

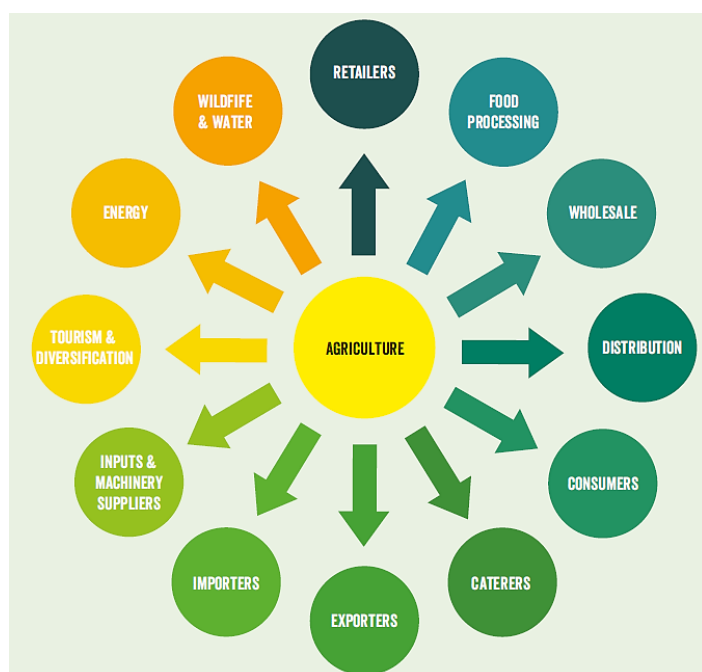
Farming and Neighbourhood Planning

Communities are now able to shape the development and growth of their local area by creating their own neighbourhood plans. This short document outlines several key farming considerations for parish or town councils, neighbourhood forums and community organisations in the process of preparing their plans for consultation. If you would like any further information on anything mentioned below, please contact south.east@nfu.org.uk

About the NFU

The National Farmers Union is a membership organisation representing the majority of commercial farmers and growers in England and Wales. We have approximately 50,000 farmer and grower members nationwide and our aim is to secure a stable and competitive place for them within UK and international economies.

British Farming Delivers



- *A safe and affordable domestic supply of food*, which British people trust. Without this supply we'd be dependent on food produced overseas to different environmental and welfare standards and under food safety systems over which we have no control.
- *Our cherished local countryside* and the health, welfare and environmental benefits that we all depend upon. Farmers are responsible for the upkeep of some three quarters of the landscape. They're important stakeholders and key delivery partners in nearly all planning and land use questions.
- *Thriving rural communities*. Providing jobs and driving rural growth both in food production and in diversified industries such as renewable energy and tourism
- *Raw materials for a domestic food industry* that employs over 3.9 million people. This is the UK's largest manufacturing sector which generates £108 billion in value for the UK economy.

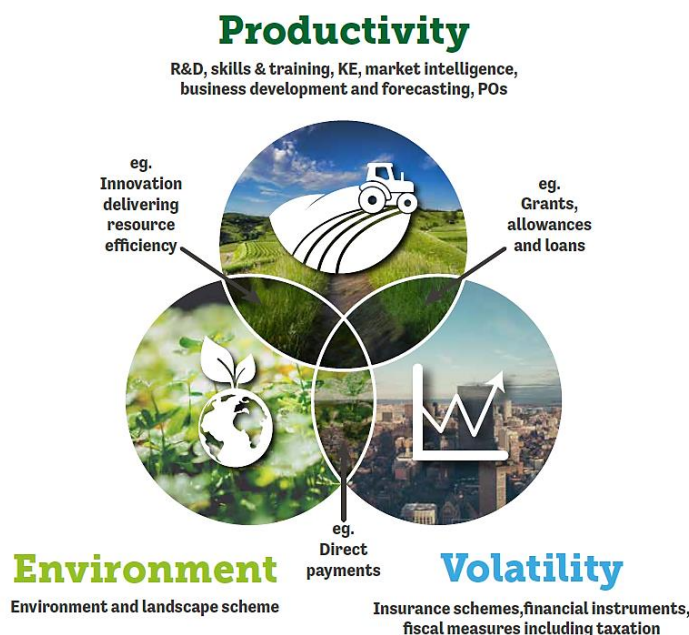
A Vibrant Rural Sector

Our aim is to see the rural economy in South East England grow with a skilled workforce in full employment. This will only be achieved through creating opportunities for the establishment of new businesses in rural areas, the development of existing ones, increased job opportunities and a thriving culture of entrepreneurship.

Our vision for the future of the farming industry is based upon **three pillars of sustainability**, which mirror the economic, social and environmental objectives of sustainable development set out in the National Planning Policy Framework.

Productivity: Over the coming years farm businesses will need to become more efficient, competitive and resilient. In order to achieve this, farmers will need to have the *know-how* to make their businesses more sustainable. This requires the continuing development and deployment of new technologies on to farms, the

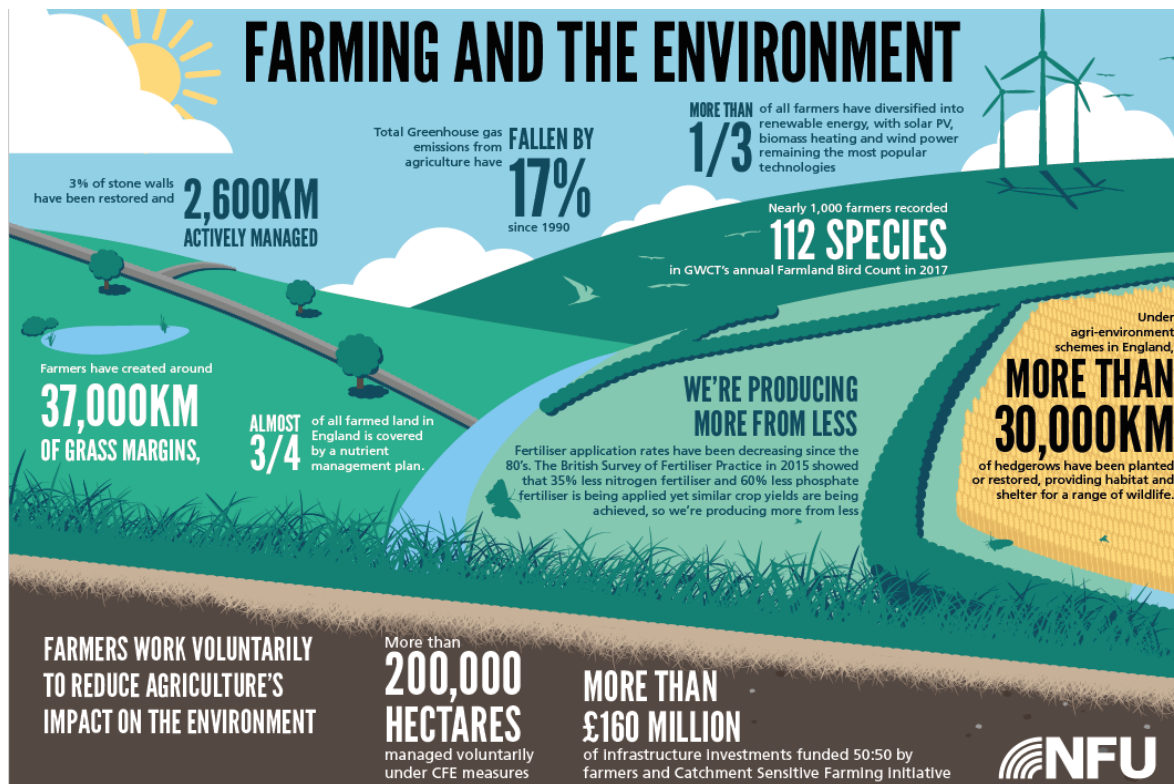
provision of training and advice to farmers and the upgrade and renewal of farm infrastructure and buildings to support the shift towards a low carbon and climate resilient economy.



Volatility: There are many aspects of farming, which are highly uncertain such as the impact of adverse weather, pests and diseases, price volatility and low bargaining power in an imbalanced supply chain. At a farm level volatility mitigation is likely to require the installation of better buildings, rainwater harvesting and reservoirs, better slurry storage and better facilities for workers including farm worker housing. Volatility mitigation may also require the development of new sources of income for farmers such as through renewable energy, tourism and housing.

Environment: British farmers are proactive in delivering benefits to the environment and there are lots of good news stories showing the positive contributions that farmers have made in recent years¹. Farmers will continue to play a key

role in delivering the **public goods** of clean air, clean water, biodiversity and countryside access envisioned by the Defra 25 Year Environment Plan. To achieve this, farms will need to be economically sustainable and focussed on efficiency to continue improving their environmental performance. As such environmental sustainability cannot be considered separately from the volatility and productivity pillars described above.

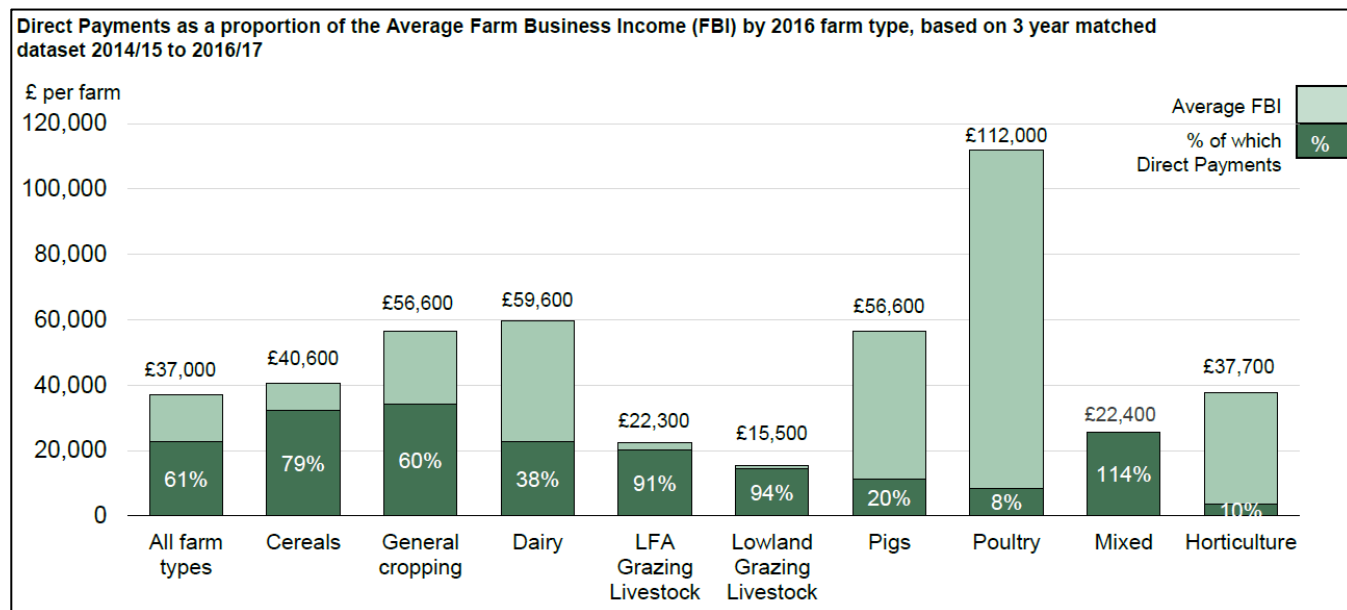


¹ See "United by our environment, our food, our future" www.nfuonline.com/news/latest-news/new-nfu-report-united-by-our-environment-our-food-our-future/

A Time of Great Change

As Britain prepares to exit from the European Union, the impact on UK agriculture is likely to be more than on any other part of the economy. Leaving aside the very significant importance of a future trade deal with the EU, the Agriculture Bill proposes to transform farm policy as it is repatriated from Europe. This will involve phasing out direct payments from 2021 substituted with a system of new 'Environmental Land Management' schemes focussed on delivering "public goods" (defined above).

The removal of direct payments will be significant for most farmers. In the South East there is a higher than average exposure where 78% of income came from direct payments between 2014 and 2017. This is due to a higher than average proportion of tenant farms and smaller grassland farms in the region.



Source: Defra 2018

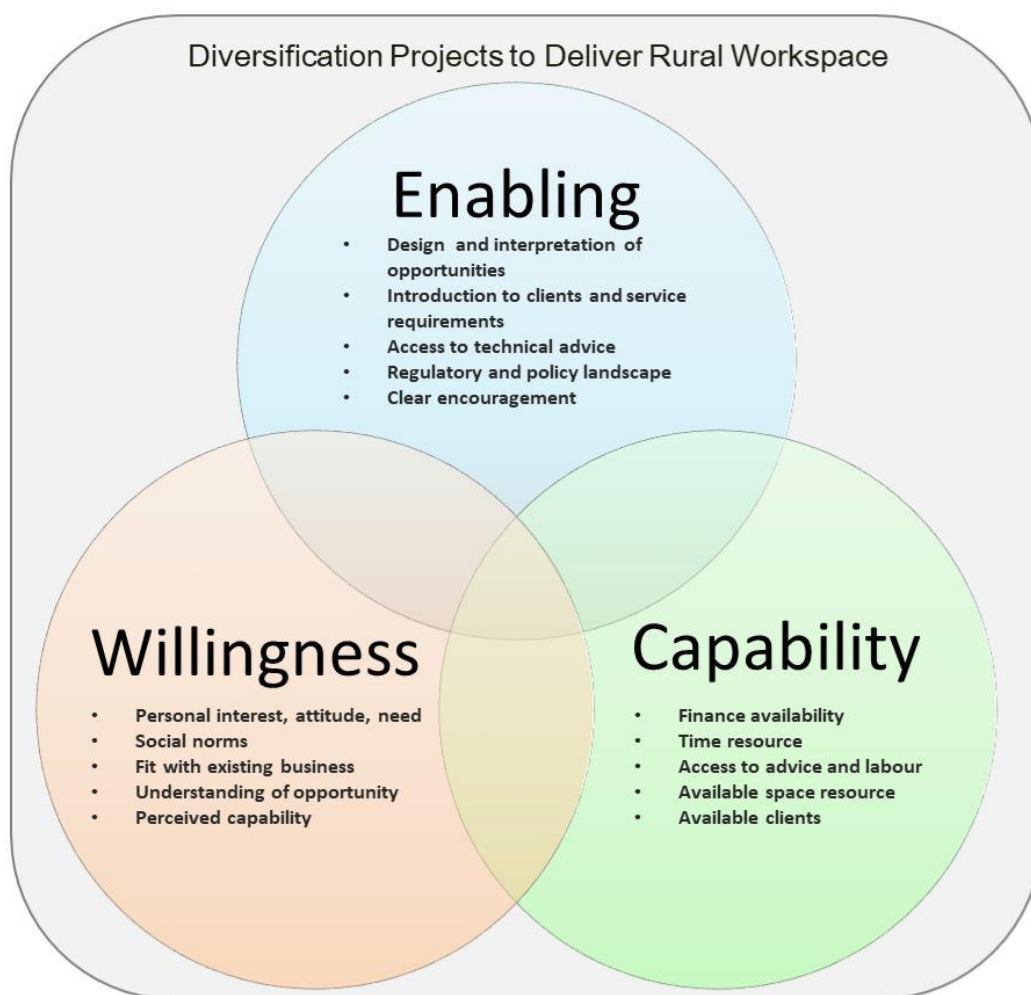
The removal of support is highly likely to drive change within the industry, alongside which the Secretary of State has called for British farms "to have among the highest environmental and welfare standards of any nation on earth"². The exact effects are as yet unknown but taken together it is possible we will see:

- **Expansion and Consolidation:** In order to remain profitable it is possible that there will be a great deal of churn in land ownership. Some small to medium farms will potentially be sold whilst larger corporate farms may take on more land to improve business economies of scale. The effects are likely to be twofold where:
 - Older and smaller buildings may become redundant, requiring a change of use to avoid dereliction; and
 - New or replacement larger buildings will be required for more efficient, lower unit cost and higher welfare production. For example the Red Tractor Assurance scheme specifies minimum building standards for livestock housing³. These standards could be upgraded in future, which in turn will require buildings and farm infrastructure to be upgraded.
- **Diversification:** With the basic economic model of farming about to be radically overhauled, many farmers will need to rely on alternative income to support their farm production. Whilst a high proportion of farms in the South East have already diversified, there are areas where this is constrained. In the years ahead farms will need to be supported in developing alternative business models, working

² Michael Gove at the Oxford Farming Conference 2018 www.gov.uk/government/speeches/farming-for-the-next-generation

³ See <https://assurance.redtractor.org.uk/contentfiles/Farmers-5613.pdf>

with the market opportunities available in their local area. The figure below highlights three core areas we see as crucial for delivering successful rural diversification projects. In particular we believe local authorities could play a more proactive role to identify their own priorities for jobs and economic growth in rural communities.



- **Non-farmer 'Life-style' and investment:** Whilst already a factor in the South East, smaller farms are being actively marketed to non-farmers, selling a "Darling Buds of May" rural idyll to life-style buyers. This is taking place at the same time as larger blocks have been purchased by institutional investors due to the strong economic performance of land prices. There is some uncertainty over how land prices will perform after Brexit⁴ but whilst higher supplies of land to the market may reduce land values, it is by no means certain that land will be re-purchased by active farmers. As a result it is possible that more land will be owned by non-farmers and subsequently rented out to active farmers. Alongside this, smaller lifestyle blocks are likely to become more domestic, driving some change of use in rural areas. The NFU has two major concerns with this direction of travel:
 - Firstly as more land is rented rather than owned by farmers, this may stifle long term decision making on that land. The average length of a Farm Business Tenancy is currently just five years, which usually makes it impossible for a tenant to justify expenditure on building improvements.
 - Second as more "domestic" planning proposals become prevalent in rural areas, genuinely agricultural planning decisions become ever more constrained by local stakeholder interest and perceptions of planning risk.

⁴ www.savills.co.uk/research_articles/229130/228020-0

For all of the considerations above, there is a need for renewed recognition of the vital role that farmers play in rural areas, so that when an applicant can prove they are an active farmer this should hold great weight in planning decisions. Further that the broadest possible scope should be afforded to the term “reasonably necessary for the purposes of agriculture” where there is a genuine need for a development to secure the long term future of a farm enterprise.

Five Key Recommendations

1. Consultation

According to government guidance, bodies preparing neighbourhood plans should be ‘inclusive and open’, ensuring the wider community⁵:

- is able to make their views known throughout the process; and
- has opportunities to be actively involved in shaping the emerging plan.

Unfortunately the NFU has been made aware of several cases where farmers and landowners have not been sufficiently included in decision making processes and this has led to conflicting views.

The NFU believes that local farmers need to be integral to the plan making process; and the needs of their farming systems fully understood by the qualifying body. We encourage qualifying bodies to seek one to one meetings with landowners at an early stage to understand their development and business needs before any detailed proposals are formulated.

2. Local Green Space (LGS)

The designation of local green space is one of the most contentious elements of Neighbourhood Plan preparation. In several cases the NFU has raised objections where policy guidance has not been followed. For example:

- **Extensive Tract:** Whilst an LGS affords protection akin to a green belt, the NPPF is clear that it should not be used as a blanket designation “amounting to a new area of green belt by another name”. As detailed in the NPPF “*Designating land as Local Green Space should be consistent with the local planning of sustainable development and complement investment in sufficient homes, jobs and other essential services.*” Despite this we have seen numerous examples where an LGS has been misused to constrain development rather than preserve any ‘demonstrably special’ characteristics.
- **Demonstrably Special:** According to the NPPF, LGS must hold “*particular local significance... because of its beauty, historic significance, recreational value, tranquillity or richness of its wildlife*”. Despite this we often see LGS proposals where no evidence is provided concerning these factors. We recommend that qualifying bodies take planning advice over the term “particular local significance” as this should require an assessment of the proposed site relative to more general conditions within the Plan area.
- **Recreational value:** There have been cases where a proposed LGS has been made in areas used for dog walking, but where no formal public rights of way exist. As such the designation could encourage illegal public access, which is clearly inappropriate. Planning guidance states that “*Designation does not in itself confer any rights of public access over what exists at present. Any additional access would be a matter for separate negotiation with land owners, whose legal rights must be respected.*”
- **Maintenance:** The NPPF makes it clear the designation must be “*capable of enduring beyond the end of the plan period*”. This means that processes should be considered to protect, enhance and maintain the special features. In practice this will involve seeking assurances or a long term agreement with the landowner of the site. In this respect it is far more sustainable to work in partnership with a landowner or occupier and where necessary consider offering scope for enabling development to help deliver long term site maintenance.

⁵ www.gov.uk/guidance/neighbourhood-planning--2#consulting-on-and-publicising-a-neighbourhood-plan-or-order

In all of the above circumstances we encourage qualifying bodies to carefully consider whether the designation confers genuine benefit by helping to preserve any ‘demonstrably special’ characteristics. We also encourage qualifying bodies to take a pragmatic approach where the offer of enabling development may go a long way to securing the long term sustainability of the designated area.

3. Rural Dwellings

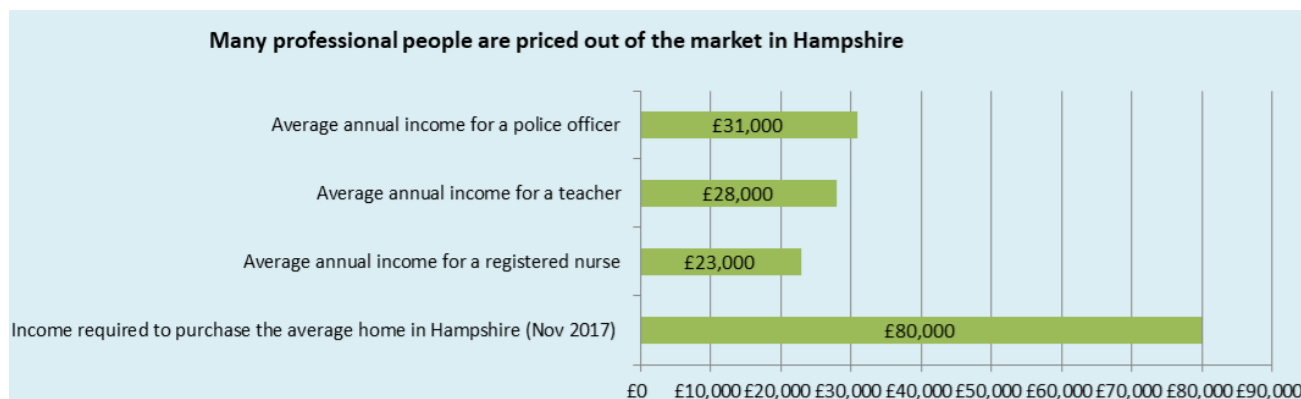


One of the key development needs for many farm businesses is the need to provide accommodation for farm workers and employees in related businesses. On this the interests of the qualifying body should be aligned given that: *“Neighbourhood planning provides the opportunity for communities to set out a positive vision for how they want their community to develop over the next 10, 15, 20 years in ways that meet identified local need and make sense for local people.”*

In this regard, farmers should be viewed as key delivery partners able to help deliver Neighbourhood Plan objectives. Farmers typically have long term multi-generational links to a particular area, so most are keen to secure the long term vitality of their local villages, towns and communities. It is therefore appropriate to engage farmers in discussion about the types of development that will help to secure long term community vitality and whether there are ways for the community to benefit from contributions secured against the value created by development.

Community Led Housing

There are very well recognised problems for younger people and key workers being able to afford houses in their local communities. The ten least affordable rural districts in England are North Dorset, Chichester, West Oxfordshire, Cotswolds, Horsham, Winchester, Waverley, Sevenoaks, East Hampshire and West Dorset. Clearly most of these are in South East England, but the problem spans across the country.



Source: Hampshire Community Housing Partnership 2018

For example in Hampshire, prices have risen 18% since 2014 and the average home now costs £320,000 so that the income required to purchase a house is now in excess of £80,000 per annum. This means that many professional people have been priced out of the market. Farm workers simply don't stand a chance.

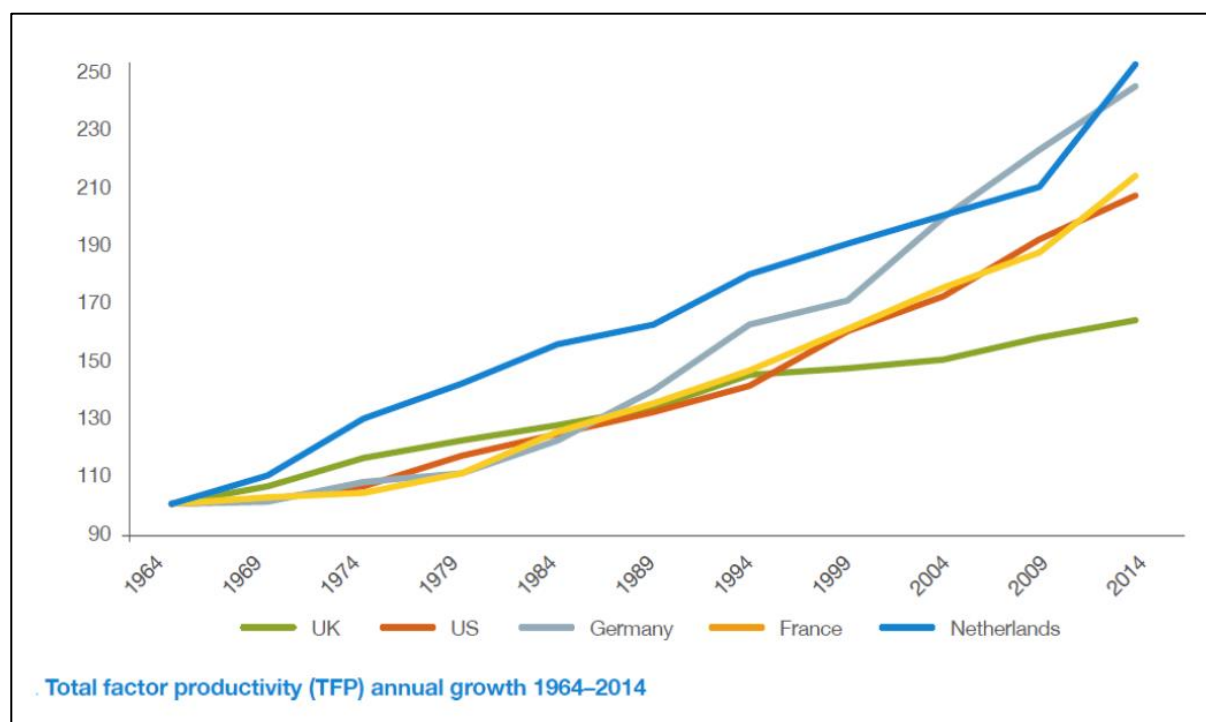
One possible solution is for local communities to work together to deliver their own housing solutions, where residents can be actively involved in delivering not for profit schemes. This can be achieved through the creation of a *community land trust*, providing for the long term stewardship of affordable homes or other community assets.

These types of project are often led by a rural housing enabler such as 'Action in Rural Sussex' or Hampshire Community Housing Partnership but in the vast majority cases there is a need to work in partnership with a local landowner to secure space for community houses. In some cases the use of cross-subsidisation can be used where private market housing can be used to incentivise low cost but high quality affordable housing.

4. Farm Infrastructure and Productivity

According to Defra, UK agricultural productivity has increased 1.5% per year over the past forty years, mainly through becoming more efficient by using fewer workers. However in terms of output, the average amount of crops and livestock produced has not changed significantly since the 1980's, lagging behind other developed nations where productivity has increased over recent decades.

With the removal of direct payments, Defra has also estimated that the average farm will need to reduce their costs by approximately 11% if they are to remain viable in the open market. This means that a large proportion of farms will need to increase their outputs for lower input costs if they are to stay afloat.



Source: AHDB 2018

The picture isn't entirely negative where the top 25% of farms are nearly twice as productive as the bottom 25% in the UK. If this is considered in light of the fact that the UK is a net importer of food (for example we have a £10 billion trade deficit in fresh fruit and vegetables), this means there is great scope to improve the production and efficiency of British farms.

There are a wide range of actions that need to be taken to address the productivity challenge, many of which require the upgrade, extension or replacement of buildings, tracks and access arrangements on farms. These types of development should be supported by decision makers because:

- ***Modernisation secures safe, environmentally responsible, high welfare food for British consumers***
- ***Increased production secures and creates jobs in the rural economy; and***
- ***Improved efficiency reduces pollution – making farms more environmentally sustainable in the years ahead.***

5. Diversification

In the years after Brexit, farming cash flow will be affected by the removal of direct support. It is important that opportunities are identified to help offset the impact this will cause, so that farmers can continue the essential function of producing food. In this context 'diversification' is likely to become an increasingly important stabilising influence for farms and so we're encouraging decision making bodies to recognise the importance of securing relevant planning permissions.

There are numerous opportunities for farms to consider diversification, often where smaller farm buildings are no longer suitable for modern farming. In this context Historic England has estimated that approximately three traditional farm buildings are lost on a daily basis due to neglect, redundancy and the absence of an “optimum viable use”. This challenge has been recognised by government, for example in 2013 the Planning Minister promoted introduced planning flexibilities to get empty and under-used buildings returned to productive use⁶.

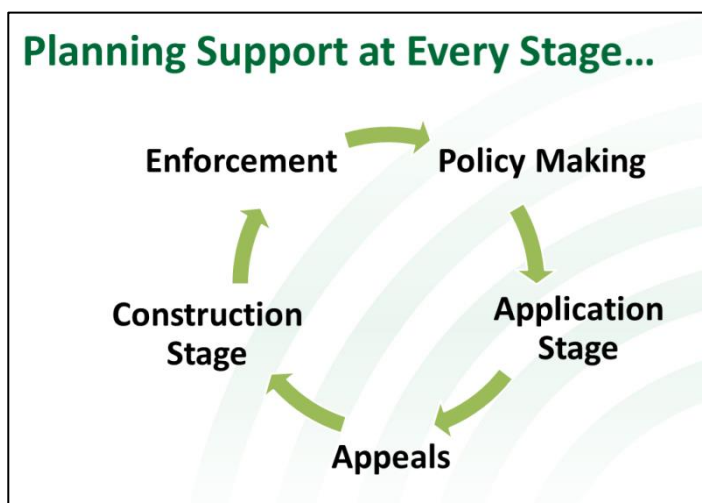
The introduction of “Class R” permitted development now allows redundant agricultural buildings to be converted into one of several ‘flexible’ use classes such as shops, financial and professional services, restaurants and cafes, business use, storage, distribution, hotels, assembly and leisure. Importantly however whilst this allows a change of use based on a prior approval notification (without requiring full planning permission), permission is required for the ‘operational development’ in terms of the construction activities needed to effect the change of use.

Our estimates suggest that Class R permitted development is relatively under-used by farmers in the South East England and we encourage decision makers to help farmers take advantage of this planning flexibility. Where planning permission is required to support a farm diversification project we strongly recommend that local stakeholders play a supporting role, helping farms to achieve developments that benefit and support local community priorities.

Further Information

The NFU provides support for farmer and grower members at every stage of their planning journey. If you would like further information or would be interested in becoming a member please visit

www.nfuonline.com/membership



⁶ <https://publications.parliament.uk/pa/cm201213/cmhansrd/cm130124/wmstext/130124m0001.htm>