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To: The Chair and Members
of the Farms Estate
Committee

County Hall
Topsham Road
Exeter
Devon
EX2 4QD

Date: 4 May 2023

Contact: Wendy Simpson, 01392 384383

Email: wendy.simpson@devon.gov.uk

FARMS ESTATE COMMITTEE

Monday, 15th May, 2023

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

Donna Manson
Chief Executive

A G E N D A

PART I - OPEN COMMITTEE

- 1 Apologies for Absence
- 2 Minutes
Minutes of the meetings held on 20 February 2023 and 18 April 2023 (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) 2022/23 and 2023/24 (Budget) (Pages 1 - 6)
Report of the Director of Finance and Public Value (DF/23/51) on the County Farms Estate Revenue Monitoring (Final Outturn) 2022/23 and 2023/24 (Budget), attached.

Electoral Divisions(s): All Divisions

- 5 Capital Monitoring (Final Outturn) 2022/23 and 2023/24 (Budget) (Pages 7 - 12)
Report of the Director of Finance and Public Value (DF/23/50) on the County Farms Estate Capital Monitoring (Final Outturn) 2022/23 and 2023/24 (Budget), attached.

Electoral Divisions(s): All Divisions

- 6 Annual Report 2022/23 (Pages 13 - 30)
Report of the Director of Finance and Public Value (DF/23/52) on the County Farms Estate Annual Report 2022/23, attached.

Electoral Divisions(s): All Divisions

- 7 Management and Restructuring Issues (Pages 31 - 36)
Report of the Head of Digital Transformation and Business Support (Interim) (BSS/23/04) on the County Farms Estate Management and Restructuring issues, attached.

Electoral Divisions(s): All Divisions; Tiverton East

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. (Pages 37 - 40)
(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 (Interim) (BSS/23/05), attached.

Electoral Divisions(s): Ashburton & Buckfastleigh

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). They need to be disposed of carefully and should be returned to the Democratic Services Officer at the conclusion of the meeting for disposal.

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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. Filming must be done as unobtrusively as possible without additional lighting; focusing only on those actively participating in the meeting and having regard to the wishes of others present who may not wish to be filmed. Anyone wishing to film proceedings is asked to advise the Chair or the Democratic Services Officer in attendance.

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Declarations of Interest for Members of the Council

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Induction Loop available



DF/23/51
Farms Estate Committee
15 May 2023

The County Farms Estate Revenue Monitoring (Final Outturn) 2022/23, and 2023/24 (Budget)

Report of the Director of Finance and Public Value

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

Recommendation: That the Committee endorses the report.

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### **1. Background/Introduction**

- 1.1 The County Farms Estate is wholly self-funded with operational costs paid for through rents and other income streams generated. Each year a substantial revenue surplus is delivered to support expenditure elsewhere in the County Council and cover the cost of centralised overheads. The County Farms Estate has consistently delivered a revenue surplus since at least 1992.

### **2. Revenue Monitoring for the period 1 April 2022 to 31 March 2023.**

- 2.1 The Revenue Budget presented to Corporate Infrastructure and Regulatory Services Scrutiny Committee on 24 January 2022 and approved at County Council on 17 February 2022 included a target surplus of £534,000 for the County Farms Estate. This is an increase of £70,000 on the previous year's target.
- 2.2 Appendix A provides a summary of the annual budget and the year-end outturn alongside four previous years outturns so that a year on year comparison of performance can be made.
- 2.3 Rent invoiced by year end amounted to £1,212,999 and other income (easement and wayleave payments, licence fees, telecommunication mast site rents etc) accrued by year end amounted to £108,919. Total income for the Estate is therefore £1,321,908.
- 2.4 The month 10 monitoring position was reported to the Farms Estate Committee at its meeting of 20 February 2023 (DF/23/21 refers). By year end there has been £533,000 further expenditure to report.

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- 2.5 Some significant Tenant Right Valuation liabilities accrued at 31 March 2022 have still not been released due to ongoing disputed end of tenancy valuations. Some new Tenant Right Valuation accruals have been made at year end for liabilities falling due before 31 March 2023. The total commitment on end of tenancy compensation payments due to tenants amounted to £98,718.
- 2.6 £63,276 worth of unforeseen repair works ordered in 2022/23 were either paid or accrued for works substantially complete at year end. This excludes a significant liability for storm damage repairs on approximately 30 farms caused by storm Eunice on 14 February 2022 which has been covered by the Council's insurance fund.
- 2.7 £242,185 worth of programmed repair and maintenance works ordered in 2022/23 were either paid or accrued for works substantially complete at year end.
- 2.8 £9,102 was invested in quinquennial condition surveys in year to inform future maintenance programmes.
- 2.9 £14,622 has been spent on servicing and testing landlord's plant and equipment (service term contracts for private water supplies, boilers, fixed wiring systems, sewage treatment plants, radon fans etc) at year end.
- 2.10 £64,880 building maintenance (other) works were completed by year end. This comprised a number of health and safety improvements, asbestos removal and redundant building demolition works.
- 2.11 £14,583 was spent on roadside tree inspections and subsequent tree surgery works by year end.
- 2.12 £9,274 was spent on Council Tax on empty properties, electricity charges and water charges, compared to a budget of £6,000. This is largely due to a number of surplus properties sat empty for a couple of years pending disposal. One of those properties has now been sold.
- 2.13 Expenditure on South West Norse fees was £243,728 compared to a budget of £236,000. This includes the management of the Estate and procuring all programme and unforeseen maintenance, service term contracts, asbestos, health and safety and redundant building works. This cost also includes the fees for inspecting and providing security for empty properties on the Estate. The increase in expenditure is largely due to additional fees incurred on procuring additional repairs and maintenance expenditure.
- 2.14 Expenditure and accruals for liabilities falling due in year on external professional fees was £14,767 compared to a budget of £6,000. This increase in expenditure is due to a requirement to double the contribution made towards the cost of external Land Agents professionally representing the landlord and incoming tenants on change of tenancy combined with the increased number of tenancy's changing hands.



- 2.15 The final outturn provides a net surplus of £534,702 compared to the target surplus of £534,000.

## **3 Revenue Budget 2023/24**

- 3.1 The Revenue Budget presented to Corporate Infrastructure and Regulatory Services Scrutiny Committee on 30 January 2023 and approved at County Council on 16 February 2023 included a target surplus of £534,000 for the County Farms Estate.
- 3.2 Appendix B provides a summary of the annual budget.

## **4 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 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 have been received
- 5.3 The technical data is believed to be true and accurate.

## **6 Strategic Plan**

- 6.1 <https://www.devon.gov.uk/strategic-plan/>
- 6.2 The prudent management of the County Farms Estate, in accordance with the County Farms Estate Strategic Review (April 2010), is well aligned with Strategic Plan priorities such as:
- Responding to the climate emergency – help wildlife and landscapes recover
  - Responding to the climate emergency – take opportunities to improve the energy efficiency of homes and buildings
  - Responding to the climate emergency – encourage sustainable lifestyles
  - Responding to the climate emergency – continue to reduce carbon emissions across all our services
  - Investing in Devon's economic recovery - ensure financial resilience of the Council.
  - Improving health and wellbeing – give people greater opportunities for walking and cycling to increase their physical activity

# Agenda Item 4

## **7 Financial Considerations**

7.1 The Author is not aware of any financial issues arising from this report.

## **8 Legal Considerations**

8.1 The Author is not aware of any legal issues arising from this report.

## **9 Environmental Impact Considerations (Including Climate Change)**

9.1 The Author is not aware of any environmental impact (including climate change) issues arising from this report.

## **10 Equality Considerations**

10.1 The Author is not aware of any equality issues arising from this report.

## **11 Risk Management Considerations**

11.1 The Author is not aware of any obvious risks to manage.

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

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

Angie Sinclair,  
Director of Finance and Public Value

Electoral Divisions: All

Local Government Act 1972: List of Background Papers

Contact for Enquiries:

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Contact: 01392 382876 or [lisa.beynon@devon.gov.uk](mailto:lisa.beynon@devon.gov.uk)

| Background Paper | Date | File Reference |
|------------------|------|----------------|
|------------------|------|----------------|

Nil

The above mentioned Reports are published on the Council's Website at:  
<http://democracy.devon.gov.uk/ieDocHome.aspx?bcr=1>

### **COUNTY FARMS ESTATE - FINANCIAL REPORTS** **FINANCIAL STATEMENT - FINAL OUTTURN 2022/23**

|                                                                                                                 | 2022/23<br>ANNUAL TARGET<br>£'000 | 2022/23<br>OUTTURN<br>£'000 | 2021/22<br>OUTTURN<br>£'000 | 2020/21<br>OUTTURN<br>£'000 | 2019/20<br>OUTTURN<br>£'000 | 2018/19<br>OUTTURN<br>£'000 |
|-----------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>INCOME</b>                                                                                                   |                                   |                             |                             |                             |                             |                             |
| Rent                                                                                                            | (1,213)                           | (1,256)                     | (1,191)                     | (1,085)                     | (1,149)                     | (1,075)                     |
| Other                                                                                                           | (40)                              | (66)                        | (34)                        | (36)                        | (27)                        | (33)                        |
| <b>TOTAL INCOME</b>                                                                                             | <b>(1,253)</b>                    | <b>(1,322)</b>              | <b>(1,225)</b>              | <b>(1,121)</b>              | <b>(1,176)</b>              | <b>(1,108)</b>              |
| <b>EXPENDITURE</b>                                                                                              |                                   |                             |                             |                             |                             |                             |
| <b>STATUTORY COSTS</b>                                                                                          |                                   |                             |                             |                             |                             |                             |
| Tenant Right Valuation                                                                                          | 21                                | 99                          | 174                         | 37                          | 87                          | 25                          |
| <b>SUB - TOTAL</b>                                                                                              | <b>21</b>                         | <b>99</b>                   | <b>174</b>                  | <b>37</b>                   | <b>87</b>                   | <b>25</b>                   |
| <b>PREMISES COSTS</b>                                                                                           |                                   |                             |                             |                             |                             |                             |
| Building Maintenance - unforeseen                                                                               | 103                               | 63                          | 74                          | 69                          | 86                          | 80                          |
| Building Maintenance - programmed                                                                               | 216                               | 242                         | 223                         | 256                         | 153                         | 242                         |
| Building Maintenance - Surveys                                                                                  | 10                                | 9                           | 8                           | 6                           | 4                           | 11                          |
| Building Maintenance - STC                                                                                      | 21                                | 15                          | 17                          | 25                          | 8                           | 18                          |
| Building Maintenance - other (incl. land agents initiatives, redundant buildings, asbestos and health & safety) | 63                                | 65                          | 15                          | 5                           | 101                         | 11                          |
| Grounds Maintenance                                                                                             | 13                                | 15                          | 5                           | 20                          | 10                          | 7                           |
| Rents & other landlord charges                                                                                  | 11                                | 12                          | 12                          | 11                          | 11                          | 14                          |
| Rates, Electricity and Water Charges                                                                            | 6                                 | 9                           | 10                          | 7                           | 15                          | 10                          |
| <b>SUB - TOTAL</b>                                                                                              | <b>443</b>                        | <b>430</b>                  | <b>364</b>                  | <b>399</b>                  | <b>388</b>                  | <b>393</b>                  |
| <b>SUPPLIES &amp; SERVICES</b>                                                                                  |                                   |                             |                             |                             |                             |                             |
| Insurance                                                                                                       | 0                                 | 0                           | 0                           | 0                           | 0                           | 0                           |
| Adverts                                                                                                         | 2                                 | 0                           | 0                           | 1                           | 1                           | 6                           |
| NPS Fees                                                                                                        | 236                               | 244                         | 211                         | 211                         | 223                         | 264                         |
| Legal Fees                                                                                                      | 4                                 | 0                           | 2                           | 0                           | 1                           | 1                           |
| Professional Fees                                                                                               | 6                                 | 15                          | 7                           | 6                           | 10                          | 3                           |
| Other Fees & Charges (DFYF, SHLAA, GPDO)                                                                        | 7                                 | 0                           | 1                           | 0                           | 2                           | 4                           |
| <b>SUB - TOTAL</b>                                                                                              | <b>255</b>                        | <b>259</b>                  | <b>221</b>                  | <b>218</b>                  | <b>237</b>                  | <b>278</b>                  |
| <b>TOTAL EXPENDITURE</b>                                                                                        | <b>719</b>                        | <b>788</b>                  | <b>759</b>                  | <b>654</b>                  | <b>712</b>                  | <b>696</b>                  |
| Revenue Funded Restructuring                                                                                    | <b>0</b>                          | <b>0</b>                    | <b>0</b>                    | <b>0</b>                    | <b>0</b>                    | <b>0</b>                    |
| <b>NET OPERATIONAL (SURPLUS)/DEFICIT</b>                                                                        | <b>(534)</b>                      | <b>(534)</b>                | <b>(466)</b>                | <b>(467)</b>                | <b>(464)</b>                | <b>(412)</b>                |

# Agenda Item 4

Appendix B

## **COUNTY FARMS ESTATE - FINANCIAL REPORTS** **FINANCIAL STATEMENT - 2023-24**

| <b><u>INCOME</u></b>                                                                                               |                     | <b>ANNUAL<br/>TARGET<br/>£'000</b> |
|--------------------------------------------------------------------------------------------------------------------|---------------------|------------------------------------|
| Rent                                                                                                               |                     | (1,213)                            |
| Other                                                                                                              |                     | (40)                               |
|                                                                                                                    | <b>TOTAL INCOME</b> | <b>(1,253)</b>                     |
| <b><u>EXPENDITURE</u></b>                                                                                          |                     |                                    |
| <b><u>STATUTORY COSTS</u></b>                                                                                      |                     |                                    |
| Tenant Right Valuation                                                                                             |                     | 21                                 |
|                                                                                                                    | <b>SUB - TOTAL</b>  | <b>21</b>                          |
| <b><u>PREMISES COSTS</u></b>                                                                                       |                     |                                    |
| Building Maintenance - unforeseen                                                                                  |                     | 103                                |
| Building Maintenance - programmed                                                                                  |                     | 216                                |
| Building Maintenance - Surveys                                                                                     |                     | 10                                 |
| Building Maintenance - STC                                                                                         |                     | 21                                 |
| Building Maintenance - other (incl. land agents initiatives,<br>redundant buildings, asbestos and health & safety) |                     | 63                                 |
| Grounds Maintenance                                                                                                |                     | 13                                 |
| Rents & other landlord charges                                                                                     |                     | 11                                 |
| Rates, Electricity and Water Charges                                                                               |                     | 6                                  |
|                                                                                                                    | <b>SUB - TOTAL</b>  | <b>443</b>                         |
| <b><u>SUPPLIES &amp; SERVICES</u></b>                                                                              |                     |                                    |
| Insurance                                                                                                          |                     | 0                                  |
| Adverts                                                                                                            |                     | 2                                  |
| NPS Fees                                                                                                           |                     | 236                                |
| Legal Fees                                                                                                         |                     | 4                                  |
| Professional Fees                                                                                                  |                     | 6                                  |
| Other Fees & Charges (DFYF, SHLAA, GPDO)                                                                           |                     | 7                                  |
|                                                                                                                    | <b>SUB - TOTAL</b>  | <b>255</b>                         |
| <b>TOTAL EXPENDITURE</b>                                                                                           |                     | <b>719</b>                         |
| <b>NET OPERATIONAL (SURPLUS)</b>                                                                                   |                     | <b>(534)</b>                       |
| <b>FARM IMPROVEMENTS inclusive of fees</b>                                                                         |                     |                                    |
| Revenue funded Restructuring (BM other)                                                                            |                     | 0                                  |
|                                                                                                                    | <b>SUB - TOTAL</b>  | <b>0</b>                           |
| <b>TOTAL COSTS SURPLUS</b>                                                                                         |                     | <b>(534)</b>                       |

## **The County Farms Estate Capital Monitoring (Final Outturn) 2022/23 and Capital Budget 2023/24**

Report of the Director of Finance and Public Value

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

**Recommendation:** That the Committee endorses the report.

~~~~~

1. Background/Introduction

- 1.1 Each year the County Farms Estate generates significant capital receipts from the sale of surplus assets associated with an approved restructuring or rationalisation programme and through the sale of high value development opportunities.
- 1.2 The Estate bids for Capital for essential inward investment to maintain and improve critical infrastructure. Capital is bid for in competition with other front-line services.
- 1.3 The following table shows the current five-year capital allocation for the County Farms Estate and the capital allocation before the recent capital budget reductions.

Year	2023/24	2024/25	2025/26	2026/27	2027/28	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Current Capital	750	450	450	450	0	2100
Previous Capital	1000	600	600	600	0	2800

2. Capital Monitoring for the period 1 April 2022 to 31 March 2023 (Final Outturn).

- 2.1 The Capital budget presented to Corporate Infrastructure and Regulatory Services Scrutiny Committee on 24 January 2022 and approved at County Council on 17 February 2022 included schemes totalling £1,000,000.

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- 2.2 There was an 'underspend' of £25,787 in 2021/22 and an in-year receipt of £30,000 bringing the balance of capital available to spend in 2022/23 to £1,055,787.
- 2.3 Total spend in 2022/23 amounted to £1,024,769 resulting in an underspend against the budget provision of £31,018. This underspend will be carried forward to the 2023/24 budget.
- 2.4 There were a number of schemes completed in 2022/23 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.

3 Nitrate Vulnerable Zone Compliance

- 3.1 Retention monies have now been released. No new slurry store schemes were progressed this financial year.

4 Compensation Payments (Tenants Improvements, etc.)

- 4.1 End of tenancy compensation liabilities have been contained within the revenue budget. No capital has therefore been spent on end of tenancy compensation liabilities.

5 Enhancements and Improvements

- 5.1 The 2022/23 programme consisted of:
 - (a) 14 projects that were started in previous years and have been completed in year or defects paid in year.
 - (b) 3 new whole house refurbishment projects started this financial year and are now complete and in defects period.
 - (c) 4 further sewage treatment plants have been installed.

6 Land Acquisitions

- 6.1 One land acquisition was approved at year end and an offer has been made and accepted on a subject to contract basis.

7 Capital Receipts Generated in year

- 7.1 At the County Farms Estate Committee meeting of 26 September 2022, members requested an update at all future meetings of all capital receipts completed in year to date.
- 7.2 The table below schedules all County Farms Estate disposals that have completed by year end and contributed towards the Corporate Capital Programme. The table now includes the acreage sold (as requested by members at the meeting of 5 December 2022).

Asset Sold	Acreage Sold	Capital Receipt (net of costs)	Date of completion
Part Aldens Farm (West)	5.39	£3,148,935	30 June 2022
Land at Tithebarne Way (part Monkerton Farm)	4.64	£3,093,551	11 July 2022
Barn at Lower Farm, High Bickington	0.12	£16,276	16 September 2022
Uppacott Farm, Mariansleigh (overage payment)	nil	£75,250	26 July 2022
East Hill Farm, Knowestone (deed of variation)	nil	£14,803	28 October 2022
Farmhouse at Baxters Farm, Musbury	0.45	£335,905	3 March 2023
Land and buildings at Frostlands Farm, Sandford	11.26	£224,896	24 March 2023
Total	21.86	£6,909,615	

8.0 Capital Budget 2023/24

- 8.1 The Capital budget presented to Corporate Infrastructure and Regulatory Services Scrutiny Committee on 30 January 2023 and approved at County Council on 16 February 2023 included schemes totalling £750,000.
- 8.2 There was an 'underspend' of £31,018 in 2022/23 thus the balance of capital available to spend in 2023/24 amounts to £781,018.

9.0 Options/Alternatives

- 9.1 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.

10.0 Consultations/Representations/Technical Data

- 10.1 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.
- 10.2 No other parties have been consulted and no other representations have been received
- 10.3 The technical data is believed to be true and accurate.

11.0 Strategic Plan

- 11.1 <https://www.devon.gov.uk/strategic-plan/>

Agenda Item 5

11.2 The prudent management of the County Farms Estate, in accordance with the County Farms Estate Strategic Review (April 2010), is well aligned with Strategic Plan priorities such as:

- Responding to the climate emergency – help wildlife and landscapes recover
- Responding to the climate emergency – take opportunities to improve the energy efficiency of homes and buildings
- Responding to the climate emergency – encourage sustainable lifestyles
- Responding to the climate emergency – continue to reduce carbon emissions across all our services
- Investing in Devon's economic recovery – deliver £500 million Council capital investment programme over five years
- Investing in Devon's economic recovery - ensure financial resilience of the Council.
- Improving health and wellbeing – give people greater opportunities for walking and cycling to increase their physical activity

12.0 Financial Considerations

12.1 The Author is not aware of any financial issues arising from this report.

13.0 Legal Considerations

13.1 The Author is not aware of any legal issues arising from this report.

14.0 Environmental Impact Considerations (Including Climate Change)

14.1 The Author is not aware of any environmental impact (including climate change) issues arising from this report.

15.0 Equality Considerations

15.1 The Author is not aware of any equality issues arising from this report.

16.0 Risk Management Considerations

16.1 The Author is not aware of any obvious risks to manage.

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).

Angie Sinclair,
Director of Finance and Public Value

Electoral Divisions: All

Local Government Act 1972: List of Background Papers

Contact for Enquiries:

Name: Dan Meek, Director of Estates & Valuation, South West Norse, Venture House, One Capital Court, Bittern Road, Sowton Industrial Estate, Exeter, EX2 7FW

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

Name: Lisa Beynon, Head Accountant for Corporate Services, Finance and Public Value, County Hall, Exeter

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

Background Paper	Date	File Reference
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Nil

The above mentioned Reports are published on the Council's Website at:

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

DF/23/52
Farms Estate Committee
15 May 2023

The County Farms Estate Annual Report 2022/23

Report of the Director of Finance and Public Value

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

Recommendation: That the Committee endorses the annual report.

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### **1. Background/Introduction**

- 1.1 This is the thirty-second annual report of the County Farms Estate and the thirteenth year in this revised format since the Devon County Council Farms Estate Strategic Review of March 2010.

### **2. Introduction.**

- 2.1 It seems most tenant's businesses are proving resilient to the inflationary pressures on input costs such as electricity, fertiliser, diesel and concentrates. Some of this resilience is no doubt eased by the current high farm gate prices for commodities such as milk, beef and lamb together with a high proportion of diversification. The impact of Basic Payment Scheme Entitlements (BPSE's) being phased out does not yet appear to have had an impact either with many new entrants proving they can establish and operate profitable farm businesses without subsidy support. Tenants continue to diversify and take up agri-environment scheme contracts such as Countryside Stewardship (CSS) although take up of the Sustainable Farming Scheme Incentive (SFI) element of the new Environmental Land Management (ELM's) scheme appears low. Sadly, one farm business was decimated by an Avian Influenza outbreak and associated cull of all the flocks on the holding.
- 2.2 It has been another exceptionally busy but successful year for the Estate with the number of farms being relet remaining well above average. This has again stretched the capacity of an already thinly resourced management team.

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2.3 This report is divided into the following sections:

- Committee Functions
- Financial Performance
- Estate Management Performance
- Other Notable Estate Achievements and Events

3. Meetings and other activities of the Farms Estate Committee 2022/23.

3.1 The committee welcomed a new representative of the Devon Federation of Young Farmers Clubs, Megan Broom. Rupert Shinner was thanked for his contributions to the committee during the previous year.

3.2 The Farms Estate Committee met on 16 May, 26 September and 5 December 2022, and 20 February 2023. In addition to the usual financial and management matters other issues discussed by the Committee included:

- Annual Report 2021/22
- Monitoring of tenants on initial Farm Business Tenancies
- Requests for landlord's consent for tenant's improvements
- Requests for extensions of tenancy
- CPRE Report: Re-imagining Council Farms
- Carbon audits and sequestration capacity of the county farms estate
- Landlord's consent policy for tenant's improvement solar panels
- The Rock Review: working together for a thriving agricultural tenanted sector (October 2022)
- Future development potential opportunities
- The use of glyphosate in the agricultural industry
- Business case for harvesting methane from slurry

3.3 Interview panels met on four occasions to interview applicants for the tenancies of Great Blakewell Farm, Chittlehampton; Little Stone Farm, South Molton; Hurditch Farm, Lamerton; Endfield Farm, Sandford; Lower Northchurch Farm, Yarnscombe; and Lower Parks Farm, Crediton.

3.4 The Senior Land Agent was asked to present to the Climate Change Standing Overview Group – Corporate Infrastructure & Regulatory Services Scrutiny Committee on the 'socioeconomic impacts of climate change on the farming sector'.

3.5 The Chairman, Vice Chairman and the Senior Land Agent also visited the parishes of Denbury, Broadhempston, Woodbury, Braunton, Okehampton, Churchstow, Bickleigh, and Down St Mary to undertake tenants monitoring visits.

## 4 Finance

4.1 The financial performance of the Estate is again analysed in four areas, namely revenue income and expenditure, capital receipts and capital investment.

4.2 The Estate revenue budget outturn statement for the year ending 31 March 2023 is appended (Appendix A). Details of some of the key result areas for the three previous trading years have been included to offer some form of trend comparator analysis.

### 4.3 Revenue Income

4.3.1 Rental income from the Estate in 2022/23 was £1,255,994 compared with a target of £1,213,000.

4.3.2 Miscellaneous income totalled £65,914 compared with a target of £40,000.

4.3.3 Therefore, total income secured was £1,321,908 against a target of £1,253,000.

| Revenue Income | 2019/20    | 2020/21    | 2021/22    | 2022/23    |
|----------------|------------|------------|------------|------------|
| Rental         | £1,148,703 | £1,084,719 | £1,190,887 | £1,255,994 |
| Miscellaneous  | £27,434    | £35,848    | £34,450    | £65,914    |
| Total          | £1,176,137 | £1,120,567 | £1,225,337 | £1,321,908 |

| Revenue Income Analysis | 2019/20    | 2020/21    | 2021/22    | 2022/23    |
|-------------------------|------------|------------|------------|------------|
| Actual                  | £1,176,137 | £1,120,567 | £1,225,337 | £1,321,908 |
| (a) Per Farm            | £18,094    | £17,239    | £18,851    | £20,337    |
| (b) Per Hectare         | £304       | £289       | £316       | £342       |
| (c) As a % of Target    | 101%       | 96%        | 105%       | 105%       |

### 4.4 Revenue Expenditure

4.4.1 The target spend for 2022/23 on programme and unforeseen repairs and maintenance was £319,000 of which 68% (£216,000) was planned and 32% (£103,000) was unforeseen.

4.4.2 There was an overall actual spend of £305,461 on repair and maintenance of which 79% (£242,185) was planned maintenance and 21% (£63,276) was unforeseen and reactive work. It is noted that significant inflationary pressures within the construction industry continues to put immense strain on this budget and far less work is capable of being delivered year on year for the same budget provision. Some landlord's repair and maintenance liabilities are not therefore capable of being carried out.

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| Expenditure       | 2019/20  | 2020/21  | 2021/22  | 2022/23  |
|-------------------|----------|----------|----------|----------|
| Programme         | £152,856 | £255,414 | £222,627 | £242,185 |
| Unforeseen        | £86,189  | £69,064  | £74,261  | £63,276  |
| Total Maintenance | £239,045 | £324,478 | £296,888 | £305,461 |

4.4.3 Additional unforeseen repairs required as a consequence of damage caused by storm Eunice on 17 February 2022 were paid for under the County Council insurance policy.

4.4.4 In addition to the above maintenance spend, £64,880 was spent on Landlord's health and safety improvements, removing and replacing asbestos, and demolishing redundant buildings. More specifically, £8,800 of this was spent on drilling two boreholes on dairy farms to help tenants reduce a significant overhead.

4.4.5 £243,728 was spent in total on professional fees relating to Estate Management; the procurement of repairs, maintenance, compliance management, service term contracts and other works; and on the inspection and security of empty properties.

4.4.6 £14,622 was spent on servicing plant and equipment on the Estate including private water supplies, boilers, electrical wiring systems, sewage treatment plants, radon pumps etc owned by the Landlord.

4.4.7 £14,583 was spent on roadside tree surgery works arising as a consequence of periodic surveys and other ground maintenance works.

4.4.8 £9,102 was spent on condition surveys to help inform planned maintenance programmes and to manage landlord's risks associated with the Defective Premises Act 1972 and Occupiers Liability Acts 1957 and 1984.

4.4.9 £98,718 was spent on compensating tenants for fixtures, fittings and improvements at end of tenancy and/or putting right landlord dilapidations where a change of tenancy triggered a change in repairing liability.

## 4.5 Revenue Surplus

4.5.1 A revenue surplus of £534,702 was achieved compared with the target of £534,000.

| Revenue Surplus  | 2019/20  | 2020/21  | 2021/22  | 2022/23  |
|------------------|----------|----------|----------|----------|
| Target           | £464,000 | £464,000 | £464,000 | £534,000 |
| Actual           | £464,043 | £467,374 | £465,998 | £534,702 |
| As a % of Target | 100%     | 101%     | 101%     | 100%     |

## 4.6 Running Costs

- 4.6.1 Running costs for 2022/23 were £543,478 against a target of £483,000. The increase in in year spend principally related to an increase in the end of tenancy compensation liability.

| Running Cost         | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
|----------------------|---------|---------|---------|---------|
| (d) Per Farm         | £7,524  | £6,810  | £8,435  | £8,361  |
| (e) Per Hectare      | £126.62 | £114.28 | £141.59 | £140.67 |
| (f) As a % of Income | 42%     | 39.5%   | 45%     | 41%     |

## 4.7 Management Costs

- 4.7.1 Management costs for 2022/23 were £243,728 against a target of £236,000.

| Management Cost      | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
|----------------------|---------|---------|---------|---------|
| (g) Per Farm         | £3,432  | £3,239  | £3,247  | £3,750  |
| (h) Per Hectare      | £57.75  | £54.35  | £54.50  | £63.08  |
| (i) As a % of Income | 19%     | 19%     | 17%     | 18%     |

## 4.8 Capital Receipts

- 4.8.1 In 2022/23 the Estate generated £6,909,615 net capital (after costs of sale) from the sale of land at Aldens Farm, Alphington; Land at Tithebarne Way, Monkerton Farm, Pinhoe; a barn at Lower Farm, High Bickington; an overage payment at Uppacott Farm, Mariansleigh; a deed of variation at East Hill Farm, Knowestone; the farmhouse at Baxters Farm, Musbury; and barns and land at Frostlands Farm, Sandford.

| Capital Receipts | 2019/20    | 2020/21  | 2021/22    | 2022/23    |
|------------------|------------|----------|------------|------------|
| Actual           | £1,569,062 | £570,000 | £4,786,667 | £6,909,615 |

- 4.8.2 At year end a further 5 properties were 'sold subject to contract and/or planning' with a potential capital receipt value of £1,398,800 expected to be received in 2023/24 or 2024/25.

## 4.9 Capital Investments

- 4.9.1 Capital investment amounted to £1,024,769. Investment was mainly made on further farmhouse renovation and improvement schemes.
- 4.9.2 £31,018 has been carried forward to the 2023/24 budget. It is anticipated this money will be spent in 2023/24.
- 4.9.3 In future years the Estate is likely to require ongoing capital investment in:
- (i) Further ongoing farmhouse renovation and improvement works
  - (ii) Meeting the requirements of the Clean Air Strategy

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- (iii) Increasing controls on the storage of farm waste and feed stuffs
- (iv) Renewable energy, energy efficiency, carbon offsetting and sequestration
- (v) More onerous electrical regulations for farm buildings

## 4.10 Net capital contribution to the Corporate Capital Programme

4.10.1 After the County Farms Estate inward capital investment expenditure is deducted from the net capital receipts generated by the sale of surplus Estate assets, the Estate contributed a net sum of £5,884,846 to the Corporate capital programme in 2022/23.

| Net Capital Contribution | 2019/20  | 2020/21    | 2021/22    | 2022/23    |
|--------------------------|----------|------------|------------|------------|
| Actual                   | £379,837 | - £384,093 | £3,597,434 | £5,884,846 |

## 5 Estate Management Performance

5.1 The achievements for 2022/23 are analysed, as on previous occasions, in two areas – namely tenant matters and property matters.

### 5.2 Tenant Matters

- Two tenants have retired
- Two tenants have pursued alternative business interests
- One tenant has purchased his own farm
- One tenant has progressed internally on the Estate moving from a starter farm to a progression farm (Great Blakewell Farm, Chittlehampton)
- Five farms (Lower Parks Farm, Crediton; Hurditch Farm, Lamerton; Little Stone Farm, South Molton; Endfield Farm, Sandford; and Lower Northchurch Farm, Yarnscombe) were re-let to new tenants
- One farm tenancy was renewed.
- One '86 Act tenancy was surrendered and a new FBT simultaneously regranted
- One '54 Act lease was renewed.

### 5.3 Property Matters

The size of the Estate decreased to 3,863.43 hectares (9,546.53 acres) during 2022/23. This was the result of sales of land at Aldens Farm, Alphington; Land at Tithebarne Way, Monkerton Farm, Pinhoe; a barn at Lower Farm, High Bickington; the Farmhouse at Baxters Farm, Musbury; and barns and land at Frostlands Farm, Sandford.

| Size of the Estate | 2019/20  | 2020/21  | 2021/22  | 2022/23  |
|--------------------|----------|----------|----------|----------|
| Hectares           | 3,862.34 | 3,873.61 | 3,872.28 | 3,863.43 |
| Acres              | 9,543.84 | 9,571.68 | 9,568.39 | 9,546.53 |



5.4 The overall picture of the Estate as at 31 March 2023 was as follows:

|                                 | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
|---------------------------------|---------|---------|---------|---------|
|                                 |         |         |         |         |
| Number of let residential farms | 65      | 65      | 65      | 65      |
|                                 |         |         |         |         |
| Total AHA 86 Farms              | 14      | 12      | 12      | 10      |
| AHA 86 Lifetime Tenancies       | 8       | 7       | 7       | 6       |
| AHA 86 Retirement Tenancies     | 6       | 5       | 5       | 4       |
|                                 |         |         |         |         |
| Total ATA 95 (FBT) Farms        | 51      | 53      | 53      | 55      |
| FBT's more than seven years     | 19      | 21      | 21      | 20      |
| FBT's seven years or less       | 32      | 32      | 32      | 35      |

- 5.5 An Option Agreement remains in place for a subject to planning solar farm lease of a site.
- 5.6 One farm cottage remains sublet by an Estate tenant (with landlord's consent).
- 5.7 One traditional building remains let on a Landlord and Tenant Act 1954 lease to a micro-brewery operator.
- 5.8 One site has been let on a Landlord and Tenant Act 1954 lease to a green waste composting operator.
- 5.9 Two farm buildings are sublet (with landlord's consent) to rural businesses on Landlord and Tenant Act 1954 leases.
- 5.10 Three blocks of bare land are let to Parish Council's for community use (playing field and allotments).
- 5.11 One block of woodland is let to the North Devon Biosphere Reserve as a best practice demonstration site.
- 5.12 Six allotments are let direct to members of the public.
- 5.13 A small length of fishing rights is separately let on the river otter.
- 5.14 Two telecommunication masts are let on the County Farms Estate.
- 5.15 Five leases are granted for community internet apparatus installed on the County Farms Estate.
- 5.16 One site is let to the Environment Agency as a remote weather station.

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- 5.17 Seven blocks of bare land are let to non-core Estate agricultural tenants (land at Whitsun Farm; Land at Cofton Cross; Part East Hill Farm; Part Greenhills Farm; Part Beara Down Farm; Part Manor Farm; and Part East Week Farm).
- 5.18 One farmstead and one set of former farm buildings remain declared surplus to the operational requirements of the Estate and are to be advertised for sale as soon as practically possible (Beara Down Farm, Bratton Fleming; and Baxters Farm, Musbury).
- 5.19 One block of land amounting to 2.68 acres or thereabouts is sold subject to contract and planning for residential development (Part Manor Farm, Holcombe).
- 5.20 A 3 acre field at Lower Northchurch Farm, Yarnscombe is sold to a neighbour on a subject to contract basis. A small corner of a field amounting to 0.17 acres or thereabouts at Lower Henland Farm, Kentisbeare is also sold on a subject to contract basis to a neighbouring special purchaser.
- 5.21 1.61 acres of land at Beara Down Farm, Bratton Fleming remains sold on a subject to contract and planning basis to the owners of the adjacent industrial units.
- 5.22 3 sets of agricultural buildings are being managed on short term agricultural agreements or held in hand pending Class Q permitted development applications under The Town and Country Planning (General Permitted Development) (England) Order 2015 (Barns at Glebe Farm, Rattery; Lower Pilehayes Farm, Woodbury; Hurditch Farm, Lamerton)

## 6 Other notable Estate achievements and events:

### 6.1 Farmwise

- (i) After two years of cancellations due to Covid-19 movement restrictions and safeguarding measures Farmwise returned to the Devon County Show on 30th June, 1st July and 2<sup>nd</sup> July.

South West Norse had to recruit a new Farmwise Event Co-ordinator to ensure a successful return of this invaluable educational event. With only 6 weeks to notice to create the event, its' new Events Co-ordinator, Bev Brown was delighted to be awarded Bronze Medal for 'Best Showground Feature'



- (ii) The eighth Farmwise Devon event was also held on 11<sup>th</sup> October 2022 at Wespoint.

The following key facts are worthy of note:

Approximately 1,100 pupils

Approximately 31 schools plus groups of home schooled children attended

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

At least 15 tenants from within the estate volunteered and ran zone exhibits.

## 6.2 DEFRA Pilot new Entrants Support Scheme

The Devon County Farms Estate agreed to be a key stakeholder partner in a bid made to DEFRA by the School of Social Entrepreneurs (SSE) to run two pilots. The first pilot was designed to support new entrants to farming – the ‘start up’ pilot; and the second was designed to support existing farmers develop their businesses – the ‘scale up’ pilot. Duchy College led on the programme delivery with support from Devon and Cornwall County Farms Estate’s and their respective land agents.

## 6.3 CIPFA Returns

The annual County Farms Estate CIPFA return was completed.

## 6.4 DEFRA’s 71<sup>st</sup> Annual Report to Parliament on Local Authority Smallholdings in England 2020/21

Each year DEFRA is required under section 59 of the 1970 Agriculture Act to provide statistical details to Parliament of the land let as smallholdings by local authorities across England. The case study attached at Appendix B featured in the report.

## 6.5 CAAV Agricultural Land Occupation Survey (ALOS)

The CAAV ALOS was completed. This survey is the largest of its kind and is used by DEFRA and other decision makers to inform policy around the tenanted sector.

## 6.6 Pilot to harvest methane from slurry

Following extensive discussions with a specialist company, members approved collaborating with the firm and investing in prototype farm scale methane harvesting infrastructure to capture store and convert the methane produced by stored slurry into a renewable energy to be used on and off site. The forecast environmental benefits are significant and the installation should be completed during 2023.

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## 6.7 Award winning tenants

More tenant's achievements were recognised and celebrated in a number of farming awards ceremony's during 2022. Details of some of the more significant achievements can be found at Appendix C.

## 6.8 Tree planting

In spring 2023 a total of 6,825 trees were planted on three separate sites at Bulleigh Elms Farm, Ipplepen; Cobberton Farm, Dartington; and Glebe Farm, Rattery.

The trees were all planted on low productive marginal farmland.

## 6.9 Permissive Access

Heads of terms for a new permissive footpath were agreed with the Rattery Parish Council to create a circular loop linear footpath through part Glebe Farm, Rattery.

## 6.10 Queens Jubilee Celebrations

Musbury Parish Council was granted a licence to occupy an orchard at Baxters Farm, Musbury to hold a Queens Jubilee community picnic.

## 6.11 Boreholes

Under the Estate Policy boreholes were drilled at Higher Bradaford Farm, Virginstow and Fairfield Farm, Denbury.

## 6.12 Tyres

19.5 tonnes of waste tyres have been removed from two farms by licenced contractors.

## 6.13 Whole farm carbon audit and sequestration capacity assessment (Pilot)

The Farm Carbon Toolkit was commissioned to produce a pilot report of the total carbon footprint of a farm business together with an assessment of the farms total sequestration capacity through the natural environment to determine the net carbon footprint. The results of the pilot report are keenly awaited.

## 6.14 Newsletters

Two editions of the highly informative and well received Estate Newsletters were published in year.

## 6.15 Agro-RES project

A presentation on the County Farms Estate Service was made to European guests of the Devon County Council supported Agro-RES, Interreg Europe Project – an initiative investing in renewable energies for agriculture.

## 7.0 Options/Alternatives

- 7.1 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.

## 8.0 Consultations/Representations/Technical Data

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

## 9.0 Strategic Plan

- 9.1 <https://www.devon.gov.uk/strategic-plan/>
- 9.2 The prudent management of the County Farms Estate, in accordance with the County Farms Estate Strategic Review (April 2010), is well aligned with Strategic Plan priorities such as:
- Responding to the climate emergency – help wildlife and landscapes recover
  - Responding to the climate emergency – take opportunities to improve the energy efficiency of homes and buildings
  - Responding to the climate emergency – encourage sustainable lifestyles
  - Responding to the climate emergency – continue to reduce carbon emissions across all our services
  - Investing in Devon's economic recovery - ensure financial resilience of the Council.
  - Improving health and wellbeing – give people greater opportunities for walking and cycling to increase their physical activity

## 10.0 Financial Considerations

- 10.1 The Author is not aware of any financial issues arising from this report.

## 11.0 Legal Considerations

- 11.1 The Author is not aware of any legal issues arising from this report.

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## **12.0 Environmental Impact Considerations (Including Climate Change)**

12.1 The Author is not aware of any environmental impact (including climate change) issues arising from this report.

## **13.0 Equality Considerations**

13.1 The Author is not aware of any equality issues arising from this report.

## **14 Risk Management Considerations**

14.1 The Author is not aware of any obvious risks to manage.

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

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

Angie Sinclair,  
Director of Finance and Public Value

Electoral Divisions:

All

Local Government Act 1972: List of Background Papers

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Background Paper

Date

File Reference

Nil

The above mentioned Reports are published on the Council's Website at:  
<http://democracy.devon.gov.uk/ieDocHome.aspx?bcr=1>

## Appendix A

### APPENDIX A

#### **COUNTY FARMS ESTATE - FINANCIAL REPORTS** **FINANCIAL STATEMENT - FINAL OUTTURN 2022/23**

|                                                                                                                 | 2022/23<br>ANNUAL TARGET<br>£'000 | 2022/23<br>OUTTURN<br>£'000 | 2021/22<br>OUTTURN<br>£'000 | 2020/21<br>OUTTURN<br>£'000 | 2019/20<br>OUTTURN<br>£'000 | 2018/19<br>OUTTURN<br>£'000 |
|-----------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b><u>INCOME</u></b>                                                                                            |                                   |                             |                             |                             |                             |                             |
| Rent                                                                                                            | (1,213)                           | (1,256)                     | (1,191)                     | (1,085)                     | (1,149)                     | (1,075)                     |
| Other                                                                                                           | (40)                              | (66)                        | (34)                        | (36)                        | (27)                        | (33)                        |
| <b>TOTAL INCOME</b>                                                                                             | <b>(1,253)</b>                    | <b>(1,322)</b>              | <b>(1,225)</b>              | <b>(1,121)</b>              | <b>(1,176)</b>              | <b>(1,108)</b>              |
| <b><u>EXPENDITURE</u></b>                                                                                       |                                   |                             |                             |                             |                             |                             |
| <b><u>STATUTORY COSTS</u></b>                                                                                   |                                   |                             |                             |                             |                             |                             |
| Tenant Right Valuation                                                                                          | 21                                | 99                          | 174                         | 37                          | 87                          | 25                          |
| <b>SUB - TOTAL</b>                                                                                              | <b>21</b>                         | <b>99</b>                   | <b>174</b>                  | <b>37</b>                   | <b>87</b>                   | <b>25</b>                   |
| <b><u>PREMISES COSTS</u></b>                                                                                    |                                   |                             |                             |                             |                             |                             |
| Building Maintenance - unforeseen                                                                               | 103                               | 63                          | 74                          | 69                          | 86                          | 80                          |
| Building Maintenance - programmed                                                                               | 216                               | 242                         | 223                         | 256                         | 153                         | 242                         |
| Building Maintenance - Surveys                                                                                  | 10                                | 9                           | 8                           | 6                           | 4                           | 11                          |
| Building Maintenance - STC                                                                                      | 21                                | 15                          | 17                          | 25                          | 8                           | 18                          |
| Building Maintenance - other (incl. land agents initiatives, redundant buildings, asbestos and health & safety) | 63                                | 65                          | 15                          | 5                           | 101                         | 11                          |
| Grounds Maintenance                                                                                             | 13                                | 15                          | 5                           | 20                          | 10                          | 7                           |
| Rents & other landlord charges                                                                                  | 11                                | 12                          | 12                          | 11                          | 11                          | 14                          |
| Rates, Electricity and Water Charges                                                                            | 6                                 | 9                           | 10                          | 7                           | 15                          | 10                          |
| <b>SUB - TOTAL</b>                                                                                              | <b>443</b>                        | <b>430</b>                  | <b>364</b>                  | <b>399</b>                  | <b>388</b>                  | <b>393</b>                  |
| <b><u>SUPPLIES &amp; SERVICES</u></b>                                                                           |                                   |                             |                             |                             |                             |                             |
| Insurance                                                                                                       | 0                                 | 0                           | 0                           | 0                           | 0                           | 0                           |
| Adverts                                                                                                         | 2                                 | 0                           | 0                           | 1                           | 1                           | 6                           |
| NPS Fees                                                                                                        | 236                               | 244                         | 211                         | 211                         | 223                         | 264                         |
| Legal Fees                                                                                                      | 4                                 | 0                           | 2                           | 0                           | 1                           | 1                           |
| Professional Fees                                                                                               | 6                                 | 15                          | 7                           | 6                           | 10                          | 3                           |
| Other Fees & Charges (DFYF, SHLAA, GPDO)                                                                        | 7                                 | 0                           | 1                           | 0                           | 2                           | 4                           |
| <b>SUB - TOTAL</b>                                                                                              | <b>255</b>                        | <b>259</b>                  | <b>221</b>                  | <b>218</b>                  | <b>237</b>                  | <b>278</b>                  |
| <b>TOTAL EXPENDITURE</b>                                                                                        | <b>719</b>                        | <b>788</b>                  | <b>759</b>                  | <b>654</b>                  | <b>712</b>                  | <b>696</b>                  |
| Revenue Funded Restructuring                                                                                    | 0                                 | 0                           | 0                           | 0                           | 0                           | 0                           |
| <b>NET OPERATIONAL (SURPLUS)/DEFICIT</b>                                                                        | <b>(534)</b>                      | <b>(534)</b>                | <b>(466)</b>                | <b>(467)</b>                | <b>(464)</b>                | <b>(412)</b>                |

## Case Study

DEFRA's 71st Annual Report to Parliament on Local Authority Smallholdings in England 2020 - 2021

### Devon's County Farm Estate

NPS South West Limited manages the County Farms Estate of 3,873 hectares (9,570 acres).

Strategic, policy and operational management decisions are considered by its own Committee.

The Estate currently comprises 65 fully equipped residential dairy and mixed livestock farms categorised into starter and progression units ranging from 37 to 301 acres.

All new farm lets are by Farm Business Tenancy Agreements under the Agricultural Tenancies Act 1995.

The Estate aims to provide people with their first opportunity to farm but with a view that within a reasonable time frame, they secure an independent livelihood from agriculture.

Devon County Council has successfully re-let four internal progression farms and seven new entrant starter farms. Of those tenants leaving the Estate three have secured farm tenancies in the private sector, two have bought farms, one has taken over a family farm, and one has retired.

One of those tenants progressing beyond the estate to a larger farm in the private sector is Colin Pople who has spent almost 25 years on the Estate and has come 'runner up' on a number of occasions for farms being let in the private sector. Colin Pople secured the tenancy of Manor Farm, Winterbourne Steepleton, advertised to let on the open market by Savills in summer 2021.

Colin said: I have really enjoyed my time on the Council Farms Estate, starting as a new entrant in 1998 before progressing to a larger farm on the Estate in 2000. Without the Council Farm Service it is difficult to imagine how we would have been able to start farming. Ever since, we have been able to grow our farm business with additional land and infrastructure being provided by the Council as well as renting extra land locally. We have tried for a number of tenancies in the private sector over the years but the level of competition is really tough. We persevered as we knew we were always close to securing a tenancy and we are delighted to have secured the tenancy of Manor Farm which will enable us to expand our farm business ever further.



The four progression farms re-let internally include:

- Topshayes Farm, Aylesbeare – a 179 acre residential dairy farm
- Southacott Farm, Mariansleigh – a 217 acre residential dairy farm
- Great Stone Farm, South Molton – a 181 acre residential dairy farm
- Higher Bradaford Farm, Virginstow – a 137 acre residential dairy farm

The seven starter farms advertised to let on the open market to new entrants include:

- Higher Artiscombe Farm, Gulworthy – a 216 acre residential dairy holding
- Little Stone Farm, South Molton – a 101 acre residential dairy holding
- Nunford Farm, Colyton – a 74 acre residential stock farm
- Coppa Dolla Farm, Denbury – a 73 acre residential stock farm
- Ten Oaks Farm, Roborough – a 145 acre residential dairy farm
- Thorndon Farm, Broadwoodwidge – a 120 acre residential dairy farm
- Perriton Barton Farm, Whimble – a 55 acre residential dairy farm

One of the new entrants awarded a starter farm is Sam Turner who secured the tenancy of Nunford Farm, Colyton. He is farming deer for the production of venison. He plans to sell some wholesale but mostly direct to high end restaurants and the public.

Sam said: As someone who did not grow up on a farm, I am a genuine new entrant to the farming industry. I am not quite sure what first sparked my interest in farming, but I am so glad I became part of this fantastic industry. I have already started to farm on rented bare land to prove my business plan has the potential to be successful, but I have limited security and no prospect of expansion or making efficiency improvements where I am. The Council has taken a bit of a risk with me being a new entrant proposing an unconventional and arguably niche farm business. The interview process was tough, but it also helped me improve my understanding of my own business and provide me with greater confidence I was building a sound and viable enterprise. Without the Council Farm Service, I do not know how I would have been able to take the step from part time to full time farmer.

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Appendix C

Celebrating award winning tenants

(a) The 2022 British Farming Awards

(i) Gordon Davis - Dairy Farmer of the Year Gold Winner



Gordon Davis farms Westcott Farm, Burlescombe with the support of his family, and milks a pedigree herd of Jersey cows trading as Rivermead Jerseys.

What the judges said: "This business is at the top of the game, and the family can be rightly proud of their results in terms of animal health, welfare and performance. The whole family displays a passion for the industry... they have confidence in their decision making, and are now working hard to encourage the next generation to take the business forward."

On winning, Gordon said: "It feels amazing and I am very humbled. We take a lot of pride in what we do and the whole family are involved right through to our youngest grandchildren who milk and my sons that are involved in the day to day running of the farm. I am proud to be a part of an incredible industry that has grown through adversity."

(ii) The Davis Family - Family Farming Business of the Year Silver Winner



The wider family are involved in the business, but the main family members looking after the day-to-day running are Gordon Davies, his sons Mark and Kevin, alongside herdsman Richard Saxby. Gordon's daily role sees him lead on dairy logistics and transport with their tanker fleet. Hazel, Gordon's wife, helps rear calves, with eldest son Mark leading the management of the 280-head herd of Rivermead Jerseys. Second eldest son Kevin is a keen stockman and manages the staff and day-to-day running of the farm, along with crops and harvesting. Daughter Emily is undertaking her final year at university, but heads up the calf rearing, with a particular interest in showing livestock and genetics.

Gordon says: "As a family we are all stockmen and every one of us has a passion for dairy cows and livestock. It is that passion which has progressed through to our grandchildren, along with the desire to have good cows and stock. What drives us is enjoying what we do and working with the people we do. It is a tremendous pleasure to work with people who have a passion and want to improve."

- (iii) Luke and Emily Knight - Diversification (small – medium) of the Year Silver Winner



Luke and Emily Knight of Cotley Farm, Ottery St Mary are providing adults and children opportunities to work with animals, grow vegetables and learn new skills at their care farm.

Programmes have been created for young offenders, schools, people with dementia and as rehabilitation for individuals with mental health concerns referred through their GP.

Although Knights Care Farm links social care and farming, its core enterprise still functions as a commercial working farm. Luke says: "It is unique across the UK as most care facilities offer a low level of meeting animals, whereas we work with commercial scale."

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## (b) The Addington Fund - Devon Farm Business Awards



Emily Knight, the driven motivator of Knights Farm Shop and the Care Farm held at 'Knights Farm' (Cotley Farm, Ottery St Mary), was deservedly in the finals for the **'best woman in agriculture'** this year for the Devon Farm Business Awards.

The Devon Farm Business Awards are run by the Addington Fund every year and the prestigious awards ceremony is held on the eve of the Devon County Show. The competition is tough and these awards are in place to ensure those that are farming heroes in Devon are recognised and awarded for their efforts.

Emily said although she didn't win her category, she was honoured to be a finalist.

The Devon County Farms has, over the years, had many winners of these prestigious awards

## **The County Farms Estate Management and Restructuring**

Report of the Head of Digital Transformation and Business Support (Interim)

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

**Recommendation:** That the Committee approves the recommendations as set out in the opening paragraph of section 2.1, 2.2, 2.3 and 2.4 of this report.

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1. Background/Introduction

Decisions to declare any asset surplus to the requirements of the Estate in advance of disposal must be approved by the County Farms Estate Committee. All or any estate rationalisation or restructuring proposals must also be approved by the Committee. Proposals to let or continue to let all or any part of the Estate to any tenants and for how long need to be approved by the Committee. The appointment of new tenants either from the open market (starter farms) or internally (progression farms) are delegated to an Interview Panel sub-committee convened to meet as and when required.

2. Proposals to sell, let or restructure the Estate

2.1 Part Cordwents Farm, Halberton

2.1.1 It is recommended that:

- (a) The consent for the tenant to place fixtures, fittings, chattels or improvements on the site be expanded from 'a temporary/portable skate park' to 'a temporary/portable skate park or similar teen focused equipment'
- (b) The Halberton Parish Council be granted a 5 year security of tenure excluded common law tenancy of 0.5 acre or thereabouts of land forming NG Pt 3881 forming part Cordwents Farm, Halberton for the sole use of providing a community growing space, subject to terms being agreed.

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2.1.2 The Halberton Estate comprises:

- | | | |
|-------|---|------------------------------|
| (i) | Cordwents Farm (bare land and redundant building) | 18.82 hectares (46.51 acres) |
| (ii) | The Mead (bare land) | 0.69 hectares (1.71 acres) |
| (iii) | Garden licence approx. | 0.04 hectares (0.1 acres) |
| (iv) | Garden licence approx. | 0.04 hectares (0.1 acres) |

Total – 19.59 hectares (48.42 acres)

2.1.3 At the County Farms Estate Committee meeting of 5 December 2022 members considered report BSS/22/156 and resolved under minute ref: FE/56:

- (i) the Halberton Parish Council be granted a new 10 year security of tenure excluded common law tenancy of the property known as 'The Mead' in Halberton for a term commencing 25 March 2025 and expiring 25 March 2035 subject to terms being agreed. Such terms to include:
 - (a) Allowing the use of the site to be extended to accommodate a temporary and portable skate park.
 - (b) Allowing the siting of a temporary and portable sports changing room facility.
 - (c) An annual break clause should the land be required for any form of alternative use or development.
 - (d) A right of access for the landlord to carry out all or any surveys and investigations associated with the potential for any form of alternative use or development.
 - (e) A 'lift and shift' clause requiring the Parish Council to remove all apparatus and other infrastructure from the land prior to end of tenancy.
- (ii) the Halberton Parish Council be granted a five year security of tenure excluded common law tenancy of one acre or thereabouts of land in the North West Corner of NG0004 (adjoining the permissive path) forming part Cordwents Farm, Halberton for the sole use of providing a community growing space, subject to terms being agreed, and that users of the land be encouraged to access the land by means of sustainable travel.

2.1.4 Heads of terms for the new lease of the property known as 'The Mead' have been agreed in principle but the Parish Council has asked if the use of the site and the consent to place fixtures, fittings and improvements on the site can be broadened from 'a temporary and portable skate park' to 'a temporary/portable skate park or similar teen focused equipment'.

2.1.5 The County Solicitors office has advised that it would be prudent to seek the approval of the County Farms Estate Committee to this minor amendment.

- 2.1.6 The Parish Council also declined the offer of tenancy of Part NG 0004 for the sole use as a community growing space. Through representations made to the Local Member by the Parish Council, officers of the County Council have agreed that the Parish Council can be offered NG Pt 3881, immediately adjacent to the village, in the alternative. Officers understand the risks this proposal may presents to any future development prospects this area of land may have.

2.2 Part Nutcombe Farm, Rose Ash

It is recommended that:

- (i) The tenants proposed voluntary surrender of NG 0017 extending to 0.78 acres or thereabouts of land be accepted.
- (ii) That NG 0017 extending to 0.78 acres or thereabouts of land be declared permanently surplus to the operational requirements of the estate so that it can be sold to the neighbouring special purchaser.

2.2.2 The Rose Ash Estate comprises:

(i)	Nutcombe Farm	103.67 hectares (256.23 acres)
(ii)	East Catkill Farm	76.10 hectares (188.08 acres)
Total		179.77 hectares (444.31 acres)

- 2.2.3 In 2021 a small copse (NG 0017) extending to 0.78 acres or thereabouts and believed to have previously formed part of a former Devon County Council highway depot site was identified as being 'in hand' as part of a county wide exercise known colloquially as the 'orphaned land' project. It was agreed that the copse would be 'allocated' to the County Farms Estate for future management.

- 2.2.4 In 2022 the copse was amalgamated and let with Nutcombe Farm to ensure it was at least being occupied 'on paper' and so that our custodian tenant could keep a local watch against trespass etc.

- 2.2.5 It is understood the neighbouring former highway depot site has recently been sold and the new owner has expressed interest in purchasing the copse.

- 2.2.6 The copse has no real value to the farm or the estate.

2.3 Markhams Farm, Ide

2.3.1 It is recommended that:

- (i) The tenants proposed early surrender of his tenancy of Markhams Farm and his supplemental tenancy of Part Markhams Farm, be accepted.

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- (ii) The farmhouse, buildings and 111.67 hectares (276.03 acres) or thereabouts of land at Markhams Farm, Ide be advertised to let as an equipped residential progression dairy farm in internal competition between existing tenants of the Estate and on a Farm Business Tenancy for a term of up to fifteen years commencing 25 March 2024 and expiring 25 March 2039, subject to terms being agreed.

2.3.2 The Ide Estate comprises:

(a) Markhams Farm	– 111.67 hectares (276.03 acres)
(b) Part Aldens Farm	– 0.31 hectares (0.76 acres)
Total	– 111.98 hectares (276.79 acres)

2.3.3 Markhams Farm comprises a house, buildings and 276.03 acres or thereabouts of land and is let to the current tenant on a Farm Business Tenancy Agreement under the Agricultural Tenancies Act 1995 expiring 25 March 2026.

2.3.4 The current tenant is planning to retire from active farming and has asked if he can surrender his tenancy and vacate the holding at 25 March 2024.

2.3.5 Markhams Farm has proven to be a successful and profitable farming opportunity for the current tenant.

2.3.6 The farm is a well equipped dairy holding complete with NVZ compliant slurry store. The current tenant has invested in a number of tenant's fixture or improvements, some of which ought to be taken over by the landlord at end of tenancy. The holding should afford an existing starter farm tenant with a good progression opportunity. It is therefore proposed to advertise the farm to let internally in the first instance.

2.4 Land at Lower Farm, High Bickington

2.4.1 It is recommended that the 7.37 hectares (18.21 acres) or thereabouts of barn and land at High Bickington be advertised to let in internal competition between the tenants of Lower Farm, High Bickington; Great Blakewell Farm, Chittlehampton; Lower Northchurch Farm, Yarnscombe; Furze Cottages Farm, Ashreigney; Furze Barton Farm, Ashreigney; and Ten Oaks Farm, Roborough on a 6 year Farm Business Tenancy (or for a shorter term to co-terminate with the term date of the successful tenants main holding tenancy) commencing as soon as practically and legally possible, subject to terms being agreed.

2.4.2 The High Bickington Estate comprises:

(i) Lower Farm	-	33.44 hectares (82.64 acres)
(ii) Part Little Bickington Farm	-	0.86 hectares (2.13 acres)
Total	-	34.30 hectares (84.77 acres)

- 2.4.3 The County Council has had a subject to contract offer accepted to purchase 18.21 acres of land near High Bickington to replenish some of the land sold and as part of the approved strategic plan to maintain an estate of 10,000 acres in size.
- 2.4.4 Approximately 2 acres of retained land following the sale of the former Little Bickington Farm, High Bickington is allocated for residential development in the local plan.
- 2.4.5 A public consultation and planning application for residential development on the 2 acre site is pending. Should planning consent for residential development be secured and the 2 acre site sold, then the potential capital receipt is likely to be greater than the cost of purchasing the 18 acres of land, thus the size of the estate can be increased by a net 16 acres and a net capital receipt can be generated for wider County Council expenditure through this example of good estate management.

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 have been received
- 4.3 The technical data is believed to be true and accurate.

5.0 Strategic Plan

- 5.1 <https://www.devon.gov.uk/strategic-plan/>
- 5.2 The prudent management of the County Farms Estate, in accordance with the County Farms Estate Strategic Review (April 2010), is well aligned with Strategic Plan priorities such as:
- Investing in Devon's economic recovery - ensure financial resilience of the Council.

6.0 Financial Considerations

- 6.1 The Author is not aware of any financial issues arising from this report.

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7.0 Legal Considerations

7.1 The Author is not aware of any legal issues arising from this report.

8.0 Environmental Impact Considerations (Including Climate Change)

8.1 The Author is not aware of any environmental impact (including climate change) issues arising from this report.

9.0 Equality Considerations

9.1 The Author is not aware of any equality issues arising from this report.

10 Risk Management Considerations

10.1 The Author is not aware of any obvious risks to manage.

11 Summary/Conclusions/Reasons for Recommendations

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

Matthew Jones,
Head of Digital Transformation and Business Support (Interim)

Electoral Divisions: Tiverton East; South Molton; Exminster &
Haldon; Torrington Rural

Local Government Act 1972: List of Background Papers

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Background Paper	Date	File Reference
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Nil

The above mentioned Reports are published on the Council's Website at:
<http://democracy.devon.gov.uk/ieDocHome.aspx?bcr=1>

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

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