

AN AGRICULTURAL APPRAISAL

for

A NEW FARM STEADING

at

**THE CLOUGHTON FIELDS SITE
CLOUGHTON
SCARBOROUGH**

Report Prepared by

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1.Introduction

Smiths Gore Farm Management has been instructed by the Duchy of Lancaster, which owns Town and Beck Farms, to carry out an appraisal with regard to the development of a redundant set of buildings at Cloughton Fields into a new farmhouse and to provide a complete set of new agricultural buildings to replace those at Town Farm in Cloughton village. This report is produced in accordance with Annex A of the Planning Policy Statement (PPS 7).

This proposed set of buildings will be built about one kilometre east of Cloughton in field number NG0294 2464, as shown in Appendix 1.

Town and Beck Farms, while being owned by the Duchy, are farmed under a long term Farm Business Tenancy (FBT) by Joe and Debbie Green trading as Green Farming Ltd.

Green Farming Ltd also farm, again on Farm Business Tenancies from the Duchy, both land at Newlands Farm and more recently Scalby Lodge Farm, while owning several other parcels of land themselves in the Cloughton area, the latter amounting to 37 Ha.

Green Farming Ltd therefore farms a total of 485 hectares (1200 acres) of land in and around Cloughton.

This report has been prepared by Michael Yeadon, a consultant with Smiths Gore, who holds a B.Sc. (Hons.) in General Agriculture, and is a member of the Royal Institution of Chartered Surveyors.

Site Visit

This report has been carried out after a site meeting with Joe Green to ascertain the scale of his business, and after extensive discussions with the Duchy's Asset Manager, David Steel, also based in the Smiths Gore York Office.

Objective

The main objective is to relocate the present business from Town Farm in Cloughton village, being a difficult village site adjoining the busy Scarborough/ Whitby road (A171), to a more suitable location at Cloughton Fields which will involve the refurbishment of an existing traditional stone and pantile building into a farmhouse complex along with a complete set of modern buildings to include cattle sheds and handling facilities, a mill and mix store, a machinery workshop and general storage both for machinery and fodder crops.

2. The Existing Agricultural Business

2.1 Background

The Duchy of Lancaster has owned the Cloughton Estate for over 700 years, having owned land in the area since 1267. The Estate extends to approximately 1212 hectares of agricultural land and woodland and is designated a 'core' estate by the Duchy, which in effect means that it receives priority in terms of future investment decisions and support.

Town and Beck Farms are tenanted by Mr. and Mrs. Green (Joe and Debbie), and this tenancy has been in the Green family since 1946, when it was granted to Joe's father. As the present occupier, Joe is therefore a second generation Duchy tenant, but his family have lived and worked in the area for four generations, and their elder son (Henry - 18) is presently at Agricultural College, and hopes to return to the farm on completion of his studies.

Joe and Debbie Green hold a 30 year Farm Business Tenancy on Town and Beck Farms covering a period from the 25th March 2001 to 24th March 2031.

The land at Newlands Farm and Scalby Lodge are held under separate Farm Business Tenancies, both of which again are due to expire in March 2031.

Green Farming Ltd occupies the following holdings;

As tenants:

Area in Hectares	Total	Arable	Grass	Other
Town and Beck	321	238	59	24
Court Green	40	40	0	0
Scalby Lodge	80	70	10	0
Other	7	1	6	0
As Owners:	37	24	13	0
Total	485	373	88	24

A map of the tenanted land is shown in Appendix 1.

2.2 The Farming Policy

The farm mainly produces arable crops with 373 hectares under cultivation for wheat, barley, and oilseed rape. The expected tonnage from these crops is about 1500 tonnes of wheat mainly grown for feed, up to 600 tonnes of malting barley, and 200 tonnes of rapeseed. A modern purpose built grain complex has recently been completed (October 2009) to dry and store all these commodities.

Following the discontinuation of the beef producing suckler cow herd some five years ago, after complaints of noise by village residents following the weaning of the calves, between 150 and 200 store cattle are fattened on the farm annually, the exact number being governed by market conditions and prices at the time. Most are purchased in the spring, grazed outside during the summer and fattened out of sheds during the winter by which time they will have been on the farm for just over a year. A much smaller number of bulls are bought in the autumn, retained for about 6 months, and fattened mainly on cereals direct out of the yards.

This beef enterprise is a compromise solution between the locality of Town Farm, being so close to the road and other residents, and the buildings which have had to be adapted for the purpose.

The cattle are housed in modern buildings at Town Farm. Big bale silage is provided, along with supplementary cereal concentrates, and the bales are stored on a hardcore base outside.

The buildings at Beck Farm, being an off-lying unit in Burniston village, where little supervision is possible, are not considered suitable for the over-wintering of cattle due to the steeply sloping nature of the floor in the main building, and perceived drainage problems (i.e. proximity to an adjoining under-course) associated with this site.

The whole farm also supports an extensive environmental programme with firstly an Entry Level Stewardship Scheme (ELS), being established some 3 years ago to be followed by the much more stringent Higher Level Scheme (HLS) which commenced in February 2009. Essentially,

sensitive areas are maintained and improved for wildlife, whilst low input strips are retained for over wintering cover and food.

The farm business has diversified into DIY livery. There are 5 stables at Town Farm and a further 14 stables at Beck Farm.

There are also two well established and busy holiday cottages both situated at Town Farm.

2.3 Existing Agricultural Buildings

Grain storage was a major issue at Town and Beck Farms before the recent completion of a purpose built store capable of holding 2000 tonnes of grain. In fact some 2,500 tonnes of grain can be processed through the store though this does mean that the oil seed rape has to be sold before the wheat comes in, and this can lead to complications at harvest if deliveries start to run late and wheat is ready for combining.

It is however a significant improvement over the 700 tonnes of inadequate storage that was available at Town Farm, though the inclusion of the additional area at Scalby Lodge puts further pressure on dumping facilities (i.e. of wet grain) during harvest which will be relieved by the new proposals at Cloughton Fields.

The buildings which are currently available to the business can be summarised as follows;

a) Town Farm

Traditional Cattle Buildings	45m by 12m
Open Livestock Buildings	18m by 12m
	18m by 7m
	18m by 7m
	18m by 7m

These buildings provide just over 1000 sq metres of covered area for the beef fattening unit, and at 5 square metres for each animal, are just about sufficient for this enterprise. They are in no way ideal, though, as the buildings have had to be adapted for this purpose, the access is poor, and they are very labour intensive.

Town Farm also provides 5 DIY livery stables, and is the location of the two holiday cottages. .

b) Beck Farm

This small steading on the eastern fringe of Burniston village has a number of significant shortcomings as access for large modern agricultural machinery is poor, the site lies on a slope, drainage is particularly difficult and the whole site lies very wet in winter. The buildings are difficult to service due to the distance from Town Farm, and the low former railway bridge immediately to the east presents distinct problems of access from the rest of the farmland.

The main set of buildings, which were designed for dairy cattle, are old and at the end of their useful life. They are currently used to store hay and straw for the associated livery business.

They are in summary:

Covered Yard	22.5m by 9m
Old Silage Pit	22.5m by 10m
Covered Yard	22.5m by 9m
Temporary Grain Store	15m by 12m

These buildings provide accommodation for 14 DIY livery stables, and their associated fodder and feed stores.

2.4 Diversified Enterprises

1) Holiday Cottages

Green Farming Ltd, under their Farm Business Tenancy with the Duchy, have received consent to run two holiday cottages both situated at Town Farm. These are run by Debbie Green and are thought to make a positive contribution to the farming business of around £16,000 per year.

This income will be lost under the proposal to relocate the Town Farm site to Cloughton Fields, as the Duchy will take the cottages back 'in hand' for direct letting.

2) Livery Business

This enterprise has 5 DIY liveries based at Town Farm, and a further 14 stables let out at Beck Farm as noted in paragraph 2.3 above.

Again, this enterprise is run by Debbie Green, and is thought to provide an annual gross income to the business of about £1,000 per livery.

Following the proposed move, the five stables at Town Farm will be lost, but the lettings at Beck Farm will continue.

2.5 Labour and Machinery

The whole farming business, extending as it does now to around 485 hectares, is run by Joe and Debbie, with one full time employee, along with casual labour at harvest, one of whom is their son, Henry.

Appendix 2 would suggest that the present business requires just over three full time workers with some casual help at harvest.

The farm has a full range of modern machinery to operate a business on this scale. It is essentially a combine cropping operation with a fattening cattle enterprise to utilise the permanent pasture.

In purely farm management terms the arable rotation of wheat, wheat, barley, rape is ideal for the location and soil types found on the holding, yields would appear to be good, and quality samples of winter malting barley can be grown in most years.

The re establishment of a suckler cow herd will however provide for better utilisation of the grassland on the holding once the cattle enterprise as a whole has been moved to Cloughton Fields.

2.6 Dwelling Houses

There is, in addition to the two holiday cottages already mentioned, one farm house at Town Farm, occupied by Joe and Debbie Green.

The employed worker lives in his own accommodation nearby.

There are no other dwelling houses, either at Beck Farm or at Scalby Lodge.

3.0 Future Business Proposals

3.1 Introduction

It is thought that now the business has increased to 485 hectares, it has reached a viable and economic level which will support both Joe and Debbie and indeed their son if he wishes to farm here. However the buildings at Town Farm, because of their location, age and structure, will become increasingly less suitable for large scale arable farming. Great strides have been taken both by the Duchy as landlords and Green Farming Ltd as tenants to reorganise and modernise the business with the new grain store but clearly the buildings at Town Farm are not ideal for cattle, and access to the site is poor.

It is therefore proposed to simultaneously develop the Town Farm site for other purposes, (as part of delivery of the Draft Cloughton Village Plan proposals the Duchy is working on), and create a new farmhouse with new cattle and general support buildings at Cloughton Fields.

3.2 Size of the Farm

The area now farmed by Joe and Debbie Green has risen to 485 hectares with the inclusion of the land at Scalby Lodge which amounts to approximately 80 hectares (200 acres). This area is likely to remain fairly stable for the foreseeable future. It is equally unlikely that the current crop rotation will alter much in the short term either.

Cattle numbers are also unlikely to rise beyond 200 head, though as has already been mentioned, a suckler herd may well be established at Cloughton Fields, once that unit is fully established.

3.3 Proposed Buildings at Cloughton Fields

In order to run a modern efficient unit of 485 hectares, there will need to be, in addition to the dedicated housing for cattle, a workshop, machinery store, a mill and mix plant, some cattle handling facilities and fodder stores. The machinery store can also double up as a temporary grain facility particularly for dumping wet grain at harvest time.

The proposed buildings are as follows;

1) Cattle Shed	59.5m by 24.5m	(i.e. enough for 200 head)
2) Mill and Mix Plant	17.8m by 18.3m	
3) Workshop	17.8m by 18.3m	
4) Machinery Store	36.5m by 34.5m	
5) Hard Core Area	31.7m by 17m	

The garaging, courtyard and stable area is likely to be 22.6m, by 18.3m, and there will be a hard standing section for storage and washing down equipment. (Total building area 3782 m²).

The agricultural buildings will need to be supported by a dwelling house to ensure that both the health and welfare of cattle and horses are not compromised, but also to provide an important security and monitoring system for the equipment and fuel. It is proposed that the existing traditional buildings on the Cloughton Fields site, currently in a dilapidated state, will be refurbished for Joe and Debbie, and this will not only provide sufficient living accommodation, but also security for the area, particularly in the case of fire, and a deterrent against intruders.

3.4 Diversification Enterprises

1) Holiday Lets

It is thought that by moving the main farm buildings from Town Farm to Cloughton Fields, the holiday let business will cease.

The Duchy are aware of this position, and in association with Joe and Debbie, are exploring whether other properties owned by the Duchy might be suitable for this purpose, thereby reinstating some lost income from the redevelopment of the Town Farm site.

2) The Livery Business

The element of the livery business based on Town Farm will also be lost, however some could be replaced at Cloughton Fields, but as most of the existing livery business is based on the Beck Farm site, this part of the business could be upgraded and expanded as appropriate to suit demand.

3.5 Labour and Machinery

Joe and Debbie Green are aware that their machinery will need to be continuously upgraded and modernised to meet the demands of the enlarged business, and are confident that they have the resources and the working capital in order to do this.

4.0 National Planning Policy Guidance

Planning Policy Statement No7 (PPS 7) is relevant to the following areas;

- a) There must be sustainable development to meet the needs not just of the present generation, but also of the next which will further have to support the economic and social needs in the country by promoting efficiency and competitiveness of existing businesses.
- b) Food production and a competitive agricultural industry are still vital to the rural economy.
- c) There is recognition that agricultural businesses need to adapt to new, changing environmental, hygiene, and welfare legislation.
- d) That housing in the countryside can be justified where there is a special need because;
 - 1) There is a functional need.
 - 2) Where it relates to a full time worker.
 - 3) Where the business has been established for at least 3 years.
 - 4) Normal planning requirements are satisfied, which includes the protection of livestock generally from theft or injury by intruders.
 - 5) That the farming enterprise is financially viable.
 - 6) Where the new site is suitably sited to meet those identified needs.

5.0 Cloughton Fields and PPS7

5.1 Sustainable Development

The Duchy's investment in the Cloughton Field site will greatly enhance and improve Green Farming's ability to survive and prosper in the global economy, with its ever increasing downwards pressure on agricultural commodity prices.

5.2 Food Production Investment

This investment will mean that food production will still remain the core enterprise within the farming business run by Joe and Debbie Green. Confirmation of this statement comes from the budget in Appendix 3 where agricultural commodity production contributes to over 95% of the farm's gross margin, though this does assume that no income will come from holiday cottage lettings once the move to Cloughton Fields has taken place.

5.3 New Legislation

The new buildings will allow Green Farming to satisfactorily meet new stringent legislation for environmental, hygiene, and welfare regulations.

5.4 Special Needs

Agricultural traffic, which in all probability will only get larger, will be taken away from Cloughton village centre, the area immediately adjacent to the farm buildings, and also onto the increasingly busy Scarborough to Whitby road.

No large agricultural machinery will need to run between the Town Farm site and Beck Farm, where access from the latter to the fields on the east side is poor due to the low railway bridge.

5.5 Employment

The present business supports three full time workers during the year and more at harvest.

The diversified business continues to employ more part time staff.

5.6 Age of Existing Business

Joe Green is a second generation tenant at Town Farm, and his family have been on this farm since 1946.

The Green family have been farming in the Cloughton area for four generations, and Joe and Debbie's son, Henry, is currently at Agricultural College. Henry is also one of the part time workers employed at harvest and drilling, and plays a particularly important part in the business when the workload peaks in late August.

5.7 Financial Viability

Calculations, shown in Appendix 3, indicate that this mixed agricultural, tourist and recreational business is financially viable, though it must be stressed that the margin given is before any salaries or directors drawings are taken by the Green family themselves.

Joe Green is confident that his current balance sheet is strong enough to support the move to the Cloughton Fields site, and that there is sufficient working capital to finance the increasing investment in stock and equipment.

5.8 New Location

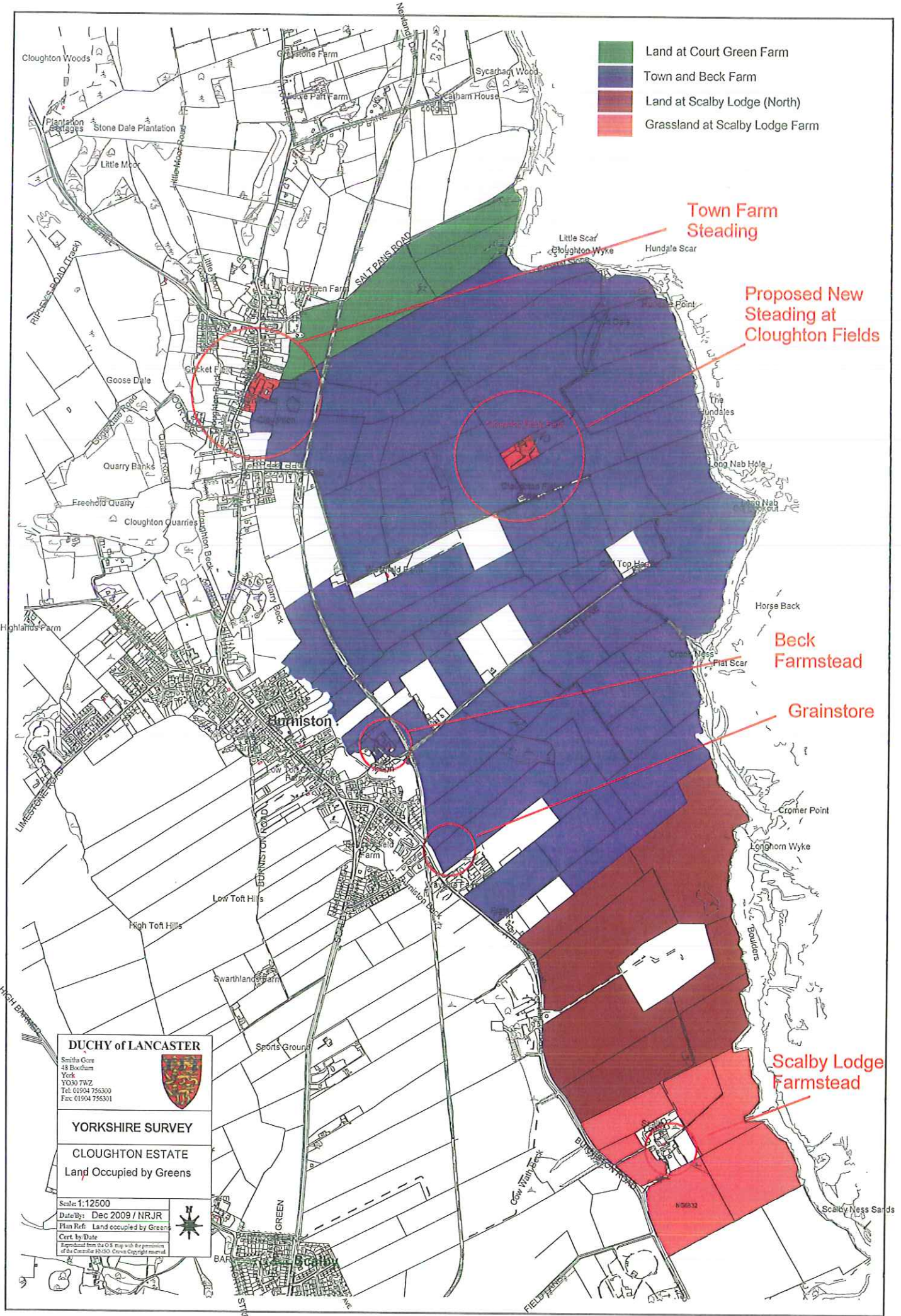
There are already dilapidated stone and pantile traditional buildings on the Cloughton Fields site which will be refurbished to provide residential accommodation for Joe and Debbie Green, while the new agricultural buildings will be required to support the recently enlarged arable enterprise and at the same time provide modern and serviceable stock sheds.

A block plan showing the proposed layout immediately to the west of the house conversion is shown in Appendix 4.

6.0 Conclusion

From the information provided both by the Duchy of Lancaster as land owners, and Joe and Debbie Green as tenants, it is concluded that:

- the proposal for the new dwelling meets the functional and financial tests of PPS7;
- it is essential for the farmer to reside on the Cloughton Fields site rather than in a nearby dwelling; and
- the new site would meet the requirements of modern agriculture and would not be constrained by adjacent residential properties and problems of access.



- Land at Court Green Farm
- Town and Beck Farm
- Land at Scalby Lodge (North)
- Grassland at Scalby Lodge Farm

Town Farm Steading

Proposed New Steading at Cloughton Fields

Beck Farmstead

Grainstore

Scalby Lodge Farmstead

DUCHY of LANCASTER

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YORKSHIRE SURVEY

CLOUGHTON ESTATE
Land Occupied by Greens

Scale 1:12500
Date By: Dec 2009 / NRJR
Plan Ref: Land occupied by Greens
Cert. by Date

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GEEEN FARMING LTD,
TOWN FARM,
CLOUGHTON,
SCARBOROUGH
NORTH YORKSHIRE
YO13 OAE

APPENDIX TWO

STANDARD LABOUR REQUIREMENT

CROPPING/ STOCKING	AREA HA NUMBER	STANDARD MAN DAYS	TOTAL SMD
WINTER WHEAT	178	0.9	160.2
WINTER BARLEY	84	0.9	75.6
SPRING BARLEY	22	0.6	13.2
WINTER OILSEED RAPE	87	0.6	52.2
ENVIRONMENTAL SCHEMES	26	0.5	13
GRASS	88	2.3	202.4
CATTLE	200	1.75	350
		SUB TOTAL	866.6
ADD MANAGEMENT	7.5 %		64.995
MAINTENANCE	15 %		129.99
		TOTAL MAN DAYS	1061.585

IT IS GENERALLY ACCEPTED THAT 300 STANDARD MAN DAYS
ARE PROVIDED BY AGRICULTURAL WORKERS PER ANNUM.

THE STANDARD LABOUR REQUIREMENT FOR THIS BUSINESS IS 3.54 MEN

SUPPLIED BY

MR. GREEN
MRS. GREEN
ONE FULL TIME EMPLOYED WORKER
CASUAL TO INCLUDE H. GREEN

GEEEN FARMING LTD
TOWN FARM,
CLOUGHTON,
SCARBOROUGH
NORTH YORKSHIRE
YO13 OAE

APPENDIX THREE

FINANCIAL APPRAISAL

FARM DETAILS FARM	TOTAL	IN HECTARES ARABLE	GRASS	OTHER
TOWN AND BECK	321	236	59	26
COURT GREEN	40	40	0	0
SCALBY LODGE	80	70	10	0
OTHER	7	1	6	0
OWNED	37	24	13	0
TOTAL	485	371	88	26

CROPPING ROTATION

HA

WINTER WHEAT	89	
WINTER WHEAT	89	
WINTER BARLEY	84	
SPRING BARLEY	22	
OIL SEED RAPE	87	
ENVIRONMENTAL SCHEMES	26	
GRASSLAND	88	
	88 TOTAL	485 HA

STOCKING

FATTENING STORES	140
FATTENING BULLS	60

GROSS MARGINS

IN £/HA

WINTER WHEAT LESS	8 T/HA	100 £/T	800
SEEDS	60		
FERTILISERS	180		
SPRAYS	160		
SUNDRY	15		
		TOTAL	415
		GROSS MARGIN	385
WINTER BARLEY LESS	7 T/HA	130 £/T	910
SEEDS	53		
FERTILISERS	136		
SPRAYS	120		
SUNDRY	10		
		TOTAL	319
		GROSS MARGIN	591

GROSS MARGINS CONTINUED

SPRING	BARLEY	6 T/HA	130 £/T	780
	LESS			
	SEEDS	53		
	FERTILISERS	136		
	SPRAYS	90		
	SUNDRY	10		
			TOTAL	289
			GROSS MARGIN	491

WINTER	OILSEED RAPE	4 T/HA	240 £/T	960
	LESS			
	SEEDS	35		
	FERTILISERS	145		
	SPRAYS	160		
	SUNDRY	10		
			TOTAL	350
			GROSS MARGIN	610

SPRING PURCHASED STORE CATTLE

SALE	680 KG/HD	1.60 £/KG	1088
PURCHAS	400 KG/HD	1.70 £/KG	680
		MARGIN	408
LESS			
CONCENTRATES	175		
VET. MED.	18		
SUNDRIES	30		
FORAGE	35		
		TOTAL	258
		GROSS MARGIN	150

INTENSIVE BULL FATTENING

SALE	600 KG/HD	1.50 £/KG	900
PURCHAS	400 KG/HD	1.50 £/KG	600
		MARGIN	300
LESS			
CONCENTRATES	175		
VET. MED.	15		
SUNDRIES	30		
FORAGE	0		
		TOTAL	220
		GROSS MARGIN	80

FARM BUDGET

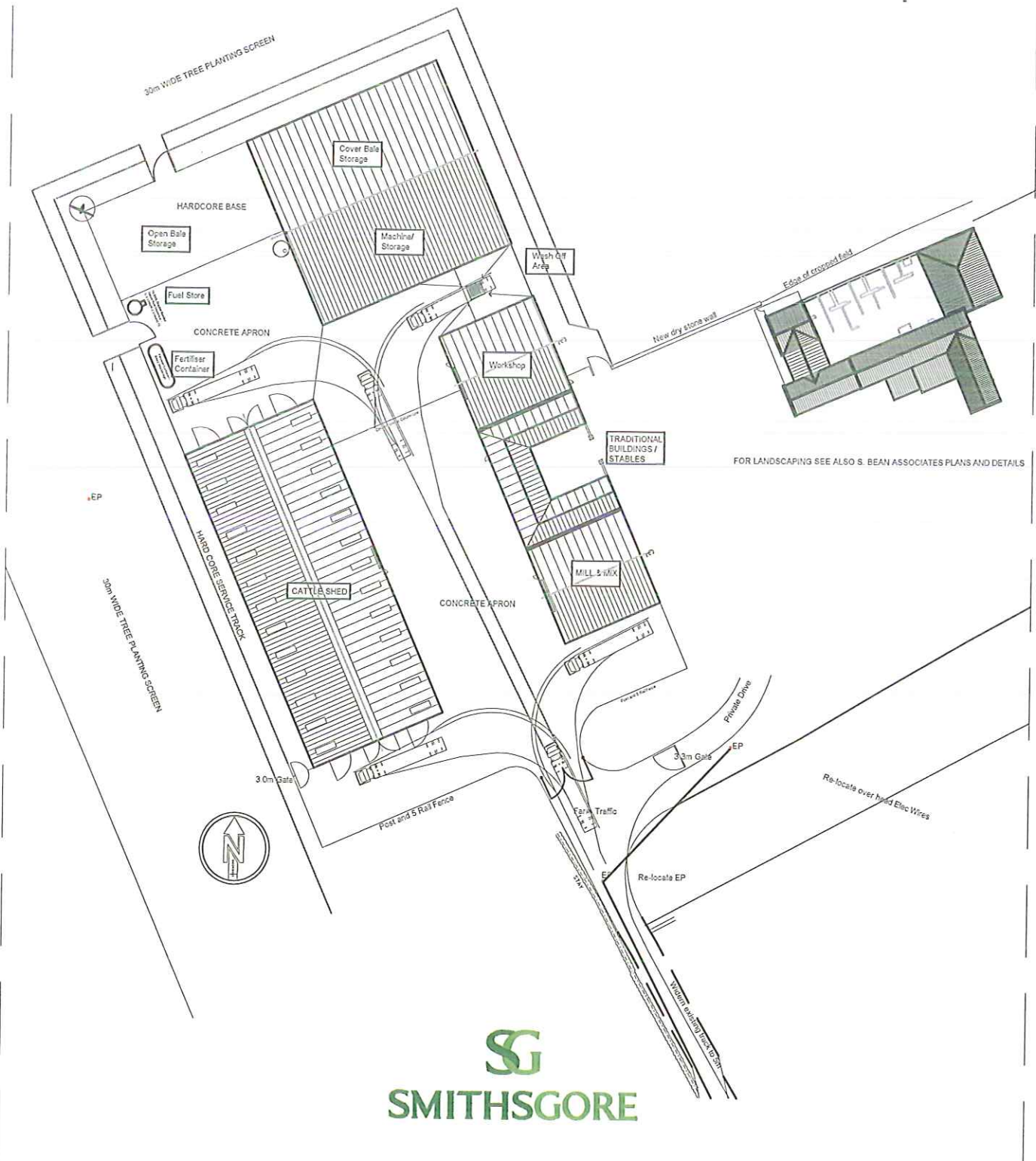
	AREA	G.M. £/HA	TOTAL £
WINTER WHEAT	178 HA	385	68530
WINTER BARLEY	84 HA	591	49644
SPRING BARLEY	22 HA	491	10802
OIL SEED RAPE	87 HA	610	53070
STORE CATTLE	140 HD	150	21000
BULLS	60 HD	80	4800
SPS	1	90000	90000
ELS/HLS SCHEME	1	20000	20000
LIVERY	14	1000	14000
HOLIDAY COTTAGE	0	0	0
FARM GROSS MARGIN			331846
FIXED COSTS			
LABOUR FULL	485	60	29100
CASUAL	485	10	4850
MACHINERY			
DEPRECIATION	485	90	43650
REPAIRS, TAX INS.	485	45	21825
FUEL ELECTRICITY	485	35	16975
GEN. CONTRACT	485	30	14550
RENT/ RATES	485	130	63050
LAND REPAIRS	485	20	9700
OVERHEADS	485	80	38800
TOTAL FIXED COST			242500
MARGIN			89346

NOTES

Do not scale from this drawing unless for Planning purposes. Figured dimensions only are to be used.
 All dimensions must be checked on site by the Contractor prior to the commencement of any fabrication or building works.
 Where applicable, dimensions and details are to be read in conjunction with specialist consultants' drawings; any disparity between drawings is to be brought to the attention of Smiths Gore prior to the commencement of any fabrication or building works.
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REVISIONS

REV	NOTE	DATE
-	-	-



JOB TITLE
 CLOUGHTON FIELDS - NEW FARM STEADING

CLIENT
 DUCHY OF LANCASTER

DRAWING TITLE
 PROPOSED FARM STEADING PLAN

SCALE
 1:1000 @ A4

DRAWING NUMBER
 SK/01

REV
 -

DRAWING STATUS
 INFORMATION

DRAWN
 CDB

CHECKED
 CB

DATE
 26.01.10