



You can view the agenda on the [website](#)
or use a smart phone camera and scan the code

To: The Chair and Members
of the Farms Estate
Committee

County Hall
Topsham Road
Exeter
Devon
EX2 4QD

Date: 2 May 2024

Contact: Wendy Simpson, 01392 384383

Email: wendy.simpson@devon.gov.uk

FARMS ESTATE COMMITTEE

Monday, 13th May, 2024

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

Donna Manson
Chief Executive

A G E N D A

PART I - OPEN COMMITTEE

1 Apologies for Absence

2 Declarations of Interest

Members of the Council will declare any interests they may have in any item to be considered at this meeting, prior to any discussion taking place on that item.

The other registrable interests of Councillors of Devon County Council arising from membership of City, Town or Parish Councils and other Local Authorities will automatically be recorded in the minutes.

For details of District and/or Town and Parish Twin Hatters, please see here: [A list of county councillors who are also district, borough, city, parish or town councillors](#).

3 Minutes

Minutes of the meetings held on 19 February 2024 and 7 March 2024 (previously circulated).

4 Items Requiring Urgent Attention

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

5 Revenue Monitoring (final Outturn) 2023/24 and 2024/25 (Budget) (Pages 1 - 6)

Report of the Director of Finance and Public Value (DFP/24/57) on the County Farms Estate Revenue Monitoring (Final Outturn) 2023/24 and 2024/25 (Budget), attached.

Electoral Divisions(s): All Divisions

6 Capital Monitoring (Final Outturn) 2023/24 and Capital (Budget) 2024/25 (Pages 7 - 10)

Report of the Director of Finance and Public Value (DFP/24/58) on the County Farms Estate Capital Monitoring (Final Outturn) 2023/24 and Capital (Budget) 2024/25, attached.

Electoral Divisions(s): All Divisions

7 Annual Report 2023/24 (Pages 11 - 24)

Report of the Director of Finance and Public Value (DFP/24/59) on the County Farms Estate Annual Report 2023/24, attached.

Electoral Divisions(s): All Divisions

MATTERS FOR DECISION

8 Management and Restructuring Issues (Pages 25 - 30)

Report of the Director of Transformation and Business Services on the County Farms Estate Management and Restructuring Issues, attached.

*Electoral Divisions(s): Braunton Rural;
Cullompton & Bradninch; Willand & Uffculme*

9 The Agricultural Landlord and Tenant Code of Practice (Pages 31 - 46)

Report of the Director of Transformation and Business Services on the Agricultural Landlord and Tenant Code of Practice, attached.

Electoral Divisions(s): All Divisions

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

10 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

11 Request for Landlord's Consent for proposed Tenants' Improvements (Pages 47-50)

(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 Director of Transformation and Business Services on request for landlords consent for proposed tenants improvements, attached.

Electoral Divisions(s): South Molton

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.

MEETINGS INFORMATION AND NOTES FOR VISITORS

Getting to County Hall and Notes for Visitors

For SatNav purposes, the postcode for County Hall is EX2 4QD

[Further information about how to get to County Hall](#) gives information on visitor parking at County Hall and bus routes.

Exeter has an excellent network of dedicated cycle routes. For further information see the [Travel Devon webpages](#).

The nearest mainline railway stations are Exeter Central (5 minutes from the High Street), St David's and St Thomas. All have regular bus services to the High Street.

Visitors to County Hall are asked to report to Main Reception on arrival. If visitors have any specific requirements, please contact reception on 01392 382504 beforehand.

Membership of a Committee

For full details of the Membership of a Committee, please [visit the Committee page](#) on the website and click on the name of the Committee you wish to see.

Committee Terms of Reference

For the terms of reference for any Committee, please [visit the Committee page](#) on the website and click on the name of the Committee. Under purpose of Committee, the terms of reference will be listed. Terms of reference for all Committees are also detailed within Section 3b of [the Council's Constitution](#).

Access to Information

Any person wishing to inspect any minutes, reports or background papers relating to an item on the agenda should contact the Clerk of the Meeting. To find this, [visit the Committee page](#) on the website and find the Committee. Under contact information (at the bottom of the page) the Clerk's name and contact details will be present. All [agenda, reports and minutes of any Committee are published on the Website](#)

Public Participation

The Council operates a Public Participation Scheme where members of the public can interact with various Committee meetings in a number of ways. For full details of whether or how you can participate in a meeting, please [look at the Public Participation Scheme](#) or contact the Clerk for the meeting.

In relation to Highways and Traffic Orders Committees, any member of the District Council or a Town or Parish Councillor for the area covered by the HATOC who is not a member of the Committee, may attend and speak to any item on the Agenda with the consent of the Committee, having given 24 hours' notice.

Webcasting, Recording or Reporting of Meetings and Proceedings

The proceedings of any meeting may be recorded and / or broadcasted live, apart from any confidential items which may need to be considered in the absence of the press and public. For more information [go to our webcasting pages](#)

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.

Members of the public may also use social media to report on proceedings.

Declarations of Interest for Members of the Council

It is to be noted that Members of the Council 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.

WiFi

An open, publicly available Wi-Fi network (i.e. DCC) is normally available for meetings held in the Committee Suite at County Hall.

Fire

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; and do not re-enter the building until told to do so. Assemble either on the cobbled car parking area adjacent to the administrative buildings or in the car park behind Bellair.

First Aid

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

Mobile Phones

Please switch off all mobile phones before entering the Committee Room or Council Chamber

Alternative Formats

If anyone needs a copy of an Agenda and/or a Report in another format (e.g. large print, audio tape, Braille or other languages), please contact the Customer Service Centre on 0345 155 1015 or email: committee@devon.gov.uk or write to the Democratic and Scrutiny Secretariat in G31, County Hall, Exeter, EX2 4QD.

Induction Loop available



DFP/24/57
Farms Estate Committee
13 May 2024

The County Farms Estate Revenue Monitoring (Final Outturn) 2023/24, and 2024/25 (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.

1) Recommendation

That the Committee endorses this report.

2) Background / Introduction

- 2.1 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.
- 2.2 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) Revenue Monitoring for the period 1 April 2023 to 31 March 2024 (final outturn).

- 3.1 Appendix A provides details of income and expenditure to year end. It also shows comparator data for the previous five years, as previously requested by members of the Committee.
- 3.2 £1,335,993 of income has either been invoiced or received at year end. Actual income is £82,993 higher than the budget target of £1,253,000.
- 3.3 The net balance for the Tenant Right Valuation budget, allowing for the remaining accruals from previous financial years and new compensation payment liabilities falling due on 25 March 2024, is £79,405. This is £58,405 greater than the budget provision of £21,000 but the overspend is to be expected given the significant number of end of tenancy valuation liabilities accruing at 25 March 2024, some of which were unforeseen.

Agenda Item 5

- 3.4 £65,278 worth of unforeseen repair works has been paid and/or accrued in 2023/24 which is £37,722 less than the budget provision of £103,000. This is largely due to a relatively mild and frost free winter combined with the largely better maintained farm buildings providing a degree of resilience against a series of named storms.
- 3.5 The revenue funded maintenance programme is showing expenditure and/or accruals at year end of £275,014 which is £59,014 greater than the budget provision of £216,000. In anticipation of the unforeseen maintenance budget spend being less than budgeted, the programme maintenance budget was increased in year to fund more targeted priority repair works around the Estate.
- 3.6 £39,114 has been spent against the redundant buildings, asbestos removal, and health and safety improvements works budget at year end. This expenditure is £23,886 less than the budget provision of £63,000. Again, some of this budget was redeployed to the programme maintenance budget to ensure priority repair works could be completed.
- 3.7 Spend on testing and inspection works (service term contracts for private water supplies, boilers, fixed wiring systems, sewage treatment plants, radon fans etc) is showing expenditure and/or accruals of £21,949 compared to the budget provision of £21,000. This budget requirement is expected to increase following the recent procurement exercise to renew the service term contracts, and as a result of more plant and equipment requiring testing inspection being installed on the Estate.
- 3.8 The programmed tree survey work (grounds maintenance) has a budget of £13,000. The combined cost of the annual tree surveys and subsequent tree surgery works cost the Estate £14,853 which is a slight overspend of £1,853 at year end.
- 3.9 The farms estate condition survey programme was delayed due to surveyors being redeployed to inspect property for Reinforced Autoclaved Aerated Concrete (RAAC). As a consequence only £5,184 of the £10,000 budget provision was spent.
- 3.10 As anticipated, and due to another extremely busy year, the South West Norse fees at year end are higher than originally budgeted. Actual spend on fees was £273,942 which is £37,942 higher than the budget provision of £236,000.
- 3.11 The significant number of changes of tenancy has also increased the liability for professional fees incurred dealing with the end of tenancy valuations. Actual spend and/or accruals at year end amounted to £17,749 which is £11,749 greater than the £6,000 budget. This liability has been exacerbated in year by material fees inflation in the private sector. The recently launched Agricultural Landlord and Tenant Code of Practice may affect how end of tenancy valuation work is conducted and is thus likely to further impact on the professional fees budget in 2024/25.
- 3.12 With very careful and considered management of the various budget lines for the County Farms Estate throughout the year the actual revenue outturn achieved was a surplus of £529,134 which is a shortfall of just £4,866 against the target surplus of £534,000.

4) **Revenue Budget 2024/25**

4.1 The Revenue Budget presented to Corporate Infrastructure and Regulatory Services Scrutiny Committee on 25 January 2024 and approved at County Council on 15 February 2024 included a target surplus of £534,000 for the County Farms Estate.

4.2 Appendix B provides a summary of the annual budget.

5 **Options / Alternatives**

5.1 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.

6 **Consultations / Representations / Technical Data**

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

6.2 No other parties have been consulted and no other representations have been received

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

7 **Strategic Plan**

7.1 This report has no specific direct alignment with the Council's Strategic Plan 2021 – 2025 - <https://www.devon.gov.uk/strategic-plan>

8 **Financial Considerations**

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

9 **Legal Considerations**

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

10 **Environmental Impact Considerations (Including Climate Change, Sustainability and Socio-economic)**

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

Agenda Item 5

11 Equality Considerations

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

12 Risk Management Considerations

12.1 No risks have been identified.

13 Summary / Conclusions / Reasons for Recommendations

13.1 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

Background Paper
Date
File Reference

Nil

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: Debbie Haffenden, Head Accountant for Corporate Services, Finance and Public Value, County Hall, Exeter
Contact: 01392 381200 or debbie.haffenden@devon.gov.uk

COUNTY FARMS ESTATE - FINANCIAL REPORTS FINANCIAL STATEMENT - FINAL OUTTURN 2023/24

	2023/24	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19
	ANNUAL TARGET £'000	OUTTURN £'000	OUTTURN £'000	OUTTURN £'000	OUTTURN £'000	OUTTURN £'000	OUTTURN £'000
INCOME							
Rent	(1,213)	(1,309)	(1,256)	(1,191)	(1,085)	(1,149)	(1,075)
Other	(40)	(27)	(66)	(34)	(36)	(27)	(33)
TOTAL INCOME	(1,253)	(1,336)	(1,322)	(1,225)	(1,121)	(1,176)	(1,108)
EXPENDITURE							
STATUTORY COSTS							
Tenant Right Valuation	21	79	99	174	37	87	25
SUB - TOTAL	21	79	99	174	37	87	25
PREMISES COSTS							
Building Maintenance - unforeseen	103	65	63	74	69	86	80
Building Maintenance - programmed	216	275	242	223	256	153	242
Building Maintenance - Surveys	10	5	9	8	6	4	11
Building Maintenance - STC	21	22	15	17	25	8	18
Building Maintenance - other (incl. land agents initiatives, redundant buildings, asbestos and health & safety)	63	39	65	15	5	101	11
Grounds Maintenance	13	15	15	5	20	10	7
Rents & other landlord charges	11	11	12	12	11	11	14
Rates, Electricity and Water Charges	6	8	9	10	7	15	10
SUB - TOTAL	443	440	430	364	399	388	393
SUPPLIES & SERVICES							
Insurance	0	0	0	0	0	0	0
Adverts	2	0	0	0	1	1	6
NPS Fees	236	274	244	211	211	223	264
Legal Fees	4	1	0	2	0	1	1
Professional Fees	6	18	15	7	6	10	3
Other Fees & Charges (DFYF, SHLAA, GPDO)	7	(5)	0	1	0	2	4
SUB - TOTAL	255	288	259	221	218	237	278
TOTAL EXPENDITURE	719	807	788	759	654	712	696
Revenue Funded Restructuring	0	0	0	0	0	0	0
NET OPERATIONAL (SURPLUS)/DEFICIT	(534)	(529)	(534)	(466)	(467)	(464)	(412)

Agenda Item 5

APPENDIX B

COUNTY FARMS ESTATE - FINANCIAL REPORTS FINANCIAL STATEMENT - 2024-25

<u>INCOME</u>	<u>ANNUAL TARGET £'000</u>
Rent	(1,355)
Other	(35)
TOTAL INCOME	<u>(1,390)</u>
<u>EXPENDITURE</u>	
<u>STATUTORY COSTS</u>	
Tenant Right Valuation	50
SUB - TOTAL	<u>50</u>
<u>PREMISES COSTS</u>	
Building Maintenance - unforeseen	96
Building Maintenance - programmed	287
Building Maintenance - Surveys	10
Building Maintenance - STC	21
Building Maintenance - other (incl. land agents initiatives, redundant buildings, asbestos and health & safety)	50
Grounds Maintenance	13
Rents & other landlord charges	11
Rates, Electricity and Water Charges	6
SUB - TOTAL	<u>494</u>
<u>SUPPLIES & SERVICES</u>	
Insurance	0
Adverts	1
NPS Fees	300
Legal Fees	5
Professional Fees	6
Other Fees & Charges (DFYF, SHLAA, GPDO)	0
SUB - TOTAL	<u>312</u>
TOTAL EXPENDITURE	<u>856</u>
NET OPERATIONAL (SURPLUS)	(534)
FARM IMPROVEMENTS inclusive of fees	
Revenue funded Restructuring (BM other)	0
SUB - TOTAL	<u>0</u>
TOTAL COSTS SURPLUS	(534)

DFP/24/58
Farms Estate Committee
13 May 2024

The County Farms Estate Capital Monitoring (Final Outturn) 2023/24 and Capital (Budget) 2024/25

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.

1) Recommendation

That the Committee endorses this report.

2) Background / Introduction

- 2.1 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.
- 2.2 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.
- 2.3 The following table shows the current five-year capital allocation for the County Farms Estate. Existing budget has been reprofiled as part of the 2024/25 Medium Term Capital Programme budget setting.

Year	2023/24	2024/25	2025/26	2026/27	2027/28	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Current Capital	750	900	450	0	0	2100

3) Capital Monitoring for the period 1 April 2023 to 31 March 2024 (Final Outturn).

- 3.1 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.
- 3.2 There was an 'underspend' of £31,018 in 2022/23 and an in-year receipt of £120,000 thus the balance of capital available to spend in 2023/24 amounts to £901,017.

Agenda Item 6

- 3.3 Total spend in 2023/24 amounted to £701,949 resulting in an underspend against the budget provision of £199,068. This underspend will be carried forward to the 2024/25 budget.
- 3.4 There were a number of schemes completed in 2023/24 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.

4) Nitrate Vulnerable Zone Compliance

- 4.1 No new slurry store schemes were progressed this financial year.

5) Enhancements and Improvements

- 5.1 The 2023/24 programme consisted of:
 - (a) Retention money was released for 12 projects that were completed in previous years.
 - (b) 2 new whole house refurbishment project were completed in year.
 - (c) 1 whole house refurbishment project was designed and tendered ready for a construction start date as close to the start of the new financial year as possible.
 - (d) 3 farmhouses are receiving further improvement works to address issues not fully resolved through earlier intervention.
 - (e) 4 sewage treatment plants have been installed by year end with a further 2 specified and tendered ready to install in the new financial year.
 - (f) Design and feasibility work was undertaken for a jointly funded methane harvesting slurry store cover in partnership with a third-party contractor.
 - (g) 1 farm water supply network replacement scheme was designed and tendered in year.

6) Compensation Payments (Tenants Improvements, etc.)

- 6.1 1 farm end of tenancy compensation was made from the capital budget in 2023/24. The majority of end of tenancy compensation payments due to outgoing tenants were contained within the revenue budget.

7) Land Acquisitions

- 7.1 One acquisition of 18.21 acres of land at High Bickington has now completed and the land has been let to a nearby Estate tenant.

8) Capital Receipts Generated in year

- 8.1 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.

- 8.2 The table below schedules all County Farms Estate disposals that have completed in year to date and will contribute towards the Corporate Capital Programme.

Asset Sold	Acreage Sold	Capital Receipt (net of costs)	Date of completion
Field at Lower Northchurch Farm, Yarnscombe	3.93	£ 69,051	21 June 2023

9) Capital Budget 2024/25

- 9.1 The Capital budget presented to Corporate Infrastructure and Regulatory Services Scrutiny Committee on 25 January 2024 and approved at County Council on 15 February 2024 included schemes totalling £900,000.
- 9.2 There was an 'underspend' of £199,068 in 2023/24 thus the balance of capital available to spend in 2024/25 amounts to £1,099,068.

10) Options / Alternatives

- 10.1 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.

11) Consultations / Representations / Technical Data

- 11.1 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.
- 11.2 No other parties have been consulted and no other representations have been received.
- 11.3 The technical data is believed to be true and accurate.

12) Strategic Plan

- 12.1 This report has no specific direct alignment with the Council's Strategic Plan 2021 – 2025 - <https://www.devon.gov.uk/strategic-plan>

13) Financial Considerations

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

Agenda Item 6

14) Legal Considerations

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

15) Environmental Impact Considerations (Including Climate Change, Sustainability and Socio-economic)

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

16) Equality Considerations

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

17) Risk Management Considerations

17.1 No risks have been identified.

18) Summary / Conclusions / Reasons for Recommendations

18.1 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

Background Paper
Date
File Reference

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: Debbie Haffenden, Head Accountant for Corporate Services, Finance and Public Value, County Hall, Exeter
Contact: 01392 381200 or debbie.haffenden@devon.gov.uk

DFP/24/59
Farms Estate Committee
13 May 2024

The County Farms Estate Annual Report 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.

1) Recommendation

That the Committee endorses this report.

2) Background / Introduction

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

3) Introduction.

3.1 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.

3.2 This report is divided into the following sections:

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

4) Meetings and other activities of the Farms Estate Committee 2023/24.

4.1 The committee saw Councillor Lois Samuel stand down from the committee and welcomed Councillor Richard Chesterton as her replacement.

4.2 The committee welcomed another new representative of the Devon Federation of Young Farmers Clubs, Ben May. Megan Broom was thanked for her contributions to the committee during the previous year.

Agenda Item 7

- 4.3 The Farms Estate Committee met on 18 April, 15 May, 11 September and 20 November 2023, and 19 February 2024. In addition to the usual financial and management matters other issues discussed by the Committee included:
- Annual Report 2022/23
 - Monitoring of tenants on initial Farm Business Tenancies
 - Requests for landlord’s consent for tenant’s improvements
 - Devon County Farms Estate Questionnaire Results
 - Mental Health Strategy
- 4.4 Interview panels met on five occasions to interview applicants for the tenancies of Markhams Farm, Ide; Dungeons Farm, Cullompton; Southacott Farm, Mariansleigh; Middle Yeo Farm, Down St Mary; Perriton Barton Farm, Whimple; Lower Uppacott Farm, Mariansleigh; Lomans Farm, Broadhempston; Middle Winsham Farm, Braunton; and Lower Chitterley Farm, Bickleigh.
- 4.5 The Chairman, Vice Chairman and the Senior Land Agent also visited the parishes of Denbury, Broadwoodwidge, Roborough, Colyton, Okehampton, Gulworthy, Milton Abbot, and Dawlish to undertake tenants monitoring visits.

5) Finance

- 5.1 The financial performance of the Estate is again analysed in four areas, namely revenue income and expenditure, capital receipts and capital investment.
- 5.2 The Estate revenue budget outturn statement for the year ending 31 March 2024 is appended (Appendix A). Details of some of the key result areas for the five previous trading years have been included to offer some form of trend comparator analysis.
- 5.3 Revenue Income
- 5.3.1 Rental income from the Estate in 2023/24 was £1,309,337, compared with a target of £1,213,000.
- 5.3.2 Miscellaneous income totalled £26,656 compared with a target of £40,000.
- 5.3.3 Therefore, total income secured was £1,335,993 against a target of £1,253,000.

Revenue Income	2020/21	2021/22	2022/23	2023/24
Rental	£1,084,719	£1,190,887	£1,255,994	£1,309,337
Miscellaneous	£35,848	£34,450	£65,914	£26,656
Total	£1,120,567	£1,225,337	£1,321,908	£1,335,993

Revenue Income Analysis	2020/21	2021/22	2022/23	2023/24
Actual	£1,120,567	£1,225,337	£1,321,908	£1,335,993
(a) Per Farm	£17,239	£18,851	£20,337	£20,875
(b) Per Hectare	£289	£316	£342	£345
(c) As a % of Target	96%	105%	105%	106%

5.4 Revenue Expenditure

5.4.1 The target spend for 2023/24 on programme and unforeseen repairs and maintenance was £319,000 of which 68% (£216,000) was planned and 32% (£103,000) was unforeseen.

5.4.2 There was an overall actual spend of £340,292 on repair and maintenance of which 81% (£275,014) was planned maintenance and 19% (£65,278) 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.

Expenditure	2020/21	2021/22	2022/23	2023/24
Programme	£255,414	£222,627	£242,185	£275,014
Unforeseen	£69,064	£74,261	£63,276	£65,278
Total Maintenance	£324,478	£296,888	£305,461	£340,292

5.4.3 In addition to the above maintenance spend, £39,114 was spent on Landlord's health and safety improvements, removing and replacing asbestos, and demolishing redundant buildings.

5.4.4 £273,942 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.

5.4.5 £21,949 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.

5.4.6 £14,853 was spent on highway tree surveys and tree surgery works.

5.4.7 £5,184 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.

5.4.8 £79,405 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.

Agenda Item 7

5.5 Revenue Surplus

5.5.1 A revenue surplus of £529,134 was achieved compared with the target of £534,000.

Revenue Surplus	2020/21	2021/22	2022/23	2023/24
Target	£464,000	£464,000	£534,000	£534,000
Actual	£467,374	£465,998	£534,702	£529,134
As a % of Target	101%	101%	100%	99%

5.6 Running Costs

5.6.1 Running costs for 2023/24 were £532,917 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	2020/21	2021/22	2022/23	2023/24
(d) Per Farm	£6,810	£8,435	£8,361	£8,327
(e) Per Hectare	£114.28	£141.59	£140.67	£137.73
(f) As a % of Income	39.5%	45%	41%	40%

5.7 Management Costs

5.7.1 Management costs for 2023/24 were £273,942 against a target of £236,000.

Management Cost	2020/21	2021/22	2022/23	2023/24
(g) Per Farm	£3,239	£3,247	£3,750	£4,280
(h) Per Hectare	£54.35	£54.50	£63.08	£70.80
(i) As a % of Income	19%	17%	18%	20%

5.8 Capital Receipts

5.8.1 In 2023/24 the Estate generated £69,051 net capital (after costs of sale) from the sale of land at Lower Northchurch Farm, Yarnscombe.

Capital Receipts	2020/21	2021/22	2022/23	2023/24
Actual	£570,000	£4,786,667	£6,909,615	£69,051

5.8.2 At year end a further 5 properties were 'sold subject to contract and/or planning' with a potential capital receipt value of £1,590,000 expected to be received in 2024/25.

5.9 Capital Investments

5.9.1 Capital investment amounted to £701,949. Investment was mainly made on further farmhouse renovation and improvement schemes.

5.9.2 £199,068 has been carried forward to the 2024/25 budget. It is anticipated this money will be spent in 2024/25.

5.9.3 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
- (iii) Increasing controls on the storage of farm waste and feed stuffs
- (iv) Renewable energy, energy efficiency, carbon offsetting and sequestration

5.10 Net capital contribution to the Corporate Capital Programme

5.10.1 The County Farms Estate invested more capital in 2023/24 than was generated through the sale of Estate assets. The Estate does however remain a significant net contributor of capital to the County Council capital budget when measured over time.

Net Capital Contribution	2020/21	2021/22	2022/23	2023/24
Actual	- £384,093	£3,597,434	£5,884,846	- £632,898

6 Estate Management Performance

6.1 The achievements for 2023/24 are analysed, as on previous occasions, in two areas – namely tenant matters and property matters.

6.2 Tenant Matters

- One tenant sadly died and the tenancy has been terminated
- Two tenants have retired
- Two tenants have had to leave the estate through ill health
- One tenant has left the estate for personal reasons
- One tenant has progressed off the estate to his own farm
- Two tenants have progressed internally on the Estate moving from a starter farm to a progression farm (Markhams Farm, Ide and Dungeons Farm, Cullompton)
- Five farms (Lower Chitterley Farm, Bickleigh; Middle Winsham Farm, Braunton; Middle Yeo Farm, Down St Mary; Lower Uppacott Farm, Mariansleigh; and Perriton Barton Farm, Whimble) were re-let to new tenants
- One starter farm tenant was granted a second term (Higher Leigh Farm, Churchstow).
- One '54 Act lease was renewed.
- Two common law tenancies were granted to Parish Councils for recreational and community growing spaces.
- One Common law tenancy was granted to a public body for habitat creation associated with a biodiversity offsetting requirement

Agenda Item 7

6.3 Property Matters

The size of the Estate increased to 3,869.21 hectares (9,560.81 acres) during 2023/24. This was the result of a sale of land at Lower Northchurch Farm, Yarnscombe, and the purchase of land at High Bickington.

Size of the Estate	2020/21	2021/22	2022/23	2023/24
Hectares	3,873.61	3,872.28	3,863.43	3,869.21
Acres	9,571.68	9,568.39	9,546.53	9,560.81

6.4 The overall picture of the Estate as at 31 March 2024 was as follows:

	2020/21	2021/22	2022/23	2023/24
Number of let residential farms	65	65	65	64
Total AHA 86 Farms	12	12	10	9
AHA 86 Lifetime Tenancies	7	7	6	5
AHA 86 Retirement Tenancies	5	5	4	4
Total ATA 95 (FBT) Farms	53	53	55	55
FBT's more than seven years	21	21	20	18
FBT's seven years or less	32	32	35	36
Temporarily in hand				1

- 6.5 Two Option Agreements remain in place for pending solar farm leases.
- 6.6 One farm cottage remains sublet by an Estate tenant (with landlord's consent).
- 6.7 One traditional building remains let on a Landlord and Tenant Act 1954 lease to a micro-brewery operator.
- 6.8 One site has been let on a Landlord and Tenant Act 1954 lease to a green waste composting operator.
- 6.9 Two farm buildings are sublet (with landlord's consent) to rural businesses on Landlord and Tenant Act 1954 leases.
- 6.10 Five blocks of bare land are let to Parish Council's for community use (playing field, recreational space, allotments, and community growing spaces).
- 6.11 One block of woodland is let to the North Devon Biosphere Reserve as a best practice demonstration site.

Agenda Item 7

- 6.12 One block of land is let to a public body for habitat creation associated with a biodiversity offsetting requirement associated with the Crediton to Barnstaple railway improvements.
- 6.13 Two blocks of woodland are held in hand and will be actively managed as part of a BNG delivery requirement associate with the North Devon Link Road improvements.
- 6.14 Six allotments are let direct to members of the public.
- 6.15 A small length of fishing rights is separately let on the river otter.
- 6.16 Two telecommunication masts are let on the County Farms Estate.
- 6.17 Five leases are granted for community internet apparatus installed on the County Farms Estate.
- 6.18 One site is let to the Environment Agency as a remote weather station.
- 6.19 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).
- 6.20 Two farmsteads and one set of former farm buildings remain declared surplus to the operational requirements of the Estate and are to be sold as soon as practically possible (Lower East Week Farm, South Tawton; Beara Down Farm, Bratton Fleming; and Baxters Farm, Musbury).
- 6.21 Class Q permitted development rights have been secured on the barns at Lower Pilehayes Farm, Woodbury. The barns will now be advertised for sale.
- 6.22 2 further 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; and Hurditch Farm, Lamerton).

Agenda Item 7

7 Other notable Estate achievements and events:

7.1 Farmwise

(i) Farmwise was once again a key feature for the Devon County Show on 18th, 19th and 20th May 2023.

Approximately 5000 visitors attended the stand over the three days including the Right Worshipful The Lord Mayor of Exeter, Councillor Kevin Mitchell; 2023 Show President, The Honourable John Rous DL; and Michael Caines MBE (2024 Show President)

Tom & Helen Garland (Lower Pilehayes Farm, Woodbury) kindly provided sheep; Russ and Becky McKee (Merrifield Farm, Holsworthy), and Marcus and Liz Warner (Lower Henland Farm, Kentisbeare) all kindly volunteered and enjoyed making the seed bombs!



Thanks also go to volunteers from the YFC who helped with the milking demonstrations.



- (ii) The ninth Farmwise Devon event was also held on 10th October 2023 at Westpoint.

The following key facts are worthy of note:

Approximately 1,450 pupils

Approximately 37 schools attended

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

At least 10 tenants from within the estate volunteered and ran zone exhibits.

7.2 CIPFA Returns

The annual County Farms Estate CIPFA return was completed.

7.3 DEFRA's 72nd Annual Report to Parliament on Local Authority Smallholdings in England 2021/22.

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.

7.4 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.

7.5 Tree planting

In spring 2024 a total of 1900 trees were planted on the Estate.

The trees were all planted on low productive marginal farmland.

7.6 Tyres

Over 250 waste tyres have been removed from one farm by a licenced contractor.

7.7 Newsletters

One edition of the highly informative and well received Estate Newsletter was published in year.

8 Options / Alternatives

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

Agenda Item 7

9 Consultations / Representations / Technical Data

- 9.1 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.
- 9.2 No other parties have been consulted and no other representations have been received
- 9.3 The technical data is believed to be true and accurate.

10 Strategic Plan

- 10.1 This report has no specific direct alignment with the Council's Strategic Plan 2021 – 2025 - <https://www.devon.gov.uk/strategic-plan>

11 Financial Considerations

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

12 Legal Considerations

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

13 Environmental Impact Considerations (Including Climate Change, Sustainability and Socio-economic)

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

14 Equality Considerations

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

15 Risk Management Considerations

- 15.1 No risks have been identified.

16 Summary / Conclusions / Reasons for Recommendations

- 16.1 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

Background Paper

Date

File Reference

Nil

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: Debbie Haffenden, Head Accountant for Corporate Services, Finance and Public Value, County Hall, Exeter
Contact: 01392 381200 or debbie.haffenden@devon.gov.uk

Agenda Item 7

APPENDIX A

COUNTY FARMS ESTATE - FINANCIAL REPORTS FINANCIAL STATEMENT - FINAL OUTTURN 2023/24

	2023/24 ANNUAL TARGET £'000	2023/24 OUTTURN £'000	2022/23 OUTTURN £'000	2021/22 OUTTURN £'000	2020/21 OUTTURN £'000	2019/20 OUTTURN £'000	2018/19 OUTTURN £'000
INCOME							
Rent	(1,213)	(1,309)	(1,256)	(1,191)	(1,085)	(1,149)	(1,075)
Other	(40)	(27)	(66)	(34)	(36)	(27)	(33)
TOTAL INCOME	(1,253)	(1,336)	(1,322)	(1,225)	(1,121)	(1,176)	(1,108)
EXPENDITURE							
STATUTORY COSTS							
Tenant Right Valuation	21	79	99	174	37	87	25
SUB - TOTAL	21	79	99	174	37	87	25
PREMISES COSTS							
Building Maintenance - unforeseen	103	65	63	74	69	86	80
Building Maintenance - programmed	216	275	242	223	256	153	242
Building Maintenance - Surveys	10	5	9	8	6	4	11
Building Maintenance - STC	21	22	15	17	25	8	18
Building Maintenance - other (incl. land agents initiatives, redundant buildings, asbestos and health & safety)	63	39	65	15	5	101	11
Grounds Maintenance	13	15	15	5	20	10	7
Rents & other landlord charges	11	11	12	12	11	11	14
Rates, Electricity and Water Charges	6	8	9	10	7	15	10
SUB - TOTAL	443	440	430	364	399	388	393
SUPPLIES & SERVICES							
Insurance	0	0	0	0	0	0	0
Adverts	2	0	0	0	1	1	6
NPS Fees	236	274	244	211	211	223	264
Legal Fees	4	1	0	2	0	1	1
Professional Fees	6	18	15	7	6	10	3
Other Fees & Charges (DFYF, SHLAA, GPDO)	7	(5)	0	1	0	2	4
SUB - TOTAL	255	288	259	221	218	237	278
TOTAL EXPENDITURE	719	807	788	759	654	712	696
Revenue Funded Restructuring	0	0	0	0	0	0	0
NET OPERATIONAL (SURPLUS)/DEFICIT	(534)	(529)	(534)	(466)	(467)	(464)	(412)

Following the incredibly successful 2022 farm lettings campaign, the Devon County Farms Estate has awarded another large crop of new farming entrants their first farms, all commencing Lady Day 2023!

Five starter farms were advertised to let on the open market to new entrants. These include:

1. Lower Northchurch Farm, Yarnscombe – a 122 acre residential stock farm
2. Little Stone Farm, South Molton – a 101 acre residential dairy holding
3. Endfield Farm, Sandford – a 120 acre residential dairy holding
4. Hurditch Farm, Lamerton – a 131 acre residential dairy holding
5. Lower Parks Farm, Crediton – a 69 acre residential stock farm

One of the new entrants awarded a tenancy of a starter farm is Adam Garthwaite who secured the tenancy of Lower Northchurch Farm, Yarnscombe.

Adam said “I have worked on farms all my life but always dreamt of becoming a farmer in my own right. As a new entrant to farming I have had to work really hard to build a small sheep enterprise renting bits of grass keep all around me in several different parishes. Although not easy to farm profitably, it did allow me to build equity in livestock and machinery whilst working fulltime. It also gave me the opportunity to prove I had all the skills and experience to run my own farm business. Until recently, I never thought that I would get the chance to rent an affordable whole farm complete with house and buildings but when I heard about the Devon County Farms Estate and attended the farm viewing day for Lower Northchurch Farm, I realised it could actually happen! Securing the tenancy of Lower Northchurch was tough - we had to put our all in to preparing a comprehensive business plan supported by detailed cashflows and budgets. It took a huge amount of time but it was all worth it. We will now be able to grow our business in a sustainable and efficient way with the full security of the County Council as landlord”.

Photos below of Adam Garthwaite and his partner Megan Chapman



Agenda Item 7



Farms Estate Committee
13 May 2024

The County Farms Estate Management and Restructuring

Report of the Director of Transformation and Business Services

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

1) Recommendation

That the Committee approves the recommendations as set out in the opening paragraphs of sections 3.1, 3.2 and 3.3 of this report.

2) 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.

3) Proposals to sell, let or restructure the Estate

3.1 Part Middle Winsham Farm, Braunton

3.1.1 It is recommended that:

That part NG 9801 and 0003 forming part Middle Winsham Farm Braunton and amounting to 0.77 acres or thereabouts be declared permanently surplus to the operational requirements of the Estate and sold to the neighbouring special purchaser, subject to terms being agreed.

3.1.2 The Braunton Estate comprises:

(i)	Middle Winsham Farm	40.22 hectares (99.37 acres)
(ii)	Part Middle Winsham Farm	50.03 hectares (123.63 acres)
	Total	90.25 hectares (223.00 acres)

Agenda Item 8

3.1.3 At the County Farms Estate Committee meeting of 14 June 2021 members resolved under minute ref: FE/7 (b) Part Middle Winsham Farm, Braunton:

‘that the barns and 0.16 acres or thereabouts of land forming NG 9497 be declared permanently surplus to the operational requirements of the Estate and sold on the open market’.

3.1.4 The small plot and redundant building were subsequently sold and the purchaser secured planning consent to convert the barn for residential use. The purchaser has approached the County Council with an offer to purchase an additional area of land adjoining the plot previously sold. The current tenant is willing to surrender the additional land from his tenancy.

3.2 Part Great Southdown Farm, Burlescombe

3.2.1 It is recommended that part Great Southdown Farm, Burlescombe comprising 84.97 acres or thereabouts of bare land be let to the tenant of Great Southdown Farm, Burlescombe on a further Farm Business Tenancy agreement commencing 25 March 2025 and terminating 25 March 2027, subject to terms being agreed.

3.2.2 The Burlescombe Estate comprises:

(i)	Great Southdown Farm	72.62 hectares (179.44 acres)
(ii)	Westcott Farm	84.58 hectares (209.00 acres)
	Total	157.20 hectares (388.44 acres)

3.2.3 Great Southdown Farm is a reasonably well equipped dairy progression farm complete with farmhouse, attached cottage, buildings and 179.44 acres of land.

3.2.4 The farm is let to the tenant under two separate agreements. The main holding comprising the house, cottage, buildings and 94.47 acres of land is let on a 1986 Agricultural Holdings Act ‘retirement’ tenancy. The remaining 84.97 acres of bare land is let on a separate Farm Business Tenancy under the Agricultural Tenancies Act 1995.

3.2.5 The bare land referred to above was amalgamated with the main holding in 2001 when two adjoining former farmsteads (Lower Elms Farm and Little Southdown Farm) were declared permanently surplus to the Estate. The Estate plan at the time intended to create a progression dairy farm at Great Southdown Farm with the amalgamation of the retained land and capital investment in improved infrastructure.

3.2.6 The term date of the Farm Business Tenancy of Part Great Southdown Farm was intended to co-terminate with the main holding. However, the Agriculture Act 2020 amended the age on which the County Council can serve a Case A ‘retirement’ notice from 65 to when a tenant has reached the earliest age that they can be in receipt of the state pension.

3.2.7 When Great Southdown Farm falls vacant and available to relet members are likely to be invited to approve reletting the farm as a whole and as a dairy progression holding. It therefore makes for good estate management to continue letting the land with the main holding in the meantime. Removing the land would also have a detrimental impact on the existing tenant's business. Furthermore, there are no near neighbouring estate farms that could benefit from this land in the same way as the tenant of Great Southdown. The nearest farm would be Westcott Farm, Burlescombe which is located 4 miles distance by road and is already a larger progression dairy unit. The next nearest farms are at Kentisbeare, some 6 miles distance.

3.3 Higher Henland Farm, Kentisbeare

3.3.1 It is recommended that:

- (i) the tenants proposed surrender of tenancy, effective 25 March 2025, be accepted.
- (i) Higher Henland Farm comprising a house, buildings and 79.13 acres or thereabouts of land be advertised to let on the open market as a new entrant opportunity and on a Farm Business Tenancy for a term of seven years commencing 25 March 2026 (or as soon as practically possible thereafter) and terminating 25 March 2033, all subject to terms being agreed.

3.3.2 The Kentisbeare Estate comprises:

(i)	Higher Henland Farm	32.02 hectares (79.13 acres)
(ii)	Part Higher Henland Farm (bare land)	9.89 hectares (24.45 acres)
(iii)	Lower Henland Farm	73.31 hectares (181.07 acres)
	Total	115.22 hectares (284.65 acres)

3.3.3 Higher Henland Farm is let to the tenant under two separate agreements. The lease of the main holding is a 1986 Agricultural Holdings Act 'retirement' tenancy. With the legislative amendments made by the Agriculture Act 2020, the earliest date on which the landlord could take back possession of the holding under the Agricultural Holdings Act 1986 Case A provisions is 25 March 2024.

3.3.4 A Case A notice to quit has not been served to bring the Agricultural Holdings Act lease to an end and the tenancy continues to run from year to year until such times as it can be determined.

3.3.5 Terms have been agreed in principle and on a subject to contract basis for a voluntary surrender of Higher Henland Farm at 25 March 2026, enabling the tenant to retire.

3.3.6 Higher Henland Farm is a reasonably well equipped farm comprising a farmhouse, buildings and 79.13 acres or thereabouts of land which would provide a starter farm opportunity for a new entrant.

Agenda Item 8

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 This report has no specific direct alignment with the Council's Strategic Plan 2021 – 2025 - <https://www.devon.gov.uk/strategic-plan>

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, Sustainability and Socio-economic)

- 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 No risks have been identified.

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).

Matthew Jones,
Director of Transformation and Business Services

Electoral Divisions: Braunton Rural; Willand & Uffculme; Cullompton & Bradninch

Local Government Act 1972: List of background papers

Background Paper

Date

File Reference

Nil

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

TBS/24/xx
Farms Estate Committee
13 May 2024

The County Farms Estate The Agricultural Landlord and Tenant Code of Practice

Report of the Director of Transformation and Business Services

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

1) Recommendation

That the Committee endorse the Code of Practice.

2) Background / Introduction

- 2.1 Recommendation 2 of the of the Rock Review: working together for a thriving agricultural tenanted sector proposed that ‘DEFRA should commission a piece of work to produce a Code of Practice on how landlords, occupiers [tenants], and agents can be expected to behave in a way that is socially responsible’
- 2.2 The Governments response to the Rock Review (published May 2023) agreed, and stated:
- The Review is concerned that there can be a power imbalance in the relationship in the tenant-landlord relationship. The Review highlights that whilst many landlords and land agents do work collaboratively and progressively with their tenants, some landlords are absent or have negative relationships. This can result in poor mental health and stress for some tenant farmers and their families.*
- We agree with the Review’s recommendation that Defra and sector trade bodies should address this by commissioning an industry-led code of practice to set out standards of expected behaviour for all parties in the sector and to help encourage more collaborative tenant-landlord relationships (recommendation 2).*
- 2.3 A cross sector Expert Working Group was convened to draft the Code of Practice under the supervision and guidance of The Farm Tenancy Forum. The final version of the Code, endorsed by all key industry stakeholders, was launched on the 8th April 2024.
- 2.4 A copy of the Code of Practice is attached at Appendix 1.
- 2.5 It is important to note that all parties involved are expected to apply the spirit of the Code in all dealings. That includes landlords, tenants, agents, advisers, and lawyers.

Agenda Item 9

- 2.6 The County Council's standard FBT templates will be updated to include the following additional clause drafted by the CAAV.

9.1 The landlord and tenant will have regard to the Agricultural Landlord and Tenant Code of Practice for England (as published in April 2024) in their dealings with each other in relation to this Agreement and the Holding.

3) Options / Alternatives

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

4) Consultations / Representations / Technical Data

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

5) Strategic Plan

- 5.1 This report has no specific direct alignment with the Council's Strategic Plan 2021 – 2025 - <https://www.devon.gov.uk/strategic-plan>

6) Financial Considerations

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

7) Legal Considerations

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

8) Environmental Impact Considerations (Including Climate Change, Sustainability and Socio-economic)

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

9) Equality Considerations

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

10) Risk Management Considerations

10.1 No risks have been identified.

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,
Director of Transformation and Business Services

Electoral Divisions: All

Local Government Act 1972: List of background papers

Background Paper
Date
File Reference

Nil

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

Agricultural Landlord and Tenant Code of Practice for England



Foreword

[Jump to the Core Code →](#)

This Code of Practice is designed to foster and encourage clarity, communication, and collaboration in the tenanted sector. It provides guidance on the standards of behaviour expected from all landlords and tenants as well as those providing professional advice in connection with agricultural tenancy matters. It has been produced by a cross sector Expert Working Group who represent every facet of the tenanted sector. Particular thanks are due to Charles Cowap as lead author and all members of the Expert Working Group who have produced this Code collaboratively.

Working together for a thriving agricultural tenanted sector was the key theme of the Government response to the Rock Review. This Code is endorsed by the member organisations of the Farm Tenancy Forum. As a result, it is hoped that all parties involved in tenancy agreements and their advisers will follow it for the good of the industry as a whole.

Matthew Morris

FRICS FAAV
Chair Code of Practice
Expert Working Group

Julian Sayers

DL FRICS FAAV FRAgS
Chair Farm Tenancy Forum

Industry organisations who have endorsed this Code of Practice:

Agricultural Law Association
Association of Chief Estates Surveyors
Central Association of Agricultural Valuers
Country Land and Business Association
Institutional Landowners Group
National Farmers Union
National Federation of Young Farmers Clubs
Royal Institution of Chartered Surveyors
Tenant Farmers Association



Executive summary



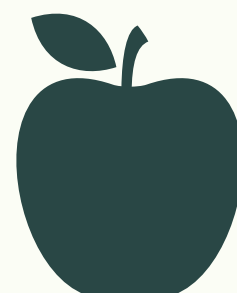
The Agricultural Landlord and Tenant Code of Practice for England, has been prepared following Defra's response (May 2023) to the Rock Review: Working together for a thriving agricultural tenanted sector (2022)

The code is founded on three principles of: **clarity, communication and collaboration.**

The code uses the word **should** to describe minimum standards expected of landlords and tenants, and their professional advisers, unless good reasons suggest otherwise.

Specific sections cover the initial grant of a tenancy, routine engagement during its term, the payment of rent, rent reviews, improvements, access to environmental schemes and other business opportunities, termination and renewal, disputes and the role of professional advisers and agents.

Each section is characterised by commitments to clear communication, realistic timetables and expectations, mutual respect, the long view, and clear and documented agreed outcomes to negotiations conducted positively and flexibly. The spirit of these sentiments should continue where disputes arise, with a view to their fair, practical and cost effective resolution. It is hoped that tenants and landlords, professional advisers and agents will promote the adoption and application of the code.



Introduction

The Rock Review: Working together for a thriving agricultural tenanted sector, published in October 2022, called for a code of good practice to guide the conduct of agricultural landlords, tenants and their professional advisers. The government accepted this recommendation in its response to the review (May 2023) and asked the Farm Tenancy Forum to prepare a code.

This document is the Agricultural Landlord and Tenant Code of Practice for England. It exists to support landlords and tenants, and their professional advisers, to establish and maintain positive, productive and sustainable commercial relationships. It aims to foster positive landlord-tenant relationships, achieved through dialogue and a sense of fairness and proportionality. The code of practice **should** also be helpful when problems arise, including serious differences of opinion between parties.

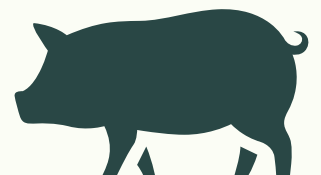
The code recognises the great variation in the individual circumstances of landlords and tenants and it **should** be used and applied in a way which is appropriate and proportionate to the circumstances. However the common theme throughout is the code's general principles of clarity, communication and collaboration. Proportionate application of the code to all tenancies is important to secure the future success of the agricultural tenanted sector in England.

The language of the code:

This is a voluntary code. Landlords and tenants remain bound by the terms of their agricultural tenancy agreements and must work within an existing framework of law and regulation. The code does not replace or replicate these minimum legal obligations. It does not extend the law or create new legal obligations. It does seek to foster improved working practices in the interests of a thriving agricultural tenanted sector. Professional advisers will be bound by their professional duties to their clients. The code seeks to move the industry beyond these minimum requirements.

The code uses the word **should** to specify acceptable standards which are regarded as the minimum under the code, applicable unless there are good reasons for departures from the code. Other expressions like 'may consider' are used for actions which are also desirable but may not be appropriate or necessary in all circumstances.

The word 'party' is used to refer both to landlords and tenants. Professional and other advisers are urged to assist their clients in understanding and applying this code subject to their agreed terms of reference, professional standard frameworks and other instructions.



Three key principles

The Code has three key principles, which are:

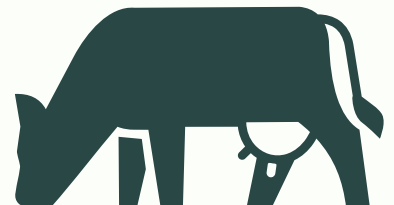
- 1 Clarity:** as to the definition of intentions, expectations and the definition of problems if they do arise;
- 2 Communication:** which **should** be clear and timely, considered, and tailored to the needs and situation of the recipient;
- 3 Collaboration:** the code of practice encourages a collaborative and cooperative approach. This is based on the belief that landlords and tenants can achieve much more when they work together in a positive spirit of common endeavour.



The code and key events during a tenancy

Grant of tenancy, selection of tenant and agreement of tenancy terms

- Where a tenancy is offered in the open market: the landlord **should** provide sufficient information to present a fair representation of the farm or land, including recognition of its limitations and any special or unusual features of the proposed tenancy agreement. This **should** include the key terms on which a tenancy is being offered including: term length, ingoing payments if known, repairing and insuring obligations, obligations under environmental or other schemes and permitted use clauses. It is also helpful to highlight where relevant: statutory or local designations; third party rights for example sporting rights; option and exclusivity agreements; wayleaves and easements for installed utilities. In the case of off-market lettings, the parties may also find it helpful to share this information;
- The landlord and outgoing tenant **should** give prospective tenants a full opportunity to view the farm, to review proposed tenancy agreements and to ask questions, potentially accompanied by the landlord and other advisers;
- Owners or letting agents **should** provide comprehensive and reliable answers to all reasonable questions from prospective tenants, or make it clear that they do not know the answer;
- Prospective tenants may be expected to outline their farming proposals, their experience and qualifications to take on the tenancy, the rent they are offering and to raise any concerns or proposals that concern them regarding the state and condition of the farm or land, buildings and fixed equipment. Prospective tenants will also expect to be asked for references, appropriate business plans and proof of their financial standing. It is reasonable for prospective landlords and their advisers to view an applicant's existing farming operations. Both parties **should** be open to negotiations around the terms on which a tenancy is being offered;
- It is advisable to agree an appropriate schedule of condition of the land, buildings, dwellings, fixed equipment and fixtures at the start of the tenancy;
- Both parties **should** ensure they understand their obligations and limitations under the tenancy agreement;
- Agents and advisers, whether acting for landlord or tenant, **should** do all they reasonably can to support the parties to arrive at a fair agreement which **should** be recorded in writing.





Routine engagement during the tenancy

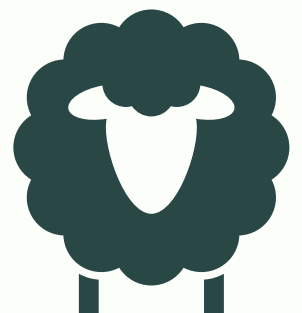
Both parties **should** agree suitable and proportionate arrangements for regular liaison and engagement during the term of the tenancy. It can be helpful if written records are kept of these arrangements, the topics discussed, the outcomes agreed and further actions required.

Paying rent

- Landlords **should** make clear to tenants when and how rent is to be paid;
- Tenants who encounter difficulties in paying their rent in full or on time **should** notify their landlords and describe their difficulty as soon as possible;
- Landlords **should** consider a tenant's representations as to late or incomplete payment of rent. Landlords and tenants may wish to negotiate revised terms. The parties **should** document the agreed outcomes of these negotiations carefully and fully.

Rent reviews

- Both parties **should** inform themselves of the procedure and terms on which rents can be reviewed;
- Discussions and negotiations about rent reviews **should** start in good time. The party initiating the rent review **should** suggest a broad timeframe for further discussions. The parties **should** respond to one another in a timely fashion and generally work to avoid unnecessary delay in the review process;
- It may be helpful to discuss other points of common interest such as the need for future investment, economic outlook, diversification, standard and expectation of repairs and improvements so that any points arising may also inform the terms on which a new rent may be agreed. This can be more important where routine engagement between the parties between reviews has been minimal or non-existent;
- Agreed outcomes **should** be recorded in writing, both parties having a copy of this record. The written record **should** also note anything else which has been agreed as part of the rent review. It may be helpful if the record is signed and dated by both parties, or their agents;
- Where disputes arise negotiations should continue to be conducted in a constructive and timely manner. Both parties **should** seek to reduce and refine the issues which have to be referred to dispute resolution.





Repairs and improvements

- Landlords and tenants **should** understand their respective repairing obligations;
- The need for repairs **should**, where relevant, be reviewed regularly to ensure that repairs are made promptly and to an appropriate standard of materials and workmanship;
- Equipped farms may need remedial and improvement work from time to time, and therefore landlords and tenants **should** collaborate in identifying these needs and planning for them;
- Maintenance and improvement **should** be a regular topic for discussion in routine engagement meetings, and may also arise at rent reviews;
- Both parties **should** review any future need for investment in the holding from time to time;
- Agreements about improvements **should** be documented carefully to cover the physical nature of the improvement, a clear allocation of responsibilities for undertaking the improvement and related matters like planning approval, and any agreed financial settlement.

New opportunities, schemes and agreements

- Tenants and landlords **should** be able to discuss environmental, economic and other development opportunities openly and constructively with each other;
- Consent for new schemes **should** not be withheld unreasonably. Reasonable grounds for withholding consent in an appropriate context may include effects on taxation status, rental income, capital value, terms and conditions of any outstanding mortgages, and long-term estate plans, and **should** be explained to the extent necessary;
- For new tenancy agreements the use of blanket bans on participation in environmental and other opportunities in user and other clauses is discouraged. They can be an unhelpful restriction on flexibility unless there are good reasons for them;
- Tenants **should** consider the owner's interest in the holding when applying for schemes or other initiatives even where the formal consent of the owner may not be required. Where the landlord's consent is required, this **should** be sought in good time. The tenant **should** inform the owner of an application within a reasonable time before submission where the landlord's consent is not required but the commitments envisaged would affect the reversion. Landlords **should** respect the tenant's interest in the holding when considering proposals from tenants.





- Routine engagement provides a valuable opportunity to keep opportunities under review;
- Applications, approvals, conditions and other records of scheme participation **should** be filed safely and made available to the other party as appropriate, on request.

Termination and renewal (including succession)

- The parties **should** be as open as is commercially possible with one another about their intentions for future management and letting of the holding. Sometimes one or both parties will need the greater flexibility of a short-term tenancy, and sometimes a succession of such tenancies will be sensible. The code encourages negotiations for longer-term tenancies where this is commercially appropriate for the parties;
- Landlords and Tenants **should** also make their intentions on renewal or quitting clear in good time. Early dialogue regarding succession for agricultural tenancies with possible succession rights can save substantial expense for both parties. Where it is proposed to renew a tenancy: discussions on terms **should** proceed in a timely and constructive manner, guided by the code's expectations. Renewal is an opportunity to correct problems and to adapt to new circumstances;
- Where a tenancy is being terminated either by mutual agreement or by the action of one party or the other, the parties **should** set out a clear timetable for ending the tenancy which will allow for a thorough inspection of the holding, comparison with schedules of condition made at commencement (and since) and the collation and consideration of records of improvements, environmental and other schemes, cropping and stocking history and the condition of soils, fixed equipment and fixtures, buildings, dwellings, field boundaries and all services;
- The parties **should** seek early agreement on any payments which are due between them at the end of the tenancy, for example for rent, fixtures, improvements or dilapidations;
- Where matters cannot be settled between the parties, timely reference to dispute resolution **should** be initiated and the parties **should** continue to define and refine the issues in dispute in a constructive manner.



Disputes

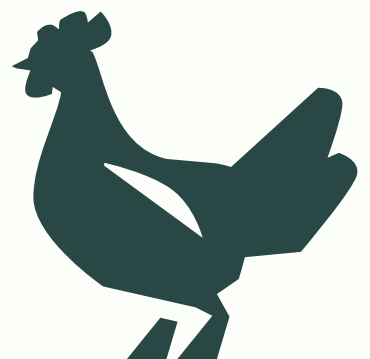
Disputes will arise from time to time in some tenancies.

- Parties **should** be guided by the code's principles of clarity, collaboration and communication in working through their disagreements;
- Where external dispute resolution is to be used the parties **should** support the dispute resolver or mediator fully in arriving at a fair and balanced conclusion;
- Both parties **should** at all times seek to minimise the cost of formal dispute resolution and ensure that their approach is proportionate to the dispute at stake. Parties are encouraged to consider alternative forms of dispute resolution where appropriate;
- Dispute resolvers who have the opportunity to make costs awards may wish to take into account whether the parties and their advisers have acted in accordance with this code when making awards as to costs where they have the legal discretion to do so.



The role of professional advisers and agents

- Parties **should** seek professional advice on matters which are outside their own competence and experience. It is desirable to ensure that chosen advisers are aware of and understand this code before confirming their appointment;
- Professional advisers **should** make their clients aware of this code. They **should** encourage their clients to abide by this code and to make this clear in their agreed terms of reference and in their communications with other parties. Professional advisers may also wish to consider the desirability or otherwise of accepting instructions from clients who unreasonably refuse to abide by this code;
- Where there are negotiations with an outgoing tenant over fixtures, improvements, dilapidations or other matters, the parties (landlord and ingoing tenant) **should** not share professional representation unless they both provide informed consent, the ingoing tenant elects who is to be used, and the relevant professional adviser is satisfied that proceeding is in the interests of all of those who are or may be affected and will not prevent the professional adviser from providing competent and diligent advice to them. Informed consent would exclude the use of shared advisers being prescribed in any letting particulars or as a condition of any agreement to let;
- Professional advisers and agents **should** work constructively with their clients and other parties, within their agreed terms of reference and professional obligations;
- Professional advisers **should** make available on request any complaints procedure which the party making the request is able to use. This **should** include details of access to further redress or regulatory complaint if the initial response to a complaint is not regarded as satisfactory by the complainant.





April 2024

Farm Tenancy Forum (2024) **Agricultural Landlord and Tenant Code of Practice for England**,
London: Farm Tenancy Forum

This work is licensed under CC BY-SA 4.0.

To view a copy of this license, visit <http://creativecommons.org/licenses/by-sa/4.0>

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

Document is Restricted

