

Mill and Rumbolds Farmhouse, Somersham – Replacement dwelling

To: Strategy & Resources Committee

Meeting Date: 17 December 2021

From: Director of Resources

Electoral division(s): Somersham & Earith

Key decision: No

Forward Plan ref: Not applicable

Outcome: The replacement of a farmhouse on the County Farms Estate at Mill Farm (Somersham) that is beyond economic repair is noted.

Recommendation: Following approval of budget at the last meeting and endorsement by the County Farms Working Group, the Committee is asked to note this report.

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1. Background

- 1.1. Mill Farmhouse is a small 3-bedroom bungalow which has been suffering from subsidence related issues for many years. This movement is particularly common in the fens area given the structure of the soils. It has been exacerbated by nearby trees and movement of heavy machinery. Mill Farm Bungalow is one of the smaller farmhouses on the estate and is of a reduced size compared to comparable farmhouses on similar sized holdings on the estate.
- 1.2. The dwelling has been monitored on an ongoing basis, with only minor repairs in line with the budget having been undertaken to keep the house habitable during the tenant's occupation, whilst keeping these costs as low as possible.
- 1.3. PRP Structural Engineers (PRP) were instructed to inspect the property in April 2014. The structural report confirmed that the dwelling's stability was compromised and beyond economic repair. The dwelling has deteriorated further since this date and repairs are not able to keep the house habitable.
- 1.4. The current farm bungalow is let as part of a 118.055 ha (291.59 acres) farm comprising house, buildings, farmyard and land. The farm is let under a Farm Business Tenancy (FBT) until October 2040 at a current rent of £38,604 per annum. A further FBT of farmland and a further farmyard ending of the same date is also granted over 31.102 ha (76.853 acres) to the same tenant also forming part of Mill and Rumbolds Farm, the current rent for this tenancy is £8,840 per annum. Two further areas of farmland at Mill and Rumbolds Farm are also let to the tenant until 2040 on two further smaller tenancies with a combined rent of £5,738. This gives a total rent for the total holding of Mill and Rumbolds Farm of £53,182 pa. In addition, the tenant also has some short-term lettings from the Council and in total pays £116,804 pa in rent.
- 1.5. The proposal is for a replacement two storey 3-bedroom dwelling with a Gross External Area of approximately 153 sqm, which is in accordance with the design and scale of the most recently constructed dwellings on the county farms estate such as that at Meads Farm.
- 1.6. The current tenant was granted the tenancies of Mill and Rumbolds Farm until 2040.
- 1.7. Given the location of the current dwelling adjacent to the main farm access/drove and associated movement of large farm machinery, the proposal is for the dwelling to be repositioned into a more suitable location, in a neighbouring sheltered paddock set back from the main access.
- 1.8. External consultants have been instructed to prepare floor plans and elevations together preliminary costings for the replacement dwelling and preparation of planning application documents to be submitted by 15th December 2021.
- 1.9. A full costed business case for the replacement has been prepared. A detailed breakdown of the proposed costs at this stage is shown at Appendix 1.
- 1.10. Expenditure is likely to straddle financial years 21/22 and 22/23.

2. Main Issues

- 2.1 The farm was let as a fully equipped holding, with both a farmhouse and buildings integral to the property.
- 2.2 There is a potential risk that the current subsidence issue will accelerate and become a Health and Safety risk to the current tenant and his young family. There are cracks in the floors through which damp and effluent from foul drainage pipes, which run under the bungalow, could surface, for example in the kitchen.
- 2.3 The project is to comply with the Council's obligation as Landlord to provide a structurally safe and habitable dwelling, as defined in the Homes (Fitness for Human Habitation) Act 2018, in order that a rent can be charged for the residential element of the property. The tenant could insist the Council provides a replacement dwelling under the terms of his tenancy agreement. He has begun to escalate this by recently involving the Tenant Farmers Association who have contacted the Council.
- 2.4 The tenancy term helps to protect the investment, the tenant is capable, has suitable capital to run a business in the current uncertain climate and the long-term desire to continue to run a successful rural enterprise.
- 2.5 A new farmhouse would be built to the latest National House Building Council standards and, as such, would benefit from 10 years' warranty from completion, meaning that there would be no repair costs to the Council for the first decade. It is anticipated that the new dwelling's "design life" will be 50 years.
- 2.6 The farmhouse will be completed in accordance with the latest building and design standards and regulations, incorporating in its design energy provision from renewable sources ensuring that it complies with the Council's latest climate change requirements. In this regard the dwelling will incorporate the latest energy efficient building method including but not limited to heating being provided by an air source heat pump and roof mounted PV panels.
- 2.7 The Council carries out a 5-year rolling programme of inspections and repairs but intermittent visits take place much more regularly. Structural engineers are called in as required and they usually advise monitoring, removal of trees and checking drains. Often occupiers are able to live with structural movement but in this case because of broken sewage pipes under the house this was not possible. Problem dwellings are identified for disposal by the Council in the Rural Estate Farm Management Plans.

3. Governance

- 3.1 At its meeting in November this Committee agreed to approve the prudential borrowing for this scheme and requiring that any expenditure incurred ahead of receiving this report, in December, would be done in consultation with the Chair and Vice-Chair.
- 3.2 The County Farms Working Group, which is a formally appointed group of seven members, nominated by this Committee, had considered this matter on 14 September, the action

points arising from that meeting are set out below and had been responded to in the run-up to the November meeting.

3.3 The questions addressed through the County Farms Working group included:

- Insurance – there is no insurance claim as subsistence is not covered under the current policy and there would be a large deductible for self-insurance in any case.
- Temporary accommodation – there are no plans to provide temporary accommodation as the current property should suffice until the new build is complete
- Location of rebuild - The farmhouse should be within the vicinity/curtilage of the yard and buildings where the Council has invested in crop stores and as security of valuable machinery, fertiliser and seed are issues to consider. The location of the new build means it could be ring fenced with direct access provided onto the lane so it could be sold separately in the future.
- Standard of replacement - Standards have risen and we need to invest in the estate to house existing tenants in appropriate accommodation and attract new tenants. The existing house is the smallest on the Estate.
- Value for money - The project will be tendered using the Council's procurement procedures. VFM is a balance between cost and investing in the rural estate. To run the farm and protect the Council's long-term investment a replacement house is required.
- Dwelling replacement frequency - We replaced a house in 2019/20 for similar reasons. Prior to that the last new house was in the early 1990's due to a road realignment. There are no other replacement dwellings on the horizon. We do consider requests for extensions through the standard improvement charge of 7% per annum. All properties are inspected as part of a rolling programme every 5 years and appropriate action taken to address issues. Property repairs take place routinely in year should issues arise and prior to the start of any new tenancy. The appendix summarises structural repairs and one rebuild undertaken during the period 2011-2020.
- Planning - it is unlikely the Council would get planning for a new dwelling in the countryside unless it is part of a farmstead. There have been earlier discussions with the planners who said that the existing dwelling would have to be demolished if a replacement was built. Huntingdonshire District Council has suspended discretionary pre application advice during 2021. This project will therefore be subject to a full application without the benefit of pre-app advice.
- Mitigation of costs - The cost of this work is not recoverable through an improvement charge as it is the Landlord's responsibility to provide habitable accommodation. We would expect the improved accommodation to be reflected in the next available rent review as part of the Tenant's overall rent package.
- Business model - It has been policy to offer accommodation with holdings where they already exist, this provides a base for new entrants to build and operate their

businesses. Dwellings are let to farm tenants as part of holding through their Farm Business Tenancies. As a rule of thumb, the rent for dwelling is calculated as 50% of residential market rents and included in the overall rent payment. FBT terms are more onerous; for example tenants are responsible for replacing central heating boilers, doors and windows. It is the responsibility of the Landlord to provide habitable accommodation, and this rebuild fits in with this and modernising the estate. Rents are reviewed every 3 years in accordance with legislation.

3.4 The County Farms Working Group met again on 23 November and endorsed the requirement and business case as it now stands.

4. Alignment with corporate priorities

4.1 Communities at the heart of everything we do

There are no significant implications for this priority.

4.2 A good quality of life for everyone

There are no significant implications for this priority.

4.3 Helping our children learn, develop and live life to the full

There are no significant implications for this priority.

4.4 Cambridgeshire: a well-connected, safe, clean, green environment

There are no significant implications for this priority.

4.5 Protecting and caring for those who need us

There are no significant implications for this priority.

5. Source documents

5.1 Source documents

[Strategy and Resources meeting 02/11/2021](#)

APPENDIX

FARM DWELLINGS - SCHEDULE OF STRUCTURAL ISSUES AND ACTION TAKEN 2011-2020

Year	Farm Dwellings	Details	Action Taken following structural report	Costs	Structural report	Date of report
2011	N/A	None to report				
2012	Ditch Farm, Burwell	Movement cracking reported by tenant or officer	Crack stitch repair (Helefix)	£4,332	PRP - CL	14-Aug-12
2013	Smalleys Farm, Coates	Movement cracking reported by tenant or officer	Roof strengthening	£1,582	PRP - CL	25-Nov-13
2014	Frاندor Farm, Steeple Morden	Movement cracking reported by tenant or officer	Floor stabilisation work	£5,995	PRP/DG	20-Apr-14
2014	Frاندor Farm, Steeple Morden	Movement cracking reported by tenant or officer	Crack stitch repair (Helefix)	£10,500	PRP/DG	20-Apr-14
2015	Greenwood Farm, Ramsey	Movement cracking reported by tenant or officer	Floor stabilisation work	£23,835	CM/PRP	Jul-15
2016	Sparrowhall Farm, Stonea	Movement cracking reported by tenant or officer	Crack stitch repair (Helefix)	£4,470	PRP - CL	10-Jul-15
2017	Stonebridge Farm, Stonea	Movement cracking reported by tenant or officer	Crack stitch repair (Helefix)	£816	PRP - CL	11-May-16
2018	Middle Farm, Landbeach	Movement cracking reported by tenant or officer	Floor stabilisation work	£2,995	PRP - CL	20-Mar-17
2018	Manor Farm, Girton	Movement cracking reported by tenant or officer	Crack stitch repair (Helefix)	£816	PRP - CL	16-Jan-17
2019	Guant Fen Farm, Chatteris	Movement cracking reported by tenant or officer	Crack stitch repair (Helefix)	£1,947	PRP - CL	20-Mar-19
2019	Pantile Farm, Soham	Movement cracking reported by tenant or officer	Crack stitch repair (Helefix)	£1,740	PRP - CL	26-Jul-18
2019	Guant Fen Farm, Chatteris	Movement cracking reported by tenant or officer	Roof strengthening	£751	PRP - CL	20-Mar-19
2019	Pantile Farm, Soham	Movement cracking reported by tenant or officer	Roof strengthening	£757	PRP - CL	26-Jul-18
2020	Meads Farm, Warboys	Significant subsidence	Demolish & Rebuild	£258,037	PRP - CL ^[1]	13-Oct-16

Notes:

1. The structural report on Meads Farmhouse identified significant cracking and tilting of the property in several rooms (para 3 of the report) with floors and walls out of level in range of 2.5% to 4%. The report makes reference to Building Research Establishment Digest 475 which provides guidance of tilt of low rise buildings resulting from foundation movement. A classification of Ultimate Limit is given to a tilt of 1/50 (2%) and comments that "if a tilt reaches this level, the building may be regarded as in a dangerous condition; remedial action to relevel or demolish the building will be urgently required". The cost of remedial work was estimated at £155,000. This was deemed not to be cost effective in a building of that age or type. A case was made for its demolition and replacement.