

The County Farms Estate

Revenue Monitoring (Final Outturn) 2021/22, and Revenue Budget 2022/23

Report of the Director of Finance and Public Value

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) 2021/22
  - 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.
  - 1.1 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.
  - 1.2 Rent invoiced by year end amounted to £1,123,676 and other income (easement and wayleave payments, licence fees, telecommunication mast site rents etc) accrued by year end amounted to £101,661. Total income for the Estate is therefore £1,225,337.
  - 1.3 The month 9 monitoring position was reported to the Farms Estate Committee at its meeting of 7 February 2022 (CT/22/14 refers). At year end there has been £534,000 further expenditure to report.
  - 1.4 Some significant new Tenant Right Valuation accruals have been made at year end for liabilities falling due before 31 March 2022. The total commitment on end of tenancy compensation payments to tenants amounted to £174,306.
  - 1.5 £74,261 worth of unforeseen repair works ordered in 2021/22 were either paid or accrued for works substantially complete at year end. This excludes a significant liability for storm damage repairs on approximately 30 farms following storm Eunice on 14 February 2022. We are hoping the repair costs will be covered by the Council's insurance fund.
  - 1.6 £222,627 worth of programmed repair and maintenance works ordered in 2021/22 were either paid or accrued for works substantially complete at year end.

- 1.7 £8,396 was invested in quinquennial condition surveys in year to inform future maintenance programmes.
- 1.8 £17,056 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.
- 1.9 £14,787 building maintenance (other) works were completed by year end. This comprised a number of health and safety improvements, asbestos removal and redundant building demolition, and one Land Agent Initiative investments in drilling a water borehole on a dairy farm to help reduce a significant input cost for the farm.
- 1.10 £5,216 was spent on roadside tree inspections and subsequent tree surgery works by year end.
- 1.11 £14,585 was spent on Council Tax on empty properties compared to a budget of £2,000. This is largely due to a number of surplus properties sat empty for a couple of years pending disposal.
- 1.12 Expenditure on NPS fees was £211,063. 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 also includes the Devon Norse fees for inspecting and providing security for empty properties on the Estate. No expenditure was incurred on the Farmwise education events as they remained on hold due to the ongoing Covid-19 pandemic movement restrictions.
- 1.13 The final outturn provides a net surplus of £465,998 compared to the target surplus of £464,000.

## 2 Revenue Budget 2022/23

- 2.1 The Revenue Budget presented to Corporate Infrastructure and Regulatory Services Scrutiny Committee on 24 January 2022 and approved at County Council on 17 February 2022 included a target surplus of £534,000 for the County Farms Estate. This is an increase of £70,000 on the previous year's target.
- 2.2 Appendix B provides a summary of the annual budget.

## 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

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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 2021/22**

	2021/22 ANNUAL TARGET	2021/22 OUTTURN	2020/21 OUTTURN	2019/20 OUTTURN	2018/19 OUTTURN
	£'000	£'000	£'000	£'000	£'000
<b>INCOME</b>					
Rent	(1,124)	(1,191)	(1,085)	(1,149)	(1,075)
Other	(40)	(34)	(36)	(27)	(33)
<b>TOTAL INCOME</b>	<b>(1,164)</b>	<b>(1,225)</b>	<b>(1,121)</b>	<b>(1,176)</b>	<b>(1,108)</b>
<b>EXPENDITURE</b>					
<b>STATUTORY COSTS</b>					
Tenant Right Valuation	20	174	37	87	25
<b>SUB - TOTAL</b>	<b>20</b>	<b>174</b>	<b>37</b>	<b>87</b>	<b>25</b>
<b>PREMISES COSTS</b>					
Building Maintenance - unforeseen	100	74	69	86	80
Building Maintenance - programmed	210	223	255	153	242
Building Maintenance - Surveys	10	8	5	4	11
Building Maintenance - STC	20	17	25	8	18
Building Maintenance - other (incl. land agents initiatives, redundant buildings, asbestos and health & safety)	61	15	6	101	11
Grounds Maintenance	13	5	20	10	7
Rents & other landlord charges	11	12	11	11	14
Rates, Electricity and Water Charges	6	10	7	15	10
<b>SUB - TOTAL</b>	<b>431</b>	<b>364</b>	<b>398</b>	<b>388</b>	<b>393</b>
<b>SUPPLIES &amp; SERVICES</b>					
Insurance	0	0	0	0	0
Adverts	2	0	1	1	6
NPS Fees	230	211	211	223	264
Legal Fees	4	2	1	1	1
Professional Fees	6	7	6	10	3
Other Fees & Charges (DFYF, SHLAA, GPDO)	7	1	0	2	4
<b>SUB - TOTAL</b>	<b>249</b>	<b>221</b>	<b>219</b>	<b>237</b>	<b>278</b>
<b>TOTAL EXPENDITURE</b>	<b>700</b>	<b>759</b>	<b>654</b>	<b>712</b>	<b>696</b>
Revenue Funded Restructuring	0	0	0	0	0
<b>NET OPERATIONAL (SURPLUS)/DEFICIT</b>	<b>(464)</b>	<b>(466)</b>	<b>(467)</b>	<b>(464)</b>	<b>(412)</b>

**COUNTY FARMS ESTATE - FINANCIAL REPORTS**  
**FINANCIAL STATEMENT - (MONTH 1) 2022-23**

<u>INCOME</u>	YEAR TO DATE £'000	ANNUAL TARGET £'000	CURRENT FORECAST £'000
Rent	(1)	(1,213)	(1,213)
Other	(11)	(40)	(40)
TOTAL INCOME	<u>(12)</u>	<u>(1,253)</u>	<u>(1,253)</u>
 <u>EXPENDITURE</u>			
<u>STATUTORY COSTS</u>			
Tenant Right Valuation	(181)	21	21
SUB - TOTAL	<u>(181)</u>	<u>21</u>	<u>21</u>
 <u>PREMISES COSTS</u>			
Building Maintenance - unforseen	0	103	103
Building Maintenance - programmed	(31)	216	216
Building Maintenance - Surveys	0	10	10
Building Maintenance - STC	(1)	21	21
Building Maintenance - other (incl. land agents initiatives, redundant buildings, asbestos and health & safety)	(4)	63	63
Grounds Maintenance	0	13	13
Rents & other landlord charges	0	11	11
Rates, Electricity and Water Charges	1	6	6
SUB - TOTAL	<u>(35)</u>	<u>443</u>	<u>443</u>
 <u>SUPPLIES &amp; SERVICES</u>			
Insurance	0	0	0
Adverts	0	2	2
NPS Fees	1	236	236
Legal Fees	(2)	4	4
Professional Fees	(9)	6	6
Other Fees & Charges (DFYF, SHLAA, GPDO)	(1)	7	7
SUB - TOTAL	<u>(11)</u>	<u>255</u>	<u>255</u>
TOTAL EXPENDITURE	<u>(227)</u>	<u>719</u>	<u>719</u>
 <b>NET OPERATIONAL (SURPLUS)</b>	 <b>(239)</b>	 <b>(534)</b>	 <b>(534)</b>
 <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>
 <b>TOTAL COSTS SURPLUS</b>	 <b>(239)</b>	 <b>(534)</b>	 <b>(534)</b>