

The County Farms Estate

Revenue Monitoring (Month 9) 2021/22

Report of the Director of Finance

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 December 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 Over half the income has been invoiced so far this year. The balance of income is 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 was 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. This is now unlikely to happen this financial year. The extra money will be used to fund some of the additional end of tenancy compensation liabilities instead.
 - 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 11 farms being relet in 2021/22 which will generate a significant Compensation Liability and £166,000 of the extra revenue generated and cost savings elsewhere has been committed to cover some of the end of tenancy compensation liabilities.
 - 1.6 The unforeseen maintenance expenditure at month 9 is just £28,000 but the total unforeseen maintenance expenditure and commitment at month 9 is £64,380. The year-end forecast remains £100,000, as per budget.
 - 1.7 Programme maintenance expenditure at month 9 is £81,000 but the total programme maintenance expenditure and commitment at month 9 stands at £167,982. The year-end forecast remains at £210,000.

- 1.8 At month 9 £8,481 has been spent on redundant buildings, asbestos removal and health and safety improvements works. The year-end forecast has been reduced to £20,000.
- 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 £9,000 at month 9. 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 have commenced.
- 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 been completed.
- 1.12 On the understanding the majority of the revenue funded repair and maintenance programme will be carried out, the NPS building surveying fees are expected to be slightly less than budgeted for. The NPS Estate Management fees are as per budget or thereabouts despite an incredibly busy management year. The cost centre now includes Devon Norse fees for inspecting and managing empty county farm properties pending future sale. There is no expenditure incurred against the Farmwise education events which have not happened this year. Current year end forecast is £210,000.
- 1.13 Due to delays in being able to procure the important task of auditing and benchmarking individual farms net carbon footprint, the year-end spend on this piece of work has been adjusted to zero.
- 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 still be some further fluctuations within income and expenditure items.

2. Budget 2022/23

- 2.1 In recognition of the financial pressures felt across the Authority, the Farms Estate has been targeted with generating an additional £70k of income in 2022/23.

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 have been received
 - 4.3 The technical data is believed to be true and accurate.
5. Financial Considerations
 - 5.1 The Author is not aware of any financial issues arising from this report.
6. Legal Considerations
 - 6.1 The Author is not aware of any legal issues arising from this report.
7. Environmental Impact Considerations (Including Climate Change)
 - 7.1 The Author is not aware of any environmental impact (including climate change) issues arising from this report.
8. Equality Considerations
 - 8.1 The Author is not aware of any equality issues arising from this report.
9. Risk Management Considerations
 - 9.1 The Author is not aware of any obvious risks to manage.
10. Public Health Impact
 - 10.1 The Author is not aware of any public health impact.
11. Summary/Conclusions/Reasons for Recommendations
 - 11.1 The Author has prepared this report in accordance with the findings of the County Farms Estate Strategic Review (April 2010).

Name

Angie Sinclair– Director of Finance

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 9) 2021-22

INCOME	YEAR	ANNUAL	PREVIOUS	CURRENT
	TO DATE	TARGET	FORECAST	FORECAST
	£'000	£'000	£'000	£'000
Rent	(621)	(1,124)	(1,213)	(1,213)
Other	(35)	(40)	(45)	(45)
TOTAL INCOME	(656)	(1,164)	(1,258)	(1,258)
EXPENDITURE				
STATUTORY COSTS				
Tenant Right Valuation	(46)	20	89	186
SUB - TOTAL	(46)	20	89	186
PREMISES COSTS				
Building Maintenance - Unforseen	28	100	100	100
Building Maintenance - Programmed	81	210	210	210
Building Maintenance - Surveys	0	10	10	10
Building Maintenance - STC	9	20	20	20
Building Maintenance - Other (incl. Land Agents Initiatives, Redundant Buildings, Asbestos and Health & Safety)	9	61	61	20
Grounds Maintenance	(2)	13	13	13
Rents & Other Landlord Charges	6	11	11	11
Rates, Electricity and Water Charges	4	6	6	6
SUB - TOTAL	135	431	431	390
SUPPLIES & SERVICES				
Insurance	0	0	0	0
Adverts	0	2	2	0
NPS Fees	143	230	230	210
Legal Fees	0	4	4	2
Professional Fees	(7)	6	6	6
Carbon Footprints Audit	0	0	25	0
Other Fees & Charges (DFYF, SHLAA, GPDO)	0	7	7	0
SUB - TOTAL	136	249	274	218
TOTAL EXPENDITURE	225	700	794	794
NET OPERATIONAL (SURPLUS)	(431)	(464)	(464)	(464)