

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 : 10 May 2019
Please ask for : Wendy Simpson, 01392 384383

Email: wendy.simpson@devon.gov.uk

FARMS ESTATE COMMITTEE

Monday, 20th May, 2019

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 meeting held on 25 February 2019 (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) 2018/19 and Revenue Budget 2019/20 (Pages 1 - 6)

Report of the County Treasurer (CT/19/51) on the Revenue Monitoring (Final Outturn) 2018/19 and Revenue Budget 2019/20, attached

Electoral Divisions(s): All Divisions

5 Capital Monitoring (Final Outturn) 2018/19 and Capital Budget 2019/20 (Pages 7 - 10)

Report of the County Treasurer (CT/19/50) on the Capital Monitoring (Final Outturn) 2018/19 and Capital Budget 2019/20, attached

Electoral Divisions(s): All Divisions

6 Management and Restructuring Issues (Pages 11 - 12)

Report of the Head of Digital Transformation and Business Support (BSS/19/05) on County Farms Estate Management and Restructuring Issues, attached

Electoral Divisions(s): Holsworthy Rural

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

7 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

8 Holdings and Tenancies etc. (Pages 13 - 28)

(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)


Report of the Head of Digital Transformation and Business Support (BSS/19/04) on requests for extension of tenancy, attached

*Electoral Divisions(s): Ashburton &
Buckfastleigh; 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 Dewhurst, T Inch, C Whitton and J Yabsley Co-opted Members L Warner (Tenants' representative) H Bellew (Devon Federation of Young Farmers)
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.
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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

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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).

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First Aid

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

CT/19/51
Farms Estate Committee
20 May 2019

The County Farms Estate

Revenue Monitoring (Final Outturn) 2018/19 and Revenue Budget 2019/20

Report of the County Treasurer

1 Revenue Monitoring (Final Outturn) 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 and the year-end outturn alongside the forecast reported to the 25 February 2019 committee and three previous years outturns.
- 1.3 Rent invoiced by year end amounted to £1,075,000 and other income (easement and wayleave payments, licence fees, telecommunication mast site rents etc) accrued by year end amounted to £33,000.
- 1.4 At year end there has been significant expenditure to report compared to the level of actual expenditure reported at month 10.
- 1.5 Many of the Tenant Right Valuation accruals had been paid or offset as end of tenancy valuations for previous years were settled. Some significant new Tenant Right Valuation payments had been made or accrued for liabilities falling due before 31 March 2019.
- 1.6 £80,000 worth of unforeseen repair works ordered in 2018/19 were either paid or accrued for works substantially complete at year end.
- 1.7 £242,000 worth of programmed repair and maintenance works ordered in 2018/19 were either paid or accrued for works substantially complete at year end.
- 1.8 £11,000 was invested in quinquennial condition surveys in year to inform future maintenance programmes.
- 1.9 £18,000 worth of landlords equipment (electrical systems, gas and oil fired boilers, private water systems, sewage treatment plants etc) has been tested, inspected and serviced at year end.

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- 1.10 Only £11,000 building maintenance (other) works were completed by year end. This comprised a number of health and safety improvements, asbestos removal and redundant building demolition. No Land Agent Initiative investments in improved infrastructure were carried out.
- 1.11 £7,000 was spent on roadside tree inspections and subsequent tree surgery works by year end.
- 1.12 Expenditure on NPS fees was £264,000. This includes the management of the Estate, co-ordinating and running Farmwise at the County Show and the October event, co-ordinating the Tenants Training Academy, procuring all programme and unforeseen maintenance, service term contracts, asbestos, health and safety and redundant building works. It is noted that in 2018/19 NPS took on more responsibility for Farmwise and procured a far higher volume of farm reletting campaigns than is experienced in a normal year.
- 1.13 The final outturn provides a net surplus of £412,000 compared to the target surplus of £414,000.

2 **Revenue Budget 2019/20**

- 2.1 The Revenue Budget presented to Corporate Infrastructure and Regulatory Services Scrutiny Committee on 29 January 2019 and approved at County Council on 21 February 2019 included an increased target surplus of £464,000 for the County Farms Estate.
- 2.2 Appendix B provides a summary of the annual budget.
- 2.3 There are no figures available for income and expenditure this early in the financial year.

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.gov.uk

Agenda Item 4

APPENDIX A

COUNTY FARMS ESTATE - FINANCIAL REPORTS **FINANCIAL STATEMENT - FINAL OUTTURN 2018/19**

	ANNUAL TARGET £'000	YEAR END OUTTURN £'000	MONTH 10 FORECAST £'000	2017/18 OUTTURN £'000	2016/17 OUTTURN £'000	2015/16 OUTTURN £'000
<u>INCOME</u>						
Rent	(1,074)	(1,075)	(1,085)	(1,055)	(1,094)	(965)
Other	(40)	(33)	(40)	(43)	(34)	(42)
TOTAL INCOME	(1,114)	(1,108)	(1,125)	(1,098)	(1,128)	(1,007)
<u>EXPENDITURE</u>						
<u>STATUTORY COSTS</u>						
Tenant Right Valuation	20	25	20	114	102	55
SUB - TOTAL	20	25	20	114	102	55
<u>PREMISES COSTS</u>						
Building Maintenance - unforeseen	100	80	100	81	145	115
Building Maintenance - programmed	210	242	210	228	190	126
Building Maintenance - Surveys	10	11	10	2	1	0
Building Maintenance - STC	20	18	20	7	12	17
Building Maintenance - other (incl. land agents initiatives, redundant buildings, asbestos and health & safety)	61	11	44	7	8	18
Grounds Maintenance	10	7	10	2	7	11
Rents & other landlord charges	14	14	14	14	14	14
Rates, Electricity and Water Charges	6	10	6	3	0	8
SUB - TOTAL	431	393	414	344	377	309
<u>SUPPLIES & SERVICES</u>						
Insurance	0	0	0	0	0	0
Adverts	2	6	7	3	4	3
NPS Fees	230	264	253	235	235	258
Legal Fees	4	1	4	(1)	(1)	8
Professional Fees	6	3	6	7	1	8
Other Fees & Charges (DFYF, SHLAA, GPDO)	7	4	7	2	21	41
SUB - TOTAL	249	278	277	246	260	318
TOTAL EXPENDITURE	700	696	711	704	739	682
Revenue Funded Restructuring	0	0	0	0	0	0
NET OPERATIONAL (SURPLUS)/DEFICIT	(414)	(412)	(414)	(394)	(389)	(325)

APPENDIX B

COUNTY FARMS ESTATE - FINANCIAL REPORTS **FINANCIAL STATEMENT - 2019-20**

	ANNUAL TARGET
<u>INCOME</u>	£'000
Rent	(1,124)
Other	(40)
TOTAL INCOME	<u>(1,164)</u>
<u>EXPENDITURE</u>	
<u>STATUTORY COSTS</u>	
Tenant Right Valuation	<u>20</u>
SUB - TOTAL	<u>20</u>
<u>PREMISES COSTS</u>	
Building Maintenance - Unforseen	100
Building Maintenance - Programmed	210
Building Maintenance - Surveys	10
Building Maintenance - STC	20
Building Maintenance - Other (incl. Land Agents Initiatives, Redundant Buildings, Asbestos and Health & Safety)	61
Grounds Maintenance	10
Rents & Other Landlord Charges	14
Rates, Electricity and Water Charges	6
SUB - TOTAL	<u>431</u>
<u>SUPPLIES & SERVICES</u>	
Insurance	0
Adverts	2
NPS Fees	230
Legal Fees	4
Professional Fees	6
Other Fees & Charges (DFYF, SHLAA, GPDO)	7
SUB - TOTAL	<u>249</u>
TOTAL EXPENDITURE	<u>700</u>
NET OPERATIONAL (SURPLUS)	<u>(464)</u>
FARM IMPROVEMENTS inclusive of fees	
Revenue funded Restructuring (BM other)	0
SUB - TOTAL	<u>0</u>
TOTAL COSTS SURPLUS	<div style="border: 1px solid black; padding: 5px; display: inline-block;">(464)</div>

CT/19/50
Farms Estate Committee
20 May 2019

The County Farms Estate

Capital Monitoring (Final Outturn) 2018/19 and Capital Budget 2019/20

Report of the County Treasurer

1 Capital Monitoring (Final Outturn) 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, the unallocated savings of £236,595 and an insurance provision of £19,122 taking the total capital scheme for 2018/19 to £1,924,077.
- 1.3 The month 10 monitoring position was reported to the Farms Estate Committee at its meeting of 25 February 2019 (CT/19/28 refers).
- 1.4 Total spend in 2018/19 amounted to £1,365,740.
- 1.5 There were a number of schemes completed in 2018/19 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.

2 Nitrate Vulnerable Zone Compliance

- 2.1 In 2018/19 £110,165 was spent on new slurry storage facilities with a further budget provision for new slurry storage facilities of £474,041 unspent and to be carried forward to 2019/20.

3 Compensation Payments (Tenants Improvements etc...)

- 3.1 All landlord end of tenancy compensation liabilities arising in year have been provided for from within the revenue budget. No capital expenditure has thus been incurred.

4 Enhancements and Improvements

- 4.1 In 2018/19 £1,255,575 was spent on 10 dwelling refurbishment and improvement projects with a further budget provision for further dwelling improvement and refurbishment works of £84,296 committed but unspent and to be carried forward to 2019/20.

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5 **Land Acquisitions**

- 5.1 No land purchases were made in 2018/19.

6 **Capital Budget 2019/20**

- 6.1 The Capital budget presented to Corporate Infrastructure and Regulatory Services Scrutiny Committee on 29th January 2019 and approved at County Council on 21 February 2019 included schemes totalling £600,000.
- 6.2 Added to this is slippage (subject to approval) of £558,337 taking the total capital budget for 2019/20 to £1,158,337.

7. **Nitrate Vulnerable Zone Compliance**

- 7.1 Currently one new concrete box slurry store has a budget provision and retention monies on previously completed stores remains to be paid.
- 7.2 Forecast spend stands at £474,041 on NVZ compliant schemes for 2019/20.

8. **Compensation Payments (Tenants Improvements, etc..)**

- 8.1 Forecast spend currently stands at nil, but this excludes any liability that may fall due in year or at 25 March 2020. Potential for future compensation payments in year.

9. **Enhancements and Improvements**

- 9.1 Forecast spend currently stands at £684,296 in total. The 2019/20 capital programme is currently being developed with indicative build costs suggesting a further 10 farmhouses may be capable of being renovated and improved in year and within budget.
- 9.2 This budget will also be used to deliver a programme of improvement works required to deal with The Environmental Permitting (England and Wales) (Amendment) Regulations 2014 and associated General Binding Rules for septic tanks and small sewage treatment plants for domestic properties.

10. **Land Acquisitions**

- 10.1 Currently no potential land purchases have been identified.

11. **Options/Alternatives**

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

12. Consultations/Representations/Technical Data

- 12.1 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.
- 12.2 No other parties have been consulted and no other representations for or against the proposal have been received.
- 12.3 The technical data is believed to be true and accurate.

13. Considerations

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

14. Summary/Conclusions/Reasons for Recommendations

- 14.1 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 recommendation as set out in the opening paragraph of section 1 of this report.

1.0 Merrifield Farm, Holsworthy

It is recommended that:

- (i) the tenant's surrender notice is accepted and the tenant be released from the holding at 25 March 2020.
- (ii) Merrifield Farm be advertised to let as a 73.30 acre or thereabouts residential equipped mixed livestock starter farm on the open market for a term commencing 25 March 2020 and expiring 25 March 2027, subject to terms being agreed.

1.1 The Holsworthy Estate comprises:

(i)	Merrifield Farm	–	29.66 hectares (73.30 acres)
	Total	–	29.66 hectares (73.30 acres)

1.2 The current tenant of Merrifield Farm has occupied the holding since 1 December 2015.

1.3 An opportunity has arisen for the tenant to move back to and take over a family farm on Exmoor.

1.4 The tenant has thus served on the landlord a surrender notice seeking to vacate Merrifield Farm and be released from the lease at the earliest opportunity.

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.

Agenda Item 6

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, Head of Digital Transformation and Business Support

Electoral Divisions: Holsworthy 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

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

Document is Restricted

