

The County Farms Estate

Revenue Monitoring (Month 7) 2018/19

Report of the County Treasurer

1 Revenue Monitoring (Month 7) 2018/19

- 1.1 The Revenue Budget presented to Corporate Service Scrutiny Committee on 31 January 2018 included a target surplus of £414,000 for the County Farms Estate, in accordance with the targets set by Cabinet at its meeting on 10 January 2018.
- 1.2 Appendix A provides a summary of the annual budget. It also provides details of income and expenditure to date.
- 1.3 £526,000 of the predicted £1,102,000 income was collected in arrears at the end of month 6 with, the majority of the balance to be collected at the end of month 12.
- 1.4 As at month 7 there is minimal actual expenditure to report.
- 1.5 Two large Tenant Right Valuation accruals have been released reducing the accrued liability to £57,000. There are at least four large TRV liabilities falling due at 25 March 2019 which the revenue budget may have to accommodate. Savings may be required in other budget lines in order to meet this statutory liability.
- 1.6 £40,000 worth of unforeseen repair works have been ordered and paid in 2018. In addition, a further £17,000 of unforeseen works have been ordered but not invoiced. Total unforeseen expenditure and commitment at month 7 is therefore £57,000.
- 1.7 The revenue funded maintenance programme has been set and the £210,000 budget fully allocated to proposed works based on initial cost estimates provided for each scheme. A £15,000 accrual from last financial year for works substantially complete but not invoiced by year end will be paid shortly. £65,000 worth of new works have been ordered but invoices have not yet been received.
- 1.8 The revenue funded building maintenance other programme has been set and the £61,000 budget fully allocated to proposed redundant building, health and safety or asbestos removal works based on initial cost estimates provided for each scheme.

- 1.9 Approximately £6,000 worth of testing and inspection works (service term contract budget) have been paid at month 7 and a further £11,000 worth of works ordered.
- 1.10 Advertising costs will be higher by year end due to the larger than normal volume of farms being advertised to let. The cost of advertising has however been partly mitigated by the use of social media instead of more expensive journals.
- 1.11 The NPS fees include the management of the Estate, co-ordinating and running Farmwise at the County Show and the October event, and procuring all programme and unforeseen maintenance, service term contracts, asbestos, health and safety and redundant building works.
- 1.12 It is currently anticipated that the forecast level of income and expenditure will be achieved and the target surplus delivered, albeit there may well be some fluctuations within income and expenditure items.

2 Options/Alternatives

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

3 Consultations/Representations/Technical Data

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

4 Considerations

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

5 Summary/Conclusions/Reasons for Recommendations

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

Mary Davis – County Treasurer

Electoral Divisions: ALL

Local Government Act 1972: List of Background Papers

None

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COUNTY FARMS ESTATE - FINANCIAL REPORTS
FINANCIAL STATEMENT - (MONTH 7) 2018/19

	YEAR TO DATE EXPENDITURE	ANNUAL TARGET	RESTATED PREVIOUS FORECAST	CURRENT FORECAST
<u>INCOME</u>	£'000	£'000	£'000	£'000
Rent	(502)	(1,074)	(1,074)	(1,062)
Other	(24)	(40)	(40)	(40)
TOTAL INCOME	<u>(526)</u>	<u>(1,114)</u>	<u>(1,114)</u>	<u>(1,102)</u>
<u>EXPENDITURE</u>				
<u>STATUTORY COSTS</u>				
Tenant Right Valuation	<u>(57)</u>	<u>20</u>	<u>20</u>	<u>20</u>
SUB - TOTAL	<u>(57)</u>	<u>20</u>	<u>20</u>	<u>20</u>
<u>PREMISES COSTS</u>				
Building Maintenance - Unforseen	40	100	100	100
Building Maintenance - Programmed	(15)	210	210	210
Building Maintenance - Surveys	0	10	10	10
Building Maintenance - STC	6	20	20	20
Building Maintenance - Other (incl. Land Agents Initiatives, Redundant Buildings, Asbestos and Health & Safety)	2	61	61	44
Grounds Maintenance	0	10	10	10
Rents & Other Landlord Charges	0	14	14	14
Rates, Electricity and Water Charges	<u>1</u>	<u>6</u>	<u>6</u>	<u>6</u>
SUB - TOTAL	<u>34</u>	<u>431</u>	<u>431</u>	<u>414</u>
<u>SUPPLIES & SERVICES</u>				
Insurance	0	0	0	0
Adverts	5	2	2	7
NPS Fees	126	230	230	230
Legal Fees	0	4	4	4
Professional Fees	(11)	6	6	6
Other Fees & Charges (DFYF, SHLAA, GPDO)	<u>1</u>	<u>7</u>	<u>7</u>	<u>7</u>
SUB - TOTAL	<u>121</u>	<u>249</u>	<u>249</u>	<u>254</u>
TOTAL EXPENDITURE	<u>98</u>	<u>700</u>	<u>700</u>	<u>688</u>
NET OPERATIONAL (SURPLUS)	<u>(428)</u>	<u>(414)</u>	<u>(414)</u>	<u>(414)</u>
FARM IMPROVEMENTS inclusive of fees				
Revenue funded Restructuring (BM other)	0	0	0	0
SUB - TOTAL	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL COSTS SURPLUS	<u>(428)</u>	<u>(414)</u>	<u>(414)</u>	<u>(414)</u>