

The County Farms Estate

Revenue Monitoring (Final Outturn) 2020/21, Revenue Budget 2021/22, and
Revenue Monitoring (Month 1) 2021/22

Report of the County Treasurer

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

Recommendation: that the Committee endorse the report

- 1 Revenue Monitoring (Final Outturn) 2020/21
 - 1.1 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.
 - 1.2 Appendix A provides a summary of the annual budget and the year-end outturn alongside three previous years outturns so that a year on year comparison of performance can be made.
 - 1.3 Rent invoiced by year end amounted to £1,084,719 and other income (easement and wayleave payments, licence fees, telecommunication mast site rents etc) accrued by year end amounted to £35,848.
 - 1.4 The month 10 monitoring position was reported to the Farms Estate Committee at its meeting of 22 February 2021 (CT/21/19 refers). At year end there has been £327,000 further expenditure to report.
 - 1.5 Some significant new Tenant Right Valuation accruals have been made at year end for liabilities falling due before 31 March 2021. The total commitment on end of tenancy compensation payments to tenants amounted to £37,031.
 - 1.6 £69,064 worth of unforeseen repair works ordered in 2020/21 were either paid or accrued for works substantially complete at year end.
 - 1.7 £255,414 worth of programmed repair and maintenance works ordered in 2020/21 were either paid or accrued for works substantially complete at year end.
 - 1.8 £5,438 was invested in quinquennial condition surveys in year to inform future maintenance programmes.

- 1.9 £25,060 has been spent on servicing and testing landlord's equipment (electrical systems, gas and oil-fired boilers, private water systems, sewage treatment plants etc) at year end. This is a significant increase on the previous year's costs.
- 1.10 £5,481 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 £20,103 was spent on roadside tree inspections and subsequent tree surgery works by year end. Again, this is a significant increase on the previous year's expenditure due to the frequency of inspections increasing to annually and the increasing volume of essential works arising as a consequence of ash die back.
- 1.12 Expenditure on NPS fees was £210,520. This includes the management of the Estate and procuring all programme and unforeseen maintenance, service term contracts, asbestos, health and safety and redundant building works. This cost is down on previous years due to a member of staff being furloughed during the initial Covid-19 lockdown and the two Farmwise events being cancelled due to the Covid-19 pandemic risks.
- 1.13 The final outturn provides a net surplus of £467,374 compared to the target surplus of £464,000.

2 Revenue Budget 2021/22

2.1 The Revenue Budget presented to Corporate Infrastructure and Regulatory Services Scrutiny Committee on 28 January 2021 and approved at County Council on 18 February 2021 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 2021 to 30 April 2021

3.1 Appendix B provides details of income and expenditure to date.

3.2 As at month 1 expenditure totals £31,878 before prior year accruals of £97,843. This generates a net credit of £65,965 as shown in the Appendix B.

- 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. Forecasts indicate that income is expected to exceed budget by £27,000.
- 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 Total unforeseen maintenance expenditure and commitment at month 1 is therefore £4,956. 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 £237,000. Detailed allocations are in the process of being prepared.
- 3.7 At month 1 there is yet to be any spend on works to redundant buildings, asbestos removal and health and safety improvements. The year-end forecast remains £61,000, as per budget.
- 3.8 Spend on testing and inspection works (service term contracts for private water supplies, boilers, fixed wiring systems, sewage treatment plants, radon fans etc) is minimal had at month 1.
- 3.9 The programmed tree survey work has a budget of £13,000 with the expectation that this will be fully spent by year end.
- 3.10 It is anticipated the building maintenance survey budget of £10,000 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 have been received

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

- 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)
 - 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 The Author is not aware of any obvious risks to manage.

- 11. Public Health Impact
 - 11.1 The Author is not aware of any public health impact.

- 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).

Name

Mary Davis – County Treasurer

Electoral Divisions: All

Local Government Act 1972: List of Background Papers

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Background Paper	Date	File Reference
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Nil

The above mentioned Reports are published on the Council's Website at:

<http://democracy.devon.gov.uk/ieDocHome.aspx?bcr=1>

COUNTY FARMS ESTATE - FINANCIAL REPORTS
FINANCIAL STATEMENT - FINAL OUTTURN 2020/21

	2020/21 ANNUAL TARGET	2020/21 OUTTURN	2019/20 OUTTURN	2018/19 OUTTURN	2017/18 OUTTURN
	£'000	£'000	£'000	£'000	£'000
<u>INCOME</u>					
Rent	(1,124)	(1,085)	(1,149)	(1,075)	(1,055)
Other	(40)	(36)	(27)	(33)	(43)
TOTAL INCOME	(1,164)	(1,121)	(1,176)	(1,108)	(1,098)
<u>EXPENDITURE</u>					
<u>STATUTORY COSTS</u>					
Tenant Right Valuation	20	37	87	25	114
SUB - TOTAL	20	37	87	25	114
<u>PREMISES COSTS</u>					
Building Maintenance - unforeseen	100	69	86	80	81
Building Maintenance - programmed	210	255	153	242	228
Building Maintenance - Surveys	10	5	4	11	2
Building Maintenance - STC	20	25	8	18	7
Building Maintenance - other (incl. land agents initiatives, redundant buildings, asbestos and health & safety)	61	6	101	11	7
Grounds Maintenance	10	20	10	7	2
Rents & other landlord charges	14	11	11	14	14
Rates, Electricity and Water Charges	6	7	15	10	3
SUB - TOTAL	431	398	388	393	344
<u>SUPPLIES & SERVICES</u>					
Insurance	0	0	0	0	0
Adverts	2	1	1	6	3
NPS Fees	230	211	223	264	235
Legal Fees	4	1	1	1	(1)
Professional Fees	6	6	10	3	7
Other Fees & Charges (DFYF, SHLAA, GPDO)	7	0	2	4	2
SUB - TOTAL	249	219	237	278	246
TOTAL EXPENDITURE	700	654	712	696	704
NET OPERATIONAL (SURPLUS)/DEFICIT	(464)	(467)	(464)	(412)	(394)

COUNTY FARMS ESTATE - FINANCIAL REPORTS
FINANCIAL STATEMENT - (MONTH 1) 2021-22

<u>INCOME</u>	YEAR TO DATE	ANNUAL TARGET	CURRENT FORECAST
	£'000	£'000	£'000
Rent	0	(1,124)	(1,151)
Other	(8)	(40)	(40)
TOTAL INCOME	<u>(8)</u>	<u>(1,164)</u>	<u>(1,191)</u>
<u>EXPENDITURE</u>			
<u>STATUTORY COSTS</u>			
Tenant Right Valuation	(52)	20	20
SUB - TOTAL	<u>(52)</u>	<u>20</u>	<u>20</u>
<u>PREMISES COSTS</u>			
Building Maintenance - unforeseen	(4)	100	100
Building Maintenance - programmed	(18)	210	237
Building Maintenance - Surveys	0	10	10
Building Maintenance - STC	(5)	20	20
Building Maintenance - other (incl. land agents initiatives, redundant buildings, asbestos and health & safety)	0	61	61
Grounds Maintenance	(4)	13	13
Rents & other landlord charges	0	11	11
Rates, Electricity and Water Charges	9	6	6
SUB - TOTAL	<u>(22)</u>	<u>431</u>	<u>458</u>
<u>SUPPLIES & SERVICES</u>			
Insurance	0	0	0
Adverts	0	2	2
NPS Fees	15	230	230
Legal Fees	0	4	4
Professional Fees	(7)	6	6
Other Fees & Charges (DFYF, SHLAA, GPDO)	0	7	7
SUB - TOTAL	<u>8</u>	<u>249</u>	<u>249</u>
TOTAL EXPENDITURE	<u>(66)</u>	<u>700</u>	<u>727</u>
NET OPERATIONAL (SURPLUS)	(74)	(464)	(464)