

The County Farms Estate Capital Monitoring (month 7) 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.

1) Recommendation

That the Committee endorses this report.

2) Background / Introduction

- 2.1 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.
- 2.2 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.
- 2.3 The following table shows the current five-year capital allocation for the County Farms Estate.

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

3) Capital Monitoring for the period 1 April 2023 to 31 October 2023 (month 7).

- 3.1 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.
- 3.2 There was an 'underspend' of £31,018 in 2022/23 and an in year receipt of £120,000 thus the balance of capital available to spend in 2023/24 amounts to £901,017.

3.3 As at month 7 very little has been spent but over half the budget is now committed and forecast to be spent by year end. Due to practical challenges experienced there will be some delays in delivering some projects which is likely to result in a year end underspend against overall budget. Some capital is likely to be carried forward to next year's budget.

4) Nitrate Vulnerable Zone Compliance

4.1 Retention monies are left to pay on only one slurry store constructed in the previous financial years. No new slurry store schemes were progressed this financial year.

4.2 Forecast spend stands at £2,445 on retention monies associated with NVZ compliant schemes in 2023/24.

4.3 It is noted that Local Authorities appear to be no longer expressly excluded from the DEFRA Slurry Infrastructure Grant (Round 2). Furthermore, the grant now allows applications to be made for slurry store covers and a greater proportion of Devon has been included in the DEFRA priority areas. The Land Agents are currently preparing a business case for making applications for the Slurry Infrastructure Grant to draw down, on a priority area basis, grants to cover existing slurry stores to be procured by either landlord or tenant.

5) Enhancements and Improvements

5.1 The 2023/24 programme consists of:

- (a) 13 projects that were started in previous years which are now in defect periods.
- (b) 1 projects started last financial year and is still being delivered on site.
- (c) 2 new whole house refurbishment projects have started on site and should be complete this financial year.
- (d) 10 further sewage treatment plants are due to be installed by year end.
- (e) 1 new silage clamp is being designed to replace a failed landlords clamp but construction wont start on site this financial year.
- (f) 1 jointly funded methane harvesting slurry store cover is being procured in partnership with a third party contractor but the majority of the cost wont be incurred this financial year.

5.2 Two tenants are currently occupying static caravans as temporary accommodation whilst farmhouses are being improved. The third static caravan is being moved to a new farm ready for occupation from April 2024 whilst a further substantial farmhouse improvement project is being delivered.

5.3 Additional improvement projects are in the process of being programmed that may be capable of being delivered before the financial year end and as part of next year's capital programme but the logistics of making major improvements to farmhouses whilst occupied by tenants is beginning to frustrate the pace of delivery.

5.4 Actual spend at month 7 is now £41,303 due to outstanding 2022/23 year end creditor adjustments with a further £473,954 committed (orders placed) to date.

6) Compensation Payments (Tenants Improvements, etc.)

- 6.1 It is now highly likely that some of the capital budget will need to be spent on end of tenancy compensation liabilities arising at 25 March 2024. The end of tenancy valuations will be negotiated in the next 6 months.

7) Land Acquisitions

- 7.1 One acquisition of 18.21 acres of land at High Bickington has now completed and the land has been let to a nearby Estate tenant.

8) Capital Receipts Generated in year

- 8.1 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.
- 8.2 The table below schedules all County Farms Estate disposals that have completed in year to date and will contribute towards the Corporate Capital Programme.

Asset Sold	Acreage Sold	Capital Receipt (net of costs)	Date of completion
Field at Lower Northchurch Farm, Yarnscombe	3.93	£ 69,104	21 June 2023

9) 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) 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) Strategic Plan

11.1 This report has no specific direct alignment with the Council's Strategic Plan 2021 – 2025 - <https://www.devon.gov.uk/strategic-plan>

12) Financial Considerations

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

13) Legal Considerations

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

14) Environmental Impact Considerations (Including Climate Change, Sustainability and Socio-economic)

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

15) Equality Considerations

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

16) Risk Management Considerations

16.1 No risks have been identified.

17) 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

Background Paper

Date

File Reference

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