



# ASSET

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## AFFORDABLE RURAL HOUSING SCHEME

CORNWALL COUNTY COUNCIL  
AND ARC ADDINGTON FUND

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## INTRODUCTION

### PARTNERSHIP VENTURE

This paper describes the project that received the ACES Award for Excellence in 2005. The project is a partnership venture between Cornwall County Council and the ARC Addington Fund represented by Sue Eeley, Director.

### AGRICULTURE IN 2006

Here is a picture of agriculture in 2006...

- Tesco has profits of £2.2 billion;
- the national net farm income is £3.1 billion.

This is not a Tesco knocking exercise, but those statistics just put the farming industry in perspective. A supermarket chain has profits only 30% less than the total national net farm income. Farming has to spread fixed costs over more and more acres with the following inevitable results:

- the need to create larger holdings through amalgamations; and...
- redundant resources; buildings no longer needed and people leaving the industry.



## POLICY BACKGROUND

### COUNTY FARMS SERVICE

Cornwall County Council's aim for its county farm service is

*"To enable the family farm business to continue to be the foundation of Cornish agricultural production and to positively encourage and ensure that new generations of young people will be given the opportunity to make their living in agriculture and in farm-based businesses by operating the county farm service as a viable business for the benefit of the County Council."*

The word "opportunity" sums this up neatly. It means opportunity for:

- new entrants to farm or work in, or establish new businesses in the rural economy; and
- to progress or retire from businesses in the rural economy.

The Council's aims also covers housing. The County Council is not a housing provider in the statutory sense but it is the strategic authority for the county with a large landholding and therefore housing is an important member-led issue. Members expect us to know about it and be involved with it. It is always easier to think about the big problem when you can relate it to a smaller one; or at least it is for me.

### THE TREVORVA ESTATE

In 2003 the Council's Trevorva estate comprised 230 acres altogether with three dairy farms, each of about 75 acres and all with inadequate facilities. By 2005 the estate comprised two farms, each of 115 acres, all with new agricultural buildings; and a redundant farmstead. We had enabled some progression. The council's aim is to progress its tenants to enable them to grow their businesses and build capital to move on with. The council needed to recover the investment already made. This could easily be achieved by the sale of the redundant farmstead but it is important at this stage to remember the wider role of the estate and the aspirations of members. Members want us to be involved in greater things such as housing in addition to farms.

## THE SCHEME

### ARC ADDINGTON FUND

So into the breach steps the ARC Addington Fund. This fund is the churches' combined response to the recent foot and mouth epidemic. After the immediacy of the crisis declined, the fund developed into a housing initiative to provide accommodation for farmers without funds of their own to leave the industry with dignity. The fund was looking to develop its scheme and needed a site and a location. The county council needed to balance a need for capital receipts against the wider member-driven role.

### AFFORDABLE RURAL HOUSING SCHEME

The Trevorva Farms Affordable Rural Housing Scheme has produced five affordable rented houses, not shared equity, but straight rented houses for those who are working in or retiring from the local farming or rural community. The project is all about the rural economy and the rural community. Not the locality necessarily but the overall economy. By providing the means to allow farmers to retire, this frees their farms for someone

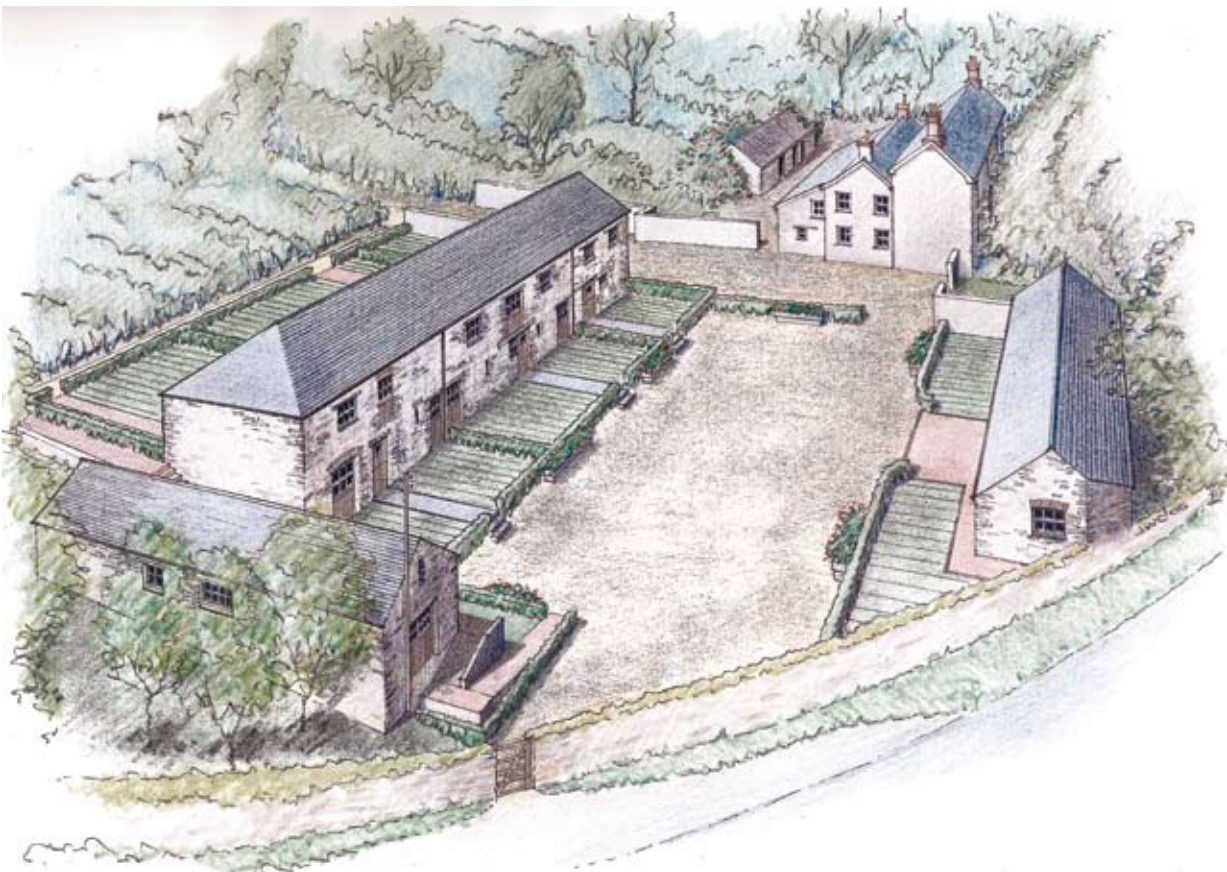
else to have a go; i.e. opportunities for new entrants to farm or work in, or establish new businesses in the rural economy. That is what we keep coming back to. That is what we are about. And, in addition, there was one open market sale house that helps cross-subsidise the affordable houses.

As with everything there were two key issues – finance and planning.

### FINANCE

The value of the site was important to the County Council. We needed a proper capital receipt but not one that would skew the basic economics of the conversion. We commissioned an independent existing-use valuation of the site but excluding hope value. That kept the valuation sufficiently realistic to enable the whole project to hang together but sufficient for us to get a realistic receipt that enabled investment not only in those holdings at Trevorva but in other holdings across the estate

Rent is another important aspect of finance. Our aim was a specific sector of the market, not basic social housing. The objective was to accommodate people who were





working and active in the rural economy and who could afford to pay a rent but not the market rent. Accordingly “fair rent” was adopted as an intermediate basis.

Finally on finance there was grant funding. Cornwall has Objective 1 European Funding. This contributed towards the cost of the conversion of the buildings but not acquisition of the site. Again this helped in keeping all the returns as they should be.

Planning is one of those things we have to live with. Trevorva is a good site linked to the local village by a cycle path built when the nearby by-pass was constructed. It is also on a bus route and so most sustainability issues were dealt with. The Planning Committee meeting was a revelation. You know things are going well when in response to the comment from the back of the room “Mr. Chairman, this might set a precedent”, the Chairman replies, “I hope it does”.

## CONTROL OF OCCUPATION

A key factor was securing the use of the site in the long term. The planners needed control. The European funders needed control. The council in disposing of the site on “non-market” terms needed control. ARC Addington as the new owners and operators of the site needed control.

The issues raised by all the participants are all basically the same; i.e. occupation, eligibility, local need, those active in the rural economy and affordable rents. There were two obvious mechanisms; a section 106 Agreement and, as the County Council remains a neighbouring land owner, a restrictive covenant. A bespoke, handcrafted document did both jobs. This was submitted with the original planning application but it took a long time and many discussions with the District Council solicitor before we devised a form he was content with.

## CONCLUSION

As a direct result of the scheme three farming tenants have progressed within the estate and two new farming entrants have been introduced. We have demonstrated that we can delivery the approved County Farms Strategy and more county wide objectives as well.

And five families have been locally housed and a model has been established for wider use elsewhere.

So perhaps it is not the tale of an old empty redundant barn but a new full and living barn. This is the story of Trevorva Barns. The tale of the old empty barn has become the tale of the new, full, living barn.

## ANY QUESTIONS

- Q I would be interested to know where the five new tenants come from. What has happened to their properties or were they also rented?
- A Some of them were working locally and were in short term rentals in nearby towns away from where they worked. Some were in properties that were not secure or were new farm workers whose employers had still not found accommodation for them. In the case of the retiring farmers, their farms will be re-let to provide new opportunities. The biggest difficulty is persuading retiring farmers out of their farms because they will always hang on that extra year, that extra two years to see what happens.
- Q Did you approach Addington or did Addington approach you?
- A It was the result of a fortunate conversation at a conference.

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