

## **The County Farms Estate**

### **Revenue Monitoring (Final Outturn) 2018/19 and Revenue Budget 2019/20**

#### **Report of the County Treasurer**

##### **1      Revenue Monitoring (Final Outturn) 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 and the year-end outturn alongside the forecast reported to the 25 February 2019 committee and three previous years outturns.
- 1.3 Rent invoiced by year end amounted to £1,075,000 and other income (easement and wayleave payments, licence fees, telecommunication mast site rents etc) accrued by year end amounted to £33,000.
- 1.4 At year end there has been significant expenditure to report compared to the level of actual expenditure reported at month 10.
- 1.5 Many of the Tenant Right Valuation accruals had been paid or offset as end of tenancy valuations for previous years were settled. Some significant new Tenant Right Valuation payments had been made or accrued for liabilities falling due before 31 March 2019.
- 1.6 £80,000 worth of unforeseen repair works ordered in 2018/19 were either paid or accrued for works substantially complete at year end.
- 1.7 £242,000 worth of programmed repair and maintenance works ordered in 2018/19 were either paid or accrued for works substantially complete at year end.
- 1.8 £11,000 was invested in quinquennial condition surveys in year to inform future maintenance programmes.
- 1.9 £18,000 worth of landlords equipment (electrical systems, gas and oil fired boilers, private water systems, sewage treatment plants etc) has been tested, inspected and serviced at year end.

- 1.10 Only £11,000 building maintenance (other) works were completed by year end. This comprised a number of health and safety improvements, asbestos removal and redundant building demolition. No Land Agent Initiative investments in improved infrastructure were carried out.
- 1.11 £7,000 was spent on roadside tree inspections and subsequent tree surgery works by year end.
- 1.12 Expenditure on NPS fees was £264,000. This includes the management of the Estate, co-ordinating and running Farmwise at the County Show and the October event, co-ordinating the Tenants Training Academy, procuring all programme and unforeseen maintenance, service term contracts, asbestos, health and safety and redundant building works. It is noted that in 2018/19 NPS took on more responsibility for Farmwise and procured a far higher volume of farm reletting campaigns than is experienced in a normal year.
- 1.13 The final outturn provides a net surplus of £412,000 compared to the target surplus of £414,000.

## **2      Revenue Budget 2019/20**

- 2.1 The Revenue Budget presented to Corporate Infrastructure and Regulatory Services Scrutiny Committee on 29 January 2019 and approved at County Council on 21 February 2019 included an increased target surplus of £464,000 for the County Farms Estate.
- 2.2 Appendix B provides a summary of the annual budget.
- 2.3 There are no figures available for income and expenditure this early in the financial year.

## **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 for or against the proposal have been received.
- 4.3 The technical data is believed to be true and accurate.

5      **Considerations**

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

6      **Summary/Conclusions/Reasons for Recommendations**

- 6.1    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 - FINAL OUTTURN 2018/19**

	ANNUAL TARGET £'000	YEAR END OUTTURN £'000	MONTH 10 FORECAST £'000	2017/18 OUTTURN £'000	2016/17 OUTTURN £'000	2015/16 OUTTURN £'000
<b><u>INCOME</u></b>						
Rent	(1,074)	(1,075)	(1,085)	(1,055)	(1,094)	(965)
Other	(40)	(33)	(40)	(43)	(34)	(42)
TOTAL INCOME	(1,114)	(1,108)	(1,125)	(1,098)	(1,128)	(1,007)
<b><u>EXPENDITURE</u></b>						
<b><u>STATUTORY COSTS</u></b>						
Tenant Right Valuation	20	25	20	114	102	55
SUB - TOTAL	20	25	20	114	102	55
<b><u>PREMISES COSTS</u></b>						
Building Maintenance - unforeseen	100	80	100	81	145	115
Building Maintenance - programmed	210	242	210	228	190	126
Building Maintenance - Surveys	10	11	10	2	1	0
Building Maintenance - STC	20	18	20	7	12	17
Building Maintenance - other (incl. land agents initiatives, redundant buildings, asbestos and health & safety)	61	11	44	7	8	18
Grounds Maintenance	10	7	10	2	7	11
Rents & other landlord charges	14	14	14	14	14	14
Rates, Electricity and Water Charges	6	10	6	3	0	8
SUB - TOTAL	431	393	414	344	377	309
<b><u>SUPPLIES &amp; SERVICES</u></b>						
Insurance	0	0	0	0	0	0
Adverts	2	6	7	3	4	3
NPS Fees	230	264	253	235	235	258
Legal Fees	4	1	4	(1)	(1)	8
Professional Fees	6	3	6	7	1	8
Other Fees & Charges (DFYF, SHLAA, GPDO)	7	4	7	2	21	41
SUB - TOTAL	249	278	277	246	260	318
<b>TOTAL EXPENDITURE</b>	<b>700</b>	<b>696</b>	<b>711</b>	<b>704</b>	<b>739</b>	<b>682</b>
Revenue Funded Restructuring	0	0	0	0	0	0
<b>NET OPERATIONAL (SURPLUS)/DEFICIT</b>	<b>(414)</b>	<b>(412)</b>	<b>(414)</b>	<b>(394)</b>	<b>(389)</b>	<b>(325)</b>

APPENDIX B

**COUNTY FARMS ESTATE - FINANCIAL REPORTS**  
**FINANCIAL STATEMENT - 2019-20**

	ANNUAL TARGET
<b><u>INCOME</u></b>	<b>£'000</b>
Rent	(1,124)
Other	(40)
TOTAL INCOME	<u>(1,164)</u>
<b><u>EXPENDITURE</u></b>	
<b><u>STATUTORY COSTS</u></b>	
Tenant Right Valuation	<u>20</u>
SUB - TOTAL	<u>20</u>
<b><u>PREMISES COSTS</u></b>	
Building Maintenance - Unforseen	100
Building Maintenance - Programmed	210
Building Maintenance - Surveys	10
Building Maintenance - STC	20
Building Maintenance - Other (incl. Land Agents Initiatives, Redundant Buildings, Asbestos and Health & Safety)	61
Grounds Maintenance	10
Rents & Other Landlord Charges	14
Rates, Electricity and Water Charges	<u>6</u>
SUB - TOTAL	<u>431</u>
<b><u>SUPPLIES &amp; SERVICES</u></b>	
Insurance	0
Adverts	2
NPS Fees	230
Legal Fees	4
Professional Fees	6
Other Fees & Charges (DFYF, SHLAA, GPDO)	<u>7</u>
SUB - TOTAL	<u>249</u>
<b>TOTAL EXPENDITURE</b>	<u><b>700</b></u>
<b>NET OPERATIONAL (SURPLUS)</b>	<u><b>(464)</b></u>
<b>FARM IMPROVEMENTS inclusive of fees</b>	
Revenue funded Restructuring (BM other)	0
SUB - TOTAL	<u>0</u>
<b>TOTAL COSTS SURPLUS</b>	<div style="border: 1px solid black; padding: 5px; display: inline-block;"><b>(464)</b></div>