

Phil Norrey
Chief Executive

To: The Chair and Members of the
Farms Estate Committee

County Hall
Topsham Road
Exeter
Devon
EX2 4QD

(See below)

Your ref :
Our ref :

Date : 23 August 2018
Please ask for : Wendy Simpson, 01392 384383

Email: wendy.simpson@devon.gov.uk

FARMS ESTATE COMMITTEE

Monday, 3rd September, 2018

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

A G E N D A

PART I - OPEN COMMITTEE

1 Apologies for Absence

2 Minutes

Minutes of the meetings held on 15 May 2018 and 23 July 2018 (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 (Month 4) 2018/19 (Pages 1 - 4)

Report of the County Treasurer (CT/18/62) on the County Farms Estate Revenue Monitoring Statement (Month 4) 2018/19, attached.

Electoral Divisions(s): All Divisions

5 Capital Monitoring (Month 4) 2018/19 (Pages 5 - 6)

Report of the County Treasurer (CT/18/63) on the County Farms Estate Capital Monitoring (Month 4) 2018/19, attached.

Electoral Divisions(s): All Divisions

6 Management and Restructuring Issues (Pages 7 - 12)

Report of the Head of Digital Transformation and Business Support (BSS/18/06) on County Farms Estate Management and Restructuring issues, attached.

Electoral Divisions(s): Hatherleigh & Chagford; South Molton; Torrington Rural

7 The County Farms Estate Annual Report 2017/18 (Pages 13 - 24)

Report of the County Treasurer (CT/18/61) on the County Farms Estate Annual Report 2017/18, attached.

Electoral Divisions(s): All Divisions

8 Improving the Marketing Exposure of the County Farms Estate (Pages 25 - 28)

Report of the Head of Digital Transformation and Business Support (BSS/18/07) on improving the marketing exposure of the County Farms Estate, attached.

Electoral Divisions(s): All Divisions

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

9 Exclusion of the Press and Public

Recommendation: that the press and public be excluded from the meeting for the following items of business under Section 100(A)(4) of the Local Government Act 1972 on the grounds that they involve the likely disclosure of exempt information as defined in Paragraphs 1, 2 and 3 of Schedule 12A of the Act, namely information relating to, and which is likely to reveal the identity of, tenants and information relating to the financial or business affairs of tenants and the County Council and, in accordance with Section 36 of the Freedom of Information Act 2000, by virtue of the fact that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

MATTERS FOR DECISION

10 Holdings and Tenancies etc. (Pages 29 - 38)

(An item to be considered by the Committee in accordance with the Cabinet Procedure Rules and Regulation 5 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, no representations having been received to such consideration taking place under Regulation 5(5) thereof)

(a) North Hele Farm, Buckland Brewer

Report of the Head of Digital Transformation and Business Support (BSS/18/08) on matters relating to the occupation of North Hele Farm, Buckland Brewer, attached.

(b) Requests for Extension of Tenancy

Report of the Head of Digital Transformation and Business Support (BSS/18/09) on the requests for extension of tenancy, attached.

Electoral Divisions(s): Holsworthy Rural; South Molton

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 R Edgell (Chair), J Brook, J Berry, A Dewhirst, T Inch, C Whitton and J Yabsley

Co-opted Members

E Quick (Devon Federation of Young Farmers Clubs) and L Warner (Tenants' representative)

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.

Access to Information

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.

Webcasting, Recording or Reporting of Meetings and Proceedings

The proceedings of this meeting may be recorded for broadcasting live on the internet via the 'Democracy Centre' on the County Council's website. The whole of the meeting may be broadcast apart from any confidential items which may need to be considered in the absence of the press and public. For more information go to: <http://www.devoncc.public-i.tv/core/>

In addition, anyone wishing to film part or all of the proceedings may do so unless the press and public are excluded for that part of the meeting or there is good reason not to do so, as directed by the Chair. Any filming must be done as unobtrusively as possible from a single fixed position without the use of any additional lighting; focusing only on those actively participating in the meeting and having regard also to the wishes of any member of the public present who may not wish to be filmed. As a matter of courtesy, anyone wishing to film proceedings is asked to advise the Chair or the Democratic Services Officer in attendance so that all those present may be made aware that is happening.

Members of the public may also use Facebook and Twitter or other forms of social media to report on proceedings at this meeting. An open, publicly available Wi-Fi network (i.e. DCC) is normally available for meetings held in the Committee Suite at County Hall. For information on Wi-Fi availability at other locations, please contact the Officer identified above.

Emergencies

In the event of the fire alarm sounding leave the building immediately by the nearest available exit, following the fire exit signs. If doors fail to unlock press the Green break glass next to the door. Do not stop to collect personal belongings, do not use the lifts, do not re-enter the building until told to do so.

Mobile Phones

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

NOTES FOR VISITORS

All visitors to County Hall, including visitors to the Committee Suite and the Coaver Club conference and meeting rooms are requested to report to Main Reception on arrival. If visitors have any specific requirements or needs they should contact County Hall reception on 01392 382504 beforehand. Further information about how to get here can be found at: <https://new.devon.gov.uk/help/visiting-county-hall/>. Please note that visitor car parking on campus is limited and space cannot be guaranteed. Where possible, we encourage visitors to travel to County Hall by other means.

SatNav – Postcode EX2 4QD

Walking and Cycling Facilities

County Hall is a pleasant twenty minute walk from Exeter City Centre. Exeter is also one of six National Cycle demonstration towns and has an excellent network of dedicated cycle routes – a map can be found at: <https://new.devon.gov.uk/travel/cycle/>. Cycle stands are outside County Hall Main Reception and Lucombe House

Access to County Hall and Public Transport Links

Bus Services K, J, T and S operate from the High Street to County Hall (Topsham Road). To return to the High Street use Services K, J, T and R. Local Services to and from Dawlish, Teignmouth, Newton Abbot, Exmouth, Plymouth and Torbay all stop in Barrack Road which is a 5 minute walk from County Hall. Park and Ride Services operate from Sowton, Marsh Barton and Honiton Road with bus services direct to the High Street.

The nearest mainline railway stations are Exeter Central (5 minutes from the High Street) and St David's and St Thomas's both of which have regular bus services to the High Street. Bus Service H (which runs from St David's Station to the High Street) continues and stops in Wonford Road (at the top of Matford Lane shown on the map) a 2/3 minute walk from County Hall, en route to the RD&E Hospital (approximately a 10 minutes walk from County Hall, through Gras Lawn on Barrack Road).

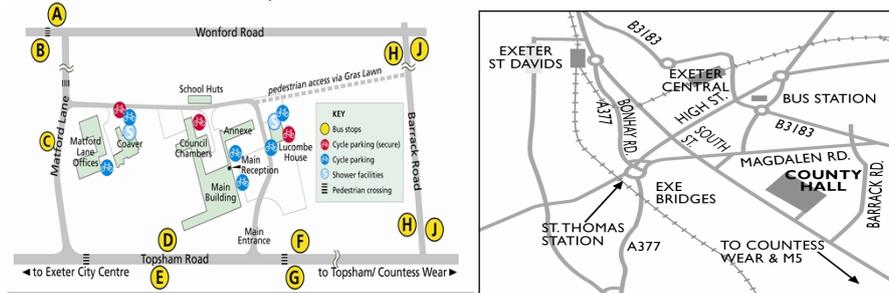
Car Sharing

Carsharing allows people to benefit from the convenience of the car, whilst alleviating the associated problems of congestion and pollution. For more information see: <https://liftshare.com/uk/community/devon>.

Car Parking and Security

There is a pay and display car park, exclusively for the use of visitors, entered via Topsham Road. Current charges are: Up to 30 minutes – free; 1 hour - £1.10; 2 hours - £2.20; 4 hours - £4.40; 8 hours - £7. Please note that County Hall reception staff are not able to provide change for the parking meters.

As indicated above, parking cannot be guaranteed and visitors should allow themselves enough time to find alternative parking if necessary. Public car parking can be found at the Cathedral Quay or Magdalen Road Car Parks (approx. 20 minutes walk). There are two disabled parking bays within the visitor car park. Additional disabled parking bays are available in the staff car park. These can be accessed via the intercom at the entrance barrier to the staff car park.



NB   Denotes bus stops

Fire/Emergency Instructions

In the event of a fire or other emergency please note the following instructions. If you discover a fire, immediately inform the nearest member of staff and/or operate the nearest fire alarm. On hearing a fire alarm leave the building by the nearest available exit. The County Hall Stewardesses will help direct you. Do not stop to collect personal belongings and do not use the lifts. Assemble either on the cobbled car parking area adjacent to the administrative buildings or in the car park behind Bellair, as shown on the site map above. Please remain at the assembly point until you receive further instructions. Do not re-enter the building without being told to do so.

First Aid

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

The County Farms Estate

Revenue Monitoring (Month 4) 2018/19

Report of the County Treasurer

1 Revenue Monitoring (Month 4) 2018/19

- 1.1 The Revenue Budget presented to Corporate Service Scrutiny Committee on 31 January 2018 included a target surplus of £414,000 for the County Farms Estate, in accordance with the targets set by Cabinet at its meeting on 10 January 2018.
- 1.2 Appendix A provides a summary of the annual budget. It also provides details of income and expenditure to date.
- 1.3 As at month 4 there is minimal actual income or expenditure to report.
- 1.4 Approximately 50% of the predicted income will be collected in arrears at the end of month 6 with the balance collected at the end of month 12.
- 1.5 Two large Tenant Right Valuation accruals should be capable of being released shortly.
- 1.6 £9,000 worth of unforeseen repair works have been ordered and paid in 2018. In addition, a further £16,000 of unforeseen works have been ordered but not invoiced. Total unforeseen expenditure and commitment at month 4 is therefore £25,000.
- 1.7 The revenue funded maintenance programme has been set and the £232,000 budget fully allocated to proposed works based on initial cost estimates provided for each scheme. The £17,000 accrual from last financial year for works substantially complete but not invoiced by year end will be paid shortly. The contractors are being chased for invoices.
- 1.8 The revenue funded building maintenance other programme has been set and the £74,000 budget fully allocated to proposed redundant building, health and safety or asbestos removal works based on initial cost estimates provided for each scheme.
- 1.9 Approximately £3,000 worth of testing and inspection works (service term contract budget) have been paid at month 4 and a further £12,000 worth of works ordered.

Agenda Item 4

- 1.10 It is currently anticipated that the forecast level of income and expenditure will be achieved and the target surplus delivered, albeit there may well be some fluctuations within income and expenditure items.

2 **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 **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 **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 **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).

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

COUNTY FARMS ESTATE - FINANCIAL REPORTS FINANCIAL STATEMENT - (MONTH 4) 2018/19

<u>INCOME</u>	<u>YEAR TO DATE</u> £'000	<u>ANNUAL TARGET</u> £'000	<u>CURRENT FORECAST</u> £'000
Rent	(6)	(1,073)	(1,073)
Other	(19)	(40)	(40)
TOTAL INCOME	(25)	(1,113)	(1,113)
<u>EXPENDITURE</u>			
<u>STATUTORY COSTS</u>			
Tenant Right Valuation	(153)	20	20
SUB - TOTAL	(153)	20	20
<u>PREMISES COSTS</u>			
Building Maintenance - unforeseen	9	121	121
Building Maintenance - programmed	(17)	232	232
Building Maintenance - Surveys	0	10	10
Building Maintenance - STC	3	23	23
Building Maintenance - other (incl. land agents initiatives, redundant buildings, asbestos and health & safety)	1	74	74
Grounds Maintenance	0	10	10
Rents & other landlord charges	0	14	14
Rates, Electricity and Water Charges	0	6	6
SUB - TOTAL	(4)	490	490
<u>SUPPLIES & SERVICES</u>			
Insurance	0	0	0
Adverts	0	2	2
NPS Fees	64	170	170
Legal Fees	0	4	4
Professional Fees	(11)	6	6
Other Fees & Charges (DFYF, SHLAA, GPDO)	1	7	7
SUB - TOTAL	54	189	189
TOTAL EXPENDITURE	(103)	699	699
NET OPERATIONAL (SURPLUS)	(128)	(414)	(414)
<u>FARM IMPROVEMENTS inclusive of fees</u>			
Revenue funded Restructuring (BM other)	0	0	0
SUB - TOTAL	0	0	0
TOTAL COSTS SURPLUS	(128)	(414)	(414)

The County Farms Estate

Capital Monitoring (Month 4) 2018/19

Report of the County Treasurer

1 Capital Monitoring (Month 4) 2018/19

- 1.1 The Capital programme presented to Corporate Services Scrutiny Committee on 31st January 2018 (and subsequently approved by County Council) included schemes totalling £600,000.
- 1.2 Added to this was slippage of £1,068,360 and the unallocated savings of £236,595 taking the total capital scheme for 2018/19 to £1,904,955.

2. Nitrate Vulnerable Zone Compliance

- 2.1 Currently one butyl lined lagoon is under construction and one new concrete box slurry store has a budget provision.
- 2.2 Forecast spend stands at £560,929 on NVZ compliant schemes for 2018/19.

3. Compensation Payments (Tenants Improvements, etc..)

- 3.1 Forecast spend currently stands at nil but this excludes any liability that may fall due in year or at 25 March 2019. Potential for future compensation payments in year.

4 Enhancements and Improvements

- 4.1 Actual spend to date stands at £250,359 and a further £355,651 is committed. Total amount of capital spent or committed is therefore £603,315.
- 4.2 Forecast spend currently stands at £1,344,026 in total.

5 Land Acquisitions

- 5.1 Currently no potential land purchases have been identified.

6 Options/Alternatives

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

Agenda Item 5

7 **Consultations/Representations/Technical Data**

- 7.1 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.
- 7.2 No other parties have been consulted and no other representations for or against the proposal have been received.
- 7.3 The technical data is believed to be true and accurate.

8 **Considerations**

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

9 **Summary/Conclusions/Reasons for Recommendations**

- 9.1 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 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):

That the Committee approves the recommendations as set out in the opening paragraph of section 1, 2 and 3 of this report.

1.0 East Week Farm I, South Tawton

It is recommended that the house, buildings and OS 5600 forming part East Week Farm I, South Tawton and extending to 2.74 hectares (6.76 acres) or thereabouts be declared permanently surplus to the operational requirements of the Estate at 25 March 2019, and sold on the open market.

1.1 The South Tawton Estate comprises:

- | | | |
|-------|--------------------------|-------------------------------|
| (i) | East Week Farm I – | 2.74 hectares (6.76 acres) |
| (ii) | Part East Week Farm I – | 24.95 hectares (61.65 acres) |
| (iii) | Part East Week Farm I – | 11.58 hectares (28.61 acres) |
| (iv) | Part East Week Farm II – | 4.79 hectares (11.83 acres) |
| (v) | Lower East Week Farm – | 30.30 hectares (74.88 acres) |
| | Total – | 74.36 hectares (183.73 acres) |

1.2 In relation to East Week Farm I, members resolved at the County Farms Estate Committee meeting of 5 February 2015, minute ref. FE/68(a) that:

- (i) The tenants proposed early surrender of the three separate agreements covering the letting of East Week Farm I, South Tawton be accepted*
- (ii) That the house, buildings and OS 5600 forming part East Week Farm I, South Tawton will be regranted to the tenant on a fixed term Farm Business Tenancy Agreement commencing 25 March 2015 and terminating 25 March 2019, subject to terms being agreed*
- (iii) That 61.80 acres or thereabouts of land forming part East Week Farm I, South Tawton and more particularly described as OS 5553, 7745, 6633, 5727, 4100, 7017, 8323, 9215, 0023, 0525, 0010, 0410, 0005, 0501 and 1211 will be*

Agenda Item 6

regranted to the tenant on a fixed term Farm Business Tenancy Agreement commencing 25 March 2015 and terminating 25 March 2035, subject to terms being agreed.

(iv) That first refusal of the 30.62 acres or thereabouts of land forming part East Week Farm I, South Tawton and more particularly described as OS 8649, 0036, 0438, pt0449, 1678, 2367 and 3560 will be offered to the tenant of Higher Fingle Farm, Drewsteignton on a fixed term Farm Business Tenancy commencing 25 March 2015 and terminating 25 March 2021, subject to terms being agreed'.

- 1.3 The Committee resolutions referred to above were subsequently actioned.
- 1.4 A S.5(1) Notice to Quit under the Agricultural Tenancies Act 1995 has been served on the tenant of Part East Week Farm I, South Tawton to secure vacant possession of the house, buildings and OS 5600. The Notice to Quit is effective on the tenancy term date of 25 March 2019.
- 1.5 The former Estate Plan identified the Lower East Week farmhouse, buildings and 10 acres or thereabouts as potentially surplus with the balance of land to be amalgamated with East Week Farm I. The Estate plan did however note 'consider whole parish disposal on an in/out basis'.
- 1.6 The current Asset Management Plan allocates East Week Farm I and Lower East Week Farm 'scores' of 10 and 9 out of 20 respectively. In terms of wider estate ranking this is quite a low social, economic and environmental score which would appear to endorse the alternative recommendation set out in the former estate plan to sell the entire parish on an in/out basis as and when, and arguably only when, replacement land better located to other holdings on the Estate is available to purchase.
- 1.7 The farm infrastructure at East Week Farm I is poor and would not lend itself to offering a viable, efficient and cost effective farming opportunity for either a new entrant or the landlord. Furthermore the traditional buildings have, subject to planning, significant development potential. It is therefore prudent to sell the farmstead at the earliest opportunity.

2.0 Part Firsdon Farm, Ashreigney

It is recommended that:

- (i) the 30.56 hectares (75.60 acres) or thereabouts of land formerly part Firsdon Farm, Ashreigney be let to the tenant of Furze Barton Farm, Ashreigney for a further 6 month term commencing 29 September 2018 and terminating 25 March 2019 (co-terminating with the lease of Furze Cottages Farm, Ashreigney), subject to terms being agreed.
- (ii) the 30.56 hectares (75.60 acres) or thereabouts of land formerly part Firsdon Farm, Ashreigney be advertised to let as an optional lot of land with Furze Cottages Farm, Ashreigney on a seven year Farm Business Tenancy commencing 25 March 2019 and terminating 25 March 2026, subject to terms being agreed.
- (iii) the tenant of Furze Barton Farm, Ashreigney has the option of tendering for the 30.56 hectares (75.60 acres) or thereabouts of land formerly part

Agenda Item 6

Firsdon Farm, Ashreigney on a seven year Farm Business Tenancy commencing 25 March 2019 and terminating 25 March 2026, subject to terms being agreed, when it is advertised to let with Furze Cottages Farm, Ashreigney.

2.1 The Ashreigney Estate comprises:

Furze Cottages Farm	42.51 hectares (105.08 acres)
Furze Barton Farm	54.32 hectares (134.23 acres)
Part Firsdon Farm	30.56 hectares (75.60 acres)
Total	127.39 hectares (314.91 acres)

2.2 In relation to Part Firsdon Farm, members resolved at the County Farms Estate Committee meeting of 15 July 2010, minute ref FE/40(a)(iv):

'That the residual 76.69 acres of land and buildings as detailed in the report be amalgamated with Furze Barton Farm, Ashreigney, subject to terms being agreed'.

2.3 The Farm buildings have subsequently been sold leaving 30.56 hectares (75.60 acres) or thereabouts of bare land which is currently let to the tenant of Furze Barton Farm on a short term Farm Business Tenancy terminating 29 September 2018.

2.4 In relation to Furze Cottages Farm, members resolved at the County Farms Estate Committee meeting of 15 May 2018, minute ref. FE/45:

(a) *that the existing tenant of Furze Cottages Farm, Ashreigney be granted a six month and final Farm Business Tenancy of the holding commencing 29 September 2018 and expiring 25 March 2019, subject to terms being agreed, such terms to include the Farm Business Tenancy being in accordance with the County Council's standard form and the rent for the holding being set at its open market value, as defined in the Agricultural Tenancies Act 1995;*

(b) *that in due course Furze Cottages Farm, Ashreigney be advertised to let on the open market on a seven year Farm Business Tenancy commencing 25 March 2019 and terminating 25 March 2026, subject to terms being agreed.*

2.5 The adopted Estates Management Strategy embraced an ethos of flexibility dispelling the rigid structure of the former Estate Plan. Recent open market reletting exercises have demonstrated that new entrants are seeking a range of farm tenancy sizes depending on individual circumstances and proposed business plans. Some new entrants are seeking modest sized, and occasionally part time starter farms, whereas other new entrants are seeking larger more viable units that have the potential of being operated as a full time business opportunity.

2.6 Prior to committee resolution FE/45 referred to in paragraph 2.4 above the Farm Business Tenancies of Furze Cottages Farm and the land at Firsdon

Agenda Item 6

Farm co-terminated at 29 September 2018. To afford the Estate a degree of flexibility to support either the existing tenant of Furze Barton or a new entrant to Furze Cottages, it is proposed to extend the term date of the current occupancy of the land at Firsdon Farm and supersede committee resolution FE 40(a)(iv) of 15 July 2010 referred to in paragraph 2.2 above.

3.0 Part Little Stone Farm, South Molton

It is recommended that:

- (i) The Committee accepts the tenants surrender notice of Little Stone Cottage, South Molton
- (ii) Little Stone Cottage be amalgamated with Little Stone Farm, South Molton for a term commencing 29 September 2018 and expiring 25 March 2023, subject to terms being agreed.

3.1 The South Molton Estate comprises:

Great Stone Farm	73.19 hectares (180.86 acres)
Little Stone Farm	40.62 hectares (100.37 acres)
Little Stone Cottage	0.20 hectares (0.50 acres)
Total	114.01 hectares (281.73 acres)

3.2 Little Stone Cottage is currently occupied by a former farm tenant. The tenant has purchased a property and now wishes to vacate the cottage.

3.3 Little Stone Cottage is annexed to the Little Stone Farm main dwelling and is not currently required by the landlord for any immediate need however it would not be practical to sell the cottage given its proximity to the farmhouse and buildings.

4.0 Options/Alternatives

4.1 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.

5.0 Consultations/Representations/Technical Data

6.1 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.

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

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

7.0 Considerations

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

8.0 Summary/Conclusions/Reasons for Recommendations

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

Rob Parkhouse, Head of Digital Transformation and Business Support

Electoral Divisions: Hatherleigh & Chagford; Torrington Rural; South Molton Rural

Local Government Act 1972: List of Background Papers:

None

Who to contact for enquiries:

Dan Meek, NPS South West Ltd, Venture House, One Capital Court, Bittern Road,
Sowton Industrial Estate, Exeter, EX2 7FW

Tel No: (01392) 351066

Email: dan.meek@nps.co.uk

The County Farms Estate – Annual Report 2017/18 Report of the County Treasurer

1 **Background/Introduction**

1.1 This is the twenty-seventh annual report of the County Farms Estate and the eighth 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 2017/18**

- 2.1 The Farms Estate Committee met on 22 June, 18 September, 11 December 2017 and 12 February 2018. In addition to the usual financial and management matters other issues discussed by the Committee included:
- Annual Report 2016/17
 - Recognising success at the Devon Farm Business Awards 2017
 - Opportunities to offer wider rural business start-up opportunities
 - Freshstart Land Enterprise Centre
 - Monitoring of tenants on initial Farm Business Tenancy's
 - Review and update of standard Farm Business Tenancy
 - Requests for Landlord's consent for Tenant's Improvements
- 2.2 An interview panel met on two occasions during the year to interview tenants for Middle Yeo Farm, Down St Mary; North Ground Farm, Milton Abbot; and Manor Farm, Holcombe.
- 2.3 The Chairman, a second member of the Committee and the Senior Land Agent also visited the Parishes of Braunton, South Molton, Holsworthy, Denbury and Dawlish to undertake tenant's monitoring visits.
- 2.4 The Chairman and vice Chairman of the Committee and the Senior Land Agent met with representatives of Rattery Parish Council.
- 2.5 New members of the Committee received a presentation on the Estate Management Strategy and Plan, protocols and procedures.

Agenda Item 7

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 2018 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 Rental income from the Estate in 2017/18 was £1,055,448 compared with a target of £1,052,000.
- 4.2 Miscellaneous income totalled £42,505 compared with a target of £40,000.
- 4.3 Therefore total income secured was £1,097,953 against a target of £1,092,000.

Revenue Income	2014/15	2015/16	2016/17	2017/18
Rental	£997,812	£965,357	£1,093,939	£1,055,448
Miscellaneous	£63,156	£41,949	£34,458	£42,505
Total	£1,060,968	£1,007,306	£1,128,397	£1,097,953

Revenue Income Analysis	2014/15	2015/16	2016/17	2017/18
Actual	£1,060,968	£1,007,306	£1,128,397	£1,097,953
(a) Per Farm	£15,603	£14,599	£16,354	£16,146
(b) Per Hectare	£273	£259	£291	£283
(c) As a % of Target	114%	96%	105%	101%

5 Revenue Expenditure

- 5.1 The target spend for 2017/18 on programme and unforeseen repairs and maintenance was £310,000 of which 68% (£210,000) was planned and 32% (£100,000) was unforeseen.

Agenda Item 7

- 5.2 There was an overall actual spend of £308,599 on repair and maintenance of which 74% (£227,711) was planned maintenance and 26% (£80,888) was unforeseen and reactive work. The proportion of programme maintenance spend has increased significantly from 57% in 2016/17.

Expenditure	2014/15	2015/16	2016/17	2017/18
Programme	£153,065	£126,141	£190,461	£227,711
Unforeseen	£139,722	£114,810	£145,392	£80,888
Total Maintenance	£292,787	£240,951	£335,853	£308,599

- 5.3 £235,022 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.
- 5.4 £7,082 was spent on servicing plant and equipment on the Estate including private water supplies and boilers owned by the Landlord.
- 5.5 £2,519 was spent on roadside tree surgery works arising as a consequence of periodic surveys and other ground maintenance works.
- 5.6 £7,384 was spent on Landlord's health and safety improvements, removing and replacing asbestos and demolishing redundant buildings.
- 5.7 £113,753 was spent on compensating tenants for fixtures, fittings and improvements at end of tenancy.

6.0 Revenue Surplus

- 6.1 A revenue surplus of £393,682 was achieved compared with a target of £382,000.

Revenue Surplus	2014/15	2015/16	2016/17	2017/18
Target	£273,000	£337,000	£362,000	£382,000
Actual	£273,714	£325,571	£389,442	£393,682
As a % of Target	100%	97%	108%	103%

7.0 Running Costs

- 7.1 Running costs for 2017/18 were £469,249 against a target of £480,000. The reduction in in year spend principally related to a

Agenda Item 7

significant saving on expenditure on Health & Safety works, redundant buildings and asbestos removal.

Running Cost	2014/15	2015/16	2016/17	2017/18
(d) Per Farm	£8,046	£6,159	£7,300	£6,900
(e) Per Hectare	£141	£109	£129.79	£121.15
(f) As a % of Income	57%	42%	45%	43%

8.0 Management Costs

8.1 Management costs (managing the Estate, running Farmwise Devon and the procurement of repairs, maintenance, compliance management, service term contracts and other works) for 2017/18 were £235,023 against a target of £230,000.

Management Cost	2014/15	2015/16	2016/17	2017/18
(g) Per Farm	£3,531	£3,739	£3,409	£3,456
(h) Per Hectare	£62	£66	£60.62	£60.68
(i) As a % of Income	23%	26%	21%	21%

9.0 Capital Receipts

9.1 In 2017/18 the Estate generated £11,130,000 from the sale of land west of Cumberland Way (Monkerton) for residential development.

Capital Receipts	2014/15	2015/16	2016/17	2017/18
Actual	£605,519	£3,813,001	£1,476,115	£11,130,000
Target	£1,197,000	N/A	N/A	N/A
As a % of Target	51%	N/A	N/A	N/A

9.2 At year end a further 11 properties were 'sold subject to contract and planning' with a potential capital receipt value of £10,030,621 expected to be received in 2018/19.

10.0 Capital Investments

10.1 Capital investment amounted to £778,599. Investment was made in further slurry and dirty water storage capacity and farmhouse renovation works and improvements.

10.2 At year end a total of £1,068,360 of capital funding is committed to previously approved schemes on the Estate, alongside £236,595 of savings from completed schemes; both of which have been carried forward to the new financial year. It is anticipated this money will be spent in 2018/19.

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 £10,351,401 was made by the Estate to the corporate capital programme in 2017/18.

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 Highways Highways, Infrastructure Development & Waste Service:

- (i) Land at Monkerton Farm, Pinhoe – land required for highway’s Sustainable Urban Drainage Scheme (SUD’s).

12.0 Estate Management Performance

12.1 The achievements for 2017/18 are analysed, as on previous occasions, in two areas – namely tenant matters and property matters.

12.2 Tenant Matters

- Two tenants have progressed off the Estate to larger tenanted farms with the Duchy of Cornwall and Clinton Devon Estates.
- Three tenants have progressed off the Estate to their own owner occupied holdings.
- Two tenants have retired.
- One progression farm was offered to let internally with no takers.
- Three Farms (Middle Yeo Farm, Down St Mary; North Ground Farm, Milton Abbot; and Manor Farm, Holcombe) were re-let to new tenants where the standard of applicants was extremely high.
- Two more farms (Chapel Farm and Prixford Barton Farm, Marwood) were held in hand at year end pending works to farmhouses and further open market advertising.

12.3 Property Matters

The size of the Estate decreased to 3,872.99 ha (9,570.16 acres) during 2017/18. This was the net result of sales of part Monkerton Farm.

Size of the Estate	2014/15	2015/16	2016/17	2017/18
Hectares	3,920.08	3,892.71	3,880.91	3,872.99
Acres	9,686.52	9,618.89	9,589.73	9,570.16

Agenda Item 7

12.4 The overall picture of the Estate as at 31 March 2018 was as follows:

	2014/15	2015/16	2016/17	2017/18
Number of let residential farms	68	69	69	68
Total AHA 86 Farms	23	20	20	18
AHA 86 Lifetime Tenancies	12	11	11	9
AHA 86 Retirement Tenancies	11	9	9	9
Total ATA 95 (FBT) Farms	45	49	49	50
FBT's more than seven years	18	20	21	21
FBT's seven years or less	25	29	28	29

- 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 One traditional building is now let on a Landlord and Tenant Act 1954 lease to a micro-brewery operator.
- 12.8 Two surplus farm buildings are now sublet with landlords consent to rural businesses on Landlord and Tenant Act 1954 leases.
- 12.9 Three blocks of bare land are let to Parish Council's for community use (playing field and allotments).
- 12.10 Six allotments are let direct to members of the public.
- 12.11 A lease was granted at 'under value' for community internet apparatus to be installed on a County Farm.
- 12.12 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).
- 12.13 Three farmsteads are declared surplus to the operational requirements of the Estate. One is currently sold subject to contract and planning (East Hill Farm) and two are due to be advertised for sale as soon as practically possible (Baxters Farm, Musbury and Beara Down Farm, Bratton Fleming).

13.0 **Other notable Estate achievements and events**

13.1 Farmwise –

(i) For the third year in a row, Farmwise was present at the County Show for the three days 18, 19 and 20 May 2017.

(ii) The fifth Farmwise Devon event was held on 10 October 2017 at Westpoint. The following key facts are worthy of note:

Approximately 1,400 pupils (Farmwise has now reached over 25,000 children in the last 5 years)

Approximately 27 schools

12 zones (dairy, beef, sheep, pigs, poultry, fruit, vegetables, arable, wildlife, forestry, food and environment)

12 tenants from within the estate volunteering and running zone exhibits.

13.2 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's, and presentation and interview skills.

13.3 The Estate hosted the Devon Federation of Young Farmers Clubs farm business planning competition viewing evening at North Ground Farm, Milton Abbot, with kind permission of Estate tenants, Sam and Nell Walker.

13.4 For the first time the Estate hosted the Duchy College Level 4 Apprenticeship students sitting their farm business planning module. Again a mock viewing was held at North Ground Farm and the Chairman of the Committee, Senior Land Agent and tenant of the holding interviewed students for the hypothetical tenancy in Launceston.

The Estate put forward a prize of £250 for the best student's written business plan and presentation. The winner of the prize was Sarah Cann, daughter of Estate former tenant John Cann of North Ground Farm, Milton Abbot. Sarah was awarded the prize by Cllr Chugg at the Colleges' Awards Ceremony.

Agenda Item 7



13.5 Environmental endeavours:

The Land Agents have been working with the Communities, Public Health, Environment and Prosperity Service on the following projects

- Get Devon Buzzing Campaign
- Natural Capital Pilot
- Over-haul of the Re-lettings report
- Hill fort survey at Chapel Farm

13.6 Addington Fund – Devon Farm Business Awards 2017

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

Agenda Item 7

- 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 2017 the land agents nominated three tenants:

Colin Latham of Latham Partners (Chapel Farm, Marwood) were nominated for the **Best Commercial Farmer Award**



Colin Latham was judged to be **Category winner** and named **Devon’s Farmer of the Year** for 2017.

This was the second year in a row that an Estate tenant had been named Devon’s Farmer of the Year!

Stewart and Ann Taylor of New Standon Farm, Bridestowe were nominated for **Best Dairy Farmer**

Alex Wilson-North of Little Stone Farm, South Molton was nominated for **Best Young Farmer** and was the runner up

Phil Reed, partner and head of rural services at Stephens & Scown said: *“Passion and perseverance are crucial ingredients in any farm, and tonight’s nominees and winners show what can be achieved with this attitude. Farming has long been woven into the way of life in Devon, and the farmers we are celebrating tonight show the valuable contribution that the sector continues to make to the success of the region as a whole. Hearing the stories of our nominees and winners it would be hard not to be impressed – they are doing Devon proud.”*

Agenda Item 7

Mary Quicke MBE, Chairman of Council of Devon County Agricultural Association said: *“Once again, our Devon Farm Business Award winners are demonstrating that, for all the current uncertainties, farming remains an industry of enterprise and opportunity. They are an inspiration to their fellow farmers, and standard bearers for Devon farming to the wider world. The Devon County Agricultural Association is proud to have been able to help give these outstanding farming people and businesses the recognition they deserve.”*

13.7 Other notable events/activities

- The tenants of Lower Henland Farm, Kentisbeare have hosted a number of school visits
- The tenants of North Ground Farm, Milton Abbot took part in Open Farm Sunday
- Two farm shops have opened - one at Cotley Farm, Ottery St Mary & the second at Higher Fingle Farm, Drewsteignton.
- Glas-Denbury, a community spirited family focused music and arts festival, was again hosted on Fairfield Farm, Denbury

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:

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

Agenda Item 7

APPENDIX A

COUNTY FARMS ESTATE - FINANCIAL REPORTS FINANCIAL STATEMENT - FINAL OUTTURN 2017/18

<u>INCOME</u>	ANNUAL TARGET £'000	YEAR END OUTTURN £'000	2016/17 OUTTURN £'000	2015/16 OUTTURN £'000	2014/15 OUTTURN £'000
Rent	(1,052)	(1,055)	(1,094)	(991)	(998)
Other	(40)	(43)	(34)	(16)	(63)
TOTAL INCOME	(1,092)	(1,098)	(1,128)	(1,007)	(1,061)
<u>EXPENDITURE</u>					
<u>STATUTORY COSTS</u>					
Tenant Right Valuation	20	114	102	55	33
SUB - TOTAL	20	114	102	55	33
<u>PREMISE S COSTS</u>					
Building Maintenance - unforeseen	100	81	145	115	140
Building Maintenance - programmed	210	228	190	126	153
Building Maintenance - Surveys	10	2	1	0	4
Building Maintenance - STC	20	7	12	17	8
Building Maintenance - other (incl. land agents initiatives, redundant buildings, asbestos and health & safety)	61	7	8	18	43
Grounds Maintenance	10	2	7	11	7
Rents & other landlord charges	14	14	14	14	14
Rates, Electricity and Water Charges	6	3	0	8	9
SUB - TOTAL	431	344	377	309	378
<u>SUPPLIES & SERVICE S</u>					
Insurance	0	0	0	0	43
Adverts	2	3	4	3	2
NPS Fees	230	235	235	258	255
Legal Fees	4	(1)	1	8	0
Professional Fees	6	7	(1)	8	25
Other Fees & Charges (DFYF, SHLAA, GPDO)	17	2	21	41	41
SUB - TOTAL	259	246	260	318	366
TOTAL EXPENDITURE	710	704	739	682	777
Revenue Funded Restructuring	0	0	0	0	10
NET OPERATIONAL (SURPLUS)/DEFICIT	(382)	(394)	(389)	(325)	(274)

The County Farms Estate
Improving the marketing exposure of the County Farms Estate
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):

That the Committee approves the increased exposure of the Devon County Farms Estate on social media (facebook, twitter, Instagram etc) in order to maintain high levels of interest in farms to let and the wider social and environmental outputs of the Estate in a society rapidly moving away from paper based systems to alternative and instantly available online platforms.

1.0 Introduction

- 1.1 The Estate has a strong track record of attracting from a national audience high quality applicants for farms to let. Typically 4, 5 or sometimes 6 farms may be let per annum. Usually the lettings are grouped together so that the re-letting costs and specifically advertising expenses can be kept to a minimum but this is not always possible, particularly when existing tenants secure opportunities to progress at relatively short notice.
- 1.2 Traditionally farms have been advertised in the Farmers Weekly (the Agriculture Act 1970, previously stated that farms should be advertised nationally). Adverts are also placed in the Western Morning News on a Wednesday and Saturday when the publication has dedicated farming sections. Both of these traditional advertising platforms have become expensive and anecdotal evidence suggests are yielding less interest now compared to only a few years ago.
- 1.3 In addition NPS hold a mailing list and those on the list are emailed a notification and link to the letting particulars uploaded to the NPS website as soon as a farm is available to let.
- 1.4 Other organisations such as the Devon Federation of Young Farmers Clubs and the Tenant Farmers Association are also notified.

2.0 market research

- 2.1 For the last two letting campaigns those attending the viewing days have been asked where they saw the advert for the farm so that the effectiveness of the adverts could be monitored.

Agenda Item 8

2.2 The NPS mailing list generated the most interest. The Farmers Weekly performed reasonably well but the Western Morning News generated very little interest.

3.0 Changing trends in advertising and communication generally

3.1 With the rapid and exponential increase in farmers using smart phones for their day to day business it is natural to assume that they would also use them to search for farms to let.

3.2 Groups such as the farming forum and buying/selling pages are extremely popular and used daily by many farmers and the ability to share articles, photos, adverts etc on line through these platforms means that topics of interest can be disseminated to a huge audience almost instantaneously.

3.3 The NFU, CLA, TFA and other member organisations and interest groups already use, with significant success, platforms such as Facebook, Twitter, Linked-in, Instagram etc to share news articles.

3.4 Other County Farms Estates have also already moved to having an active presence on social media and using that as a way to publicise farm lettings. For example, Staffordshire County Council have seen an expansion in the traffic on their Facebook page used for farm advertising and information sharing. Norfolk County Farms Estate have a twitter page used to promote their own lettings and those of other Estates as well as information for current and prospective tenants.

3.5 Devon County Council already has a large online presence and active social media platforms including Facebook and twitter. By creating a Devon County Farms Estate account owned and hosted by Devon County Council but managed by NPS, awareness of farm relettings should be maintained or perhaps improved moving forward. It will certainly enable interested parties and stakeholders to share information more readily. Prospective applicants will be able to instantly link to the letting particulars on the NPS website as well as other useful information about the Estate, the process of taking on a farm or the application forms.

3.6 By developing the online presence, it is anticipated that the likelihood of applicants looking for a farm to rent are far less likely to miss an opportunity arising on the Devon County Farms Estate.

4.0 Options/Alternatives

4.1 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.

5.0 Consultations/Representations/Technical Data

5.1 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.

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

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

6.0 Considerations

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

7.0 Summary/Conclusions/Reasons for Recommendations

- 7.1 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

Who to contact for enquiries:

Dan Meek, NPS South West Ltd, Venture House, One Capital Court, Bittern Road, Sowton Industrial Estate, Exeter, EX2 7FW

Tel No: (01392) 351066

Email: dan.meek@nps.co.uk

By virtue of paragraph(s) 1, 2, 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

By virtue of paragraph(s) 1, 2, 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

