

**The County Farms Estate**

**Revenue Monitoring (Final Outturn) 2019/20, Revenue Budget 2020/21,  
and Revenue Monitoring (Month 5) 2020/21**

**Report of the County Treasurer**

**1 Revenue Monitoring (Final Outturn) 2019/20**

- 1.1 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.
- 1.2 Appendix A provides a summary of the annual budget and the year-end outturn alongside four previous years outturns so that a year on year comparison of performance can be made.
- 1.3 Rent invoiced by year end amounted to £1,148,703 and other income (easement and wayleave payments, licence fees, telecommunication mast site rents etc) accrued by year end amounted to £27,434.
- 1.4 The month 10 monitoring position was reported to the Farms Estate Committee at its meeting of 24 February 2020 (CT/20/31 refers). 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 from the previous year had been paid or offset as claims were settled. Some significant new Tenant Right Valuation payments had been made or accrued for liabilities falling due before 31 March 2020. The total expenditure on end of tenancy compensation payments to tenants amounted to £86,727.
- 1.6 £86,189 worth of unforeseen repair works ordered in 2019/20 were either paid or accrued for works substantially complete at year end.
- 1.7 £152,856 worth of programmed repair and maintenance works ordered in 2019/20 were either paid or accrued for works substantially complete at year end.
- 1.8 £4,129 was invested in quinquennial condition surveys in year to inform future maintenance programmes.

- 1.9 £7,658 has been spent on servicing and testing landlords equipment (electrical systems, gas and oil fired boilers, private water systems, sewage treatment plants etc) at year end.
- 1.10 £100,636 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 £10,129 was spent on roadside tree inspections and subsequent tree surgery works by year end.
- 1.12 Expenditure on NPS fees was £223,060. 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.
- 1.13 The final outturn provides a net surplus of £464,043 compared to the target surplus of £464,000.

## **2 Revenue Budget 2020/21**

- 2.1 The Revenue Budget presented to Corporate Infrastructure and Regulatory Services Scrutiny Committee on 28 January 2020 and approved at County Council on 20 February 2020 included a target surplus of £464,000 for the County Farms Estate.
- 2.2 Appendix B provides a summary of the annual budget.

## **3 Revenue Monitoring for the period 1 April 2020 to 31 August 2020**

- 3.1 Appendix B provides details of income and expenditure to date.
- 3.2 As at month 5 the total net expenditure shown in the summary accounts amounts to just £4,000. However, this figure is generated after prior year accruals of £75,000 have been credited. In year expenditure is therefore at least £79,000.
- 3.3 Minimal income has been invoiced so far this year. Most rent is paid in arrears with the first payments due at the end of month 6 and the balance to be invoiced at the end of month 12.
- 3.4 Three Tenant Right Valuation accruals are still not yet capable of being released as the end of tenancy valuations are not concluded.
- 3.5 £9,172 worth of unforeseen repair works has been ordered and paid in 2020/21. In addition, a further £6,456 of unforeseen works has

been ordered but not invoiced. Total unforeseen maintenance expenditure and commitment at month 5 is therefore £15,628. The year-end forecast remains £100,000, as per budget.

- 3.6 The revenue funded maintenance programme has been set with both the budget and forecast of £210,000 fully allocated to proposed works based on initial cost estimates provided for each scheme. £5,955 worth of programmed works has been ordered and paid in 2020/21. A further £111,504 worth of works had been ordered at month 5 but not yet completed. Total programmed maintenance expenditure and commitment at month 5 is therefore £117,459.
- 3.7 At month 5 £1,713 worth of works to redundant buildings, asbestos removal and health and safety improvements had been ordered and paid in 2020/21. Further work is currently being procured. The year-end forecast remains £61,000, as per budget.
- 3.8 Approximately £1,321 worth of testing and inspection works (service term contracts for private water supplies, boilers, fixed wiring systems, sewage treatment plants, radon fans etc) had been paid at month 5 and a further £13,084 worth of works ordered.
- 3.9 The programmed tree survey work is currently being carried out and all or any recommended tree surgery work will be programmed for the forthcoming winter months. It is anticipated the ground maintenance budget will be fully committed.
- 3.10 10 quinquennial farm condition surveys have been commissioned. It is anticipated the building maintenance surveys budget will be fully committed.
- 3.11 It is currently anticipated that the forecast year end level of income and expenditure will be achieved, and the target surplus delivered, albeit there may be some fluctuations within income and expenditure items.

#### **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 for or against the proposal have been received.

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

## 6 **Considerations**

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

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

7.1 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 2019/20**

	2019/20	2019/20	2018/19	2017/18	2016/17	2015/16
	ANNUAL TARGET	OUTTURN	OUTTURN	OUTTURN	OUTTURN	OUTTURN
	£'000	£'000	£'000	£'000	£'000	£'000
<b>INCOME</b>						
Rent	(1,124)	(1,149)	(1,075)	(1,055)	(1,094)	(965)
Other	(40)	(27)	(33)	(43)	(34)	(42)
<b>TOTAL INCOME</b>	<b>(1,164)</b>	<b>(1,176)</b>	<b>(1,108)</b>	<b>(1,098)</b>	<b>(1,128)</b>	<b>(1,007)</b>
<b>EXPENDITURE</b>						
<b>STATUTORY COSTS</b>						
Tenant Right Valuation	20	87	25	114	102	55
<b>SUB - TOTAL</b>	<b>20</b>	<b>87</b>	<b>25</b>	<b>114</b>	<b>102</b>	<b>55</b>
<b>PREMISES COSTS</b>						
Building Maintenance - unforeseen	100	86	80	81	145	115
Building Maintenance - programmed	210	153	242	228	190	126
Building Maintenance - Surveys	10	4	11	2	1	0
Building Maintenance - STC	20	8	18	7	12	17
Building Maintenance - other (incl. land agents initiatives, redundant buildings, asbestos and health & safety)	61	101	11	7	8	18
Grounds Maintenance	10	10	7	2	7	11
Rents & other landlord charges	14	11	14	14	14	14
Rates, Electricity and Water Charges	6	15	10	3	0	8
<b>SUB - TOTAL</b>	<b>431</b>	<b>388</b>	<b>393</b>	<b>344</b>	<b>377</b>	<b>309</b>
<b>SUPPLIES &amp; SERVICES</b>						
Insurance	0	0	0	0	0	0
Adverts	2	1	6	3	4	3
NPS Fees	230	223	264	235	235	258
Legal Fees	4	1	1	(1)	(1)	8
Professional Fees	6	10	3	7	1	8
Other Fees & Charges (DFYF, SHLAA, GPDO)	7	2	4	2	21	41
<b>SUB - TOTAL</b>	<b>249</b>	<b>237</b>	<b>278</b>	<b>246</b>	<b>260</b>	<b>318</b>
<b>TOTAL EXPENDITURE</b>	<b>700</b>	<b>712</b>	<b>696</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>(464)</b>	<b>(464)</b>	<b>(412)</b>	<b>(394)</b>	<b>(389)</b>	<b>(325)</b>

**COUNTY FARMS ESTATE - FINANCIAL REPORTS**  
**FINANCIAL STATEMENT - (MONTH 5) 2020-21**

<b><u>INCOME</u></b>	<b>YEAR TO DATE</b>	<b>ANNUAL TARGET</b>	<b>CURRENT FORECAST</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Rent	(16)	(1,124)	(1,124)
Other	(13)	(40)	(40)
TOTAL INCOME	<u>(29)</u>	<u>(1,164)</u>	<u>(1,164)</u>
<b><u>EXPENDITURE</u></b>			
<b><u>STATUTORY COSTS</u></b>			
Tenant Right Valuation	(28)	20	20
SUB - TOTAL	<u>(28)</u>	<u>20</u>	<u>20</u>
<b><u>PREMISES COSTS</u></b>			
Building Maintenance - Unforseen	8	100	100
Building Maintenance - Programmed	(13)	210	210
Building Maintenance - Surveys	0	10	10
Building Maintenance - STC	1	20	20
Building Maintenance - Other (incl. Land Agents Initiatives, Redundant Buildings, Asbestos and Health and Safety)	(34)	61	61
Grounds Maintenance	0	10	10
Rents and Other Landlord Charges	0	14	14
Rates, Electricity and Water Charges	5	6	6
SUB - TOTAL	<u>(33)</u>	<u>431</u>	<u>431</u>
<b><u>SUPPLIES &amp; SERVICES</u></b>			
Insurance	0	0	0
Adverts	0	2	2
NPS Fees	68	230	230
Legal Fees	0	4	4
Professional Fees	(3)	6	6
Other Fees and Charges (DFYF, SHLAA, GPDO)	0	7	7
SUB - TOTAL	<u>65</u>	<u>249</u>	<u>249</u>
<b>TOTAL EXPENDITURE</b>	<u>4</u>	<u>700</u>	<u>700</u>
<b>NET OPERATIONAL (SURPLUS)</b>	<u>(25)</u>	<u>(464)</u>	<u>(464)</u>
<b>FARM IMPROVEMENTS inclusive of fees</b>			
Revenue funded Restructuring (BM other)	0	0	0
SUB - TOTAL	<u>0</u>	<u>0</u>	<u>0</u>