

**The County Farms Estate
Revenue Monitoring (month 10) 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 endorses the report.

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**1. Background/Introduction**

- 1.1 The County Farms Estate is wholly self-funded with operational costs paid for through rents and other income streams generated. Each year a substantial revenue surplus is delivered to support expenditure elsewhere in the County Council and cover the cost of centralised overheads. The County Farms Estate has consistently delivered a revenue surplus since at least 1992.
- 1.2 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.
- 1.3 Appendix A provides details of income and expenditure to date.

**2. Revenue Monitoring for the period 1 April 2022 to 31 January 2023.**

- 2.1 Just over 50% of the annual income has been invoiced to date. The majority of the balance is to be invoiced at the end of month 12. Forecasts indicate that income is expected to be approximately £65,000 higher than budget.
- 2.2 Some TRV accruals have been released but £30,758 of Tenant Right Valuation accruals are still not capable of being released as the 25 March 2022 end of tenancy valuations are not concluded. With the further changes of tenancy due at 25 March 2023 it is anticipated that this year's £21,000 budget will be over committed and a revised year end forecast of £84,000 is now anticipated.

- 2.3 £56,563 worth of unforeseen repair works has been ordered and paid in 2022/23. In addition, a further £3,359 of unforeseen works has been ordered but not invoiced. Total unforeseen maintenance expenditure and commitment at month 10 is therefore £59,922. The year-end forecast has been reduced to £83,000, as per budget.
- 2.4 The revenue funded maintenance programme is showing expenditure of £19,362 at month 10. Contractors are still being pressed to present invoices to clear some remaining accruals as quickly as possible. £94,972 has been committed on additional works orders due to be carried out before year end and at least a further £120,000 of works is currently out to tender. The year-end forecast for the revenue funded maintenance programme has been increased to £246,000.
- 2.5 There has been no additional spend against the redundant buildings, asbestos removal and health and safety improvements works budget since month 7. There are still accruals of £4,080. Contractors are being pressed to present invoices to clear these accruals as quickly as possible. There has been an in year spend of £7,952 leaving a net balance year to date figure of £3,872. There is one large demolition project that has recently come back from tender and could be delivered before year end. The year-end forecast remains £63,000, as per budget assuming the demolition is completed.
- 2.6 Spend on testing and inspection works (service term contracts for private water supplies, boilers, fixed wiring systems, sewage treatment plants, radon fans etc) is showing accruals of £1,368. There has been in year spend of £7,928 at month 10 leaving a net balance year to date figure of £6,560. There are further orders raised producing a total commitment of a further £8,516. The year-end forecast has been reduced to £18,000.
- 2.7 The programmed tree survey work has a budget of £13,000 with the expectation that this will be fully spent by year end. Annual tree surveys have now been carried out for the whole Estate and more Ash Die Back has been found. The remedial works have commenced and so far £5,512 has been spent on surveys and remedial works.
- 2.8 It is anticipated the building maintenance survey budget of £10,000 will be fully committed. £9,102 has been spent on condition surveys so far.
- 2.9 On the understanding the revenue funded repair and maintenance programme will be carried out as per year end forecast, the South West Norse fees are expected to be as per the year end forecast of £236,000. At month 10 the South West Norse fees are £173,875.
- 2.10 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.

### **3.0 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.

### **4.0 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.

### **5.0 Strategic Plan**

5.1 <https://www.devon.gov.uk/strategic-plan/>

5.2 The prudent management of the County Farms Estate, in accordance with the County Farms Estate Strategic Review (April 2010), is well aligned with Strategic Plan priorities such as:

- Responding to the climate emergency – help wildlife and landscapes recover
- Responding to the climate emergency – take opportunities to improve the energy efficiency of homes and buildings
- Responding to the climate emergency – encourage sustainable lifestyles
- Responding to the climate emergency – continue to reduce carbon emissions across all our services
- Investing in Devon's economic recovery - ensure financial resilience of the Council.
- Improving health and wellbeing – give people greater opportunities for walking and cycling to increase their physical activity

### **6.0 Financial Considerations**

6.1 The Author is not aware of any financial issues arising from this report.

### **7.0 Legal Considerations**

7.1 The Author is not aware of any legal issues arising from this report.

### **8.0 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.

## **9.0 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 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).

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Electoral Divisions: All

Local Government Act 1972: List of Background Papers

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| Background Paper | Date | File Reference |
|------------------|------|----------------|
|------------------|------|----------------|

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 10) 2022-23**

| <b><u>INCOME</u></b>                                                                                               | <b>YEAR<br/>TO DATE<br/>£'000</b> | <b>ANNUAL<br/>TARGET<br/>£'000</b> | <b>CURRENT<br/>FORECAST<br/>£'000</b> |
|--------------------------------------------------------------------------------------------------------------------|-----------------------------------|------------------------------------|---------------------------------------|
| Rent                                                                                                               | (642)                             | (1,213)                            | (1,249)                               |
| Other                                                                                                              | (59)                              | (40)                               | (69)                                  |
| TOTAL INCOME                                                                                                       | <u>(701)</u>                      | <u>(1,253)</u>                     | <u>(1,318)</u>                        |
| <br>                                                                                                               |                                   |                                    |                                       |
| <b><u>EXPENDITURE</u></b>                                                                                          |                                   |                                    |                                       |
| <b><u>STATUTORY COSTS</u></b>                                                                                      |                                   |                                    |                                       |
| Tenant Right Valuation                                                                                             | (31)                              | 21                                 | 84                                    |
| SUB - TOTAL                                                                                                        | <u>(31)</u>                       | <u>21</u>                          | <u>84</u>                             |
| <br>                                                                                                               |                                   |                                    |                                       |
| <b><u>PREMISES COSTS</u></b>                                                                                       |                                   |                                    |                                       |
| Building Maintenance - unforeseen                                                                                  | 57                                | 103                                | 83                                    |
| Building Maintenance - programmed                                                                                  | 19                                | 216                                | 246                                   |
| Building Maintenance - Surveys                                                                                     | 9                                 | 10                                 | 10                                    |
| Building Maintenance - STC                                                                                         | 7                                 | 21                                 | 18                                    |
| Building Maintenance - other (incl. land agents initiatives,<br>redundant buildings, asbestos and health & safety) | 4                                 | 63                                 | 63                                    |
| Grounds Maintenance                                                                                                | 5                                 | 13                                 | 13                                    |
| Rents & other landlord charges                                                                                     | 6                                 | 11                                 | 11                                    |
| Rates, Electricity and Water Charges                                                                               | 9                                 | 6                                  | 10                                    |
| SUB - TOTAL                                                                                                        | <u>116</u>                        | <u>443</u>                         | <u>454</u>                            |
| <br>                                                                                                               |                                   |                                    |                                       |
| <b><u>SUPPLIES &amp; SERVICES</u></b>                                                                              |                                   |                                    |                                       |
| Insurance                                                                                                          | 0                                 | 0                                  | 0                                     |
| Adverts                                                                                                            | 0                                 | 2                                  | 0                                     |
| NPS Fees                                                                                                           | 174                               | 236                                | 236                                   |
| Legal Fees                                                                                                         | 0                                 | 4                                  | 4                                     |
| Professional Fees                                                                                                  | (4)                               | 6                                  | 6                                     |
| Other Fees & Charges (DFYF, SHLAA, GPDO)                                                                           | 0                                 | 7                                  | 0                                     |
| SUB - TOTAL                                                                                                        | <u>170</u>                        | <u>255</u>                         | <u>246</u>                            |
| <br>                                                                                                               |                                   |                                    |                                       |
| TOTAL EXPENDITURE                                                                                                  | <u>255</u>                        | <u>719</u>                         | <u>784</u>                            |
| <br>                                                                                                               |                                   |                                    |                                       |
| <b>NET OPERATIONAL (SURPLUS)</b>                                                                                   | <u>(446)</u>                      | <u>(534)</u>                       | <u>(534)</u>                          |