
JEDDERFIELD FARM, PEEBLES - UPDATE

Report by Director Infrastructure & Environment

PEEBLES COMMON GOOD FUND SUB COMMITTEE

8 June 2022

1 PURPOSE AND SUMMARY

- 1.1 This report is to provide an update on the terms of the lease that has been entered into by Scottish Borders Council on behalf of Peebles Common Good regarding Jedderfield Farm, Peebles as approved by the Committee in private on 17 November 2021.**
- 1.2 Jedderfield Farm is a Common Good Asset that become available following the death of the previous agricultural tenant. The successors to the tenancy have indicated they do not wish to take on the tenancy resulting in the tenancy falling from 4th June 2020.
- 1.3 Jedderfield farm was advertised for lease and seven applications for the lease were received. These applications were reviewed and scored using a scoring scheme approved by the Peebles Common Fund Sub-Committee and a preferred tenant was selected and approved by the Committee.
- 1.4 A Lease has been agreed with Susanne McIntosh, the owner of Kailzie Equestrian Centre for 10 years. The lease is a Modern Limited Duration agricultural tenancy; with the land being used for pastoral agriculture, with the tenant entitled to grow grain and crops and for grazing of horses, sheep and ponies.

2 RECOMMENDATIONS

- 3.1 I recommend that the Committee record the terms of the Lease agreed with Susanne McIntosh.**

3 BACKGROUND

- 3.1 Jedderfield Farm in Peebles extends to approximately 23.46 hectares (57.98 acres) and includes a bungalow and three farm buildings. It was leased to David Cuthbertson on a secure agricultural tenancy under the Agricultural Holdings (Scotland) Act 1991. David Cuthbertson passed away on 4th June 2019 and the tenancy fell on the 4th June 2020, as no potential successors indicated desire to continue with the lease.
- 3.2 The farm is small in size and it is unlikely that a living could be made from farming Jedderfield alone on a traditional agricultural model. Therefore the farm was advertised as available on either an agricultural Modern Limited Duration Tenancy (MLDT) or a commercial tenancy.
- 3.3 Jedderfield farm was advertised for lease in June 2021 with a closing date for applications set as 9th August 2021. The property particulars were circulated to all parties who had previously expressed an interest in the property and the property was advertised on the Council's website.
- 3.4 Seven applications were received. These applications were scored by officers on the following basis:-

| | Weighting |
|---|-----------|
| Income to CG | 20% |
| Sustainable business model | 30% |
| Corporate and social responsibility of applicant | 15% |
| Community Benefit | 15% |
| Initial expenditure and long term care of the land and property | 20% |

- 3.5 A preferred tenant was identified and the Committee then approved the granting of the Lease. Negotiations of the Lease then progressed, with an agricultural specialist solicitor acting on behalf of the Committee.

4 THE LEASE

- 4.1 The new Lease is a Modern Limited Duration Tenancy, which is a relatively new form of agricultural lease which seeks to provide a flexible tenancy with a sufficient duration to make investment from the tenant worthwhile but not so long that it would deter a landlord from letting the land.
- 4.2 The Lease has been granted for a 10 year period in the line with MLDT requirements. A rental of £17,500 p.a. has been agreed which is payable quarterly in advance. As there has been limited expenditure on the farm for a number of years, there is a significant amount of work required on the bungalow to bring it to a tolerable standard. Accordingly it has been agreed that the tenant will pay a reduced rent until the works can be completed. The required works approved by Committee were initially estimated to be between £60,000-65,000; however given current inflation in the market, it is expected that these costs might increase. An update will be provided to Committee once quoted for the works have been obtained. The Council's architects will oversee the refurbishment of the cottage.

- 4.3 The Tenant will use the farm for pastoral agriculture, with the tenant entitled to grow grain and crops and for grazing of horses, sheep and ponies.
- 4.4 In addition works are required farm buildings, access track and fencing and dykes on the holding. The access track, fencing and dyking works will be undertaken by the Tenant to meet with their requirements for the holding. In terms of the MLDT, the tenant will be eligible for compensation for any improvements they have made to the property during the tenancy. This will be due at the end of the tenancy and it is not possible to quantify the amount of compensation at this time.

5 IMPLICATIONS

5.1 Financial

This Lease has secured an increase in income that is received in respect of the asset from £2,000 p.a. to £17,500 p.a. which will increase the funds available to support community groups in the Peebles area. The funds to carry out the refurbishment of the cottage will require a disinvestment from Aegon Asset Management reducing future dividend income (currently projecting 5%). These works will be value enhancing for the asset.

5.2 Risk and Mitigations

There is a risk that costs to refurbish the bungalow will be higher than expected due to rising material prices. To mitigate this multiple quotes will be obtained where possible.

5.3 Integrated Impact Assessment

An integrated Impact Assessment has been completed considering the Equality Duty and Fairer Scotland Duty. There will very limited impact on these as a result of the letting of Jedderfield farm and no negative impacts were identified.

5.4 Sustainable Development Goals

It is not anticipated that there will be any negative environmental impacts. There are potential economic and social benefits through employment. Environmental and ecological impacts and job opportunities were considered as part of the assessment of the applications.

5.5 Climate Change

It is not anticipated that there will be any significant effects on carbon emissions. Climate change was considered as part of the assessment of the applications.

5.6 Rural Proofing

N/A.

5.7 Data Protection Impact Statement

It is anticipated that the proposals in this report will have a minimal impact on data subjects and the Data Protection Officer has confirmed that a Data Protection Impact Assessment is not required.

5.8 **Changes to Scheme of Administration or Scheme of Delegation**

There will be no changes to the Scheme of Administration or Scheme of Delegation.

6 CONSULTATION

The Director (Finance & Corporate Governance), the Monitoring Officer/Chief Legal Officer, the Chief Officer Audit and Risk, the Director (People Performance & Change), the Clerk to the Council and Corporate Communications have been consulted with and any comments received will need to be incorporated into the final report.

Approved by

John Curry

Director Infrastructure & Environment

Author(s)

| Name | Designation and Contact Number |
|----------------|--------------------------------|
| Gillian Sellar | Solicitor |

Background Papers:

Previous Minute Reference: Private Minute of Peebles Common Good Fund Sub Committee 17 November 2021

Note – You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. Gillian Sellar can also give information on other language translations as well as providing additional copies.

Contact us at Scottish Borders Council - 0300 100 1800