

**The County Farms Estate
Capital Monitoring (Final Outturn) 2022/23 and Capital Budget 2023/24**

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 Each year the County Farms Estate generates significant capital receipts from the sale of surplus assets associated with an approved restructuring or rationalisation programme and through the sale of high value development opportunities.
- 1.2 The Estate bids for Capital for essential inward investment to maintain and improve critical infrastructure. Capital is bid for in competition with other front-line services.
- 1.3 The following table shows the current five-year capital allocation for the County Farms Estate and the capital allocation before the recent capital budget reductions.

| Year             | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | Total |
|------------------|---------|---------|---------|---------|---------|-------|
|                  | £'000   | £'000   | £'000   | £'000   | £'000   | £'000 |
| Current Capital  | 750     | 450     | 450     | 450     | 0       | 2100  |
| Previous Capital | 1000    | 600     | 600     | 600     | 0       | 2800  |

**2. Capital Monitoring for the period 1 April 2022 to 31 March 2023 (Final Outturn).**

- 2.1 The Capital budget presented to Corporate Infrastructure and Regulatory Services Scrutiny Committee on 24 January 2022 and approved at County Council on 17 February 2022 included schemes totalling £1,000,000.

- 2.2 There was an 'underspend' of £25,787 in 2021/22 and an in-year receipt of £30,000 bringing the balance of capital available to spend in 2022/23 to £1,055,787.
- 2.3 Total spend in 2022/23 amounted to £1,024,769 resulting in an underspend against the budget provision of £31,018. This underspend will be carried forward to the 2023/24 budget.
- 2.4 There were a number of schemes completed in 2022/23 with some over or under spend due to variations between estimates and actuals, or minor contract variances post scheme approval. These were largely self-balancing and as such required no further action.

### **3 Nitrate Vulnerable Zone Compliance**

- 3.1 Retention monies have now been released. No new slurry store schemes were progressed this financial year.

### **4 Compensation Payments (Tenants Improvements, etc.)**

- 4.1 End of tenancy compensation liabilities have been contained within the revenue budget. No capital has therefore been spent on end of tenancy compensation liabilities.

### **5 Enhancements and Improvements**

- 5.1 The 2022/23 programme consisted of:
- (a) 14 projects that were started in previous years and have been completed in year or defects paid in year.
  - (b) 3 new whole house refurbishment projects started this financial year and are now complete and in defects period.
  - (c) 4 further sewage treatment plants have been installed.

### **6 Land Acquisitions**

- 6.1 One land acquisition was approved at year end and an offer has been made and accepted on a subject to contract basis.

### **7 Capital Receipts Generated in year**

- 7.1 At the County Farms Estate Committee meeting of 26 September 2022, members requested an update at all future meetings of all capital receipts completed in year to date.
- 7.2 The table below schedules all County Farms Estate disposals that have completed by year end and contributed towards the Corporate Capital Programme. The table now includes the acreage sold (as requested by members at the meeting of 5 December 2022).

| Asset Sold                                      | Acreage Sold | Capital Receipt (net of costs) | Date of completion |
|-------------------------------------------------|--------------|--------------------------------|--------------------|
| Part Aldens Farm (West)                         | 5.39         | £3,148,935                     | 30 June 2022       |
| Land at Tithebarne Way (part Monkerton Farm)    | 4.64         | £3,093,551                     | 11 July 2022       |
| Barn at Lower Farm, High Bickington             | 0.12         | £16,276                        | 16 September 2022  |
| Uppacott Farm, Mariansleigh (overage payment)   | nil          | £75,250                        | 26 July 2022       |
| East Hill Farm, Knowestone (deed of variation)  | nil          | £14,803                        | 28 October 2022    |
| Farmhouse at Baxters Farm, Musbury              | 0.45         | £335,905                       | 3 March 2023       |
| Land and buildings at Frostlands Farm, Sandford | 11.26        | £224,896                       | 24 March 2023      |
|                                                 |              |                                |                    |
| <b>Total</b>                                    | <b>21.86</b> | <b>£6,909,615</b>              |                    |

## 8.0 Capital Budget 2023/24

- 8.1 The Capital budget presented to Corporate Infrastructure and Regulatory Services Scrutiny Committee on 30 January 2023 and approved at County Council on 16 February 2023 included schemes totalling £750,000.
- 8.2 There was an 'underspend' of £31,018 in 2022/23 thus the balance of capital available to spend in 2023/24 amounts to £781,018.

## 9.0 Options/Alternatives

- 9.1 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.

## 10.0 Consultations/Representations/Technical Data

- 10.1 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.
- 10.2 No other parties have been consulted and no other representations have been received
- 10.3 The technical data is believed to be true and accurate.

## 11.0 Strategic Plan

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

11.2 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 – deliver £500 million Council capital investment programme over five years
- 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

## **12.0 Financial Considerations**

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

## **13.0 Legal Considerations**

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

## **14.0 Environmental Impact Considerations (Including Climate Change)**

14.1 The Author is not aware of any environmental impact (including climate change) issues arising from this report.

## **15.0 Equality Considerations**

15.1 The Author is not aware of any equality issues arising from this report.

## **16.0 Risk Management Considerations**

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

## **17.0 Summary/Conclusions/Reasons for Recommendations**

17.1 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 |
|------------------|------|----------------|
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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>