexit policies, *Brexit and Our Land*⁴⁵, notably Chapter 3, Case for Change:

"The Welsh Government believes the BPS (Basic Payment Scheme) has been insufficiently targeted to realise all the benefits potentially available from Welsh land.

"In economic terms, the BPS has not done enough to improve farm productivity...

"In environmental terms, CAP (Common Agricultural Policy) has not done enough to take account of the wider benefits and consequences from land management. ...

"This reflects the fact that BPS payments are not intended to support productivity improvements or wider benefit delivery.

"Simply importing CAP into Welsh law does not deliver this. In particular, the BPS is not structured to offset the financial impact from significant downside risks to the trading environment ...".

5.3.4 DEFRA's policy informing the Agriculture Bill and the Welsh Government look to the phased removal of the Basic Payment in England, over the period from 2021 to 2027. It would be replaced by a variety of schemes offering "public money for public goods" and supporting productivity or economic resilience and other goals. "Public goods" appear to cover a wide range of matters from animal welfare to productivity but with a strong emphasis on

⁴² GOV.UK, Department for Environment, Food and Rural Affairs (2018) 'Health and Harmony: the future for food, farming and the environment in a Green Brexit' [online]. Available at: www.gov.uk/government/consultations/the-future-for-food-farming-and-the-environment [accessed 30 November 2018].

⁴³ GOV.UK, Department for Environment, Food and Rural Affairs (2018) 'Agricultural Bill: Analysis of the impacts of removing Direct Payments' [online]. Available at: www.gov.uk/government/publications/the-future-for-food-farming-and-the-environment-policy-statement-2018 [accessed 30 November 2018].

⁴⁴ Welsh Assembly Record, 8th May 2018, paragraph 328 [online]. Available at: <http://record.assembly.wales/Plenary/4981#C83942> [accessed 30 November 2018].

⁴⁵ Welsh Environment Link (2018) 'Brexit and our land: Securing the future of Welsh farming' [online]. Available at: www.waleslink.org/publication/land-use/2018/10/brexit-and-our-land-securing-future-welsh-farming [accessed 30 November 2018] references 3.29 - 3.34.

environmental enhancement, much of that around soil, water and climate change. Almost by definition, these are likely at the average to be lower margin schemes for the claimant than Basic Payment; the new regime is likely to offer less, possibly much less, direct profit from its payments than the present one. While some of the money may also be redirected in ways that aid the winning of future profit (such as research, through knowledge exchange or improvements) that seems likely to drive change in business structure and farmland occupation as businesses, old and new, seek income and margin. It is also likely that changes in the land occupation are a key supply-side component of improving productivity.

- 5.3.5 Further and potentially relevant to retirement issues and land occupation changes, the Agriculture Bill makes provision for the “de-linking” of the remaining BPS payments in England from the requirement to farm. That could allow a past claimant to retire and still receive the remaining payments. DEFRA has talked of the possibility of a farmer being able to take it as a single capital payment. Almost everything beyond that is still unknown but it is discussed a little in the next Chapter.
- 5.3.6 By contrast, the Scottish Government’s more limited consultation on policy in the immediate post-Brexit period, *Stability and Simplicity: Proposals for a Rural Funding Transition Period*⁴⁶, envisages little change until at least Spring 2024. It may, though, be wondered how it might tackle the 80 per cent reduction due in 2020 under EU policies for its Less Favoured Area Support Scheme (LFASS), particularly substantial beef headage payments. Depending on the Scottish Government’s priorities, that might involve transferring money from Basic Payment.

5.3.7 Northern Ireland’s stakeholder engagement document, *Northern Ireland Future Agricultural Policy Framework*⁴⁷, discusses converting the Basic Payment, taken to be reduced by the other suggested uses for the money, into a Resilience Payment, possibly carrying a greater range of obligations, concerning the environment or productivity.

5.3.8 The evidence (including that from the low levels of activity in the let market reported by the CAAV’s annual Agricultural Land Occupation Surveys) points to the role of area payments in encouraging stasis in the occupation of the eligible agricultural land that qualifies a person for payment when matched against payment entitlements. The CAAV’s Surveys show this to have applied in England and Wales since the introduction of the Single Payment. It may yet be more than coincidence that reduced growth in productivity appears roughly coincident with the 1992/93 MacSharry reforms to the CAP, with Arable Area Aid and set-aside payments being expressly area payments and livestock premia implicitly so (with the combination of practical stocking rates and the operation of the extensification payment).

5.3.9 While the payments have been decoupled from production since 2005, farmers have tended to regard them as an integral part of their farming operation. Few have mentally separated the payment from their farming and so it has generally served as an internal cross-subsidy – indeed, where profitability is poor there may feel less financial freedom to make that separation. Further, that cross-subsidy to farming activity, enabling farmers to supply more produce at below economic cost, is then often a subsidy to the supply chain (though probably not usually to the consumer).

⁴⁶ Scottish Government (2018) ‘Stability and simplicity: proposals for a rural funding transition period’ [online]. Available at: <https://www.gov.scot/publications/stability-simplicity-proposals-rural-funding-transition-period/> [accessed 30 November 2018].

⁴⁷ Department of Agriculture, Environment and Rural Affairs (2018) ‘Future Agricultural Policy Framework: Stakeholder Engagement’ [online]. Available at: <https://www.daera-ni.gov.uk/consultations/northern-ireland-future-agricultural-policy-framework> [accessed 30 November 2018].

5. The Post-Brexit Challenges: New Stimuli to Retirement?

5.3.10 On that analysis, the progressive reduction or loss of area payments is likely to have a range of dynamic effects on cost structures, business choices and land occupation, and so may lead some to look at retirement and the housing options involved. Indeed, that is not just the logical outcome of removing area payments but is, at least implicitly, part of DEFRA's case for doing so.

5.4 Trade

5.4.1 While it is too early for any precision in looking ahead at trade arrangements after Brexit, working assumptions might include, for the longer term, the potential for:

- More regulatory friction (but probably not tariffs) in moving goods between the United Kingdom and the European Union. This would have differing effects according to whether the sector is one reliant on exports to the EU (say, lamb) and so at risk or one for which the UK is a substantial importer (say, milk) for which friction in trade might strengthen prices and encourage import substitution.
- The possibility of trade agreements with third countries to see the reduction or removal of tariffs and other regulatory barriers to imported produce. The effects of that would vary between sectors, according to whether current United Kingdom prices are near to or significantly above world prices. In this analysis, the red meat sectors seem particularly exposed to potential competition (otherwise seen as price reductions) given the scale of the EU's Common External Tariff rates for them. That protection has then sustained cost structures and approaches that may have to change substantially with pressures on existing businesses that may lead some to consider retirement.

5.4.2 While the timetable and nature of the changes in support may vary around the United Kingdom, the changes will impose the same £ per acre reductions on all sectors within a payment region. However, changes in trade will have their effects across the whole country at the same time but with effects varying for each sector, according to its position in the market.

5.5 Reactions by Farm Businesses

5.5.1 It is not necessarily seen that this automatically leads to increases in scale but perhaps to more sophisticated changes in structures and land use as farmers seek to improve and hold financial margin more than scale of area. Those who can compete as commodity producers may become more selective in the land they want for expansion. Those who seek ways not to be commodity producers, whether by looking for higher margin activity or how best to exploit their property, may come to look through the scale of their land area to focus directly on business margin. These answers point to land occupation moving for the health of the sector into the hands of those, the proficient, who will best achieve better productivity, with an openness to innovation in practice, technology and approach to market opportunities, as well as competence in management.

5.5.2 Technology itself may also change the pressures for scale. Any adoption of driverless machinery may alter the drive to larger machinery requiring larger areas to work.

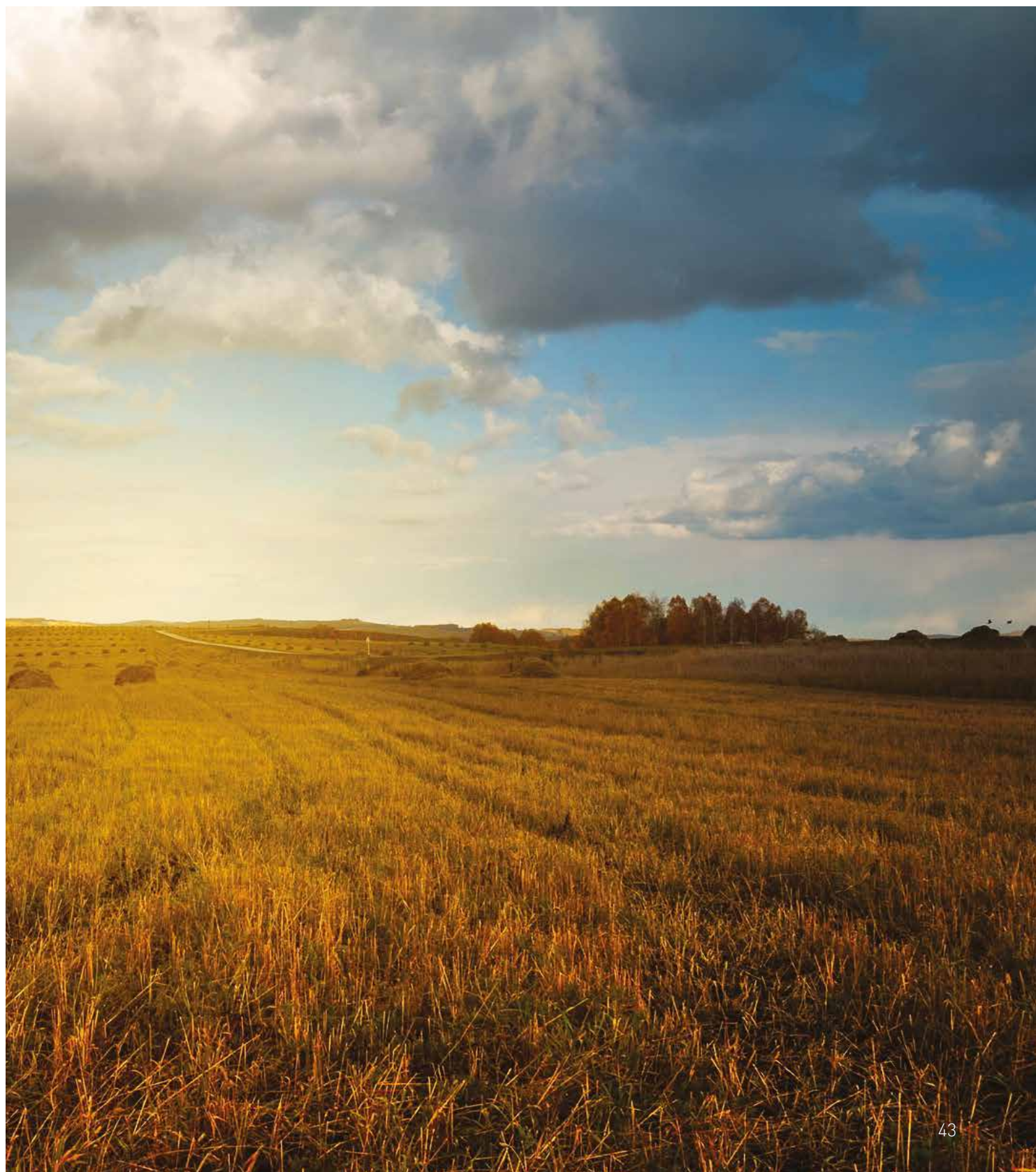
5.5.3 Much of this will depend on how well we, in each part of the United Kingdom, handle these pressures and manage change to seek better outcomes.

5.6 Increased Pressure for Retirement

5.6.1 This analysis points to accumulated pressure for change already pent-up by the history of area payments and the prospective catalysts of post-Brexit changes in the manner of support and trade combined with the rapid advance of new technology.

5.6.2 Even without Brexit, the next ten years over which that transition would unfold in England and Wales would ordinarily see many current heads of farming businesses consider retirement or generational change in their business. More, of any age, are likely to do so in reaction to the expected pressures after Brexit while others, of any age, will see opportunities to expand or enter farming.

5.6.3 In managing that change well, there would be a substantial need to look at what will best assist those who wish to retire releasing land for those developments and those they will attract or enable to enter. As analysed by the *Future of Farming* report, housing is a key component in that.





6. Possible Measures

6.1 Overview

6.1.1 This section, reviewing some possible measures, looks at the potential for public policy, support money, private owners and voluntary housing institutions to play a part. This might not suggest an overall retirement scheme per se but rather a means to ease frictions or blockages for the housing issues associated with facilitating retirement. Ultimately, and importantly, in each case this will require individual action and support but that can be aided by direct public policy action, public policy moving to enable change and voluntary initiative.

6.1.2 This may also turn on taking the public discussion forward, albeit with the question of tone associated with that.

6.1.3 The pressures, and so the answers, may vary between and within each of the four territories of the United Kingdom. While it is conventional to think of grazing livestock, in or out of the Less Favoured Areas, as being most exposed to the pressures for change, the effect of removing area payments may be at least as significant for many cereals farmers. The farms most committed to beef and sheep production may be more exposed in different ways to particular outcomes for future trade arrangements. However, not only will other sectors not be immune but existing cereals, beef and sheep farms may be able to seize opportunities in this. If we manage to do this well, we can be looking at change and economic growth, not retrenchment.

6.1.4 It is in the nature of the farming sector and the way it is embedded in the countryside that:

- The processes of adaptation and change unfold over a period of years within the life-cycle of family businesses, with the critical moments arising not only from economics but personal circumstances.
- The detailed implementation of answers may often be specific, local and often individual.

These factors, especially with the growth in farm size over recent decades, mean that even apparently small numbers in each

area may unlock useful change.

6.1.5 A further point is to see how best such processes can be managed as part of the consideration by *Health and Harmony* of rural resilience, with change and renewal. The Secretary of State has spoken of the “human ecology” of the countryside, typically with reference to the uplands and red meat sectors that may be exposed to the greatest change though some other farming areas are at least fragile. Although it had been indicated that this can be accepted as a “public good” potentially meriting expenditure, more precise policy objectives in this area have yet to be defined, while the Agriculture Bill’s remit for expenditure (taken as “public goods”) does not include social “public goods”.

6.1.6 The central theme here is that managing change in business structures, with retirement, flexibility in land occupation and new entry bringing new economic vitality to the farming economy, is an important goal. Achieving that is about unlocking benefit at both ends, managing withdrawal as much as development with both as beneficial. Policy is then about easing the supply of relevant housing aiding retirement, including housing for the next farmer, and the framework in which the discussions enabling that can happen.

6.2 Enabling Housing for Generational Change Practicalities

6.2.1.1 External action, whether in seeking out sites or marshalling resources, may tend to impose a minimum scale on developments. A housing association may occasionally be able to do a two-house scheme, but is more likely to want to achieve developments of eight or twelve houses. An individual landowner may often have more flexibility with an existing dwelling or a single site.

6.2.1.2 Conversions of existing buildings are more expensive than new build, perhaps increasingly so with the growing emphasis on energy efficiency.

6.2.1.3 The need for housing for retiring farmers (or indeed the next generation of farmers)

6. Possible Measures

is, of its nature, diffuse geographically, unpredictable as to timing and often specific to the individuals concerned. It probably does not naturally result in ten houses in a close, all occupied by retired farmers. Access to individual units with such developments might be part of the answer, especially where the retiring farmer saw merit in moving to a settlement; the possible use of nomination rights and other means to this are reviewed below.

6.2.1.4 Otherwise, this leads more naturally to individual answers where any action external to the landowner and farmer may be as much about brokering as direct provision. The Addington Fund's Strategic Rural Housing Scheme has been able to provide that individual attention with discussion of location and property.

6.2.2 Direct Planning Policy

6.2.2.1 As reviewed above, the newly revised NPPF in England has now followed in part the Welsh TAN 6 in envisaging new houses outside settlements for people taking over majority control of farming businesses. It is not yet known if this would be among the measures to be considered by the review of affordable housing for retiring farmers proposed by the Scottish Chief Planner⁴⁸.

6.2.2.2 However, the experience of TAN 6 as reviewed above suggests that this can make a useful contribution.

6.2.2.3 The first and partial answer is to ensure that planning authorities accept and follow through on these policies as they handle cases and develop revised local plans. The initial experience of the English Class Q permitted development rights was of many authorities ignoring or resisting the new rules; the swiftly perceived need for further guidance in Wales on TAN 6 suggests a similar point there. Farmers, landowners and their advisers also need to be aware of the guidance given by these policies.

6.2.2.4 These issues are just as important within National Parks and Areas of Outstanding Natural Beauty (AONBs) with their planning regimes. Indeed, with their often larger proportion of tenant farmers and tighter planning rules, active and positive consideration by planners of means to enable generational change in such areas is likely to be more critical to their future agricultural and environmental management.

6.2.2.5 The references to housing for the elderly and those with disabilities in Chapter 5 of England's newly revised NPPF may also be relevant, where the housing is for a farmer who is either retiring or has disabilities.

6.2.2.6 The larger answer is that as well as seeking widespread knowledge and recognition of these provisions, they should be developed as part of a larger framework for enabling change in land occupation, land use and business structures to the benefit of the proficient. This aspect of development control policy is then the means to enable new housing either for a retiring farmer or a new farming occupier, not only removing an obstacle but also allowing completion of the change in each individual case. Its use will rely on individual discussions reaching the point where it is part of the answer.

6.2.3 Exception Sites

Where a proposal turns on new affordable rural housing, it is likely to require a positive search for suitable local rural exception sites.

6.2.4 Allowing Landowners to Provide Affordable Housing

6.2.4.1 One helpful liberalisation would be more recognition of landowners being able to provide affordable housing for rent themselves, without a social housing intermediary. Subject to the necessary commitments, that would give a greater sense of confidence in this route rather than the sense of detachment and long term uncertainty (especially about the

⁴⁸ Scottish Government (2017) 'Places, people and planning: consultation on the future of the Scottish planning system' [online]. Available at: www.gov.scot/publications/places-people-planning-consultation-future-scottish-planning-system/pages/5/ [accessed 30 November 2018].

vulnerability of social housing provision to changes in legislation) in alienating land to a third party.

6.2.4.2 The report of Rural Housing Policy Review in 2015 asked the Government to:

“Revisit, revise and publish the draft Government advisory note/guide drawn up after the Living Working Countryside Review by a DCLG task force group in 2009 on incentivising landowners to release land through the use of mechanisms by which landowners can retain long term control of land or housing and secure nomination rights for part of a rural affordable housing scheme.”⁴⁹

[Recommendation Site Supply 2]

6.2.4.3 This is already happening, in some cases by accident and in some by formal recognition. The April 2018 Rural Housing Inquiry by the All Party Parliamentary Group on Housing and Care for Older People⁵⁰, noted that the Bolesworth Estate in Cheshire has been accepted as a Registered Provider, able to retain affordable properties and manage them as a part of the whole estate.

6.2.4.4 More generally, Hastoe’s work has pointed to nomination rights to a property in an affordable development having had a value that was in the range of £30,000 to £50,000. At such figures, this approach might make more solutions possible in practice while helping fund wider affordable rural housing, so achieving multiple benefits.

6.2.4.5 That would fit with the practical strategy of enabling more rural affordable housing which includes options to assist farming retirement, as well as meeting larger needs.

6.2.5 Taxation of Affordable Housing Sites

6.2.5.1 An extension of conditional relief from Inheritance Tax for private landowners providing affordable housing, including that for retiring farmers, would give a framework supporting the commitments taken on in providing affordable housing while giving landowners the confidence of insulation from social housing institutions and such issues as “staircasing” or a wider right to buy.

6.2.5.2 It has also been suggested that the disposal of:

- A rural exception site.
- A site for 100 per cent affordable housing.
- A site subject to a s.106 agreement requiring at least 20 per cent more affordable housing than the requirement set by the Local Plan.

should of itself qualify for **rollover relief** from Capital Gains Tax when reinvested in a qualifying asset.

6.2.6 A Farming Housing Association?

6.2.6.1 With the example of the work of the Addington Fund, the April 2018 APPG report on Rural Housing for an Aging Population records Charles Smith of the Farming Community Network (FCN) suggesting a specifically farming housing association and/or opportunities for farming charities to develop housing for retired tenant farmers.

6.2.6.2 That could be in some form of Community Land Trust, with the community in this case being occupational, rather than solely defined by location. This model is understood to have the attraction of excluding “staircasing” (part owners becoming full owners and then able to sell on in the open market) and also

⁴⁹ Building sustainable homes in sustainable communities [n.d.] ‘Affordable Housing: A Fair Deal for Rural Communities [online]. Available at: www.hastoe.com/page/772/Affordable-Housing-A-Fair-Deal-for-Rural-Communities.aspx [accessed 30 November 2018].

⁵⁰ Porteus, J. (2018) ‘HAPPI 4 – The Rural HAPPI Inquiry’ [online]. Available at: www.housingandcare21.co.uk/about-us/appg-housing-and-care-for-older-people/ [accessed 30 November 2018].

6. Possible Measures

allowing the sale of nomination rights. Where a Community Land Trust has been successful, it can need further permissions for additional dwellings as its existing stock of housing is and will remain occupied.

6.2.6.3 There could be concern that another national body could detract from existing efforts in a limited field, but it could bring a specific focus to this issue, again giving it salience and simplicity.

6.2.7 Alternative Finance

6.2.7.1 Where the answer lies in providing affordable housing, whether as single units or in larger developments, that requires some form of financial support. While larger schemes can attract Social Housing Grant from the Government, that is rarely available for rural schemes requiring consideration of other means. Those, ranging from ones that are practical now to others requiring development or supporting legislation, have been reviewed by the Hastoe Housing Association⁵¹ as:

- Using local financial resources such as from landowners, local charities, long-term investors, local councils and others. That might more widely involve an industry, such as the water companies, or the church institutions where they have suitable land.
- Using planning gain on rural exception sites, typically operating by a mixed development of houses for sale and affordable housing as, for example, four open market houses, two starter homes, four assured tenancies and six 40 per cent shared ownership houses.
- Selling employers and others nomination rights to rented housing, part funding the development of rented homes. Hastoe's research in 2007 thought such a right might then have had a value of between £34,000 and £52,000.
- Raising money by issuing a rural housing bond. Hastoe has issued a 10 year bond

at 2.9 per cent with a bonus payment at redemption linked to increasing house prices. This concept was further explored for the horseracing industry and is considered below.

- A very long term equity scheme with a profile of very limited returns until the end in, say, 35 years' time when there might be substantial rewards, suggested by Hastoe as 25 per cent or so per annum. That might fit with the Treasury's exploration of "patient capital" in other sectors of the economy. A variant of that could see land taken for affordable housing on a long lease (say, 60 or 99 years) at a modest but index linked rent, offering a very long run return with the reversion and avoiding CGT on a current disposal. The development then does not have to bear the capital cost of the land.
- A rural intermediate rent regime with tax incentives for landowners who finance and provide housing on exception sites at rents of no more than £100/week or shared ownership premiums of no more than £100,000.

With the existing work in some areas of Rural Housing Enablers (an initiative of the former Rural Development Commission with funding from the Housing Corporation and reviewed as generally a success by Wales in 2014⁵²), Hastoe recommended the concept of a rural financial enabler as a means to generate such answers in local situations.

6.2.7.2 The Model Developed for Horseracing Staff - As noted by the Future of Farming Report, the Hastoe Housing Association had developed a proposal for a bond issue sold to employers to assist the funding of affordable housing for employees in the racing industry. That might be for 10 or 15 years with a 2 per cent coupon together with housing for employees.

⁵¹ Williamson A, OBE, Hastoe Housing Association Limited (2007) 'Ways to finance land and rural housing schemes with little or no Social Housing Grant: A Synopsis' –[online]. Available at: www.hastoe.com/download/286/Rural-Resource-Unit-Toolkit-Synopsis.aspx [accessed 30 November 2018].

⁵² Welsh Government (2014) 'Evaluation of the Rural Housing Enablers (RHE) in Wales [online]. Available at: <https://gov.wales/statistics-and-research/evaluation-rural-housing-enablers-wales/?lang=en> [accessed 30 November 2018].

6.2.7.3 Within this very specific sector, a survey in 2006 had showed that three quarters of racehorse trainers and over half of stud owners considered that a lack of affordable housing for staff adversely affected their business. It was estimated that at least 500 affordable dwellings were needed around the country to resolve this issue for this specialist sector. The Donahue Commission found that less than a fifth of racing staff had equity in property and only 5 per cent had access to social housing. It recommended that a blueprint be developed to combine financial backing with housing expertise⁵³. The “Affordable Housing for Racing Industry Employees” initiative developed by Hastoe was designed to address three issues:

- Land availability: encouraging the release of land on long leases rather than freehold sale.
- Reducing capital costs to allow lower rents, using longer leasing of land, raising funds through a 10-year bond and receiving a contribution from the sale of nomination rights.
- A guarantee of availability to industry employees through the sale of nomination rights and conditions of occupation⁵⁴.

Although the approach was welcomed by the racing industry, unfortunately the financial crisis meant that the work was not taken forward then. However, it was further explored in 2014⁵⁵ with a model being:

- Land provided on a 60-year lease at a rent of £1,500pa.
- Racing Welfare acting as broker and bulk purchaser of nomination rights, with rights to nominate racing employees as occupiers of the housing for the term of the lease being sold at, say, £30,000 each and then being assignable and mortgageable.

- The dwellings let on assured shorthold tenancies.
- The building funded by a privately placed £5 million 10-year bond with a 2.5 per cent annual return and a minimum individual investment of £20,000⁵⁶.

6.2.7.4 Mortgage Finance? – With the current ultra-low interest rates, a housing provider, whether landowner or charitable/social body, already with land as free collateral, could contemplate using loan finance secured on such property to fund new housing on their own land on a simple commercial basis.

6.3 The Means to Retire

6.3.1 It is notable that while the UK and Ireland each have some 30 per cent of Basic Payment claimants (one measure of the farming population) over 65, other EU states such as Germany have 10 to 15 per cent over 65. A particular factor in that appears to be that with self-contained agricultural social security systems (as in France), farmers can choose to claim either area payments or the state pension, but are not allowed both. Changes to social security law in Bulgaria saw the number of BPS claimants drop by 35 per cent. Such an approach does not seem possible in the United Kingdom with its universal state pension system and the weakening link between retirement and taking pensions. Equally, developing policy would make the choice for England and Wales by phasing out BPS for all.

⁵³ British Horseracing Authority (2007) ‘Racing industry looks to help solve affordable housing problems’ [online]. Available at www.britishhorseracing.com/press_releases/racing-industry-looks-to-help-solve-affordable-housing-problems/ [accessed 30 November 2018].

⁵⁴ Future of Farming Review Report, DEFRA, 2013.

⁵⁵ Rural Housing Advisory Group (2014) ‘RHAG Minutes of 23rd January 2014’ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/361573/rhag_minutes_230114.pdf [accessed 30 November 2018].

⁵⁶ Hastoe Housing Association, The Racing Bond – Provision of Affordable Housing to Support Rural Employers – Slides for the Rural Housing Advisory Group, 23rd January 2014 - <http://slideplayer.com/slide/5922246/> [accessed 30 November 2018].

6. Possible Measures

6.3.2 Income Tax Relief on Farmland Rents

6.3.2.1 Important analysis and policy implementation has been done in the Republic of Ireland, whose similarities with the United Kingdom warrant close attention, over and above particular relevance to Northern Irish agriculture. With a very direct concern to improve productivity, a large economic study was commissioned, supporting the 2014 agri-taxation review⁵⁷, with the conclusions directly followed through in that autumn's budget with tax changes for 2015⁵⁸. The key element of the analysis was that the real gains for productivity came from moving land into the hands of the "trained", significantly outweighing the gains from moving land out of the over-65s. That change in land occupation is about retirement from farming. With many reasons for being committed to landownership, that is about what will convert a farming landowner into a willing landlord.

6.3.2.2 The answer, which is appearing to be very effective, was to establish generous reliefs from Income Tax where farmland is let on an arm's length basis (so not within the family) for five years or more, the size of relief varying with the term. An obvious parallel would be with the existing UK Rent a Room relief on rent from lodgers. The first year's figures from the Irish Revenue showed a 50 per cent increase in the area of let land (from a low base) and a 30 per cent increase in the number of landlords (retiring occupiers)⁵⁹. With land management decisions usually taking time to make and implement, the continuing evidence is of increasing letting activity. That change of land occupation continued in 2016 with figures from the Irish Revenue issued in August 2018 showing a further 40 per cent increase in the land area and 24 per cent more claimants.

6.3.2.3 Irish Revenue data reported in August 2018 that in 2016 this had now attracted 8,490 farmland owners to let their land on the required terms. Analysis of the data suggests that the first two years of the policy had seen at least 300,000 and perhaps 400,000 acres change occupation, being let by owners of all ages in a country with no recent history of farm tenancies. With that transfer of some 4 per cent of the Irish agricultural land area, market reports suggest this trend continued in 2017.

6.3.2.4 There appear good arguments from this practical experience for this to be adopted in the United Kingdom with the conjoined advantages for productivity and retirement. Its cost would be directly linked to the extent to which it was taken up, which in turn would be linked to productivity gains offering a substantial increase in net farm income.

6.3.2.5 Indeed, in combination with the new Residential Nil Rate Band Amount relief from Inheritance Tax as an alternative to APR on the farmhouse, it would offer a rounded retirement package for many who would then have the income and the release to consider housing concerns.

6.3.2.6 **Note** – This Income Tax relief is explored in more detail with other measures in the CAAV Discussion Paper, *Taxation: Agricultural Productivity, Land Occupation and Use After Brexit* (September 2017) and the supplementary paper issued by the CAAV in August 2018.

6.3.3 Inheritance Tax – Residential Nil Rate Band Amount

6.3.3.1 This United Kingdom-wide family and home-oriented relief was introduced from April 2017 to give some tax relief on houses passed down the family. This relief (especially when fully phased in from 2021) has a relevance to this topic as a

⁵⁷ Department of Agriculture, Food and the Marine (2014) 'Agri-Taxation Review: Report of the Agri-Taxation Working Group to the Minister of Finance and the Minister for Agriculture, Food and the Marine' [online]. Available at: [www.budget.gov.ie](http://www.budget.gov.ie/Budgets/2015/Documents/Agritaxation_%20Review%20_Final_web-pub.pdf) [accessed 30 November 2018] and http://www.budget.gov.ie/Budgets/2015/Documents/Agritaxation_%20Review%20_Final_web-pub.pdf [accessed 30 November 2018].

⁵⁸ Irish Revenue (2014) 'Guide to Farming Tax Measures in Finance Act 2014' [online]. Available at: <https://www.revenue.ie/en/search.aspx?q=guide%20to%20farming%20tax%20measures%20in%20finance%20act> [accessed 30 November 2018].

⁵⁹ Irish Revenue (n.d.) 'The farming sector in Ireland: A profile from Revenue data' [online]. Available at: www.revenue.ie/en/corporate/information-about-revenue/statistics/other-datasets/farming-sector.aspx [accessed 30 November 2018].

more secure alternative for many people than hoping to benefit from Agricultural Property Relief (APR), with its more subjective tests, on the dwelling that has been a farmhouse. It is an answer for many to one perceived reason to continue farming to death.

6.3.3.2 One problem is that this relief is capped (with a taper) at a net estate value of £2 million (in part, excluding its relevance to the most valuable houses) before considering any reliefs. The logic for assessing this before reliefs (such as APR and BPR) is not understood. While there are possible tools to encourage succession or retirement among tenants, this is a harder question for owner-occupier businesses. Such a change to this Inheritance Tax relief offers one means to tackle that.

6.3.4 Option to Re-Direct Remaining BPS Payments

6.3.4.1 One proposal, fitting well with the concept of an agricultural transition period, is to consider how potential BPS and greening payments might be used to fund retirement or, more specifically, retirement, housing.

6.3.4.2 The Agriculture Bill makes provision for the “de-linking” of the remaining BPS payments in England so that they could be received, even perhaps a lump sum, without occupying land or farming. It is understood that DEFRA sees this as enabling accelerated change in land occupation, including farming retirement releasing land for other farmers and new entrants. Much remains to be made clear about the operation and timing of this change.

6.3.4.3 The experience over the last 13 years in which decoupled payments have still generally been seen as part of farming income suggests that the general “de-linking” of the remaining Basic Payment from land occupation might suggest that, on its own, de-linking might not drive any significant early change in behaviour or land occupation. It seems likely that, in the main, it will still be seen intuitively as part of farming income enabling farmers to

continue. Alongside inertia, some factors in this will also turn on the amounts of payment at stake, how they are treated for taxation and how much is significant to drive an individual’s decision.

6.3.4.4 However, it might still be that de-linking (with the cancellation of entitlements) could be used to create a specific identified and positive path to retirement and change in land occupation, with signposts prompting and focusing family discussion about options.

6.3.4.5 Under this model, it should be possible for a claimant to assign rights to those payments in connection with acquiring a home. Those payments might be:

- Used directly to make payments (whether on interest or principal) for housing.
- Exchanged for a capital recognition by a third party, such as lender.

The claimant could then give up the land, sell it, let it out, have it contract farmed or find some other approach.

6.3.4.6 As an example:

- If the claimant was entitled to £30,000 of BPS and greening in 2020.
- If this de-linking option was operational for 2022 (no date has yet been stated).
- The payment is then phased out in equal steps to 2027 (a point not yet known).

the claimant could be able to re-use payments of, say:

- £24,400 in 2022.
- £20,400 in 2023.
- £16,300 in 2024.
- £12,200 in 2025.
- £8,200 in 2026.
- £4,100 in 2027.

That would be a re-direction of some £85,000 in cash terms (a little less if capitalised into a single lump sum at the start) towards a retirement capability at no additional public cost over and above what is to be spent anyway. Less would be available if this were only taken up in later years as BPS eroded.

6. Possible Measures

6.3.4.7 While that is a significant and helpful figure, it might perhaps not, by itself, be life-changing in many cases. It would not buy a house (but the farmer might prefer or be able to stay in the house, releasing the land) or fund a significant pension, especially after it has been reduced by taxation. However, when considered in the larger matrix of someone's individual circumstances, other resources, pressures and motives, the freedom given by receiving that money without being required to farm may be sufficient to prompt and enable change. Where there is no family succession, it may be augmented by the receipts from disposing of other farming assets (after accounting for any debts).

6.3.4.8 We await clarification of the tax treatment of the payments once de-linked, including, if any capitalised payment as a lump sum is liable to Capital Gains Tax, potential access to Entrepreneurs' Relief with its questions of the timing of asset disposals in relation to the cessation of business.

6.3.4.9 It could be said that a claimant would receive this money anyway but:

- That would require continued occupation of the land to generate the payment.
- If the farming is at a loss before the payment this option can enlarge the financial position of the claimant (subject to tax treatment).
- Such a channel for BPS funds could bring the housing and retirement question forward, especially as its force would erode with the phasing out of the system.

6.3.4.10 Questions will arise about conditionality, but the default position might be to have as few conditions as possible, rather letting the market work. Conditions might become more relevant if further advantages were to be given in conjunction with this.

6.3.4.11 Such an option could readily be congruent with both the joint projects developed by the Addington Fund and the larger thinking of the Hastoe Housing Association; in this case offering an additional source of finance, temporary but underwritten by the state, re-using existing spending.

6.3.5 Tenancy Measures

6.3.5.1 It is inevitable that discussion returns to those who do not own the land they farm. That does not mean there are not relevant issues elsewhere in farming, as where the land needed to fund retirement is also needed for the continuing business in the hands of the next generation.

6.3.5.2 Tenancies in England and Wales with origins before 1995 and in Scotland from before 2003 are governed by a detailed structure of agricultural holdings law (the 1986 and 1991 Acts) whose prime features include:

- Extended protection of the tenant's security of tenure.
- Provisions seen to reduce rents below market levels.
- Family succession rights, more general in Scotland and some still available in England and Wales where the last such personally held tenancies might expire around 2100.

More recent tenancies are generally let for fixed terms and in England and Wales offer considerable freedom of contract.

6.3.5.3 **England** – DEFRA asked the Tenancy Reform Industry Group (TRIG) to consider how tenancy law for England (and so possibly also Wales) might be revised to support improving productivity. Several of the proposals made by TRIG⁶⁰ promote change in land occupation and so concern retirement. They include measures to simplify remaining tenancy succession, but raise the standard expected of successors and to encourage landowners' confidence in letting.

⁶⁰ Tenant Farms Association (n.d.) 'TRIG Working group on the agricultural holdings act 1986' [online]. Available at: <http://www.tfa.org.uk/public-documents/> [accessed 30 November 2018] and <http://www.tfa.org.uk/wp-content/uploads/2017/10/TRIG-AHA-Working-Group-Final-Report.pdf>.



6.3.5.4 One specific measure to mention here is the proposal for a procedure that, despite the conventional prohibition of assignment in tenancy agreements, a 1986 tenant has a mechanism, with pre-emption powers for the landlord, to assign the tenancy once. That assignment could realise a value potentially assisting retirement. The tenancy would then:

- Be subject to a further ground for an incontestable notice to quit after a defined period of, say, 25 years, giving landlord certainty, but potentially deferring the reversion.
- Not have succession rights.

The value achievable through this route would generally depend on the basis for rent review, whether remaining under the 1986 Act's current provisions, and so offering a profit rent to the assignee or moving (as TRIG suggested) to a market rent, generally offering less value⁶¹.

6.3.5.5 Scotland – A roughly equivalent relinquishment and assignation procedure for 1991 Act tenants in Scotland is now statutorily provided for the Land Reform (Scotland) Act 2016 but, with necessary prior work still in hand, is yet to be implemented. It would not involve a change in the basis of rent review.

6.3.5.6 More widely, the proposals made in Jeremy Moody's paper⁶² published by the Scottish Land Commission for new lettings to have "a simpler and shorter tenancy law, focused on essentials" would encourage new, confident use of tenancies in Scotland, providing a means for owner-

occupier retirement and new entry. All rights under existing tenancies would be unaltered.

6.4 Advice, Example and Discussion

6.4.1 Policy measures can only ever be part of the answer. Not only might there be no single "silver bullet" in the policy arsenal but "soft" approaches are equally important in securing a response by giving the individuals involved practical information about, and confidence in, the measures available, and then supporting and facilitating implementation.

6.4.2 People make most changes when they are persuaded to do so. Sometimes that may be forced by necessity – and, over the years, some significant changes in farming have been driven by economic and other necessity. Change may also be made acceptable by the force of practical examples, from the actions of others, opening minds, easing discussions within families and with their advisers, and between landlord and tenant with their advisers with farming's resourcefulness then finding answers. This can call on a mixture of human insight, good professional knowledge and imagination as to solutions and approaches.

6.4.3 Use of the available tools and the design of new ones could be more effective with active support by information, the illustration of successful examples and the promotion of discussion, including mechanisms similar to any other "knowledge exchange", as well as vehicles such as Land Mobility in Northern Ireland.

⁶¹ For more detail on the valuation of tenancies, see *The Valuation of Agricultural Tenancies*, CAAV, 2009.

⁶² Moody, J. [2018] 'Encouraging agricultural land lettings in Scotland for the 21st Century'. Available at: <https://landcommission.gov.scot/publications-consultations-research/> [accessed 30 November 2018].



7. Ways Forward

7.1 Overview

7.1.1 The nature of the issues here means that there is no single answer but rather a need for a suite of enabling measures and options, supported by advice and facilitation, giving the flexibility to resolve individual situations.

7.1.2 Achieving success in this area requires the application of a combination of the following to the spectrum of cases found in practice, as regards access to capital, sites and income, as well as tenure and other factors:

- Pressures motivating the change.
- Mechanisms to facilitate and deliver change.
- Opportunities encouraging it to take place.

7.1.3 In setting out the proposals in this section, attention is drawn to the evidenced success of two policies relevant to this paper:

- The Welsh TAN6 development control policy supporting the grant of permission for a second dwelling on a farm where it will facilitate generational change in the management of the farm, whether that house is for the old farmer or the new one. That is explored in more detail at 4.4.3 above with an analysis revising the conventional assessment of TAN 6. This is relevant to the new English policy at paragraph 79 of the July 2018 National Planning Policy Framework (and the further points made below at 7.3.5.2).
- The Republic of Ireland's Income Tax relief on the arms' length letting of farmland for terms of five years or more, with the swift and significant success seen in creating a let sector as reviewed with the benefit of Irish Revenue data and market reports at 6.3.2. This has seen up to 8,500 farmers of all ages retire or withdraw from farming, and subsequently letting their land on the required terms.

7.1.4 The conclusions here lay a stress on the importance of advice and facilitation to assist individual situations together with measures including:

- Framing the de-linking of Basic Payment in England so that it includes a specific retirement pathway.

- Innovative approaches to rural social housing that involve farmers and landowners.
- Supportive changes in agricultural tenancy law.
- Knowledge exchange programmes.

7.2 **Pressures for Change** – Significant farming change is often driven by necessity. The two key drivers foreseen to be relevant here beyond individual issues such as ill health, are:

- Economic pressures from markets and the business changes required as they become more open.
- The reduction and, in England and Wales, removal of Basic Payment over the coming decade.

7.3 Mechanisms for Handling Change

7.3.1 This heading covers the means to take a farmer through the stages of considering and implementing such a change. They are important as they include mechanisms covering the variety of circumstances that are found from some farmers, perhaps often predominantly tenants, who may need affordable housing to those with resources but confronting other constraints from considering the issues to implementing a solution.

7.3.2 *Advisory Support, Facilitation and "Brokerage"* – It seems obvious that farmers, whether continuing, adapting their businesses or retiring, will need to take more business and strategic **advice in managing post-Brexit change**. The step beyond such ordinary advisory support, often naturally growing out of it, is the ability in individual cases to open, manage the discussions and negotiations between the interests involved. These may be within the family, between landlord and tenant or involve other parties. It requires an understanding of interests and motives, constraints and resources and the personal skills to help the parties over the hurdles found difficult. Done well, it will be key to making change practical, acceptable and deliverable.

7.3.3 A critical, if intangible, element in this is enabling and sustaining an openness of conversation and discussion within farming

7. Ways Forward

families about these issues, such that they are seen as acceptable and even positive. Much here will turn on the farmer's trusted advisers and, where possible, the examples of other farmers who have already acted and been seen to succeed.

It will commonly not be a simple matter of a review and a report with advice but often of a process over time of conversations moving to implementation, involving the family in which the idea of change comes to be accepted. It can sometimes feel difficult to open such a conversation with the possible interpretations of retirement or an end to the farming business being seen as requiring admission of personal failure or betrayal of family tradition, alongside (and obscuring) the practical questions in play.

7.3.4 A very significant part of this work will lie with the professions. A wide variety from vets to agronomists are potentially gateways to these discussions; the Agricultural Industries Confederation has noted 3,900 BASIS registered advisers and 1,100 on the Feed Advisers Register⁶³. However, while those might typically stimulate or support a conversation, the main responsibility will lie with agricultural valuers and others with a fully rounded knowledge of the range of practical property, business, taxation, development control, personal and other factors bearing on the farm business decisions at the heart of this, and with the repertoire of potential approaches and solutions. The challenge will be to have and apply the imagination needed to find and tailor the right answer to an individual case, not to impose templates. Farmers should recognise that the costs of that can unlock greater benefits for them and their businesses. Once an approach is identified, such trusted advisers are then also likely to be needed to help with the implementation of the decisions made, with both practical help and continuing moral support.

7.3.5 There is also in this a key role for the small but growing number of people who act as

facilitators to families, bringing personal skills, experience and emotional insights to help farming families talk their way through their situations. The skills of such facilitators are in assisting individuals and families to work their ways through issues; farmers then need to be pointed to those with detailed professional knowledge who might best help implement the resulting approach.

7.3.6 The example of the Land Mobility scheme as developed in the Republic of Ireland and now developing in Northern Ireland, with its combination of advice and a service seeking to match farmers potentially wishing to withdraw from farming with those wishing to enter farming, can offer one component of this approach.

7.3.7 This can be seen as managing change not only in businesses and within families, but also in culture to develop a proactive view of succession and future planning, promoting communication within families and with landlords and others, understanding, taking account of and using the possible options; this may be stimulated by external pressures. Much though will depend on advice and facilitation, to open discussions, develop them and then negotiate and implement decisions. This will be demanding of personal skills, imagination and practicality.

7.3.8 *Facilitating Third Party Housing Provision* – This concerns the **mechanisms for achieving affordable housing to assist farming change**. Approaches harnessing the present policies of cross-subsidy and rural exception sites are seen to include:

- Making it easier for landowners to provide social and affordable housing directly both by reforming the rules and by extending Conditional Relief from Inheritance Tax.
- Stimulating discussion of new models as discussed above, including the use of nomination rights to housing and new approaches to attracting private finance to fund affordable housing.

⁶³ Agricultural Industries Confederation (2018) 'Status of Agricultural Knowledge Development and Advice' [online]. Available at: www.agindustries.org.uk/latest-documents/status-of-agricultural-knowledge-development-and-advice/ [accessed 30 November 2018].

- Consideration of whether a specific Farming Housing Association or equivalent body could enlarge, build on and work with the achievements of existing providers and catalyse greater change. This might be achieved by a number of means including identifying the funding that would be required to assist the Addington Fund enlarge its operations substantially, or the Hastoe or other Housing Association to develop more significantly in this area – and build on Government support for community-led housing.
- Consideration of a joint venture between the farmer or landlord and a builder with the retirement house being delivered as part of a larger project.

7.4 Opportunities to Make Change

7.4.1 This considers the policies that can prompt and enable change, proposed under the following headings.

7.4.2 Support

The implementation of the proposal for England to de-link the remaining Basic Payments from a requirement to farm should be designed so that, included within it is a specific and positively structured path to retirement and so the release of land for others. It is suggested that that could be more than just how a part of the policy is badged and also allow the business to direct where the remaining payments go, as whether to or divided between the retiring family member(s) and those remaining (or indeed someone taking on land from them).

7.4.3 Taxation Policies

7.4.3.1 **The creation of an Income Tax relief, akin to the present Rent a Room Relief, on rent from the arms' length letting of farmland for five years or more**, as has been successful in the Republic of Ireland.

7.4.3.2 Taken together and in conjunction with the Residential Nil Rate Retirement Amount for Inheritance Tax, this can be presented as a package of retirement measures opening up the market in land occupation to assist access to land by the proficient.

7.4.3.3 Proposals for taxation measures to support affordable rural housing with options to aid farming succession are offered at 6.2.5 above.

7.4.4 Application of Development Control Policies for Farm Dwellings

7.4.4.1 **The positive and flexible use of planning policies such as Paragraph 79 of the 2018 NPPF in England and TAN 6 in Wales**

7.4.4.2 This requires explanation and promotion of these policies so that they are recognised, understood and used positively by planning authorities and seen by farmers and advisers to offer credible possibilities. With the new 2018 NPPF, DEFRA and MHCLG are asked to work with planning authorities and farming, landowning and professional advisory bodies to do just this and so make practical use and success of the new policy. In some cases, this would fit well with policy encouraging self-build housing.

7.4.4.3 While this paper has touched on cultural changes within farming, this is an aspect which also looks for more positive attitudes among planners, including those in National Parks and Areas of Outstanding Natural Beauty, to understand and enable practical and beneficial change and improved productivity in farming. The issues here should be factors recognised in local plans for agricultural areas.

7.4.5 Options within Rural Affordable Housing

7.4.5.1 **The mechanisms for rural affordable housing should be developed in the ways reviewed above at 7.3.8 so that they can offer options that are seen to be for retiring farmers.**

7.4.5.2 While schemes solely aimed at affordable housing for retiring farmers might not be practical, that need can prompt projects that can both do this and meet wider rural needs.

7. Ways Forward

7.4.6 *Agricultural Tenancy Law*

Revising tenancy law to enable retirement and change in land occupation

with measures, alongside other reforms also relevant to improving productivity more generally, including:

- reforms to succession law under the Agricultural Holdings Act 1986 for England and Wales, so that proficiency is the key requirement of family successors and complex procedures simplified.
- consideration of the terms on which such tenancies could be assignable.
- implementing the relinquishment and assignation provisions of the Land Reform (Scotland) Act 2016.

These are intended to offer means for existing tenancies to move into innovative hands.

7.5 **Finally – Seeing This as Knowledge Exchange**

7.5.1 The whole process can be substantially assisted by active support under post-Brexit policies with information, the illustration of successful examples and the promotion of discussion, including mechanisms similar to Land Mobility

and the Business Discussion Groups in Northern Ireland. In essence, this can be seen in part as an exercise in “knowledge exchange”, with similar approaches as for its use in disseminating information about technical matters, innovation, business skills and marketing. That could be supported by case studies and examples to help develop thinking. One issue in that will be finding the right tone so that all feel valued for their part in the future success of agriculture.


7.5.2 The outcome should be a significant and beneficial contribution to the necessary task of managing the accelerated changes in farming foreseen over the next decade as we move on from the past structures of the CAP and see more open markets in food, environmental goods and land use. The proposals in this paper would release and facilitate opportunities for those who will be the innovative farmers of the next few decades by the fair treatment of those who wish to retire. In moving from “business as usual”, that would unlock and enable benefits and opportunities for the individual concerned, the farming world, the wider economy and rural society.







The Rural Housing Summit

The image is a composite. The main part of the image is a landscape with a golden-yellow tint, showing rolling hills, a line of trees, and a small house with a tiled roof in the foreground. The sky is filled with large, white clouds. On the right side, there is a vertical strip of a different landscape, showing a bright yellow field, green trees, and a clear blue sky with white clouds.

“Many farming businesses are long-term, multi-generational family ventures. As the farmhouse is usually the heart of the farm, leaving it can be hard, but housing is the key to retirement...”

Jeremy Moody



8. Introduction

- 8.1 The Rural Housing Summit (Retirement Housing for Farmers in the United Kingdom) took place at Highgrove on 23rd July 2018. The Summit was organised by University College of Estate Management (UCEM), working closely with The Prince's Countryside Fund, Royal Agricultural University and Northumbrian Water Group. It was dedicated to identifying and addressing priorities and solutions for rural housing.
- 8.2 The Rural Housing Summit was informed by an earlier version of Jeremy Moody's preceding document, a position paper entitled *Retirement Housing for Farmers in the United Kingdom: A Review of Issues* (July 2018). The paper focused specifically on housing for retired farmers and was "particularly concerned with the housing issues bearing on potential and actual retirement from – or scaling down of – farming activity." The Summit was identified as an opportunity to specifically respond to Moody's challenge that:

*"Many farming businesses are long-term, multi-generational family ventures. As the farmhouse is usually the heart of the farm, leaving it can be hard, but housing is the key to retirement... With substantial reasons to be concerned about the productivity of agriculture, we need the right people with the right skills and investments farming the land."*⁶⁴

- 8.3 The Rural Housing Summit brought together key stakeholders from across the sector to share their views and discuss the current challenges, as well as envisioning the right solutions. Identifying the priorities to be discussed was a key activity, with the Summit enabling opportunities for cross-fertilisation of ideas, with a mix of attendees drawn predominantly from the landowning and NGO (non-governmental organisation) communities.

⁶⁴ Moody J (n.d.), HPP Exec summary doc.



9. The Rural Housing Summit

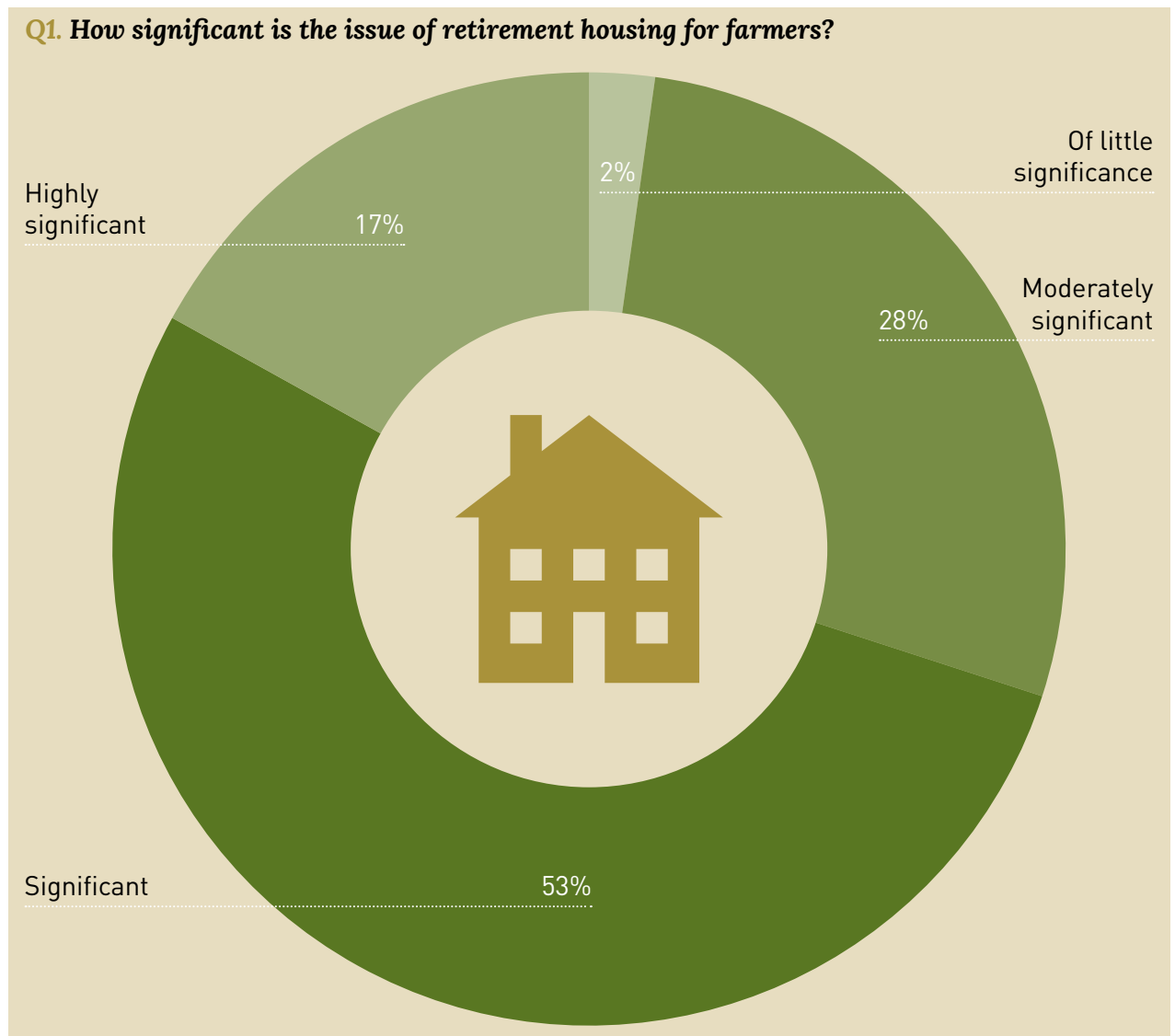
- 9.1 Nearly 70 people attended the Rural Housing Summit. The event organising team invited a representative sample of key stakeholders that included relevant bodies, organisations and individuals, all with extensive knowledge of, interest in and commitment to the issue of rural retirement housing. Whilst the majority of attendees were landowners or from NGOs, there were also people from academia, estate agents, housing associations, legal organisations, unions, water and utility companies, valuers, government, finance, property and farming succession mediators. A full list of workshop attendees can be found in Appendix A.
- 9.2 The agenda, entitled 'Rural Housing Solutions', began with an introduction by David Fursdon, (Chairman, Beeswax Dyson Farming) who provided an overview of the event and explained the purpose of the Summit. Jeremy Moody, Secretary and Adviser to the Central Association of Agricultural Valuers and Professor of Rural Land Management and Policy, Royal Agricultural University, presented his position paper, *'Retirement Housing for Farmers in the United Kingdom: What are the key issues?'*, and was followed by Graham Clay (Spokesman – Retired, National Farmers' Union), and Chris Cardell (Chairman, National Farmers' Union Tenants' Forum) who covered *'Think pieces and case study perspectives: Tackling transitions to retirement housing for farmers'*. Lord Gardiner of Kimble provided an overview of the challenges facing rural housing as well as existing solutions in the second half of the Summit. Speaker biographies can be found in Appendix B.
- 9.3 The working sessions, which formed the main part of the Summit, were facilitated by Ashley Wheaton, (UCEM Principal):
- Prioritising and Agreeing the Need/Demand.
 - Discussing and Developing Issues – Solutions and Recommendations (chaired workshops).
 - Recommendations and Issues Output Summary.
 - The Way Forward.



A sepia-toned landscape photograph showing a wide river valley. In the foreground, there are rolling green hills with several trees. The river flows through the middle ground, and the background features more hills and a line of trees under a sky filled with clouds. The overall tone is warm and historical.

10. Prioritising and Agreeing the Need/Demand

- 10.1 Technology, in the form of 'in-room' delegate clickers, was used to prioritise the issues, as well as to vote on the recommendations that resulted from the workshops. This technology enabled anonymous voting and data collection for each participant. The questions that formed the primary basis of the workshops were drawn from two documents, specifically *Preparing for Transition – Access to Housing for Farming Families*⁶⁴ and *Rural Housing Solutions – Position Paper*⁶⁵.
- 10.2 The first question posed was on the significance of the issue of retirement housing for farmers. There was clear agreement that the issue of retirement housing is important, with 70% of the audience polling that 'the issue of retirement housing for farmers is significant or highly significant'.



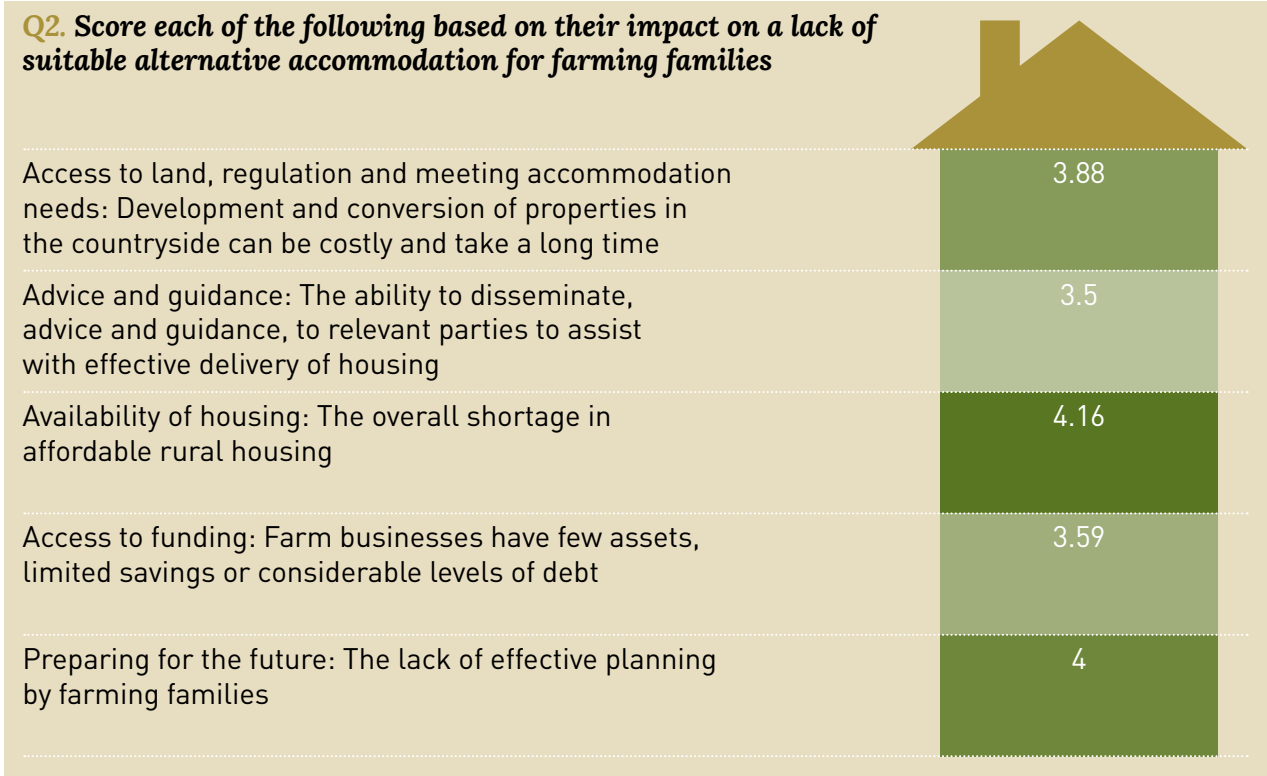
Source: 'Workshop, Rural Housing Summit (Retirement Housing for Farmers in the United Kingdom)', Highgrove on 23rd July 2018.

⁶⁵ Prince's Countryside Fund (2017), Notes from a meeting held in Clarence House, 4th April 2017, 'Preparing for Transition – Access to Housing for Farming Families'.

⁶⁶ Moody J (2018), 'Internal Position Paper, Presented at Rural Housing Summit (Retirement Housing for Farmers in the United Kingdom)', Highgrove on 23rd July 2018.

10. Prioritising and Agreeing the Need/Demand

10.3 Workshop attendees were next asked to respond to a series of statements, scoring their responses (1 – 5, low to high importance) based on the impact of the statement on a lack of suitable alternative accommodation for farming families. The outcome of this exercise defined the top issue to be discussed, with the 'Availability of housing' identified as the priority issue (with an average score of 4.16 out of 5).

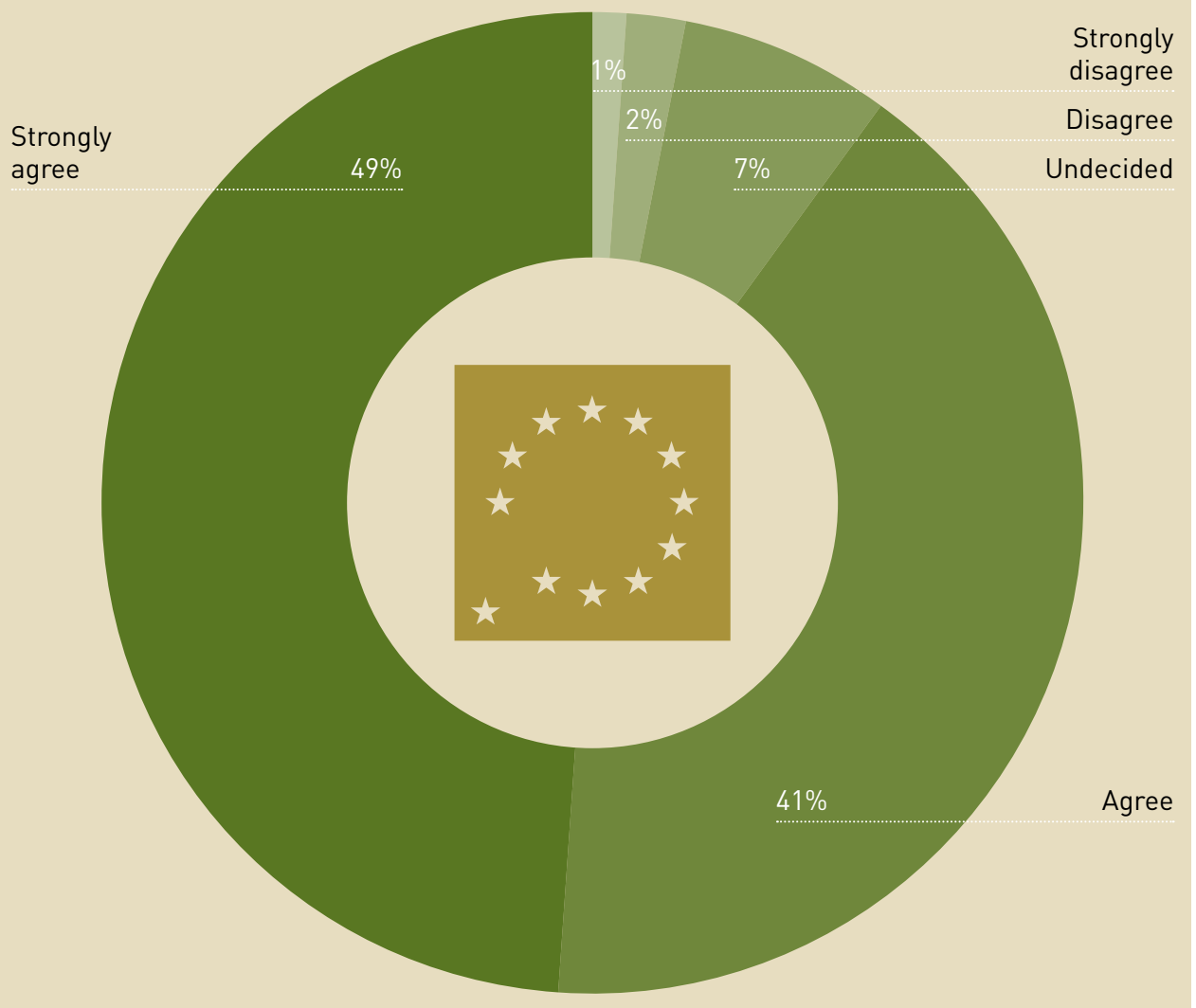


Source: 'Workshop, Rural Housing Summit (Retirement Housing for Farmers in the United Kingdom)', Highgrove on 23rd July 2018.



10.4 A response to the Welsh Cabinet Secretary's 2018 statement on Brexit was sought in the next question. The responses showed that 90% of the audience agreed with the statement that "the status quo is not an option".

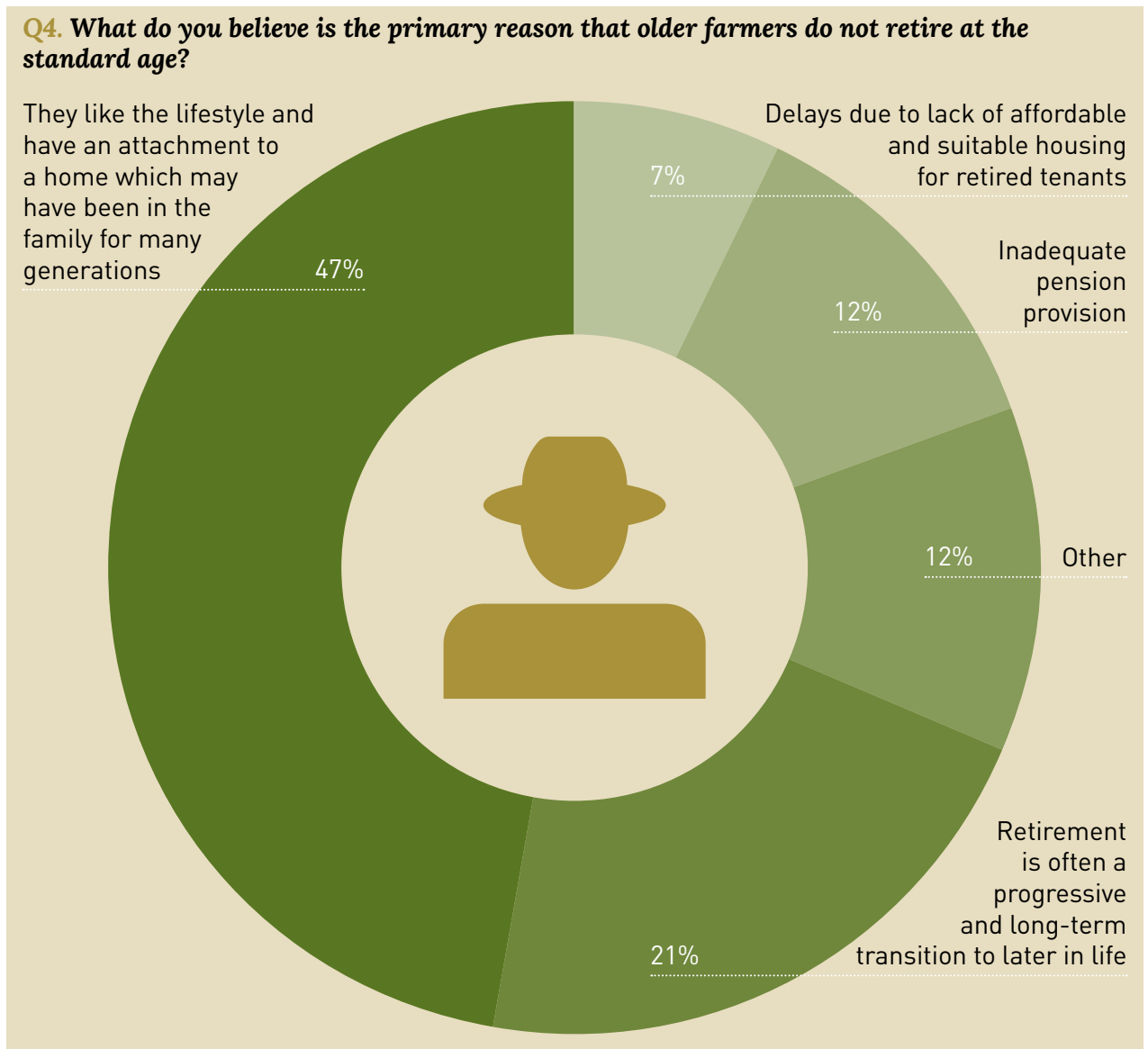
Q3. "... the status quo is not an option and I agree. While the basic payment scheme provides important support for many of our farmers, it will not help us withstand the changes brought by Brexit. We need to provide support in a different way"
(Welsh Cabinet Secretary, 20th February 2018)



Source: Griffiths L. Welsh Cabinet Secretary for the Environment and Rural Affairs (2018), NFU Conference Speech, 20th February 2018.

10. Prioritising and Agreeing the Need/Demand

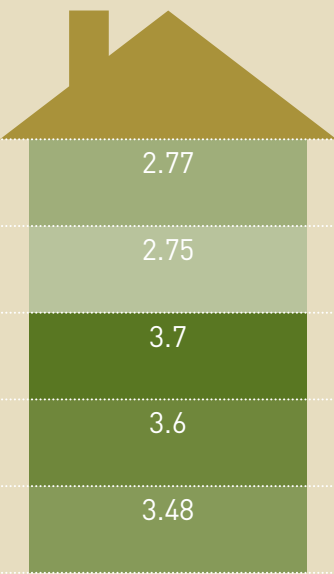
- 10.5 Question 4 sought to understand the primary reason that older farmers do not retire at the standard age. Just under half the audience (47%) said that this was due to a preference for the lifestyle and an attachment to the family home.



Source: Moody J (2018), 'Internal Position Paper, Presented at Rural Housing Summit (Retirement Housing for Farmers in the United Kingdom)', Highgrove on 23rd July 2018.

- 10.6 The next question, referring to Moody's position paper asked attendees to score (1 – 5, low to high importance) on why there has not been a specific policy intervention for farmer retirement in the UK? It elicited a mixed response with several answers scoring highly, and 'a lack of understanding and/or belief that the problem is real' scoring the highest.

Q5. Why do you believe there has not been a specific policy intervention for farmer retirement in the UK?



Other	2.77
The required solutions are already in existence and interventions may cause unintended outcomes	2.75
Lack of understanding and/or belief that the problem is real	3.7
Too difficult to design a scheme that is thought to be a good use of public money	3.6
Not been seen as philosophically or politically attractive	3.48

Source: Moody J (2018), 'Internal Position Paper, Presented at Rural Housing Summit (Retirement Housing for Farmers in the United Kingdom)', Highgrove on 23rd July 2018.

- 10.7 Also referring to Moody's paper, question 6 sought to understand potential solutions and enablers, asking attendees to score (1 – 5, low to high importance) for each of the ideas below. 'Allowing landowners to provide affordable housing' and 'offering taxation relief' were the two ideas that gained the most support, scoring four points each.

Q6. The paper proposes a range of potential solutions and enablers: Score each of the ideas to enable farmer retirement housing



Tenancy measures	3.46
Alternative finance	3.46
A farming Housing Association	2.62
Local exception sites for new affordable rural housing	3.69
Taxation relief for affordable housing sites, farmland rents and residential inheritance	4
Allowing landowners to provide affordable housing (for rent without social housing intermediary)	4

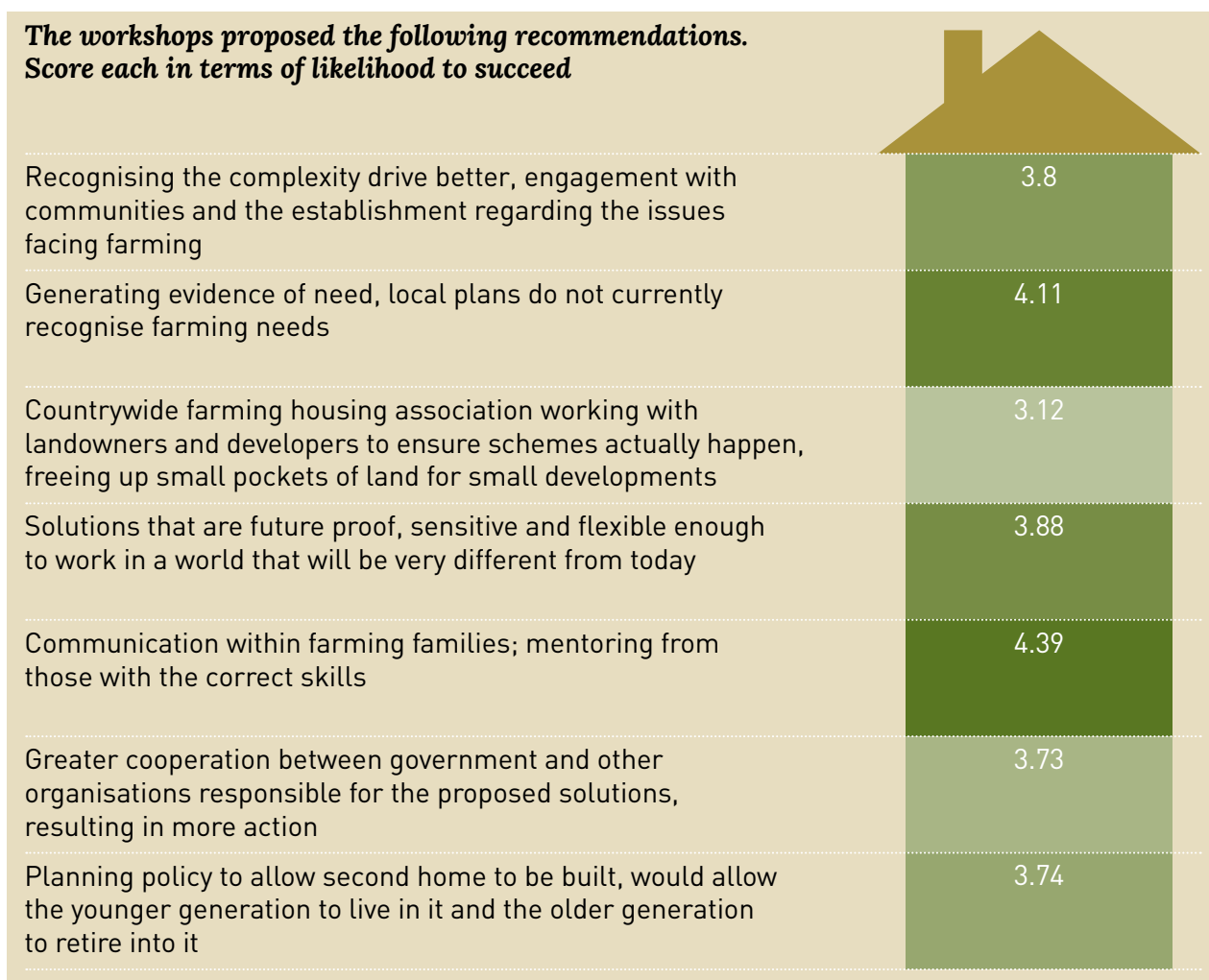
Source: Moody J (2018), 'Internal Position Paper, Presented at Rural Housing Summit (Retirement Housing for Farmers in the United Kingdom)', Highgrove on 23rd July 2018.

- 10.8 The above questions were designed to elicit the priorities from the audience and to understand the need/demand in terms of rural housing. The use of technology enabled anonymous voting, with the responses forming the basis of the subsequent workshops.



11. Discussing and Developing Issues – Solutions and Recommendations (chaired workshops)

- 11.1 The chaired workshops that followed the main group session were also facilitated by Ashley Wheaton, UCEM Principal. The workshops were designed to identify and discuss potential solutions and recommendations to the issues identified during the earlier session. Seven groups were formed of approximately nine participants each, with tables having a 'note-taker' to capture relevant outputs and outcomes. Each group had around thirty minutes of discussion time before providing feedback to the wider group.
- 11.2 The recommendations below were a direct outcome of the workshops, having been proposed by the individual workshop groups and scored (anonymously using the 'clicker' technology) in terms of each recommendation's likelihood to succeed (1 – 5, low to high importance). 'Communication within farming families and mentoring' proved to be the most popular recommendation.

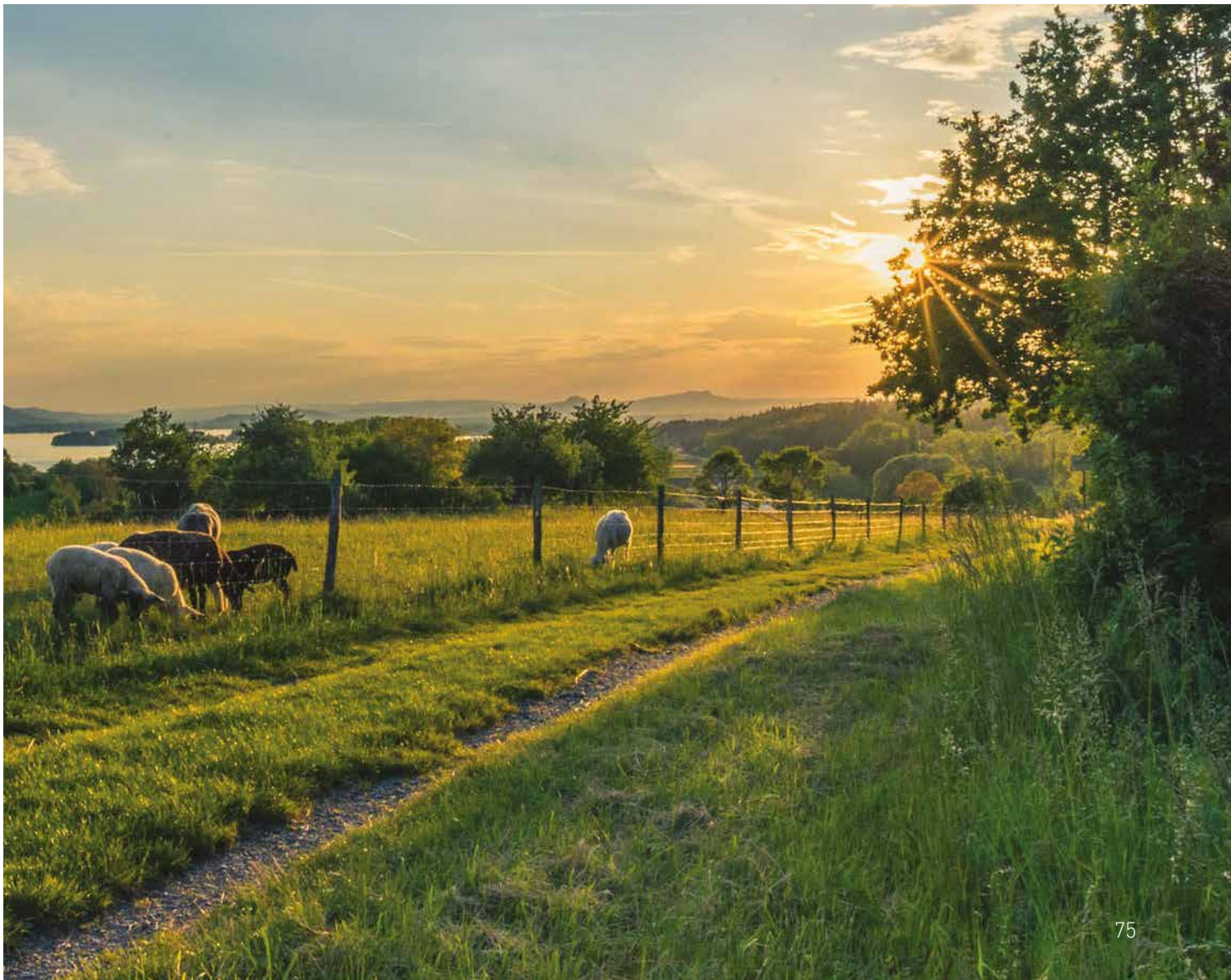


Source: 'Workshop, Rural Housing Summit (Retirement Housing for Farmers in the United Kingdom)', Highgrove on 23rd July 2018.



12. Recommendations and Issues Output Summary

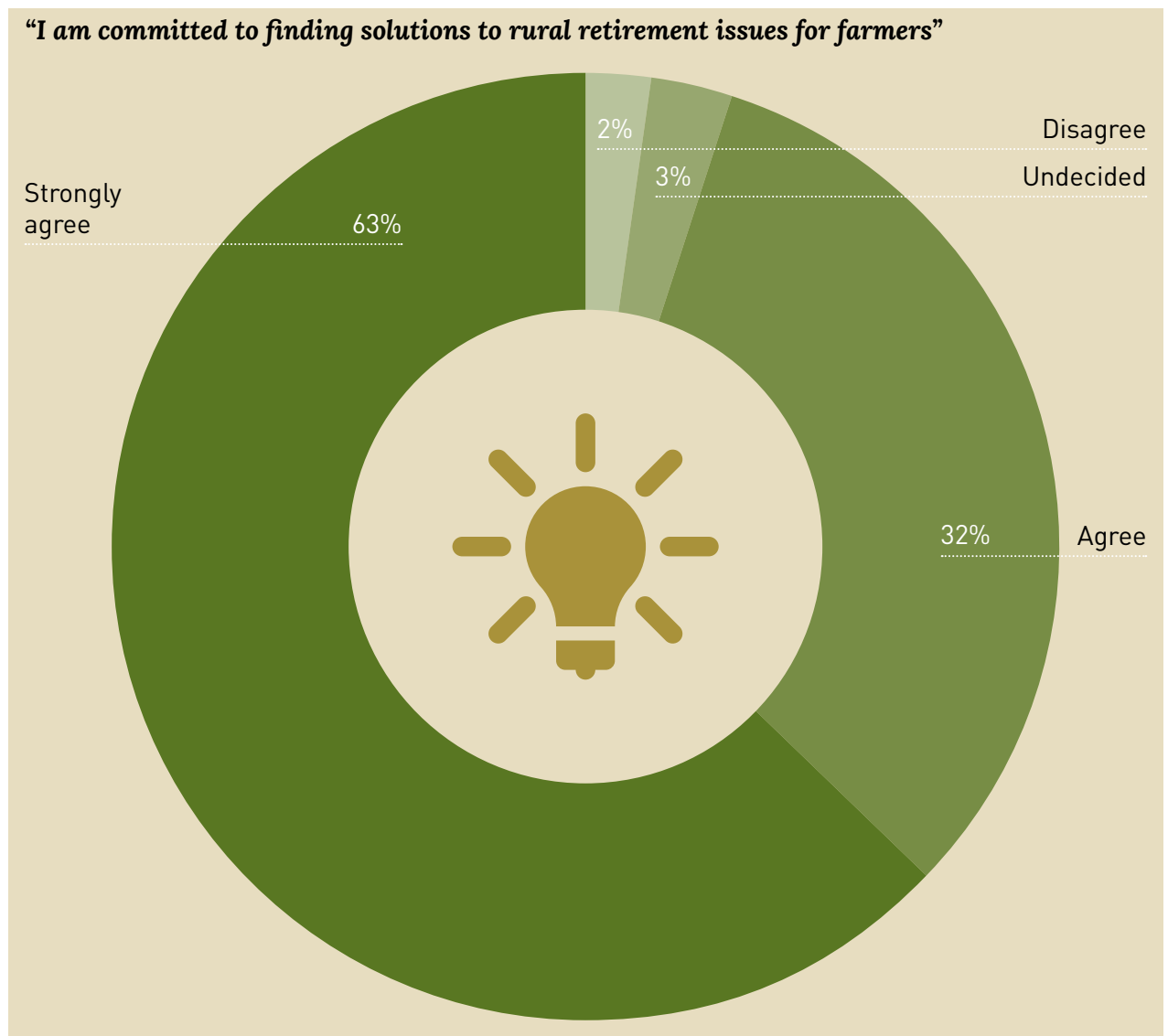
- 12.1 The workshop sessions resulted in clear prioritisation of the needs and issues facing rural retirement housing, and can be summarised as:
- The issue of retirement housing for farmers is significant.
 - The availability of housing (the overall shortage in affordable rural housing) is the most important priority that impacts the lack of suitable alternative accommodation for farming families.
 - Support to farmers (following the changes brought by Brexit) needs to be provided in a different way.
 - The primary reason that older farmers do not retire at the standard age is because they like the lifestyle and have an attachment to a home which may have been in the family for many generations.
 - The reason that there has not been a specific policy intervention for farmer retirement in the UK is because of the lack of understanding and/or belief that the problem is real.
- 12.2 The two key potential ideas to enable farmer retirement housing, which resulted from the workshops, were to:
- Allow landowners to provide affordable housing (for rent without social housing intermediary).
 - Offer taxation relief for affordable housing sites, farmland rents and residential inheritance.
- 12.3 The key recommendation (identified as having the greatest likelihood of success) was to improve communication within farming families, and to provide mentoring from those with the correct skills.





13. The Way Forward

- 13.1 There was significant commitment from those attending the Summit to finding solutions to rural retirement issues for farmers, with 32% in agreement and 63% in strong agreement (95% agreement in total).



Source: 'Workshop, Rural Housing Summit (Retirement Housing for Farmers in the United Kingdom)', Highgrove on 23rd July 2018.

- 13.2 A clear commitment from the Rural Housing Summit was to establish a steering group to drive the recommendations of the day forward, and to ensure that the workshop outputs and the detail of the Rural Housing Summit be captured and published in the public domain. This report is the result of this recommendation.

A man in a dark pinstripe suit and light-colored shirt is shown from the side, holding a clipboard with a pen. He is standing outdoors, with a blurred background of green foliage and a building. The image has a warm, yellowish tint.

Conclusion



There is no doubt that the issue of retirement housing for farmers is of great – and increasing – importance.

One of the biggest concerns (in all the discussions about the future of agriculture in the UK) is attracting good entrepreneurial talent into the industry. With a finite amount of land and a decreasing number of farms through amalgamation, this means that farmers of retirement age need to actually retire for there to be opportunities for these new young entrepreneurs. At present, this progression has not been happening.

This report discussed why this might have been the case and why some of the, admittedly complicated, solutions have not been taken up in significant numbers. There is recognition, however, that with the increased focus on the market and the change in support payments as we leave the EU, there will be pressure on farmers of retirement age, which might lead to a greater willingness on their part to cede the running of their businesses to the younger generation. For this to happen, the solutions need to be acceptable to the farming families concerned.

This report examines whether or not the existing structure of policy initiatives is fit for purpose and can be used to bring about these changes. It also identifies key priorities and challenges for rural retirement housing, as well as possible measures for a way forward. Progress has been slow, as evidenced by the lack of English policy intervention and UK schemes highlighted in Jeremy Moody's review. This inability to move things forward is primarily due to 'a lack of understanding and/or belief that the problem is real', according to the

informed, passionate and committed stakeholders that attended the Rural Housing Summit, and change is needed. Convening the Rural Housing Summit and commissioning Jeremy Moody's review has combined passion and experience with knowledge and expertise, and thus enabled momentum to bring about change. Adopting the main Summit recommendation and driving change forward is now a crucial next step.

Those involved in developing and indeed implementing policy on retirement housing for farmers need to check that the opportunities are clearly understood by farmers themselves (which requires a coherent and effective communication strategy), that stakeholders come together to ensure that there is a joined up approach to dealing with this problem, that advisors and mentors are aware of the opportunities, and that farmers themselves take the opportunity of the changing support systems to retire and hand over their business to the next generation. Certainly, two 'opportunities to make change' would appear to be i) increasing awareness and ii) 'oiling the wheels', rather than creating any new initiatives.

A starting point has been identified, with commitment from those that attended the Summit gained to help make change happen. The profile of rural retirement housing has been raised within an informed and coordinated framework that not only challenges the lack of belief that the problem is real, but also provides a key recommendation to truly move forward and to enable change.

David Fursdon

Chairman, Beeswax Dyson Farming



Next Steps



This paper has considered a wide range of issues in understanding and tackling the practical problems around farming retirement and housing. It is all the more salient with the prospective pressures for change after the UK leaves the European Union and as direct payments are phased out in England and Wales and likely to be eroded elsewhere.

Building on this foundation, the next steps are about turning this work into practical and effective action across the United Kingdom, further testing the realities, identifying good practice and disseminating it to encourage progressively better performance by all involved.

Some of that work has been begun in this paper. As this shows, legislative devolution in the United Kingdom (and potentially the developing and variegated structure in England) offers increasingly practical experience of differing policies in which each part of the country can learn from the others.

A first question is to identify where we can now see gaps in the evidence on which policy can be based. This would see further work on the statistics relevant to the issues and their analysis to give the best available understanding of such issues as the numbers and nature of the farmers being considered. This could make the base line against which the effect of policies could be monitored, understood and assessed over time

Next, a range of relevant initiatives are already in place, many noted in this paper. With the example of planning control, these include the recent change to rural housing policy in paragraph 79 of

England's NPPF and the opportunities of Class Q permitted rights, the innovative work in finding solutions to agricultural and rural housing or experience of tenancy law or the effects of changing rural payments policies. Work is needed to identify more closely the use that has been made of them and the lessons to be learnt. Those lessons might variously show:

- success that can perhaps be reinforced or extended.
- mixed results with examples of good practice but also possible reasons for failure elsewhere.
- changes that could be made to those policies or adopted elsewhere.

The developing experience of the Irish Republic's promotion of letting farmland by tax relief will be further monitored and analysed with further consideration of its potential for effective application in the United Kingdom.

Taking this work forward will also be about encouraging imaginative practice, proactive and positive behaviour and innovative negotiated solutions among all, from local planning authorities to families considering their future or discussions within landlord/tenant relationships. That will:

- call heavily on advice combined with facilitation and brokerage – meaning work on how to promote that, drawing on explanation and good examples to show this can reach every farm kitchen.
- be stimulated by good examples of what has worked – such examples need to be found and highlighted.

That work done leads to an outward facing focus on:

- dissemination of arguments and examples.
- communicating them effectively so that they can be used widely where appropriate.
- persuasion of those whose change would make a difference as to the need to tackle the problem and the acceptability of answers.

Knowledge exchange work at all levels on presentation and communications would build on the work already undertaken and the work proposed here to achieve the progress that is needed.

Jeremy Moody

Secretary and Adviser to The Central Association of Agricultural Valuers

A background image of a rural landscape featuring a row of bare trees in a field under a blue sky. The image is partially covered by a semi-transparent olive-green rectangle.

Appendix A

Rural Housing Summit attendees

<i>Name</i>	<i>Position</i>	<i>Organisation</i>
David Alborough	Property Manager	Northumbrian Water Group
Lady Arran	The Countess of Arran	
Ian Bell OBE	Head of Farming and Rural Engagement	Folk2Folk
Elizabeth Buchanan CVO	Trustee	Prince's Countryside Fund
Sian Bushell	Owner	Sian Bushell Associates
Chris Cardell	Chairman	NFU Tenant Forum
Margaret Clark CBE	Chairman	Plunkett Foundation
Graham Clay	Tenant Forum Spokesman (ret'd)	National Farmers' Union
Martin Collett	Operations and Communications Director	English Rural Housing Association
John Cormie	Group Property Director	Anglian Water
Edward Crookes	Estates Director	The Englefield Estate
David Curtis MVO	Land Steward	Duchy of Cornwall
Thomas Davis (known as Peter)	Facilities and General Administration Manager	Farmers' Union of Wales
Andrew Dean	CEO / Assistant Director for Rural Services Network	Community Action Northumberland
Katy Dickson	Head of Policy	Scottish Land & Estates
George Dunn	Chief Executive	Tenant Farmers Association
Helen Edwards	Head of Quality and Enhancement	University College of Estate Management
Andrew Fallows	Partner – Head of Rural Agency	Carter Jonas
Jane Fawkes	Deputy Principal	University College of Estate Management
Madeleine Fitzgerald	Project Manager, Prince's Farm Resilience Programme	The Prince's Countryside Fund
David Fursdon	Chairman	Beeswax Dyson Farming
Lord John Gardiner of Kimble	Parliamentary Under Secretary of State for Rural Affairs and Biosecurity	Department for Environment, Food & Rural Affairs
Dr Andrea Graham	Head of Policy	National Farmers' Union
Katalin Hanniker	Development Editor/Quality Manager	University College of Estate Management
Julian Harbottle	Head of Western Region Business Development	Savills (UK) Limited
Lucy Hawthorne	Head of Campaigns	Campaign to Protect Rural England
Rick Hebditch	Government Affairs Director	National Trust
Mike Holland	Consultant & Advisor	Agricultural Law Association
Lyndsay Hughes	Executive Assistant	University College of Estate Management

Appendix A – Rural Housing Summit attendees

<i>Name</i>	<i>Position</i>	<i>Organisation</i>
Ken Jones	Director of Rural & Coastal	Crown Estates
Emma Kearsey	Education Officer	University College of Estate Management
Jo Lavis	Director	Rural Housing Solutions
Henry Lee	External Policy/Research	Hastoe Housing Association
William Leschallas	Lecturer	Royal Agricultural University
Prof. Matt Lobley	Associate Professor in Rural Resource	Exeter University
Alex Madden	Partner – Head of Planning and Environmental	Thrings LLP
Alastair Martin	Secretary and Keeper of Records	Duchy of Cornwall
Nicholas Robert Millard	Partner	Michelmore Hughes Stags
Jeremy Moody	Secretary and Advisor	Central Association of Agricultural Valuers
Matthew Morris	Estate Manager	Bolesworth Estate Co Ltd
Heidi Mottram CBE	CEO	Northumbrian Water Group
Ross Murray	Chairman of Rural Division	Knight Frank
Matthew O'Connell	Housing Advisor	Country Land and Business Association
Tom Packham	Head of Estates	Welsh Water
Edward Parsons	Land Agent	Sandringham Estate
Prof. Jo Price	Vice Chancellor	Royal Agricultural University
Sue Pritchard	Director, Food Farming & Countryside Commission	RSA
Susan Ragbourne	Associate Head, Land, Farm and Agri-Business Management	Harper Adams University
Dr Matthew Reed	Senior Research Fellow	Countryside and Community Research Institute
Leigh Rix	Head of Property & Land	Clinton Devon
Kate Russell	Policy & Technical Advisor	Central Association of Agricultural Valuers
Claire Saunders	Director	The Prince's Countryside Fund
Ben Sharples	Partner	Michelmores LLP
Phil Soderquest	Head of Housing and Public Protection	Northumberland County Council
Louise Staples	Senior Rural Surveyor	National Farmers' Union
Dr Sarah Stimpson	Head of Estate Management	Severn Trent PLC
Louise Taylor	Partner	Barbers Rural
Sian Taylor	Head of Property	United Utilities
Mark Tuffnell	Vice President	Country Land and Business Association

<i>Name</i>	<i>Position</i>	<i>Organisation</i>
Michael Verity	Senior Director	Strutt & Parker
Matthew Weaver	Head of Business Banking Real Estate	Barclays Bank
Ashley Wheaton	Principal	University College of Estate Management
Donna Wickham	Senior Secretary	Northumbrian Water Group
Aled Williams	Director of Research Innovation & Partnerships	University College of Estate Management
Mike Williams	Project Manager	The Addington Fund
Richard Williamson	Managing Director	Beeswax Dyson Farming
Prof. Michael Winter OBE	Professor of Land Economy and Society	University of Exeter
Bill Young	Chief Executive	The Addington Fund

Workshop chairs

Elizabeth Buchanan	Prince's Countryside Fund
Margaret Clark CBE	Plunkett Foundation
George Dunn	Tenant Farmers Association
Ross Murray	Knight Frank
Edward Parsons	Sandringham Estate
Sue Pritchard	RSA
Mike Williams	The Addington Fund

Workshop note-takers

Helen Edwards	University College of Estate Management
Jane Fawkes	University College of Estate Management
Katalin Hanniker	University College of Estate Management
Lyndsay Hughes	University College of Estate Management
Emma Kearsey	University College of Estate Management
Donna Wickham	Northumbrian Water Group
Aled Williams	University College of Estate Management



Appendix B

Speaker profiles



Chris Cardell

Chris is the Chairman, National Farmers' Union (NFU) Tenants' Forum. He has held the position of NFU Tenant Forum Chairman for the last four years representing members land tenure issues. He has also been a past NFU county chairman and continues to be actively involved within the Young Farmers' Clubs. Along with his wife Dawn, Chris is a tenant of Cornwall County Farms at Trevorva Cot Farm, Probus. Dawn and Chris have progressed their way through the county farms structure and are currently tenants on their third smallholding. The farm comprises of a pedigree Jersey dairy herd and also a diversification in the form of Roseland Kennels & Cattery. The latter now supplying services to over 3,000 registered customers. Chris has always taken an active interest in assisting the youth to get involved within the industry.



Graham Clay

Graham is the National Farmers' Union Tenant Forum Spokesman (Retired) and has been a member of the National Farmers' Union all his farming career; taking on various roles but having special interest in tenants' issues. Since the mid 1980's Graham has been Staffordshire's Tenants' Vice Chairman, Chairman and Regional Representative. Graham has served as West Midlands Region Tenants' Spokesman and Regional Board Member between 2008 and 2018. Between 1998 and 2015 Graham chaired a Liaison Group between Staffordshire County Council and its tenants. He was heavily involved in the 2007 review, when SCC decided to sell the farm's estate. After working hard to encourage councillors and tenants to engage and much lobbying, with the consultation process completed, the decision was overturned, and the estate retained.



David Fursdon

David Fursdon is a qualified chartered surveyor, agricultural valuer and a farmer and landowner in Devon. He has been President of the Country Land and Business Association and a Crown Estate Commissioner and now chairs Beeswax Dyson Farming Ltd; is on the Duchy of Cornwall rural committee; is a Trustee of the National Trust and a member of the Food, Farming and Countryside Commission. He chaired the 'Future of Farming' Review on new entrants into agriculture in 2013. David served on the Affordable Rural Housing Commission and the Rural Housing Policy Review Group.

Appendix B – Speaker profiles



**Lord Gardiner
of Kimble**

Lord Gardiner is Parliamentary Under Secretary of State for Rural Affairs and Biosecurity, Department for Environment, Food and Rural Affairs. He was reappointed Parliamentary Under Secretary of State for Rural Affairs and Biosecurity on 9 January 2018 and served as Parliamentary Under Secretary of State at the Department for Environment, Food and Rural Affairs from 17 July 2016 to January 2018. Lord Gardiner is a Conservative member of the House of Lords. He served as Lord in Waiting from September 2012 to May 2015, and as Government Deputy Chief Whip and Captain of the Queen's Bodyguard of the Yeomen of the Guard from May 2015 until July 2016. Lord Gardiner was raised to the Peerage in 2010 and served as a party whip until being appointed to Government. He served as Private Secretary to 5 successive Chairmen of the Conservative Party between 1989 and 1995. Lord Gardiner was Director of Political Affairs at the Countryside Alliance between 1995 and 2004 and Deputy Chief Executive between 2004 and 2010. He is also a partner in a family farm.



Jeremy Moody

Jeremy Moody is Secretary and Adviser to the United Kingdom's Central Association of Agricultural Valuers since 1995; Visiting Professor of Rural Land Management and Policy, Royal Agricultural University, Cirencester, United Kingdom since 2015; an independent adviser; Vice Chairman, European Valuation Standards Board. Since the 1980s, Jeremy has been active in rural tenancies practice and legislative reform, the development of the Common Agricultural Policy, aspects of rural property and business taxation and more recently renewable energy, energy matters and property, the legal regime for electronic communications apparatus on property, and frameworks for environmental valuations.



Ashley Wheaton

Ashley is the Principal, University College of Estate Management (UCEM). Ashley joined UCEM in 2013 and is responsible for all aspects of UCEM's academic and business operations. As Principal of UCEM he works directly with the Chairman, the Board of Trustees and the Senior Leadership Team to ensure that UCEM delivers against the key objectives of its strategic plan – ensuring both the highest quality of education and the best student experience. Ashley has previously held senior roles as Director of Global Learning Services for Microsoft, and Chief Executive Officer of InfoBasis Ltd, a global Talent Management software company. Ashley holds a BA (Hons) in Economics from University of London.

Contributors



The Central Association of Agricultural Valuers (CAAV), Jeremy Moody

'Retirement Housing for Farmers in the United Kingdom: A review of issues, experiences and possible answers'

- Secretary and Adviser to The Central Association of Agricultural Valuers
- Professor of Rural Land Management and Policy, Royal Agricultural University
- Member, Tenancy Reform Industry Group
- Member, DEFRA's Future of Farming Group (2013)
- Vice Chairman, European Valuation Standards Board

Author of texts on tenancy law and practice, taxation, planning, valuation, agricultural policy and other topics, covering all parts of the United Kingdom

Harts Barn Farmhouse, Monmouth Road,
Longhope, Gloucestershire GL17 0QD
jeremy@caav.org.uk



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Northumbrian Water Group

Northumbria House, Abbey Road, Pity Me,
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www.nwg.co.uk



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The Prince's Countryside Fund was established by HRH The Prince of Wales in 2010 and aims to enhance the prospects of family farm businesses and the quality of rural life. We believe that the British countryside is our most valuable natural asset and its contribution to our everyday life cannot be underestimated. To help support and secure the future of the countryside we:

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- Lead projects to strengthen farm businesses, such as The Prince's Farm Resilience Programme
- Commission research into issues affecting farming families and rural communities
- Bring together individuals and businesses to help tackle current challenges
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The Prince's Countryside Fund
137 Shepherdess Walk, London N1 7RQ
www.princescountrysidefund.org.uk/



Royal Agricultural University (RAU)

The Royal Agricultural University has been at the forefront of agricultural education and a key contributor to the land-based sector for more than 170 years. Today, the RAU has more than 1,200 students studying agriculture, animal science, business, environment, equine science, farm management, food, real estate and rural land management. The University, which is based in Cirencester, Gloucestershire, prides itself on its links with industry and all courses are designed to meet the demands of the employment market for land-based expertise, both in the UK and worldwide.

Royal Agricultural University
Cirencester, Gloucestershire GL7 6JS
www.rau.ac.uk



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University College of Estate Management
Horizons, 60 Queen's Road, Reading RG1 4BS
www.ucem.ac.uk



The Central Association of Agricultural Valuers
Harts Barn Farmhouse, Monmouth Road, Longhope, Gloucestershire GL17 0QD
www.caav.org.uk

Northumbrian Water Group
Northumbria House, Abbey Road, Pity Me, Durham DH1 5FJ
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