

The County Farms Estate

Revenue Monitoring (Month 5) 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 for the period 1 April 2021 to 31 August 2021
 - 1.1 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.
 - 1.2 Appendix A provides details of income and expenditure to date.
 - 1.3 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 £94,000.
 - 1.4 Included in the additional income is a one-off licence fee of £25,000 which is being ring fenced for commissioning consultants to commence calculating the base line net carbon footprint of individual farm businesses and the estate as a whole.
 - 1.5 Three Tenant Right Valuation accruals are still not yet capable of being released as the end of tenancy valuations are not concluded. There are at least 10 farms being relet in 2021/22 which will generate a significant Compensation Liability and it is proposed allocating £69,000 of the extra revenue generated to cover as much of the end of tenancy compensation liabilities as possible.
 - 1.6 Total unforeseen maintenance expenditure and commitment at month 5 is £24,348. The year-end forecast remains £100,000, as per budget.
 - 1.7 The revenue funded maintenance programme has been set with both the budget and forecast of £237,000 being proposed at month 1 now being reduced back to £210,000 as a more realistic year end figure given the minimal expenditure achieved to date.

- 1.8 At month 5 £8,417 has been spent on redundant buildings, asbestos removal and health and safety improvements works. The year-end forecast remains £61,000, as per budget.
- 1.9 Spend on testing and inspection works (service term contracts for private water supplies, boilers, fixed wiring systems, sewage treatment plants, radon fans etc) is £3,116 at month 5. The year-end forecast remains £20,000, as per budget.
- 1.10 The programmed tree survey work has a budget of £13,000 with the expectation that this will be fully spent by year end. Inspections have been carried out and more Ash Die Back found. The remedial works are being priced and programmed for this coming winter season.
- 1.11 It is anticipated the building maintenance survey budget of £10,000 will be fully committed. The programme has been agreed and some condition surveys have commenced.
- 1.12 On the understanding the revenue funded repair and maintenance programme will be carried out as per year end forecast, the NPS fees are expected to be as per the year end forecast of £230,000.
- 1.13 A new line of expenditure has appeared to track £25,000 of planned costs 'ring fenced' for the important task of auditing and benchmarking individual farms net carbon footprint. This will establish a baseline assessment for the estate after which targeted training and development can be implemented to help tenants work towards achieving net zero as quickly as possible.
- 1.14 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.

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 have been received
- 3.3 The technical data is believed to be true and accurate.

4. Financial Considerations
 - 4.1 The Author is not aware of any financial issues arising from this report.
5. Legal Considerations
 - 5.1 The Author is not aware of any legal issues arising from this report.
6. Environmental Impact Considerations (Including Climate Change)
 - 6.1 The Author is not aware of any environmental impact (including climate change) issues arising from this report.
7. Equality Considerations
 - 7.1 The Author is not aware of any equality issues arising from this report.
8. Risk Management Considerations
 - 8.1 The Author is not aware of any obvious risks to manage.
9. Public Health Impact
 - 9.1 The Author is not aware of any public health impact.
10. Summary/Conclusions/Reasons for Recommendations
 - 10.1 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 - (MONTH 5) 2021-22

<u>INCOME</u>	YEAR TO DATE £'000	ANNUAL TARGET £'000	CURRENT FORECAST £'000
Rent	(33)	(1,124)	(1,213)
Other	(18)	(40)	(45)
TOTAL INCOME	<u>(51)</u>	<u>(1,164)</u>	<u>(1,258)</u>
 <u>EXPENDITURE</u>			
<u>STATUTORY COSTS</u>			
Tenant Right Valuation	(47)	20	89
SUB - TOTAL	<u>(47)</u>	<u>20</u>	<u>89</u>
 <u>PREMISES COSTS</u>			
Building Maintenance - unforeseen	8	100	100
Building Maintenance - programmed	(13)	210	210
Building Maintenance - Surveys	0	10	10
Building Maintenance - STC	3	20	20
Building Maintenance - other (incl. land agents initiatives, redundant buildings, asbestos and health & safety)	8	61	61
Grounds Maintenance	(3)	13	13
Rents & other landlord charges	0	11	11
Rates, Electricity and Water Charges	3	6	6
SUB - TOTAL	<u>6</u>	<u>431</u>	<u>431</u>
 <u>SUPPLIES & SERVICES</u>			
Insurance	0	0	0
Adverts	0	2	2
NPS Fees	68	230	230
Legal Fees	0	4	4
Professional Fees	(7)	6	6
Carbon Footprints Audit	0	0	25
Other Fees & Charges (DFYF, SHLAA, GPDO)	0	7	7
SUB - TOTAL	<u>61</u>	<u>249</u>	<u>274</u>
TOTAL EXPENDITURE	<u>20</u>	<u>700</u>	<u>794</u>
 NET OPERATIONAL (SURPLUS)	 (31)	 (464)	 (464)
 <u>FARM IMPROVEMENTS inclusive of fees</u>			
Revenue funded Restructuring (BM other)	0	0	0
SUB - TOTAL	<u>0</u>	<u>0</u>	<u>0</u>
 TOTAL COSTS SURPLUS	 (31)	 (464)	 (464)