

Phil Norrey  
Chief Executive

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To: The Chairman and Members of  
the Farms Estate Committee

County Hall  
Topsham Road  
Exeter  
Devon  
EX2 4QD

(See below)

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Your ref :  
Our ref :

Date : 22 November 2016  
Please ask for : Wendy Simpson, 01392 384383

Email: wendy.simpson@devon.gov.uk

## **FARMS ESTATE COMMITTEE**

**Wednesday, 30th November, 2016**

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, Exeter 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 September 2016 and 9 November 2016 (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 Budget 2016/17 (Month 7) (Pages 1 - 4)

Report of the County Treasurer (CT/16/107) on the County Farms Estate Revenue Budget monitoring statement 2016/17 (Month 7), attached.

*Electoral Divisions(s): All Divisions*

5 Capital Monitoring 2016/17 (Month 7) (Pages 5 - 8)

Report of the County Treasurer (CT/16/108) on the County Farms Estate Capital Monitoring 2016/17 (Month 7), attached.

*Electoral Divisions(s): All Divisions*

6 Management and Restructuring Issues (Pages 9 - 12)

Report of the Head of Business Strategy and Support (BSS/16/18) on the County Farms Estate Management and Restructuring Issues, attached.

*Electoral Divisions(s): Braunton Rural; Crediton Rural*

7 Future Meetings

Please use link below for County Council Calendar of Meetings:

<http://democracy.devon.gov.uk/ieDocHome.aspx?bcr=1>

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

8 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**

9 Holdings and Tenancies etc.

*(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 Business Strategy and Support (BSS/16/19) on monitoring of tenants on an initial Farm Business Tenancy, attached GOLD paper.

*Electoral Divisions(s): Holsworthy Rural*

*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.*

## MEMBERS ARE REQUESTED TO SIGN THE ATTENDANCE REGISTER

### Membership

Councillors C Chugg (Chairman), J Berry, J Brook, A Dewhurst, R Julian, R Rowe and J Yabsley

### Co-opted Members

C Bellew (Devon Federation of Young Farmers Clubs) and C Latham (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.

### 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 Chairman. 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 Chairman 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](mailto:centre@devon.gov.uk) or write to the Democratic and Scrutiny Secretariat at County Hall, Exeter, EX2 4QD.



Induction loop system available



## The County Farms Estate

### Revenue Monitoring (Month 7) 2016/17

#### Report of the County Treasurer

#### 1 Revenue Monitoring (Month 7) 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 13<sup>th</sup> January 2016.
- 1.2 Members are reminded that with 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. It also provides details of income and expenditure to date.
- 1.4 As at month 7, there is still very little expenditure to report although a significant proportion of the building maintenance budgets (programmed, unforeseen, health and safety, redundant buildings, and asbestos) has been committed with works orders placed.
- 1.5 The anticipated year end spend on programme maintenance, redundant buildings, asbestos, and health and safety works has had to be increased. This additional essential expenditure is expected to be offset by a reduction in the unforeseen maintenance budget and a reduction in the NPS management fees due, fortunately, to a less busy year to date than normal.
- 1.6 It is currently anticipated that the forecast level of income will be achieved and the target surplus delivered, albeit there may well be some fluctuations within 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.

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## 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](mailto:dan.meek@nps.co.uk)

Name: Martin Oram, Chief Accountant, County Treasurer's, County Hall, Exeter

Contact: 01392 382418 or [martin.oram@devon.gov.uk](mailto:martin.oram@devon.gov.uk)

APPENDIX .

## COUNTY FARMS ESTATE - FINANCIAL REPORTS FINANCIAL STATEMENT - (MONTH 7) 2016/17

<u>INCOME</u>	<u>YEAR TO DATE</u>	<u>ANNUAL TARGET</u>	<u>CURRENT FORECAST</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Rent	(508)	(1,022)	(1,022)
Other	(42)	(50)	(50)
TOTAL INCOME	<u>(550)</u>	<u>(1,072)</u>	<u>(1,072)</u>
<u>EXPENDITURE</u>			
<u>STATUTORY COSTS</u>			
Tenant Right Valuation	(74)	2	2
SUB - TOTAL	<u>(74)</u>	<u>2</u>	<u>2</u>
<u>PREMISES COSTS</u>			
Building Maintenance - unforeseen	11	127	61
Building Maintenance - programmed	34	150	220
Building Maintenance - Surveys	1	10	10
Building Maintenance - STC	6	20	20
Building Maintenance - other (incl. land agents initiatives, redundant buildings, asbestos and health & safety)	3	65	95
Grounds Maintenance	3	10	10
Rents & other landlord charges	7	14	14
Rates, Electricity and Water Charges	3	12	12
SUB - TOTAL	<u>68</u>	<u>408</u>	<u>442</u>
<u>SUPPLIES &amp; SERVICES</u>			
Insurance	0	0	0
Adverts	0	2	2
NPS Fees	109	230	196
Legal Fees	(4)	3	3
Professional Fees	(9)	6	6
Other Fees & Charges (DFYF, SHLAA, GPDO)	3	59	59
SUB - TOTAL	<u>99</u>	<u>300</u>	<u>266</u>
<b>TOTAL EXPENDITURE</b>	<u><b>93</b></u>	<u><b>710</b></u>	<u><b>710</b></u>
<b>NET OPERATIONAL SURPLUS/(DEFICIT)</b>	<b>(457)</b>	<b>(362)</b>	<b>(362)</b>
<u>FARM IMPROVEMENTS inclusive of fees</u>			
Revenue funded Restructuring (BM other)	0	0	0
SUB - TOTAL	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL COSTS SURPLUS</b>	<b>(457)</b>	<b>(362)</b>	<b>(362)</b>





## The County Farms Estate

### Capital Monitoring (Month 7) 2016/17

#### Report of the County Treasurer

#### 1 Capital Monitoring (Month 7) 2016/17

- 1.1 The Capital Programme presented to Corporate Services Scrutiny Committee on 22<sup>nd</sup> January 2016 (and subsequently approved by County Council) included schemes totalling £1,671,000.
- 1.2 The programme includes £271,000 for existing Nitrate Vulnerable Zone compliance schemes, and £900,000 in respect of additional scheme priorities.
- 1.3 The remaining £500,000 relates to additional scheme priorities for Decent Homes standards, Energy Act and other associated infrastructure projects.
- 1.4 On 4 July 2016 delegated officer approval gave authorisation to purchase specific plots of land. The resulting purchase saw DCC acquire one plot at a cost of £150,000.
- 1.5 Added to this is scheme slippage of £771,000, resulting in a capital programme of £2,592,000 for 2016/17.
- 1.6 Expenditure and commitments (orders) to date is £1,099,000 with a forecast year end spend of £1,704,000.

#### 1.7 Nitrate Vulnerable Zone Compliance

- 1.7.1 The construction of two previously approved concrete box slurry stores are now complete.
- 1.7.2 Included in the 2016/17 Capital Programme, approved via the Cabinet Member for Resources and Asset Management on 11 August 2016, is a further concrete box slurry store at Lower Alminstone Farm, Woolsery. A tendering exercise has been concluded for this scheme but due to the successful contractors busy work programme, it has been agreed that this scheme will slip to the 2017/18 financial year. The contract has been awarded.

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1.7.3 A fourth scheme has been designed but approval has not been requested to include this scheme in the 2016/17 capital programme but is likely to be resurrected shortly ready to commence works in spring 2017.

1.7.4 A fifth scheme is at a very early feasibility and design stage.

1.7.5 Expenditure and commitments to date currently stands at £652,000 with a year end forecast of £773,000 due to anticipated slippage of £900,000.

## 1.8 **Compensation Payments (Tenants Improvements, etc..)**

1.8.1 Forecast spend in respect of existing liabilities stands at £20,000 in accordance with the previously approved programme. This excludes any additional liabilities that may fall due in year or at 25 March 2017.

## 1.9 **Enhancements and Improvements**

1.9.1 Expenditure and commitments to date currently stands at £297,000.

1.9.2 Total forecast spend by year end remains on target and amounts to £761,000.

## 1.10 **Land Acquisitions**

1.10.1 On 4 July 2016 delegated officer approval gave authorisation to purchase specific plots of land at auction up to a maximum cost of £485,000.

1.10.2 Actual spend was £150,000.

## 2 **Options/Alternatives**

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

## 3 **Consultations/Representations/Technical Data**

3.1.1 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.

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

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

## 4 **Considerations**

4.1.1 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**

5.1.1 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](mailto:dan.meek@nps.co.uk)

Name: Martin Oram, Chief Accountant, County Treasurer's, County Hall, Exeter

Contact: 01392 382418 or [martin.oram@devon.gov.uk](mailto:martin.oram@devon.gov.uk)



## THE COUNTY FARMS ESTATE MANAGEMENT AND RESTRUCTURING

### Report of the Head of Business Strategy and Support

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

#### Recommendation(s):

1. That 1.78 acres or thereabouts of land comprising part OS 1600 at Lower Parks Farm, Crediton be declared permanently surplus to the operational requirements of the Estate so that it can be sold on the open market.
2. That subject to the tenant of the 46.02 acres of landing forming part Middle Winsham Farm, Braunton surrendering his tenancy of the holding at 25 March 2017, consideration of amalgamating the 77.30 acres and the 46.02 acres or thereabouts of bare land forming part Middle Winsham Farm with the principle holding (Middle Winsham) for a term of years to be agreed, be deferred pending the submission by the tenant of Middle Winsham Farm of a Business Plan (supported by cashflows and budgets) for the land involved and the tenant being interviewed by the committee at its next meeting on 22 February 2017. This resolution supersedes resolution FE/100(a) (ii) and (iii) of 19 February 2016.

#### 1.0 Part Lower Parks Farm, Crediton

##### 1.1 The Crediton Estate comprises:

Lower Parks Farm	28.54 hectares (70.56 acres)
Part Parks Farm	27.97 hectares (69.11 acres)
Total	56.51 hectares (139.67 acres)

- 1.2 Lower Parks Farm is being occupied and managed as a residential equipped starter farm until such times as the potential strategic or commercial development value of some or all of the land can be secured or permanently discounted.
- 1.3 The land at Parks Farm is being occupied and managed in the meantime as bare land available to tenants of the Estate located in close proximity thereto.
- 1.4 Part of the land forming part Lower Parks Farm has been allocated for housing by the District Council in its emerging local plan and the District Council has specifically asked that its development be brought forward early to help with their 5 year housing land supply requirements.
- 1.5 The area of land currently identified for residential development comprises 1.78 acres or thereabouts of OS 1600.

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- 1.6 The tenant of Lower Parks Farm has been approached and has agreed terms for the release of the land from his tenancy so that it can be sold at the earliest possible opportunity.

## 2.0 Part Middle Winsham, Braunton

- 2.1 The land holdings at Braunton currently comprises:

(i)	Middle Winsham (house, buildings & land)	- 30.34 Ha (74.98 acres)
(ii)	Part Middle Winsham (bare land)	- 9.88 Ha (24.42 acres)
(iii)	Part Middle Winsham (bare land)	- 18.62 Ha (46.02 acres)
(iv)	Part Middle Winsham (bare land)	- 31.28 Ha (77.30 acres)
(v)	Total	- 90.13 Ha (222.72 acres)

- 2.3 Holding (i) is the principal holding currently occupied and farmed by a new entrant since 29 September 2013 on a seven and a half year Farm Business Tenancy terminating 25 March 2021.

- 2.4 Holding (ii) is part of the 103 acres of Higher Winsham Farm bare land acquired on 1 April 2014. It was amalgamated with the main holding on a separate Farm Business Tenancy co-terminating on 25 March 2021.

- 2.5 Holding (iii) is occupied by the former tenant of Middle Winsham Farm, now living and farming nearby on his own land. The agreement for that tenant to retain occupation of the bare land beyond 29 September 2013 until 25 March 2018 was approved by the committee at its meeting of 7 February 2013, under minute reference FE/169(a)(iii), as a phased or transitional progression move beyond the estate into the private sector.

- 2.6 Subject to contract terms have already been agreed with the new entrant tenant of the main Middle Winsham Farm holding for the eventual amalgamation of holding (iii) at 25 March 2018 under separate tenancy co-terminating with his main lease at 25 March 2021.

- 2.7 Holding (iv) was part of the Higher Winsham Farm acquisition and was let to a local County Farms Estate tenant as an interim custodian of the land on a fixed term Farm Business Tenancy until 25 March 2016.

- 2.8 At the County Farms Estate Committee meeting of 19 February 2016, in relation to holdings (iii) and (iv), members resolved under minute ref FE/100(a):

- (i) *That a further and final fixed term Farm Business Tenancy of the 77.30 acres or thereabouts of bare land at Middle Winsham Farm, Braunton be granted to the tenant of Chapel Farm, Marwood for a term of 12 months commencing 25 March 2016 and expiring 25 March 2017, subject to terms being agreed.*
- (ii) *That consideration of amalgamating the 77.30 acres or thereabouts of bare land forming part Middle Winsham Farm with the principal holding (Middle Winsham) for a term of four years from 25 March 2017 to 25 March 2021, subject to terms being agreed, be deferred pending the submission by the tenant of Middle Winsham Farm of a Business Plan*

*(supported by cashflows and budgets) for the land involved and the tenant being interviewed by the Committee*

*(iii) That the 46.02 acres or thereabouts of bare land forming part Middle Winsham Farm be amalgamated with the principal holding (Middle Winsham) for a term of three years from 25 March 2018 to 25 March 2021, subject to terms being agreed.*

- 2.9 The tenant of the main holding has not yet submitted his business plan as required by the second limb of the previous committee resolution.
- 2.10 In the meantime, the tenant of holding (iii) has indicated he would like to give up his tenancy of the 46.02 acres or thereabouts of land 12 months early ie at 25 March 2017 instead of 25 March 2018.
- 2.11 The tenant of the main holding has recently indicated that he would like to take on both the 77.30 acres and the 46.02 acres of land as soon as 25 March 2017.
- 2.12 The tenant of the main holding has indicated that if he does take on both blocks of ground at 25 March 2017, he would like to be treated as a progression tenant and be offered a longer term tenancy of the enlarged holding so that he has the security and confidence to invest and expand his business, and convert the holding to Organic Status.
- 2.13 The tenant of the main holding has also asked that the committee reconsider the rental value of the enlarged and combined holding which was fixed by an interview panel committee and accepted and agreed by the tenant in 2013 when the tenancy of the main holding was advertised to let on the open market.

### **3.0 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.

### **4.0 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.

### **5.0 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

### **6.0 Summary/Conclusions/Reasons for Recommendations**

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

*Rob Parkhouse, Head of Business Strategy and Support*

Electoral Divisions:

Crediton Rural  
Braunton Rural

Local Government Act 1972: List of Background Papers

None

Who to contact for enquiries:

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