DIOCESE OF LINCOLN

Extract from: Glebe Estate Strategic Objectives 2024 Revision

Background
The General Synod have recognised that there is a global climate emergency and called upon all parts of the Church of England to work to reduce emissions and produce a plan of action to achieve net zero carbon by 2030. The Church of England is tasked with achieving a year-on year reductions in emissions and to urgently examine what would be required to reach net zero emissions by 2030 in order that a plan of action can be drawn up to achieve that target. The "Routemap to Net Zero Carbon by 2030" is the resultant plan which identifies the key objectives and associated timeline for the Diocese to achieve net zero.

The LDTBF Ltd recognise and acknowledge that the Glebe land and farm portfolio is predominantly one that is let to agricultural occupants on a range of tenancy arrangements, including AHA, FBT and licence arrangements. To reduce emissions across the portfolio engagement with current occupiers will be required, which does present an immediate challenge.

The performance of the emissions position on the estate will come under increasing scrutiny as we continue to move towards Government Net Zero targets and any continued poor performance may have a direct reputational impact of the LDTBF. Tenants who are providing produce for retail as part of a supply chain may also see increasing pressure from retailers to show their pursuit of reducing "on farm" carbon.

The LDTBF Ltd recognise that collaboration with occupiers/ Tenants will be needed moving forwards however, the legislation under which most farms on the estate are let is historic and complex with Tenants having a high degree of security of tenure and this will present a challenge when meeting the required targets.

Against this backdrop the LDTBF have a legal obligation under the Charities Act to make the best return on its glebe assets and this involves managing the estate as a long-term commercial investment. This includes making the best of development opportunities, rationalising the estate to divest itself of under-performing parts, and ensuring it is well managed and legally compliant.

<u>First Objective</u>

1. Seek to decarbonise and improve upon the current carbon position of the estate detailed in the December 2023 report by:
    a. Collaborating with Tenants (and prospective Tenants) where possible (recognising the importance for Tenants to have viable and resilient businesses) to improve the lands ability to sequester carbon and reduce the net carbon position of the estate. It is recognised that achieving results will be difficult without goodwill from the Tenants.
    b. Consider opportunities for taking land in hand (where practical and possible) to enact direct land management changes such as hedge planting and trees (if appropriate), soil improvement or regenerative farming practices to improve the land's ability to sequester carbon and reduce the net carbon position. This needs to be balanced against the cost of expenditure and the long-term management of these sites.
2. Encourage and support Tenants to enter environmental schemes including the Sustainable Farming Incentive (SFI), Countryside Stewardship (CS) and Landscape recovery schemes which will help to protect profitability, and ultimately rental income, and have a positive environmental impact.
3. Encourage and support farming policies which operate in a sustainable and environmentally responsible manner which includes: -
    - Improving soil structure and health
    - Reducing fuel consumption
    - Reducing the use of perceived harmful chemicals
    - Balancing the use of fertiliser and other inputs against their environmental credentials
    - Achieving the highest possible standards of animal welfare
4. To actively seek renewable energy opportunities on the estate and consider opportunities which will allow the Diocese to inset carbon to balance the Dioceses own carbon emissions both now and in the future. It is acknowledged that the limitations of tenanted land, lack of large settlements and grid constraints will have an impact on achieving these objectives.

5. Seek opportunities within the nature-based solutions market (e.g. carbon, biodiversity net gain, nutrient neutrality). Understanding the intrinsic value of any carbon credits generated before selling them is crucial to the net zero strategy for the estate.
6. Work towards improving the EPC ratings of the residential dwellings on the Glebe estate and aim to improve at least two residential dwellings each year.

<u>Second Objective</u> – To maximise the financial return on the glebe estate through: -

1. Pursuing sales at vacant possession or enhanced value where appropriate
2. Retain property with development potential and sell when appropriate for best return, such as land for: -
    a. Housing, leisure and commercial development
    b. Carbon offsetting
    c. Green energy
    d. Minerals

    Including the exploitation of opportunities for enhanced value
3. Rationalisation through the sale of:
    a. Smaller holdings (less than 50 acres)
    b. Land put to community use
4. Maximising the revenue return and looking at alternative income streams and land usage

<u>Third Objective</u> – To ensure the estate is managed in compliance with good practice ensuring that: -

1. Risks are well managed
2. The estate is kept legally compliant
3. Properties are satisfactorily repaired and maintained

<u>Fourth Objective</u> – To comply with sales protocol including: -

1. All sales to be at market value with vacant possession (including AHA sales) unless there is enhanced value through a special purchaser, in which case the latter applies.
2. Proactively seeking sales where appropriate to meet the second objective either through marketing or by direct negotiation with tenants or prospective purchasers, whichever is considered to get the better financial result, including the buying out of AHA tenants' interests for onward sale at enhanced value.
3. For sales under £10,000 the buyer to bear the sellers costs in connection therewith, except for those that assist with the ministry and mission of the church in which case each party bears their own costs.
4. The avoidance of split reversions (where a sale results in two or more landlords for a single tenancy), unless there is an over-riding financial interest in doing otherwise.

The sales protocol may be set aside for specific sales with the agreement of the Assets Committee and/or the Bishops Council of Diocesan Trustees, where they believe it is in the Diocese best interests to do so. The estate objectives to be taken in account alongside what are considered to be the core and non-core estate holdings.