

Selby District Council

REPORT

Reference: E/17/40

Item 5 - Public



To: The Executive
Date: 4 January 2018
Status: Non Key Decision
Report Published: 21 December 2017
Authors: Josephine Nylan, Senior Solicitor and June Rothwell, Head of Operational Services
Executive Member: Councillor C Lunn, Executive Lead Member for Finance and Resources
Lead Officer: Julie Slatter, Director of Corporate Services and Commissioning

Title: Lease of land at Burn Airfield

Summary:

This report outlines the current position regarding 47.25 acres at Burn Airfield Selby (see location map appendix 1), currently occupied for agricultural use and the proposal to manage this going forward in line with the Council's proposals for this site.

Recommendation:

- i. To approve the terms of the proposed lease for the 47.25 acres of agricultural land in respect of which a new lease is required.

Reasons for recommendation

- To ensure an income stream is retained by the Council for the 47.25 acres of agricultural land.
- To provide certainty that any lease agreed will ensure the Council is able to take back possession at a time approximately co-terminus with other

occupiers of Burn Airfield to allow development of the Burn Airfield to progress.

1. Introduction and Background

- 1.1 The Council purchased the former Airfield at Burn (“the Site”) in 2016 as a strategic site for potential future development for the better planning of the district.
- 1.2 At the time of the purchase, the Site was subject to a number of agricultural tenancies and the aim has been to, when possible given term end dates and negotiations with tenants, ensure that all leases on the Site are terminable or terminate within a relatively short timescale to provide for certainty and a timescale for future development.
- 1.3 The tenancy in question was originally granted on 10 November 1982. As this tenancy agreement is governed by the Agricultural Tenancies Act 1995, this tenancy has the benefit to the tenants of security of tenure and is subject to succession rights by family members involved in the business. The son of the original tenants (who are now deceased) is the proposed new tenant for this land together with his wife.
- 1.4 The son of the previous tenant did not serve the appropriate notices on the Council as landlord in order to succeed to the tenancy in accordance with the Agricultural Tenancies Act 1995. He and his wife do however wish to take a tenancy and have agreed to enter into a Farm Business Tenancy with the Council.
- 1.5 A Farm Business Tenancy does not give a tenant any rights to renewal (as with the Agricultural Holdings Act 1995) and nor does the Council have to pay any compensation to a tenant should it choose not to renew the tenancy agreement.

2. The Report

- 2.1 Carter Jonas (Surveyors), acting as agents for the Council, have met with the proposed new tenant, and proposed a Farm Business Tenancy on the following terms:
 - (a) Term of 10 years expiring on 30 September 2027
 - (b) A tenant only break clause, the first break to be on 30 September 2020 and then every third anniversary of that date

(c) At an initial rent of £2,160 per annum (as was payable under the old lease) subject to review every 3 years in line with the provisions of paragraph 12 of Schedule 2 of the Agricultural Holdings Act 1986. (This enables the rent to be determined by arbitration in case of dispute).

These terms have been agreed by the proposed tenants (who have an agent advising them) but they have requested a longer term of 15 years.

- 2.2 Purchasing the land safeguarded the land for future use as a strategic site and secondly allows the Council to take vacant possession of this property in 2020 to facilitate development of the Site. Lease negotiations have taken into account the lease to the Burn Gliding Club which has a term expiry date of 27 September 2026 and brings the termination of this tenancy just over 12 months after the expiry of the lease to Burn Gliding Club Limited.
- 2.3 The tenant has proposed a lease term of 15 years which should not be accepted for the reasons outlined above.

3. Legal/Financial Controls and other Policy matters

3.1 Legal Issues

The Council is under a statutory obligation to obtain the open market value and the best consideration that can reasonably be obtained on a disposal of any of its land (section 32 Local Government Act 1972).

Carter Jonas, as surveyors, have been employed by the Council to negotiate the terms of the Farm Business Tenancy with the proposed tenant to ensure that the Council receive the best terms possible encompassing both the rent receivable and the ability to terminate the tenancy in line with other tenancies on the Site.

A formal legal Farm Business Tenancy will need to be agreed with the solicitors acting for the proposed new tenants and all appropriate notices served to ensure the lease can be legally terminated on 30 September 2027.

Financial Issues

- 3.2 There are no financial implications as a direct result of this report. Income of £2,160 per annum will be received for the land.

Equality Impact Assessment

- 3.3 The impacts of the decision and how these have been mitigated are referenced in an Equality Impact Assessment. No significant impacts have been identified.

4. Conclusions

- 4.1 If approval of the grant of the Farm Business Tenancy is given, this will firstly provide an income for the Council for this land up until September 2027 and secondly allow the Council to take vacant possession of this property in 2027 to facilitate development of the Site.

5. Background Documents

None.

6. Appendices:

Appendix 1 – Location Map

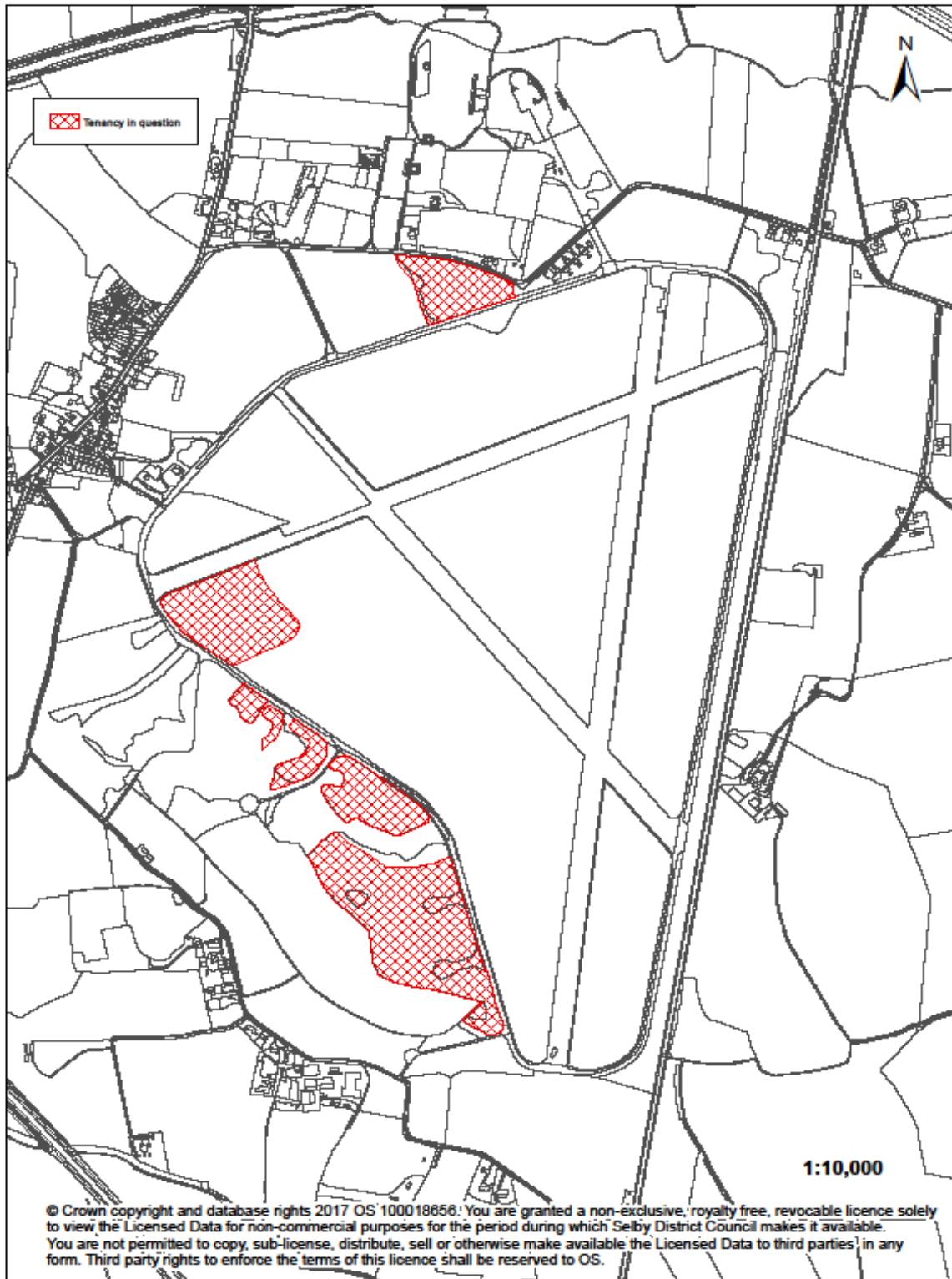
Contact Officer:

Phillip Hiscott

Property Management Team Leader

phiscott@selby.gov.uk

APPENDIX 1



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