Land Partnerships

Using land to unlock business innovation
Graph 1: Prime Arable Farmland Outperforms Other Assets

Graph source: Savills Research, Oxford Economics, IPD, HGCA, Kitco, Nationwide
Land Entrepreneurs:
• Access to land
• Supportive business environment

Land Owners:
• Lower-risk means of diversifying farm system
• ‘Farming by proxy’
• Route to succession
• Access new skills / markets
Approach:

- Puts the development of enterprise first; with legal models to follow
- Emphasises the importance of balanced and collaborative arrangements
- Builds on existing legal forms and structures to create novel outcomes
Step 1: Taking stock

Scrutinising your own motivations, assets and requirements will be time well spent.

- Motivations, assets, requirements
- Use the opportunity to reflect and consult
- Balance clarity against being too prescriptive

It’s critical to be clear about what you are looking for, but you should remain open about how you might achieve your objectives. One of the benefits of Land Partnerships is that, by clubbing together with another business, you may discover unexpected solutions and opportunities.
Step 2: Finding the right match

The right mix of land, people, skills and aspirations forms the foundation of any land enterprise arrangement.

• Putting the word out
  • Networks
  • Press
  • Brokers

• Choosing
  • Practicalities
  • Personalities
  • Circumstances

Meet, compare, avoid wishful thinking...
Step 3: Creating a balanced agreement

Once landowners and entrepreneurs have found each other they need to define a relationship that will last.

- **Dialogue:**
  - Making yourself aware of each others requirements
  - Joint problem solving
  - Spend time – build trust
- **Matching up objectives, find areas of mutual benefit**
- **Creating balance**

“The most important aspect of the relationship between a landlord and tenant is that it works for both parties: this will involve trust, understanding, and a business arrangement that is mutually acceptable and which will last. Obtaining the highest possible rent is never the only factor, nor is it advisable to be too rigid; flexibility and sensible compromise are often the hallmarks of a truly successful arrangement.”

**Nicholas Ford** Director and Agent for the Ernest Cook Trust
Step 4: Selecting a legal framework

Practicalities and terms defined, it’s time to agree the right legal structure.

- Selecting a legal form to suit the business arrangement
- Creating a clear brief – Avoid negotiating business terms via your lawyer
- Making the most of the spectrum of options...

<table>
<thead>
<tr>
<th>Greater control to the landowner</th>
<th>Contract farming</th>
<th>Partnerships</th>
<th>Share farming</th>
<th>Licences</th>
<th>Conventional tenancies</th>
<th>Long term lets</th>
<th>Greater control to the land entrepreneur</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land is farmed in-hand</td>
<td>The farm business is run by the landowner, but practical operations are contracted out</td>
<td>Arrangements where separate parties come together to operate a single business</td>
<td>The parties remain as separate businesses, but collaborate operationally</td>
<td>The landowner retains close control of the land, with specific rights being granted on licence</td>
<td>The main use for Farm Business Tenancies. Though FBTs offer a wide range of levels of engagement</td>
<td>A form of lease usually achieved through a FBT or business letting, but with longer terms</td>
<td>Freehold is sold on</td>
</tr>
</tbody>
</table>
Step 5: Thinking long-term

Allowing the partnership to adapt as the business evolves.

• Retain flexibility
  • Space to adapt
  • Dialogue
• Building a cluster of enterprises...
Resources

1. Handbook

2. Website: www.LandPartnerships.org

3. Roadshow....