

---

## 7. **WOODLAND DISPOSALS PROJECT (SMcK)**

### 1. **Purpose of the report**

To update members on the progress of the woodland disposals project.

### 2. **Recommendations**

**That:**

1. **Members note the progress to date on woodland disposals.**
2. **Members continue to agree that the tolerance level on the final price for disposal is agreed by the Head of Finance and Director of Conservation and Planning in consultation with the Chair and Vice Chair of this Committee.**
3. **Members continue to agree that decisions on future disposals of woodlands with similar under values can be delegated to the Head of Finance and Director of Conservation and Planning in consultation with the Chair and Vice Chair of this committee.**

#### **How does this contribute to our policies and legal obligations?**

3. Section 123 of the local Government Act 1972 imposes a legal obligation on the Authority not to dispose of land (otherwise than by way of a short tenancy not exceeding 7 years) for consideration less than the best that can reasonably be obtained.

The Authority may dispose at less than best consideration if:-

- (a) the disposal is likely to contribute to the promotion or improvement of the economic, social or environmental well-being of the National Park (having regard to the Authority's strategic outcomes identified in the National Park Management Plan) and;
- (b) the undervalue is less than £2 million

The Guidance and Procedure for Disposal of Assets requires that, where it is proposed that the disposal is expected to be for less than best consideration reasonably obtainable, Committee approval is required.

#### **Background**

4. Following the Strategic Review of Property by DTZ consultants in 2013/14 and the subsequent management response, the woodland properties were reviewed for retention or disposal and it was agreed that the number of woodlands in our ownership would be substantially reduced thus reducing the net cost of management and enabling a greater focus on those remaining properties. The woodland portfolio comprised 120 woods, covering about 397 hectares (980 acres). Approval was given for the first two phases of woodland disposals at ARP Committee on 22<sup>nd</sup> May 2015.

Since the establishment of the project the Authority's woodland portfolio has been assessed and categorised to identify which woodlands might be suitable for disposal. A working group was established, co-ordinated by the rural surveyor, in

order to draw on the knowledge of specialist staff from teams across the Authority. In addition, 19 woodlands are to be retained as part of our Estates at Warslow and North Lees.

The woodlands were placed into 3 categories:

**Category 1** – Disposal preferred (29 woodlands including 17 freehold and 12 leasehold) The first 6 were sold in phase 1. The next 6 are due to be sold in phase 2.

**Category 2** – Possible disposal (30 woodlands including 21 freehold and 9 leasehold). The first 6 will be sold in phase 3 and subsequent phases.

**Category 3** – Not for disposal (41 woodlands including 27 freehold and 14 leasehold)

The project was initially split into two phases which encompassed the category 1 woodlands. Phase 1 comprised the sale of 6 woodlands which commenced in the summer of 2015. These woodlands are listed in the table below. A tender request was issued for the valuation, marketing and support for the disposal of the Phase 1 woodlands with the option for the Authority to use the successful company to take on the sale of further woodland during the Autumn/winter of 2015/2016 (Phase 2). The contract for the sale of the woodlands was awarded to Fisher German.

#### 5. Phase 1 freehold woodland sales

Following a successful marketing period during August and September 2015 for Phase 1 41 tenders were received. Fisher German, received in excess of 160 enquires.

The table below details the first phase of woodlands as follows:

Woodland	Location	Area (Ha)	Guide price	Price received	Completion date
Coronation Plantation	Hathersage, Derbyshire	1.14	£14,000	£16,135	01/12/2015
Nabb's Quarry Wood	Wildboarclough, Cheshire	0.44	£8,000	£12,321	08/12/2015
Newhaven Plantation	Newhaven, Derbyshire	1.80	£15,000	£27,777	18/12/2015
Shay Bends Wood	Calver, Derbyshire	0.90	£3,000	Sold subject to contract	Shortly
Slack Hall	Rushup Edge, Derbyshire	3.10	£13,000	Sold subject to contract in excess of guide price	Shortly
Wetton Wood	Wetton, near Alstonefield, Derbyshire	0.16	£5,000	£8,580	02/12/2015
<b>Total</b>		<b>7.54</b>	<b>£58,000</b>	<b>To be confirmed</b>	

The Phase 1 woodland sales have been bought by a variety of purchasers. A family have acquired Coronation Plantation with a view to camping in the wood and collecting firewood. Slack Hall has been purchased by a gentleman who has recently started training in forest schools and is hoping to start a project for young people. Newhaven

Plantation was purchased by a retired tree surgeon and gardener.

## 6. Results of Category 1 leasehold woodlands

In addition, 3 leasehold woodlands have been terminated and handed back to the landlords this year due to the natural expiration of the term – High Needham Wood, Home Farm (Stoke Hall) and Great Longstone belt. Notice is about to be given terminating the leasehold interest in Bath Gardens Wood. Derbyshire County Council has been approached about the termination of the S.39 Wildlife and Countryside Act management agreement at Biggin Moor Plantation.

## 7. The remaining Category 1 woodlands

There are 5 outstanding category 1 woodlands which require further work to see if disposal is possible. Namely – Bretton Tip, Caskin Low, Heathydale, Long Gallery Wood and Scratta Tip. For example, we are in the process of registering the small parcel of woodland known as Heathydale for possessory title. Although the Authority has been managing the land for in excess of 20 years we do not have registered title to the woodland. Long Gallery Wood was sold to the Authority with a pre-emption right which means that the Authority must offer to sell the woodland back to the vendor before it can be sold to anyone else. The northern half of Scratta Tip is freehold and the southern half of the woodland is leasehold so further work is required here.

## 8. Progress with Category 1 - Phase 2 freehold woodland sales

We are currently in Phase 2 of the project and the following 6 woodlands will be placed on the market by Fisher German in January 2016 for a marketing period of 8 weeks. Tenders are due to be received by the Authority in March 2016.

Woodland	Location	Area (Ha)	Guide price
Blore Pasture Wood	Near Ilam, Staffordshire	0.65	£8,000
Bonsall Lane Wood	South of Winster, Derbyshire	0.12	£7,000
Brockett Booth Plantation	North of Castleton, Derbyshire	11.86	£35,000
Lamb Quarry Wood	South of Hayfield, Glossop, Derbyshire	4.37	£32,000
Rakes Farm Wood	Monyash, Derbyshire	0.37	£8,000
Worm Wood	Bakewell, Derbyshire	6.41	£20,000
<b>Total</b>		<b>23.78</b>	<b>£110,000</b>

The above woodlands will be sold with the two restrictive covenants as per phase 1. These are described below.

The Authority's commitment is to ensure that adequate protection is in place for the woodlands to be managed in the future for the benefit of conservation.

The Phase 1 woodlands were sold subject to restrictive covenants whereby they are to be kept as woodland in perpetuity and managed primarily for biodiversity. Activities which would normally be permitted under the 28 day planning rule are revoked (for example, paint balling, motor sports etc.).

Where appropriate and it is deemed essential for the protection of a particular landscape an additional restrictive covenant will be placed on the sale. For example, the conservation of the heathland will be safeguarded at Lamb Quarry Wood in the Phase 2 woodland sales.

It was agreed at the RMT meeting on 23<sup>rd</sup> March 2015 not to dedicate the phase 1 or phase 2 woodlands for open access prior to sale. Interestingly, of the 6 woodlands highlighted above 4 are actually already dedicated for open access. These include: Blore Pasture Wood, Brockett Booth Plantation, Lamb Quarry Wood and Worm Wood.

## 9. Current situation

Phase 3 will encompass the category 2 freehold woodlands. There are approximately 28 woodlands currently in this category. There were 21 in the original list but we have decided to look at the woodlands which were marked as category 2/3 at this stage of the process. As this category is termed 'possible disposal' we are looking very carefully at which woodlands are suitable for freehold disposal. This includes consultation with the working group, legal checks and site visits. This may result in some of the woodlands being moved into category 3 and therefore they will not be disposed of. The woodlands are detailed in the table overleaf. It is anticipated that 6 woodlands will be launched for sale on the market in April/May 2016.

The recommendation in point 4 of the minutes from the ARP committee meeting on 22<sup>nd</sup> May 2015 for the woodlands disposals project (extract below) was to take the project back to ARP for phase 3.

'Members agree that decisions on future disposals of woodlands with similar under values can be delegated to the Head of Finance and Assistant Director Land Management in consultation with the Chair and Vice Chair of this committee. This refers to the 6 woodlands in Phase 1 of Category 1 and the 11 woodlands in Phase 2 of Category 1.'

### Category 2 freehold woodlands

	Wood Name	Location	Size (Ha)	Notes DP – Dark Peak SWP –South West Peak WP – White Peak
1	Bakestone Dale	Pott Shrigley, Macclesfield	0.16	SWP
2	Barmoor North	North of Doveholes	0.27	DP
3	Barmoor South	North of Doveholes	0.24	WP
4	Bradshaw Edge	Bretton	2.12	DP
5	Brierlow Bar	South of Buxton (A515)	0.83	WP Category 2/3
6	Cotesfield	North of Parsley Hay	2.09	WP
7	Crossroads Wood	Blackwell/Taddington	0.05	WP
8	Flagg Moor	Pomeroy	1.93	WP
9	Great Hucklow shelter belt	Great Hucklow	0.11	WP Category 2/3

10	Great Longstone - Willows Wood	Great longstone	0.85	WP
11	Hard Rake Plantation (west block)	Near Sheldon	1.31	WP Category 2/3
12	Hard Rake (east block)	Near Sheldon	1.31	WP Category 2/3
13	Harratt Grange Wood	Sparrowpit, Chapel-en-le-frith	1.92	WP
14	Heathfield Nook	Near Harpur Hill (A515)	1.96	WP
15	Jackson's Plantation	Peak Forest	1.98	WP
16	Middleton Woods	Kenslow	8.10	WP
17	Middleton Woods	Rusden	1.25	WP
18	Rookery Wood	Ashford-in-the -water	2.50	WP Category 2/3
19	Roystone Woods N	Roystone Rocks	0.53	WP
20	Roystone Woods S	Roystone Rocks	0.84	WP
21	Smalldale	SE of Peak Forest	2.66	WP
22	Sparklow N	Hurdlow	2.87	WP
23	Sparklow S	Hurdlow	1.18	WP
24	Steeplow	Alstonefield	1.98	WP
25	Stonepit Plantation	Peak Forest	0.68	WP
26	Stoop Plantation	North of Winster	0.80	WP
27	Whim Wood	Near Hathersage	6.76	DP
28	Yorkshire Bridge	N of Bamford	3.18	DP Category 2/3
		<b>Total</b>	<b>50.46</b>	

It is hoped that the Authority will be able to sell at least 37 woods in the category 1 and 2 lists. This constitutes over half of freehold woodlands (not including Warslow and North Lees estates woodlands). There were approximately 35 leasehold woodlands at the beginning of this year. Three of these have now been terminated. There are at least a further 3 which are due for termination in the next 2 years. A separate review of existing leases in categories 1 and 2 will be carried out to look in more detail how best to approach the landlords about the early termination of these leases.

The sale of the first 6 Phase 1 woodlands should achieve just over £80,000; a figure substantially above the guide price of £58,000 even with restricted covenants. This equates to an average price of £10,930 per hectare.

According to Savills Rural Research (2 April 2015) in their report 'Forest Investment Analysis' in 2014, the average productive value of woodland was £7,600 per hectare.

Expenditure for the phase 1 woodlands was approximately £8,583. This includes agent's sales fees, advertising costs and mileage, maintenance works and signage in the woodlands and legal searches.

This suggests a projected gross figure of approximately £700,000 for overall woodlands disposals income based on the average price per hectare for the phase 1 woodland sales (£10,930). This figure has been estimated based on achieving around £200,000 for phase 1 and 2 woodland sales and around £500,000 for the woodlands in category 2. This is dependent on achieving the average price per hectare. It is hoped that further income could be achieved by selling the outstanding category 1 woodlands which require further work such as Long Gallery Wood.

**Are there any corporate implications members should be concerned about?**

**Risk Management:**

Disposal of woodland by public sector bodies can be controversial. A communications plan was established for the launch of the phase 1 woodland sales to minimise the reputational risk and to justify disposal of the woodlands.

Further to the launch of the phase 1 woodland sales on to the market a press release was sent out on 11<sup>th</sup> August 2015 to the Authority's entire media database and it received coverage in the following:

BBC Online  
Ashbourne News Telegraph  
Derby Evening Telegraph  
Matlock Mercury  
Derbyshire Times  
Macclesfield Express  
Horticultural Week  
Buxton Advertiser  
Peak Courier  
Leek Post and Times

All coverage seen was fair and balanced and, to the Communications team's knowledge, attracted no public criticism of the decision.

The release also prompted Radio Derby to request an interview and BBC Look North to film a piece on the move, plus an additional interview with Sarah Fowler to examine the wider implications of changes in the way the Authority is funded.

**Sustainability:**

There are no issues.

**Human Rights and Equality**

There are no human rights implications.

The requirements of the Equality Act 2010 have been met in consideration of the recommendations and the ongoing requirement to have regard to the duty.

**Report Author, Job Title and Publication Date**

Sarah McKay, Rural Surveyor, 14 January 2016