

The County Farms Estate

Revenue Monitoring 2016/17 (Month 2) & Revenue Monitoring (Final Outturn) 2015/16

Report of the County Treasurer

1. Monitoring 2016/17 – Month 2

- 1.1 The Revenue Budget presented to Corporate Service Scrutiny Committee on 22nd January 2016 included a target surplus of £318,000 for the County Farms Estate, in accordance with targets set by Cabinet at its meeting on 13th January 2016.
- 1.2 This took account of inflationary increases, anticipated rent reviews and increased expenditure in respect of future year's development potential.
- 1.3 Insurance budgets have now been centralised to enable the authority to manage its insurance needs in a more efficient way, as reported to this Committee on 28th April, 2016. As such, the target surplus has now been revised to £362,000. This has no impact on the County Farms Revenue budget as insurance costs will no longer be borne by this budget
- 1.4 Appendix A provides a summary of the annual budget (annual target) It also provides details of income and expenditure to date.
- 1.5 As at month 2, there is very little expenditure to report. Some expenditure headings are still recording a net credit with accruals for 2015/16 as yet not fully spent. Most of these are fairly minor and further invoices are still anticipated.
- 1.6 The notable accruals relate to tenant right valuations and associated professional fees, settlements for which are still awaiting completion. This relates to liabilities falling due at or before 25th March 2016 which have yet to be released.
- 1.7 Income is also low, as expected, because we have not yet reached the primary rent demand dates of Michaelmas and Lady Day.

2 Final Outturn 2015/16

- 2.1 The Final Outturn is unchanged from the provisional outturn reported to this Committee on 28th April, 2016, which showed a net surplus of £325,000 compared to the target surplus of £337,000.

2.2 The small shortfall followed a reduction in rental income following agreement to offset a tenancy compensation payment against rental arrears. This resulted in a small shortfall (£19,000) against the Revenue Budget and a corresponding underspend against the Capital allocation.

3 Options/Alternatives

3.1.1 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

4.1.1 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.

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

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

5 Considerations

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

6 Summary/Conclusions/Reasons for Recommendations

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

Mary Davis – County Treasurer

Electoral Divisions: ALL

Local Government Act 1972: List of Background Papers

None

Who to contact for enquiries:

Name: Dan Meek, Director of Property Management, NPS South West Ltd, Venture House, One Capital Court, Bittern Road, Sowton Industrial Estate, Exeter, EX2 7FW

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

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

Contact: 01392 382418 or martin.oram@devon.gov.uk

COUNTY FARMS ESTATE - FINANCIAL REPORTS
FINANCIAL STATEMENT - MONTH 2 2016/17

	YEAR TO DATE £'000	ANNUAL TARGET £'000	CURRENT FORECAST £'000
<u>INCOME</u>			
Rent	(54)	(1,022)	(1,022)
Other	(23)	(50)	(50)
	<u>(77)</u>	<u>(1,072)</u>	<u>(1,072)</u>
TOTAL INCOME			
<u>EXPENDITURE</u>			
<u>STATUTORY COSTS</u>			
Tenant Right Valuation	(108)	2	2
	<u>(108)</u>	<u>2</u>	<u>2</u>
SUB - TOTAL			
<u>PREMISES COSTS</u>			
Building Maintenance - unforseen	(2)	127	127
Building Maintenance - programmed	2	150	150
Building Maintenance - Surveys	0	10	10
Building Maintenance - STC	(2)	20	20
Building Maintenance - other (incl. land agents initiatives, redundant buildings, asbestos and health & safety)	(3)	65	65
Grounds Maintenance	0	10	10
Rents & other landlord charges	0	14	14
Rates, Electricity and Water Charges	0	12	12
	<u>(5)</u>	<u>408</u>	<u>408</u>
SUB - TOTAL			
<u>SUPPLIES & SERVICES</u>			
Insurance	0	0	0
Adverts	0	2	2
NPS Fees	0	230	230
Legal Fees	(4)	3	3
Professional Fees	(11)	6	6
Other Fees & Charges (DFYF, SHLAA, GPDO)	0	59	59
	<u>(15)</u>	<u>300</u>	<u>300</u>
SUB - TOTAL			
TOTAL EXPENDITURE			
	<u>(128)</u>	<u>710</u>	<u>710</u>
NET OPERATIONAL (SURPLUS)/DEFICIT			
	(205)	(362)	(362)