

Phil Norrey
Chief Executive

To: The Chairman and Members of
the Farms Estate Committee

County Hall
Topsham Road
Exeter
Devon
EX2 4QD

(See below)

Your ref :
Our ref :

Date : 14 June 2017
Please ask for : Wendy Simpson, 01392 384383

Email: wendy.simpson@devon.gov.uk

FARMS ESTATE COMMITTEE

Thursday, 22nd June, 2017

A meeting of the Farms Estate Committee is to be held on the above date at 2.15 pm in the Committee Suite - County Hall to consider the following matters.

P NORREY
Chief Executive

AGENDA

PART I - OPEN COMMITTEE

2 Minutes

Minutes of the meetings held on 22 February 2017 and 18 April 2017, (previously circulated).

3 Items Requiring Urgent Attention

Items which in the opinion of the Chairman should be considered at the meeting as matters of urgency.

MATTERS FOR DECISION

4 Revenue Monitoring (Final Outturn) 2016/17 and Revenue Monitoring (Month 2) 2017/18
(Pages 1 - 4)

Report of the County Treasurer (CT/17/59) on the County Farms Estate Revenue Monitoring Statement (Final Outturn) 2016/17 and Revenue Monitoring Statement (Month 2) 2017/18, attached.

Electoral Divisions(s): All Divisions

- 5 Capital Monitoring (Final Outturn) 2016/17 and Capital Monitoring (Month 2) 2017/18 (Pages 5 - 6)
Report of the County Treasurer (CT/17/60) on the County Farms Estate Capital Monitoring (Final Outturn) 2016/17 and Capital Monitoring (Month 2) 2017/18, attached.
Electoral Divisions(s): All Divisions
- 6 The County Farms Estate - Annual Report 2016/17 (Pages 7 - 20)
Report of the County Treasurer (CT/17/61) on the County Farms Estate Annual Report 2016/17, attached.
Electoral Divisions(s): All Divisions
- 7 Recognising Success at the Devon Farm Business Awards 2017 (Pages 21 - 24)
Report of the Head of Digital Transformation and Business Support (BSS/17/04) on the success of tenants at the Devon Farm Business Awards 2017, attached.
Electoral Divisions(s): All Divisions
- 8 Management and Restructuring Issues (Pages 25 - 28)
Report of the Head of Digital Transformation and Business Support (BSS/17/05) on County Farms Estate Management and Restructuring issues, attached.
Electoral Divisions(s): Dawlish


PART II - ITEMS WHICH MAY BE TAKEN IN THE ABSENCE OF PRESS AND PUBLIC

None

Notice of all items listed above has been included in the Council's/Cabinet Forward Plan for the required period, unless otherwise indicated. The Forward Plan is published on the County Council's website.

Members are reminded that Part II Reports contain exempt information and should therefore be treated accordingly. They should not be disclosed or passed on to any other person(s).

Members are also reminded of the need to dispose of such reports carefully and are therefore invited to return them to the Democratic Services Officer at the conclusion of the meeting for disposal.

Membership
Councillors C Chugg (Chairman), J Brook, J Berry, A Dewhirst, T Inch, C Whitton and J Yabsley Co-opted Members C Latham (Tenants' Representative) and E Quick (Devon Federation of Young Farmers Clubs)
Declaration of Interests
Members are reminded that they must declare any interest they may have in any item to be considered at this meeting, prior to any discussion taking place on that item. Members of the Council have been granted a dispensation to allow them to speak and vote in any debate as a consequence of being a representative of the County Council on any County Council wholly owned, controlled or joint local authority company or Joint Venture Partnership unless the matter under consideration relates to any personal remuneration or involvement therein.
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Any person wishing to inspect the Council's / Cabinets Forward Plan or any minutes, reports or lists of background papers relating to any item on this agenda should contact Wendy Simpson, 01392 384383 Both the Forward Plan and agenda and minutes of the Committee are published on the Council's Website and can also be accessed via the Modern.Gov app, available from the usual stores.
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Please switch off all mobile phones before entering the Committee Room or Council Chamber If you need a copy of this Agenda and/or a Report in another format (e.g. large print, audio tape, Braille or other languages), please contact the Information Centre on 01392 380101 or email to: centre@devon.gov.uk or write to the Democratic and Scrutiny Secretariat at County Hall, Exeter, EX2 4QD.
 Induction loop system available

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NB   Denotes bus stops

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First Aid

Contact Main Reception (extension 2504) for a trained first aider.

The County Farms Estate

Revenue Monitoring (Final Outturn) 2016/17 and Revenue Monitoring (Month 2) 2017/18

Report of the County Treasurer

1 Revenue Monitoring (Final Outturn) 2016/17

- 1.1 The Revenue Budget presented to Corporate Service Scrutiny Committee on 22 January 2016 included a target surplus of £318,000 for the County Farms Estate, in accordance with targets set by Cabinet at its meeting on 13th January 2016.
- 1.2 Members are reminded that with the Insurance Budgets having subsequently been centralised, as reported to this Committee on 28 April 2016, the revised target surplus has increased to £362,000. This has no impact on the County Farms Estate Revenue Budget as insurance costs will no longer be borne by the budget.
- 1.3 Appendix A provides a summary of the annual budget and provisional details of year end income and expenditure.
- 1.4 The final outturn provides a net surplus of £389,442 compared to the target surplus of £362,000, with the additional £27,442 relating to bad debt provisions from previous year that have not been required.

2 Revenue Monitoring (Month 2) 2017/18

- 2.1 The Revenue Budget presented to Corporate Service Scrutiny Committee on 24 January 2017 included a target surplus of £362,000 for the County Farms Estate, in accordance with targets set by Cabinet at its meeting on 11 January 2017.
- 2.2 Appendix B provides a summary of the annual budget. It also provides details of income and expenditure to date.
- 2.3 As at month 2, there is very little expenditure to report. Some expenditure headings are still recording a net credit with accruals for 2016/17 yet to be offset by invoices.
- 2.4 Income is low, as expected, because we have not yet reached the primary rent demand dates of Michaelmas and Lady Day.

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3 **Options/Alternatives**

- 3.1 Alternative options have been considered and discounted as they are believed to either be contrary to current Estate policy and/or not in the best financial interests of the Estate.

4 **Consultations/Representations/Technical Data**

- 4.1 The views and opinions of the Devon Federation of Young Farmers Clubs and the Estate Tenants Association will be presented by the two co-opted members to the committee.
- 4.2 No other parties have been consulted and no other representations for or against the proposal have been received.
- 4.3 The technical data is believed to be true and accurate.

5 **Considerations**

- 5.1 The Author is not aware of any financial, sustainability, carbon impact, equality, legal, risk management or public health issues arising from this report.

6 **Summary/Conclusions/Reasons for Recommendations**

- 6.1 The Author has prepared this report in accordance with the findings of the County Farms Estate Strategic Review (April 2010).

Mary Davis – County Treasurer

Electoral Divisions: ALL

Local Government Act 1972: List of Background Papers

None

Who to contact for enquiries:

Name: Dan Meek, Director of Property Management, NPS South West Ltd, Venture House, One Capital Court, Bittern Road, Sowton Industrial Estate, Exeter, EX2 7FW

Contact: 01392 351066 or dan.meek@nps.co.uk

Name: Lisa Beynon, Head Accountant for Corporate Services, County Treasurer's, County Hall, Exeter

Contact: 01392 382876 or lisa.beynon@devon.co.uk

COUNTY FARMS ESTATE - FINANCIAL REPORTS FINANCIAL STATEMENT - FINAL OUTTURN 2016/17

<u>INCOME</u>	ANNUAL TARGET	YEAR END OUTTURN	2015/16 OUTTURN	2014/15 OUTTURN
	£'000	£'000	£'000	£'000
Rent	(1,022)	(1,094)	(991)	(998)
Other	(50)	(34)	(16)	(63)
TOTAL INCOME	(1,072)	(1,128)	(1,007)	(1,061)
<u>EXPENDITURE</u>				
<u>STATUTORY COSTS</u>				
Tenant Right Valuation	2	102	55	33
SUB - TOTAL	2	102	55	33
<u>PREMISES COSTS</u>				
Building Maintenance - unforeseen	127	145	115	140
Building Maintenance - programmed	150	190	126	153
Building Maintenance - Surveys	10	1	0	4
Building Maintenance - STC	20	12	17	8
Building Maintenance - other (incl. land agents initiatives, redundant buildings, asbestos and health & safety)	65	8	18	43
Grounds Maintenance	10	7	11	7
Rents & other landlord charges	14	14	14	14
Rates, Electricity and Water Charges	12	0	8	9
SUB - TOTAL	408	377	309	378
<u>SUPPLIES & SERVICES</u>				
Insurance	0	0	0	43
Adverts	2	4	3	2
NPS Fees	230	235	258	255
Legal Fees	3	1	8	0
Professional Fees	6	(1)	8	25
Other Fees & Charges (DFYF, SHLAA, GPDO)	59	21	41	41
SUB - TOTAL	300	260	318	366
TOTAL EXPENDITURE	710	739	682	777
Revenue Funded Restructuring	0	0	0	10
NET OPERATIONAL (SURPLUS)/DEFICIT	(362)	(389)	(325)	(274)

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APPENDIX B

COUNTY FARMS ESTATE - FINANCIAL REPORTS FINANCIAL STATEMENT - (MONTH 2) 2017/18

<u>INCOME</u>	YEAR TO DATE £'000	ANNUAL TARGET £'000	CURRENT FORECAST £'000
Rent	9	(1,027)	(1,027)
Other	(16)	(65)	(65)
TOTAL INCOME	(7)	(1,092)	(1,092)
 <u>EXPENDITURE</u>			
<u>STATUTORY COSTS</u>			
Tenant Right Valuation	(101)	20	20
SUB - TOTAL	(101)	20	20
 <u>PREMISES COSTS</u>			
Building Maintenance - unforeseen	(90)	100	100
Building Maintenance - programmed	22	210	210
Building Maintenance - Surveys	0	10	10
Building Maintenance - STC	(1)	20	20
Building Maintenance - other (incl. land agents initiatives, redundant buildings, asbestos and health & safety)	0	61	61
Grounds Maintenance	0	10	10
Rents & other landlord charges	0	14	14
Rates, Electricity and Water Charges	0	6	6
SUB - TOTAL	(69)	431	431
 <u>SUPPLIES & SERVICES</u>			
Insurance	0	0	0
Adverts	0	2	2
NPS Fees	13	230	230
Legal Fees	(10)	6	6
Professional Fees	(2)	4	4
Other Fees & Charges (DFYF, SHLAA, GPDO)	0	17	17
SUB - TOTAL	1	259	259
TOTAL EXPENDITURE	(169)	710	710
NET OPERATIONAL (SURPLUS)	(176)	(382)	(382)
 <u>FARM IMPROVEMENTS inclusive of fees</u>			
Revenue funded Restructuring (BM other)	0	0	0
SUB - TOTAL	0	0	0
TOTAL COSTS SURPLUS	(176)	(382)	(382)

The County Farms Estate

Capital Monitoring (Final Outturn) 2016/17 and Capital Monitoring (Month 2) 2017/18

Report of the County Treasurer

1 Capital Monitoring (Final Outturn) 2016/17

- 1.1 The capital programme for county farms for 2016/17 totalled £2,591,498.
- 1.2 The month 10 monitoring position was reported to the Farms Estate Committee at its meeting of 22 February 2017 (CT/17/12 refers).
- 1.3 Total spend in 2016/17 amounted to £1,107,944.
- 1.4 There were a number of schemes completed in 2016/17 with some over or under spend due to variations between estimates and actuals, or minor contract variances post scheme approval. These were largely self-balancing and as such required no further action.
- 1.5 Scheme slippage to 2017/18 stood at £1,483,554, including £1,013,345 in respect of all Nitrate Vulnerable Zone compliant schemes and £470,209 on a number of farmhouse renovation and improvement schemes, some of which required planning consent and/or building control approval.

2 Capital Monitoring (Month 2) 2017/18

- 2.1 The Capital programme presented to Corporate Services Scrutiny Committee on 24th January 2017 (and subsequently approved by County Council) included schemes totalling £600,000.
- 2.2 Added to this was slippage of £1,483,554 taking the total capital scheme for 2017/18 to £2,083,554.

3. Nitrate Vulnerable Zone Compliance

- 3.1 One slurry store is currently in the process of being constructed, as at month 2, no actual spend had been recorded.
- 3.2 Currently one new concrete box slurry store is planned to be constructed, and one clay lined lagoon is being designed and specified.
- 3.3 Forecast spend stands at £1,013,345 on NVZ compliant schemes for 2017/18.

4 Compensation Payments (Tenants Improvements, etc..)

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- 4.1 Forecast spend currently stands at nil but this excludes any liability that may yet fall due in year or at 25 March 2018. Potential for future compensation payments in year.

5 Enhancements and Improvements

- 5.1 Forecast spend currently stands at £450,209 in total but the 2017/18 capital programme has not yet been finalised.

6 Land Acquisitions

- 6.1 Currently no potential land purchases have been identified.

7 Options/Alternatives

- 7.1 Alternative options have been considered and discounted as they are neither practical nor in the financial best interests of the Authority.

8 Consultations/Representations/Technical Data

- 8.1 The views and opinions of the Devon Federation of Young Farmers Clubs and the Estate Tenants Association will be presented by the two co-opted members to the committee.

- 8.2 No other parties have been consulted and no other representations for or against the proposal have been received.

- 8.3 The technical data is believed to be true and accurate.

9 Considerations

- 9.1 The Author is not aware of any financial, sustainability, carbon impact, equality, legal, risk management or public health issues arising from this report.

10 Summary/Conclusions/Reasons for Recommendations

- 10.1 The Author has prepared this report in accordance with the Councils capital funding procedures and guidelines.

Mary Davis – County Treasurer

Electoral Divisions: ALL

Local Government Act 1972: List of Background Papers

None

Who to contact for enquiries:

Name: Dan Meek, Director of Property Management, NPS South West Ltd, Venture House, One Capital Court, Bittern Road, Sowton Industrial Estate, Exeter, EX2 7FW
Contact: 01392 351066 or dan.meek@nps.co.uk

Name: Lisa Beynon, Head Accountant for Corporate Services, County Treasurer's, County Hall, Exeter
Contact: 01392 382876 or lisa.beynon@devon.gov.uk

The County Farms Estate – Annual Report 2016/17 Report of the County Treasurer

1 Background/Introduction

- 1.1 This is the twenty-sixth annual report of the County Farms Estate and the seventh year in this revised format since the Devon County Council Farms Estate Strategic Review of March 2010.
- 1.2 This report is divided into the following sections:
Committee Functions
Financial Performance
Estate Management Performance
Other Notable Estate Achievements and Events

2 Meetings and other activities of the Farms Estate Committee 2016/17

- 2.1 The Farms Estate Committee met on 28 April, 28 June, 15 September, 30 November 2016 and 22 February 2017. In addition to the usual financial and management matters other issues discussed by Committee included:
- Annual Report 2015/16
 - Pollinators and Neonicotinoids
 - Recognising success at the Devon Farm Business Awards 2015 and 2016
 - Monitoring of tenant's on initial Farm Business Tenancy's
 - Nitrate Vulnerable Zones
 - Requests for Landlord's consent for Tenant's Improvements
- 2.2 An interview panel met on one occasion during the year to interview tenants for Higher Leigh Farm, Lower Chitterley Farm and Cotley Farm.
- 2.3 The Chairman, a second member of the Committee and a Land Agent also visited the Parishes of Braunton, Rose Ash, High Bickington, Musbury, Rockbeare, Dawlish, Denbury, Bovey Tracey and Broadwoodwidge to undertake tenant's monitoring visits.
- 2.4 The committee attended a site visit to Cotley Farm, Ottery St Mary.

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3 Finance

- 3.1 The financial performance of the Estate is again analysed in four areas, namely revenue income and expenditure, capital receipts and capital investment.
- 3.2 The Estate revenue budget outturn statement for the year ending 31 March 2017 is appended (Appendix A). At the request of the committee details of some of the key result areas for the three previous trading years have been added to offer some form of trend comparator analysis.

4 Revenue Income

- 4.1 Revenue income from the Estate in 2016/17 was £1,093,939 compared with a target of £1,022,000. This additional income arises as a consequence of relettings and rent reviews carried out in year.
- 4.2 Miscellaneous income totalled £34,458 compared with a target of £50,000. This shortfall is largely due to reduced income from the mast share at Ilfracombe and the termination of a mast site lease on the term date.
- 4.3 Therefore total income secured was £1,128,397 against a target of £1,072,000.

Revenue Income	2013/14	2014/15	2015/16	2016/17
Rental	£928,614	£997,812	£965,357	£1,093,939
Miscellaneous	£49,613	£63,156	£41,949	£34,458
Total	£978,227	£1,060,968	£1,007,306	£1,128,397

Revenue Income Analysis	2013/14	2014/15	2015/16	2016/17
Actual	£978,227	£1,060,968	£1,007,306	£1,128,397
(a) Per Farm	£13,789	£15,603	£14,599	£16,354
(b) Per Hectare	£254	£273	£259	£291
(c) As a % of Target	107%	114%	96%	105%

5 Revenue Expenditure

5.1 There was an overall spend of £335,853 on repair and maintenance of which 57% (£190,460) was planned maintenance and 43% (£145,392) was unforeseen and reactive work. The proportion of programme maintenance spend has increased slightly from 52% in 2015/16.

Expenditure	2013/14	2014/15	2015/16	2016/17
Programme	£76,523	£153,065	£126,141	£190,461
Unforeseen	£130,333	£139,722	£114,810	£145,392
Total Maintenance	£206,856	£292,787	£240,951	£335,853

5.2 £235,253 was spent in total on professional fees relating to estate management, Farmwise Devon and the procurement of repairs, maintenance, compliance management, service term contracts and other works.

5.3 £18,788 was spent on the Estates final contribution towards financing the Devon Federation of Young Farmers Clubs County Organisers post.

5.4 £12,177 was spent on servicing plant and equipment on the Estate including private water supplies and boilers owned by the Landlord.

5.5 £7,343 was spent on roadside tree surgery works arising as a consequence of periodic surveys and other ground maintenance works.

5.6 £7,606 was spent on Landlord's health and safety improvements, removing and replacing asbestos and demolishing redundant buildings.

5.7 £101,721 was spent on compensating tenants for fixtures, fittings and improvements.

6.0 Revenue Surplus

6.1 A revenue surplus of £389,442 was achieved compared with a target of £362,000.

Revenue Surplus	2013/14	2014/15	2015/16	2016/17
Target	£300,000	£273,000	£337,000	£362,000
Actual	£307,731	£273,714	£325,571	£389,442
As a % of Target	102%	100%	97%	108%

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7.0 Running Costs

7.1 Running costs for 2016/17 were £503,701 against a target of £480,000. The increase in in year spend principally related to a significant tenant right valuation liability.

Running Cost	2013/14	2014/15	2015/16	2016/17
(d) Per Farm	£5,944	£8,046	£6,159	£7,300
(e) Per Hectare	£110	£141	£109	£129.79
(f) As a % of Income	43%	57%	42%	45%

8.0 Management Costs

8.1 Management costs for 2016/17 were £235,253 against a target of £230,000 but the additional costs principally related to additional fees charged for procuring further programme and unforeseen repair and maintenance.

Management Cost	2013/14	2014/15	2015/16	2016/17
(g) Per Farm	£3,507	£3,531	£3,739	£3,409
(h) Per Hectare	£65	£62	£66	£60.62
(i) As a % of Income	25%	23%	26%	21%

9.0 Capital Receipts

9.1 In 2016/17 the Estate generated £1,476,115 from the sale of five surplus assets.

Capital Receipts	2013/14	2014/15	2015/16	2016/17
Actual	£1,021,500	£605,519	£3,813,001	£1,476,115
Target	£1,254,000	£1,197,000	N/A	N/A
As a % of Target	81%	51%	N/A	N/A

9.2 No target for capital receipts was specifically set for the County Farms Estate in 2016/17 as all sales are now considered as part of the overall corporate capital receipts target. The Corporate Target for total capital receipts in 2016/17 was £7M. The County Farms Estate contributed 21% to this overall target.

9.3 At year end a further 8 properties were 'sold subject to contract' with a potential capital receipt value of £4,285,621 expected to be received in 2017/18.

10.0 **Capital Investments**

10.1 Capital investment amounted to £1,107,944. Investment was targeted at further slurry and dirty water storage capacity to ensure more dairy farms had sufficient capacity to comply with anti-pollution regulations. Further costs were incurred on end of tenancy compensation liabilities, listed building preservation works, farmhouse renovation works and improvements.

10.2 At year end a total of £1,483,354 of capital funding is committed to previously approved schemes on the Estate and carried forward to the new financial year. It is anticipated this money will be spent in 2017/18.

11.0 **Net capital contribution to the Corporate Capital Programme**

11.1 After the County Farms Estate inward capital investment expenditure is deducted from the capital receipts generated by the sale of surplus Estate assets, a net capital contribution of £368,421 was made by the Estate to the corporate capital programme in 2016/17.

11.2 In addition to the direct contribution of capital receipts, the Estate also contributed to Corporate priorities by way of land provision at no cost to the service directorate:

- (i) Land at Monkerton Farm, Pinhoe – land required for district heating infrastructure lease to Eon.
- (ii) Land at Manor Farm, Holcombe – land required for the A379 Holcombe Bends highway/cyclepath improvement scheme.

12.0 **Estate Management Performance**

12.1 The achievements for 2016/17 are analysed, as on previous occasions, in two areas – namely tenant matters and property matters.

12.2 Tenant Matters

One tenant has progressed off the Estate to a larger farm. No progression farms were relet internally. Two Farms (Higher Leigh Farm & Lower Chitterley Farm) were relet to new tenants where the level of interest and standard of applicants was extremely high.

12.3 Property Matters

The size of the Estate decreased to 3,880.91 ha (9,589.73 acres) during 2016/17. This was the net result of sales at part Monkerton

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Farm, Part Lomans Farm, Part Parks Farm, Part Tapps Farm and Stuckey Farm and the purchase of Land at Lee adjacent to Chapel Farm.

Size of the Estate	2013/14	2014/15	2015/16	2016/17
Hectares	3,848.30	3,920.08	3,892.71	3,880.91
Acres	9,509.02	9,686.52	9,618.89	9,589.73

12.4 The overall picture of the Estate as at 31 March 2017 was as follows:

	2013/14	2014/15	2015/16	2016/17
Number of let residential farms	71	68	69	69
Total AHA 86 Farms	26	23	20	20
AHA 86 Lifetime Tenancies	14	12	11	11
AHA 86 Retirement Tenancies	12	11	9	9
Total ATA 95 (FBT) Farms	45	45	49	49
FBT's more than seven years	18	18	20	21
FBT's seven years or less	25	25	29	28

12.5 One cottage remains let to a retired estate tenant.

12.6 Two further farm cottages remain sublet by Estate tenants (with landlords consent).

12.7 Two blocks of bare land are let to Parish Council's for community use (playing field and allotments).

12.8 Four blocks of bare land are let to non core estate agricultural tenants (land at Whitsun Farm, Land at Cofton Cross, Part East Hill Farm and Part Greenhills Farm).

12.9 One farmstead is declared surplus to the operational requirements of the estate and is currently sold subject to contract and planning (East Hill Farm).

13.0 Other notable Estate achievements and events

13.1 Farmwise –

(i) For the second time, Farmwise was present at the County Show for the three days 19, 20 and 21 May 2016. By kind permission and free of charge a cut down version of the main October event was hosted in the Wadsworth Pavilion at the centre of the show ground. The exhibit won the Devon County Agricultural Association (DCAA) 'Bronze' Award for the best feature stand.

(ii) The fourth Farmwise Devon event was held on 11 October 2016 at Westpoint. The following key facts are worthy of note:
Approximately 1,400 pupils (Farmwise has now reached over 10,000 children in the last 4 years)
Approximately 27 schools
12 zones (dairy, beef, sheep, pigs, poultry, fruit, vegetables, arable, wildlife, forestry, food and environment)
11 tenants from within the estate volunteering and running zone exhibits.

13.2 County Show – The Estate made full use of the availability of the Wadsworth Pavilion over the show days and invited all Estate tenants to an informal 'cream tea'.

13.3 Devon Federation of Young Farmers Clubs – The Estate part funded the County Organisers costs of employment for 2016/17.

13.4 Devon Federation of Young Farmers Clubs – The Senior Land Agent again held a farm business planning workshop for young farmers looking at preparation of cashflows and budgets, business plan preparation, presentation and interview skills.

13.5 The Estate hosted the Devon YFC farm business planning competition viewing evening at Fairfield Farm, Denbury, with kind permission of Estate tenants, Chris and Lou Carpenter.

13.6 Environmental endeavours:

(i) East Fingle Farm, Drewsteignton

In March 2017 Louise Elworthy hosted a Devon Rural Skills **traditional hedge laying** training day on the holding. The farm appears to be well suited to traditional hedge laying, so much so that the Devon hedge laying competition will be held on the farm on Saturday 21 October 2017.

(ii) Higher Fingle Farm, Drewsteignton

Organic conversion – on 1 January 2017 Colin and Kim Drake entered the holding into Organic Conversion.

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Hedgerow restoration – in spring 2017 Colin and Kim Drake planted c.1200 mixed hedgerow whips to restore old and dilapidated traditional boundaries.



Wildlife friendly pasture management – in spring 2017 Colin and Kim planted c. 30 acres of multi-species leys

Bee keeping – In spring 2017 Colin and Kim Drake introduced four bee hives to the farm.



13.7 Addington Fund – Devon Farm Business Awards 2016

The awards are organised by a partnership of the Addington Fund, the Devon County Agricultural Association (DCAA), and Stephens & Scown Solicitors.

There are eight award categories for farmers and growers in Devon to apply for:

- Best Commercial Farmer – sponsored by PKF Francis Clark Chartered Accountants
- Best Dairy Farmer – sponsored by Crediton Dairy
- Best Woman in Farming – sponsored by Natwest
- The John Neason Diversification Award – sponsored by the County Farms Estate and the Central Association of Agricultural Valuers
- Devon's Farming Champion – sponsored by the NFU and NFU Mutual
- Devon's Best Young Farmer – sponsored by Savills.

In 2016 the land agents nominated five tenants:

Gordon and Hazel Davis of Westcott Farm, Burlescombe were nominated for the **Best Dairy Farmer Award**.



Category winner and named **Devon's Farmer of the Year** for 2016

Statement from the Arc Addington Fund press release:

Devon's Farmer of the Year for 2016 and also Best Dairy Farmer is 52 year old Gordon Davis of Westcott Farm, Westleigh, near Tiverton, where he and his family milk some 200 pedigree Jersey dairy cows.

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Chairman of the judges and Addington Fund Chief Executive, Ian Bell OBE, said that *“Mr Davis was not only an outstandingly efficient dairy farmer, but also a great ambassador for his industry”*.

“Standards on this farm are second to none”, he said. “The Rivermead herd is one of the finest Jersey herds in the country and the farm is a model of tidy efficiency, where attention to detail is everything”.

“But over and above that is the work that Gordon does for his fellow farmers, in setting up his own dairy company to provide an outlet for his own and five other dairy farmers’ milk, and as an ambassador and educator for the dairy industry. Put all of that together and you have an outstanding Farmer of the Year.”

Westcott Farm is very much a family business. Gordon and his son Kevin work full time on the farm, with his wife Hazel and his other son, Mark, also much involved. The family’s Rivermead herd of Jerseys has won many top prizes at agricultural shows. Left without a milk contract when his processor closed earlier this year, Gordon Davis solved the problem by setting up his own dairy company, which now markets high quality Channel Island milk from his own farm, and five other former suppliers of the defunct processor, who might otherwise have had to quit dairying. He has established demand in London and the Midlands from companies manufacturing high end specialist products ranging from Indian desserts to cheese and butter.

The Davis family are great believers in helping urban consumers understand more about dairy farming, and have laid on many milking demonstrations, for children in particular, as well as being keen supporters of Devon County Council’s “Farm Wise” initiative, which will once again be featured at this year’s Devon County Show.

“A wonderful herd of high-yielding Jerseys with excellent conformation right through, superb udders, feet and legs, producing nearly 7000 litres per head at 5.6% butterfat and 4.1% protein, with a calving index of 372 days which is absolutely top class” said the judges.

Marcus and Liz Warner of Lower Henland Farm, Kentisbeare were nominated for the John Neason **Diversification Award**.



Category winners.

Statement from the Arc Addington Fund press release:

Another young couple, Marcus and Liz Warner, of Lower Henland Farm, Kentisbeare near Cullompton, went home with the CAAV John Neason Farm Diversification Award, for their business selling quail eggs and duck eggs. They moved to Devon from Gloucestershire to take on the tenancy of a 180 acre Devon County Council farm, and needed to diversify to make the farm viable. They now have 15,000 quail on the farm, producing 9,500 eggs a day – 15 per cent of UK production! – as well as 2,000 free range egg-producing ducks.

Attention to detail and determination were the qualities that most impressed the judges. *“This is a couple who are entrepreneurial, ambitious, and are developing a thriving business on a relatively small tenanted farm,”* they said.

Louise Elworthy (nee Moorhouse) of East Fingle Farm, Dreswteignton was nominated for the **Best woman in Farming Award** and although unsuccessful, the feedback from the judges was highly commending.

Martin Mills of Middle Yeo Farm, Down St Mary and **Chris Creeper of Waterford Farm, Musbury** were both nominated for the **Best Young Farmer Award**, and again although unsuccessful, the feedback from the judges was highly commending.

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14.0 Options/Alternatives

14.1 Alternative options have been considered and discounted as they are believed to either be contrary to current Estate policy and/or not in the best financial interests of the Estate.

15.0 Consultations/Representations/Technical Data

15.1 The views and opinions of the Devon Federation of Young Farmers Clubs and the Estate Tenants Association will be presented by the two co-opted members of the committee.

15.2 No other parties have been consulted and no other representations for or against the proposal have been received.

15.3 The technical data is believed to be true and accurate.

16.0 Considerations

16.1 The Author is not aware of any financial, sustainability, carbon impact, equality, legal, risk management or public health issues arising from this report.

17.0 Summary/Conclusions/Reasons for Recommendations

17.1 The Author has prepared this report in accordance with the findings of the County Farms Estate Strategic Review (April 2010).

Mary Davis – County Treasurer

Electoral Divisions: ALL

Local Government Act 1972: List of Background Papers

None

Who to contact for enquiries:

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Contact: 01392 382876 or lisa.beynon@devon.gov.uk

COUNTY FARMS ESTATE - FINANCIAL REPORTS FINANCIAL STATEMENT - FINAL OUTTURN 2016/17

<u>INCOME</u>	<u>ANNUAL TARGET</u>	<u>YEAR END OUTTURN</u>	<u>2015/16 OUTTURN</u>	<u>2014/15 OUTTURN</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Rent	(1,022)	(1,094)	(991)	(998)
Other	(50)	(34)	(16)	(63)
TOTAL INCOME	(1,072)	(1,128)	(1,007)	(1,061)
<u>EXPENDITURE</u>				
<u>STATUTORY COSTS</u>				
Tenant Right Valuation	2	102	55	33
SUB - TOTAL	2	102	55	33
<u>PREMISES COSTS</u>				
Building Maintenance - unforeseen	127	145	115	140
Building Maintenance - programmed	150	190	126	153
Building Maintenance - Surveys	10	1	0	4
Building Maintenance - STC	20	12	17	8
Building Maintenance - other (incl. land agents initiatives, redundant buildings, asbestos and health & safety)	65	8	18	43
Grounds Maintenance	10	7	11	7
Rents & other landlord charges	14	14	14	14
Rates, Electricity and Water Charges	12	0	8	9
SUB - TOTAL	408	377	309	378
<u>SUPPLIES & SERVICES</u>				
Insurance	0	0	0	43
Adverts	2	4	3	2
NPS Fees	230	235	258	255
Legal Fees	3	1	8	0
Professional Fees	6	(1)	8	25
Other Fees & Charges (DFYF, SHLAA, GPDO)	59	21	41	41
SUB - TOTAL	300	260	318	366
TOTAL EXPENDITURE	710	739	682	777
Revenue Funded Restructuring	0	0	0	10
NET OPERATIONAL (SURPLUS)/DEFICIT	(362)	(389)	(325)	(274)

THE COUNTY FARMS ESTATE RECOGNISING SUCCESS AT THE DEVON FARM BUSINESS AWARDS 2017

Report of the Head of Digital Transformation and Business Support

Please note that the following recommendations are subject to consideration and determination by the Committee before taking effect.

Recommendation(s):

1. That on behalf of the Committee, letters be sent to all the current and former Estate tenants nominated for the Devon Farm Business Awards 2017, recognising and congratulating them on their outstanding achievements.

1.0 Background

- 1.1 For approximately the last 25 years the Estate has supported and participated in the John Neason Memorial Awards. John Neason was a former Devon County Land Agent. Over the years the Estate and its tenants have been able to use the annual competition to showcase best practice in terms of their entrepreneurial spirit and achievements. Many previous winners have come from the Estate.
- 1.2 Since 2015, the Award has been linked to the Devon Farm Business Awards which are organised by a partnership of the Addington Fund, the Devon County Agricultural Association, and Stephens & Scown Solicitors and as such receives far greater publicity and recognition culminating in a prestigious black tie awards ceremony in the Presidents Pavilion on the eve of the Devon County Show.
- 1.3 The Suite of Awards are:
 - (i) Best Commercial Farmer – Sponsored by Francis Clark Chartered Accountants
 - (ii) Best Dairy Farmer – Sponsored by Crediton Dairy
 - (iii) Best Woman in Farming – Sponsored by Nat West Bank
 - (iv) CAAV John Neason Diversification – Sponsored by the CAAV
 - (v) Farming Champion – Sponsored by the NFU and NFU Mutual
 - (vi) Best Young Farmer – Sponsored by Savills
 - (vii) Lifetime Achievement Award – Sponsored by Cornish Mutual
 - (viii) Devon Farmer of the Year Award – Sponsored by Mole Valley Farmers
- 1.4 The awards are considered to be a very valuable publicity and marketing opportunity for the Estates high quality tenants to promote themselves to other institutional and private sector landlords and their agents.

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1.5 Report BSS/16/12 presented to the County Farms Estate Committee on 15 September 2016 referred to the Estates previous significant earlier successes in 2015 and 2016.

1.6 This report celebrates the most recent success from the 2017 Awards Ceremony.

1.6.1 Colin Latham of Chapel Farm, Marwood winner in the Best Commercial Farmer Category

Colin, along with his wife Glenys, have built up a 4.5 million litre dairy unit from almost nothing and impressed the judges with their tenacity and ability to create opportunities out of adversity. Colin worked on his father's farm, but when it was sold, he was left unemployed and with no resources in his early 20's. At their first Devon County Council Farm, Higher Leigh, they built up a dairy herd of 45. With their sons, Geoff and Ian, they now milk 540 cows.

Colin's road to success has not been easy and he has overcome many challenges, turning them into opportunities. Colin has embraced renewable energy along the way with a wind turbine, solar panels and a heat recovery system.

As further industry wide recognition of his outstanding achievement Colin Latham was selected from all of the nominees and named **Devon's Farmer of the Year**.

In Colin's words: "I love the job and I love the challenge. If I was 24 again, I wouldn't change a day."

Colin is the second Estate tenant in a row to be named 'Devon's Farmer of the Year'. Can the Estate secure the hat-trick in 2018?



1.6.2 Alex Wilson-North of Little Stone Farm, South Molton runner-up in the Best Young Farmer Category

Alex and his wife Claire took over Little Stone Farm in 2016. Little Stone is a starter dairy farm of 100 acres. Prior to taking the tenancy Alex was a successful herdsman and had been able to build up a nucleus of Jersey cows as well as a group of heifers. He also had the backing of Crediton Dairies who agreed to honour an offer of a milk contract for over 12 months at a time when very few companies were recruiting new producers. Alex has started his own dairy business in what must have been one of the most difficult years for the dairy industry for a long time. He moved in with nearly 80 cows and now is milking just over 100. He has invested in the farm and made a respectable profit in his first year.

1.6.3 Stewart & Ann Taylor of New Standon Farm, Bridestowe shortlisted in the Best Dairy Farmer Category

Stewart and Ann began farming in their own right in 2008 moving to Thorndon Farm, a starter dairy farm. They moved to New Standon Farm in 2015 and are now milking 160 cows. Stewart and Ann are a real success story of the Devon County Farms Estate. Their business has grown into a successful dairy enterprise having started from nothing in 2008. They have achieved this at a time of volatile milk prices and without a premium milk contract. Stewart and Ann's progression through the dairy industry has been based on determination and attention to detail throughout. Prior to moving to Devon they were contract milkers but it was clear to see that they wanted to run their own unit so they could put their experience in the dairy industry to better use building a business for themselves. They are model tenants, not only keeping a keen eye on their own assets but also always looking after and looking to improve the Landlord's infrastructure. They are currently investing in additional cow accommodation and are looking to replace the existing parlour at New Standon Farm. Stewart and Ann Taylor are a strong partnership committed to a future in dairying and always considering new ways of improving productivity and efficiency but not at the expense of herd health.

1.7 A number of former Estate tenants were also successful in 2017.

1.7.1 Leonard Bartlett of Hayne Farm, Gittisham (formerly of Markhams Farm, Ide) winner of the CAAV John Neason Diversification Awards

When the Bartlett family took over their 400 acre rented farm in 2009 there was a small farm shop, but in the intervening years the family has developed Bartlett's Farm Shop into a must visit local retail outlet, which employs five full time equivalent members of staff.

Run by Len and Angela's daughters Rebecca and Nicola, with help from their son Daniel, the farm shop sells beef and lamb produced on the farm, their own raw milk bottled on the farm, as well as supporting 30 other local producers (including some County Farms Estate tenants). The family opened a coffee shop in 2012 and during the quieter winter months provide breakfasts to a number of shoots. The business also has expansion prospects and the family is now investigating the possibility of

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setting up a small scale dairy processing business to sell more dairy products through the shop.

1.7.2 Rachel Leonard of Northcott Barton Farm, Chumleigh (formerly of New Gulliford Farm, Dawlish) winner of the Best Woman in Farming Category

A first generation tenant farmer, who has built her herd up gradually over the last 13 years. She does all of the work on the 190 acre beef holding on her own, as well as raising her daughter as a single parent. She has an infectious enthusiasm for all that she does and passes this on to others regularly helping to educate guests staying in the farm's holiday cottage.

2.0 Options/Alternatives

2.1 Alternative options have been considered and discounted as they are believed to either be contrary to current Estate policy and/or not in the best financial interests of the Estate.

3.0 Consultations/Representations/Technical Data

3.1 The views and opinions of the Devon Federation of Young Farmers Clubs and the Estate Tenants Association will be presented by the two co-opted members to the committee.

3.2 No other parties have been consulted and no other representations for or against the proposal have been received

3.3 The technical data is believed to be true and accurate.

4.0 Considerations

4.1 The Author is not aware of any financial, sustainability, carbon impact, equality, legal, risk management or public health issues arising from this report

5.0 Summary/Conclusions/Reasons for Recommendations

5.1 The Author has prepared this report in accordance with the findings of the County Farms Estate Strategic Review (April 2010)

Rob Parkhouse, Report of the Head of Digital Transformation and Business Support

Electoral Divisions:

All

Local Government Act 1972: List of Background Papers

None

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THE COUNTY FARMS ESTATE MANAGEMENT AND RESTRUCTURING

Report of the Head of Digital Transformation and Business Support

Please note that the following recommendations are subject to consideration and determination by the Committee before taking effect.

Recommendation(s):

1. That the Committee endorses the acceptance of the tenant's surrender of Manor Farm, Holcombe effective at 25 March 2018.
2. That the Committee approves the reletting of the farmhouse, cottage, buildings (except the former parlour and dairy) and 116.25 acres or thereabouts of land at Manor Farm, Dawlish as an equipped residential starter farm on the open market to new entrants and on a Farm Business Tenancy commencing 25 March 2018 and expiring 25 March 2025, subject to terms being agreed.
3. That the appointed tenant of Manor Farm be offered a series of 12 month Farm Business Tenancies of the adjoining fields OS 1826, 1224, 0614, and Pt 1400 amounting to 10.38 acres or thereabouts, on the same terms as the main tenancy until such time as any development potential has been secured or discounted or until 25 March 2025, whichever is the sooner.
4. That OS 6743 (2.60 acres or thereabouts) be retained in hand with vacant possession.
5. That Pt OS 2355 (4.46 acres or thereabouts) be let on a Farm Business Tenancy Agreement to the current tenant of Manor Farm, Holcombe for a term of five years commencing 25 March 2018 and expiring 25 March 2023, subject to the landlord being able to serve upon the tenant an open break clause terminating the lease for any purpose on giving the tenant no less than 12 months notice in writing, and subject to all other terms being agreed.
6. That the current commercial sub-tenant of the former parlour and dairy building be let the building on a security of tenure excluded Landlord and Tenant Act 1954 lease commencing 25 March 2018 and expiring 25 March 2025, subject to terms being agreed.
7. That the appointed tenant of Manor Farm be given landlords consent to sublet the farm cottage, subject to the head landlord approving the terms of the sublease, until such times as the cottage may be required by the landlord for any other Estate purposes.
8. That the appointed tenant of Manor Farm be given landlords consent to sublet the commercial workshop to a light industrial use (Use Class B1) occupier, subject to the head landlord approving the terms of the sublease.

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1.0 Manor Farm, Holcombe

1.1 The Holcombe Estate comprises:

Manor Farm 52.30 hectares (129.25 acres)

Total 52.30 hectares (129.25 acres)

1.2 Members may recall resolving under committee resolution FE42 of 22 February 2017:

‘that 0.37 hectares (0.91 acres) or thereabouts of land forming part Manor Farm, Holcombe, Dawlish and more particularly known as part OS 3761 and 3775 be declared permanently surplus to the operational requirements of the Estate so that it could be developed as part of a highway improvement scheme.

1.3 The tenant of Manor Farm has recently indicated that he wanted to vacate the holding at 25 March 2018 and has signed an Agreement to Surrender and a Deed of Surrender effective at 25 March 2018.

1.4 The only condition the current had to his surrender is to be simultaneously regranted a fixed term Farm Business Tenancy of Pt OS 2355 (4.46 acres or thereabouts), subject to terms being agreed.

1.5 The holding is being managed as a residential equipped starter farm until such times as the potential strategic or commercial development value of some or all of the holding can be secured or permanently discounted. Some of that development potential may come forward within the term of the proposed new lease, subject of course to securing planning consent. The farmhouse has been utilised as a well established B&B, the semi-detached cottage has been sublet, the farm buildings have been used for DIY livery and light industrial sub-lettings (all with landlords consent), all for a number of years.

1.6 In light of the tenants pending surrender the holding is attracting interest from other parties seeking to discuss terms to occupy parts of the holding for a range of uses. These expressions of interest require further consideration before any recommendations can be put to the committee for consideration.

2.0 Options/Alternatives

2.1 Alternative options have been considered and discounted as they are believed to either be contrary to current Estate policy and/or not in the best financial interests of the Estate.

3.0 Consultations/Representations/Technical Data

3.1 The views and opinions of the Devon Federation of Young Farmers Clubs and the Estate Tenants Association will be presented by the two co-opted members to the committee.

Agenda Item 8

3.2 No other parties have been consulted and no other representations for or against the proposal have been received

3.3 The technical data is believed to be true and accurate.

4.0 Considerations

4.1 The Author is not aware of any financial, sustainability, carbon impact, equality, legal, risk management or public health issues arising from this report

5.0 Summary/Conclusions/Reasons for Recommendations

5.1 The Author has prepared this report in accordance with the findings of the County Farms Estate Strategic Review (April 2010)

Rob Parkhouse, Report of the Head of Digital Transformation and Business Support

Electoral Divisions:

Dawlish;

Local Government Act 1972: List of Background Papers

None

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