

Report subject	Upton Park Farm - Surrender of lease
Meeting date	29 October 2025
Status	Public Report
Executive summary	This report presents a proposal to agree to the surrender the whole of the lease of Upton Park Farm, Poole Road, Poole BH16 5LW dated 5 June 2014 and made between (1) The Council of the Borough & County of the Town of Poole and (2) William Robert Pennington and Others ("Lease") and simultaneous payment of compensation or premium to the tenant of the Lease (subject to specialist agricultural legal advice).
Recommendations	It is RECOMMENDED that Cabinet recommend that Council: a. Note the recommendations of the Cross-Party Strategic Asset Disposal Working Group on 19 September 2025. b. Approve to purchase the Farm Business Tenancy at Upton Park Farm, on such terms to be approved by the Director of Finance acting in his capacity as Corporate Property Officer, in consultation with the Portfolio Holder for Finance.
Reason for recommendations	To obtain approval to surrender the Lease at Upton Park Farm.
Portfolio Holder(s):	Councillor Mike Cox, Deputy Leader BCP Council and Portfolio Holder for Finance
Corporate Director	Aidan Dunn, Chief Executive
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Wards	Creekmoor Ward and Dorset County Council
Classification	For Recommendation

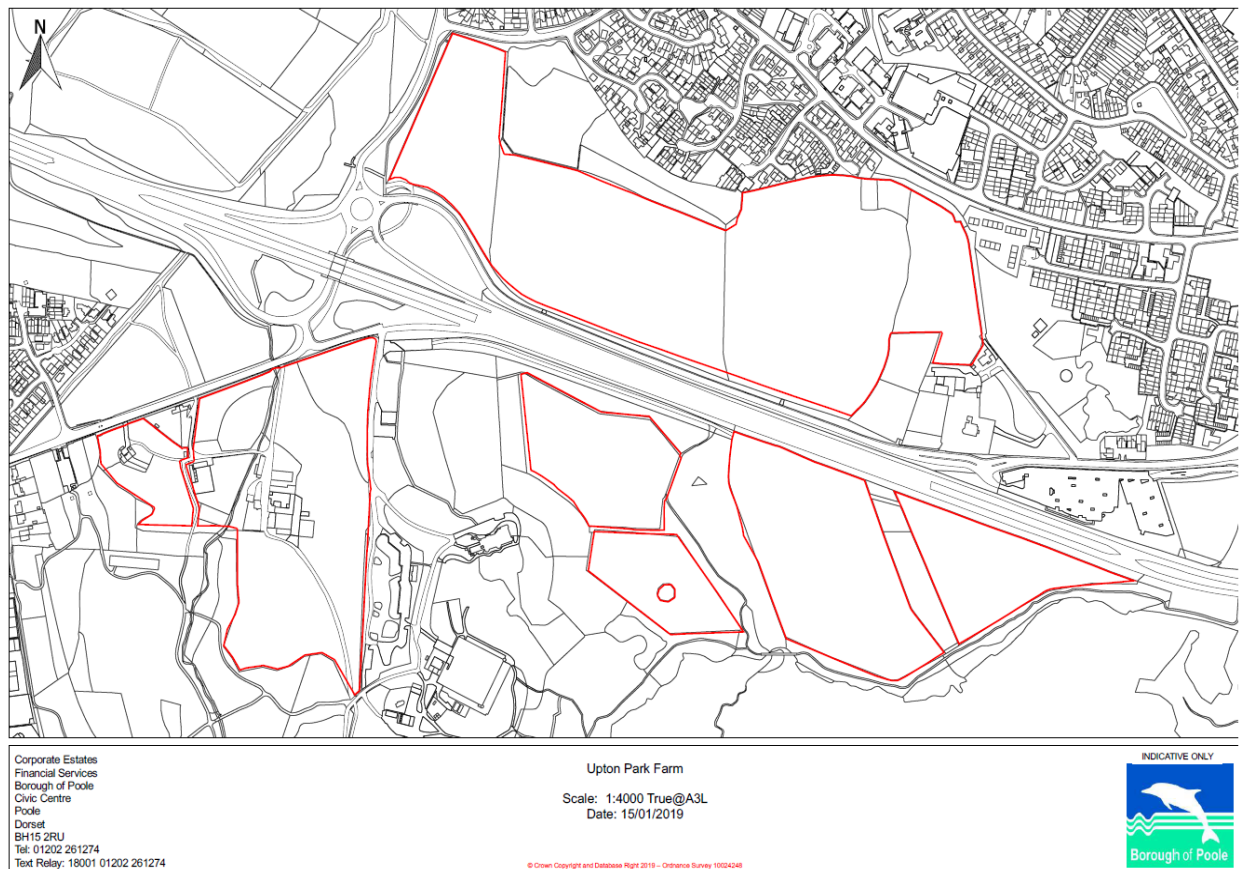
Background

1. In 2024, the tenant of the business tenancy at Upton Park Farm approached the Estates department at BCP Council and expressed an interest in surrendering the Lease.
2. A financial offer was made to BCP Council in August 2025 on a without prejudice and subject to contract basis by the tenant's agent to surrender the Lease and return vacant possession. See confidential Appendix A.
3. BCP Estates negotiated with the tenant and their appointed agent and have agreed a price and terms that can be considered as "best consideration".

Current Arrangement

4. Upton Park Fam is let on a Farm Business Tenancy date 5 June 2014 with circa 40 years unexpired.
5. Upton Park Farm comprises:
 - A detached farmhouse
 - A terrace of three cottages known as 1, 2 and 3 Pentre Cottages
 - A range of traditional and modern farm buildings
 - Agricultural land extending to a total of 36.30 hectares (89.7 acres).

The Lease demise is outlined in red on-site plan 1.



Site plan 1. Not to scale. Illustration only.

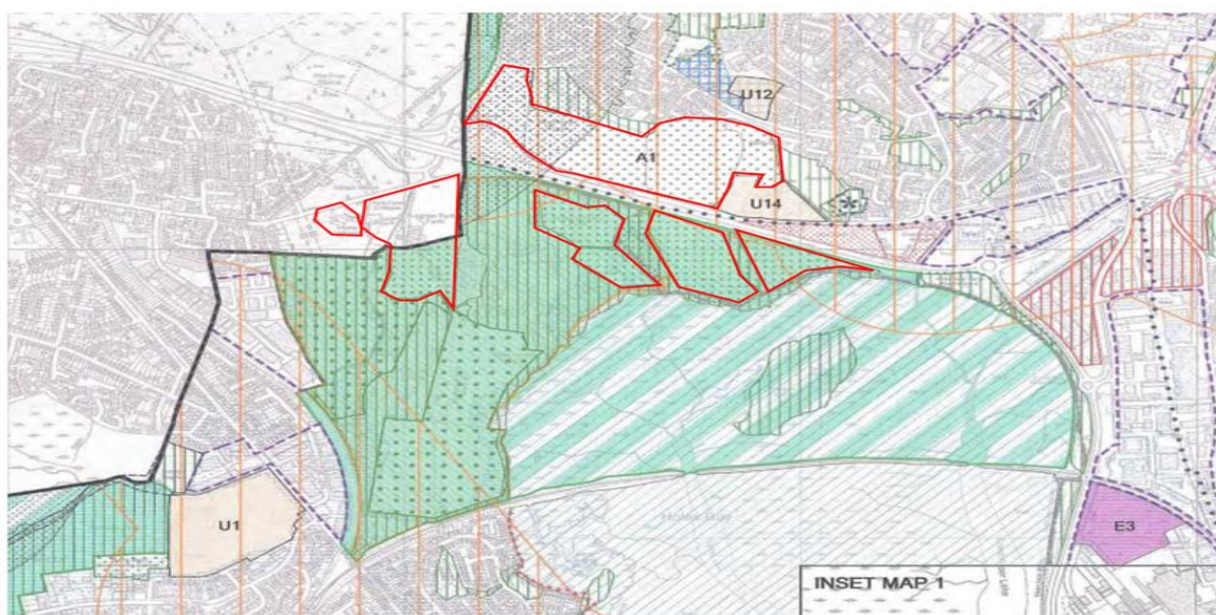
Options

6. Maintain the status quo. BCP could reject the offer and keep the tenancy in place.
7. BCP estates agree the surrender of the Lease. This is the recommended option.

BCP Considerations

8. Under BCP's constitution, authority to acquire an asset is linked to its Capital Value. Capital Value and linked to the Local Government Act 1972 s.123 requirement to obtain "best consideration".
9. In this instance Capital Value is driven by the Market Value. To determine Market Value an independent opinion of value was sought in the form of an RICS compliant Red Book valuation report by a specialist agricultural valuer. See confidential Appendix A.
10. Under the terms of the Lease, BCP has the liability for the upkeep and maintenance of the farm buildings and dwellings. Since 2023, circa £35,000 has been spent to remedy damp issues within Pentre Cottages.
11. It has been identified that a further circa £415,000 of additional work will need to be carried out by BCP over the term of the Lease.
12. The passing rent of £20,470 per annum is low, and the rent review mechanism within the Lease restricts the ability to significantly increase the rent. The rent is split 80/20 between residential and agricultural accordingly. The larger residential element is RPI linked, whilst the smaller agricultural part is based upon the Market Rent for the land only i.e. it excludes the value for the farm buildings.
13. The local plan is reproduced with the farm area overlayed in red. One section of land (Pentre Cottages and farm buildings) lies outside BCP's boundary, within the administrative area of Dorset County Council. Most of the land situated between the demise edged in red is owned by BCP.
14. Most of the land is designated as "Proposed Heathland Mitigation" with exception of the land lying North of A35, policy A1.
15. The land within Dorset County Council falls within the 400m Heathland Buffer Zone.

Local plan overlay. Not to scale. Illustration Only



16. Policy A1 puts forward this land for educational purposes, namely school and associated playing fields. There is keen interest in this site for community use. As examples only elements of it could be used for Housing, or a new waste depot. It is noted that the land lying to the West of this parcel falls within the 400m Heathland Buffer Zone. This land is identified in the current local plan for development.
17. The rest of the land falls within greenbelt, heathland and open space designations. This limits the potential use, however a SANG is a possibility.
18. In 2014 circa 30 hectares of land to the south of the farmhouse was taken back (authority exercised a take back lease term) to create a SANG which opened in 2020.
19. BCP is reaching the limit of its current SANG capacity and has already expanded this through land at Throop (former Hicks Farmland).
20. SWOT Analysis

Strengths	• There are strategic advantages in taking back control of the farm • Land lies in an area with residential development potential. • The land to the north of the A35 would be of interest for a number of community uses • Potential for SANG expansion
Weaknesses	• Capital outlay to surrender the Lease • Land is constrained by planning designations (greenbelt, heathland, open space etc).

Opportunities	• Eliminate repair liability for 40 years • Unlock a capital receipt from the sale of land/ redundant buildings • Explore alternative use of the land • Explore SANG
Threats	• Market changes • Stakeholder engagement. Willingness to sell may change if left too long • Stamp Duty Land Tax

Summary of financial Implications

21. The price to be agreed for the proposed acquisition will reflect independent valuation advice.
22. An RICS Red Book valuation report was commissioned to provide an opinion of Market Value. See confidential Appendix A.
23. It is proposed that the acquisition is funded from the application of Strategic Community Infrastructure Levy (CIL) resources approved by Cabinet on the 5 March 2025 for habitats site mitigation. This included resources for an expansion of the SANG at Upton Country Park. The proposal is to offset the acquisition costs by the capital receipts received from the disposal of those buildings deemed surplus to requirements.
24. The authority currently pays the tenant each year to use land for additional car parking during events at Upton Country House. These monies would be saved if the Lease were surrendered.
25. It is assumed that Stamp Duty Land Tax (SDLT) will be payable by BCP Council on the purchase price as this is a land transaction. Details are set out within confidential Appendix A.

Summary of legal implications

26. The Lease grants the tenant the exclusive possession of the premises in accordance with the terms of the Lease.
27. The law relating to Farm Business Tenancies and agricultural landlord and tenant matters is complex and specialist. Advice from specialist legal advisor will need to be sought.
28. The Tenant under this Farm Business Tenancy may be entitled to additional statutory compensation from BCP Council. BCP Council Legal Services cannot confirm whether additional compensation is due to the tenant. Additional compensation may be payable to the tenant after the Lease has been surrendered. Advice from a specialist legal advisor will need to be sought to clarify.

29. Compensation (whether monetary or equivalent value) has already been paid to the tenant of the Lease, and this should be considered to prevent duplicate payments to the tenant of the Lease.
30. The BCP Council will be liable to pay Stamp Duty Land Tax to HM Revenue and Customs as this is a property transaction. Advice from specialist tax advisor may need to be sought.

Summary of human resources implications

31. There are no direct human resources implications of this decision beyond officer time working on the case.
32. Where specific professional services are required (valuation, legal etc) these will be outsourced.

Summary of sustainability impact

33. The Asset Management Plan recognises the estate should be sustainable and carbon neutral and will play a key role in the council achieving these targets.

Summary of public health implications

34. There are no direct public health implications associated with this decision.

Summary of equality implications

35. This decision will not have any direct equality implications.

Summary of risk assessment

36. Economic conditions dampen
37. The tenant withdraws their offer to surrender the Lease.

Background papers

Appendices

Appendix A **Confidential Appendix.** Plans and Red Book Valuation figures.