

The County Farms Estate Annual Report 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 This is the thirty-third annual report of the County Farms Estate and the fourteenth year in this revised format since the Devon County Council Farms Estate Strategic Review of March 2010.

3) Introduction.

3.1 It has been another exceptionally busy but successful year for the Estate with the number of farms being relet remaining well above average. This has again stretched the capacity of an already thinly resourced management team.

3.2 This report is divided into the following sections:

- Committee Functions
- Financial Performance
- Estate Management Performance
- Other Notable Estate Achievements and Events

4) Meetings and other activities of the Farms Estate Committee 2023/24.

4.1 The committee saw Councillor Lois Samuel stand down from the committee and welcomed Councillor Richard Chesterton as her replacement.

4.2 The committee welcomed another new representative of the Devon Federation of Young Farmers Clubs, Ben May. Megan Broom was thanked for her contributions to the committee during the previous year.

- 4.3 The Farms Estate Committee met on 18 April, 15 May, 11 September and 20 November 2023, and 19 February 2024. In addition to the usual financial and management matters other issues discussed by the Committee included:
- Annual Report 2022/23
 - Monitoring of tenants on initial Farm Business Tenancies
 - Requests for landlord's consent for tenant's improvements
 - Devon County Farms Estate Questionnaire Results
 - Mental Health Strategy
- 4.4 Interview panels met on five occasions to interview applicants for the tenancies of Markhams Farm, Ide; Dungeons Farm, Cullompton; Southacott Farm, Mariansleigh; Middle Yeo Farm, Down St Mary; Perriton Barton Farm, Whimple; Lower Uppacott Farm, Mariansleigh; Lomans Farm, Broadhempston; Middle Winsham Farm, Braunton; and Lower Chitterley Farm, Bickleigh.
- 4.5 The Chairman, Vice Chairman and the Senior Land Agent also visited the parishes of Denbury, Broadwoodwidge, Roborough, Colyton, Okehampton, Gulworthy, Milton Abbot, and Dawlish to undertake tenants monitoring visits.

5) Finance

- 5.1 The financial performance of the Estate is again analysed in four areas, namely revenue income and expenditure, capital receipts and capital investment.
- 5.2 The Estate revenue budget outturn statement for the year ending 31 March 2024 is appended (Appendix A). Details of some of the key result areas for the five previous trading years have been included to offer some form of trend comparator analysis.
- 5.3 Revenue Income
- 5.3.1 Rental income from the Estate in 2023/24 was £1,309,337, compared with a target of £1,213,000.
- 5.3.2 Miscellaneous income totalled £26,656 compared with a target of £40,000.
- 5.3.3 Therefore, total income secured was £1,335,993 against a target of £1,253,000.

Revenue Income	2020/21	2021/22	2022/23	2023/24
Rental	£1,084,719	£1,190,887	£1,255,994	£1,309,337
Miscellaneous	£35,848	£34,450	£65,914	£26,656
Total	£1,120,567	£1,225,337	£1,321,908	£1,335,993

Revenue Income Analysis	2020/21	2021/22	2022/23	2023/24
Actual	£1,120,567	£1,225,337	£1,321,908	£1,335,993
(a) Per Farm	£17,239	£18,851	£20,337	£20,875
(b) Per Hectare	£289	£316	£342	£345
(c) As a % of Target	96%	105%	105%	106%

5.4 Revenue Expenditure

5.4.1 The target spend for 2023/24 on programme and unforeseen repairs and maintenance was £319,000 of which 68% (£216,000) was planned and 32% (£103,000) was unforeseen.

5.4.2 There was an overall actual spend of £340,292 on repair and maintenance of which 81% (£275,014) was planned maintenance and 19% (£65,278) was unforeseen and reactive work. It is noted that significant inflationary pressures within the construction industry continues to put immense strain on this budget and far less work is capable of being delivered year on year for the same budget provision. Some landlord's repair and maintenance liabilities are not therefore capable of being carried out.

Expenditure	2020/21	2021/22	2022/23	2023/24
Programme	£255,414	£222,627	£242,185	£275,014
Unforeseen	£69,064	£74,261	£63,276	£65,278
Total Maintenance	£324,478	£296,888	£305,461	£340,292

5.4.3 In addition to the above maintenance spend, £39,114 was spent on Landlord's health and safety improvements, removing and replacing asbestos, and demolishing redundant buildings.

5.4.4 £273,942 was spent in total on professional fees relating to Estate Management; the procurement of repairs, maintenance, compliance management, service term contracts and other works; and on the inspection and security of empty properties.

5.4.5 £21,949 was spent on servicing plant and equipment on the Estate including private water supplies, boilers, electrical wiring systems, sewage treatment plants, radon pumps etc owned by the Landlord.

5.4.6 £14,853 was spent on highway tree surveys and tree surgery works.

5.4.7 £5,184 was spent on condition surveys to help inform planned maintenance programmes and to manage landlord's risks associated with the Defective Premises Act 1972 and Occupiers Liability Acts 1957 and 1984.

5.4.8 £79,405 was spent on compensating tenants for fixtures, fittings and improvements at end of tenancy and/or putting right landlord dilapidations where a change of tenancy triggered a change in repairing liability.

5.5 Revenue Surplus

5.5.1 A revenue surplus of £529,134 was achieved compared with the target of £534,000.

Revenue Surplus	2020/21	2021/22	2022/23	2023/24
Target	£464,000	£464,000	£534,000	£534,000
Actual	£467,374	£465,998	£534,702	£529,134
As a % of Target	101%	101%	100%	99%

5.6 Running Costs

5.6.1 Running costs for 2023/24 were £532,917 against a target of £483,000. The increase in in year spend principally related to an increase in the end of tenancy compensation liability.

Running Cost	2020/21	2021/22	2022/23	2023/24
(d) Per Farm	£6,810	£8,435	£8,361	£8,327
(e) Per Hectare	£114.28	£141.59	£140.67	£137.73
(f) As a % of Income	39.5%	45%	41%	40%

5.7 Management Costs

5.7.1 Management costs for 2023/24 were £273,942 against a target of £236,000.

Management Cost	2020/21	2021/22	2022/23	2023/24
(g) Per Farm	£3,239	£3,247	£3,750	£4,280
(h) Per Hectare	£54.35	£54.50	£63.08	£70.80
(i) As a % of Income	19%	17%	18%	20%

5.8 Capital Receipts

5.8.1 In 2023/24 the Estate generated £69,051 net capital (after costs of sale) from the sale of land at Lower Northchurch Farm, Yarnscombe.

Capital Receipts	2020/21	2021/22	2022/23	2023/24
Actual	£570,000	£4,786,667	£6,909,615	£69,051

5.8.2 At year end a further 5 properties were 'sold subject to contract and/or planning' with a potential capital receipt value of £1,590,000 expected to be received in 2024/25.

5.9 Capital Investments

5.9.1 Capital investment amounted to £701,949. Investment was mainly made on further farmhouse renovation and improvement schemes.

5.9.2 £199,068 has been carried forward to the 2024/25 budget. It is anticipated this money will be spent in 2024/25.

5.9.3 In future years the Estate is likely to require ongoing capital investment in:

- (i) Further ongoing farmhouse renovation and improvement works
- (ii) Meeting the requirements of the Clean Air Strategy
- (iii) Increasing controls on the storage of farm waste and feed stuffs
- (iv) Renewable energy, energy efficiency, carbon offsetting and sequestration

5.10 Net capital contribution to the Corporate Capital Programme

5.10.1 The County Farms Estate invested more capital in 2023/24 than was generated through the sale of Estate assets. The Estate does however remain a significant net contributor of capital to the County Council capital budget when measured over time.

Net Capital Contribution	2020/21	2021/22	2022/23	2023/24
Actual	- £384,093	£3,597,434	£5,884,846	- £632,898

6 Estate Management Performance

6.1 The achievements for 2023/24 are analysed, as on previous occasions, in two areas – namely tenant matters and property matters.

6.2 Tenant Matters

- One tenant sadly died and the tenancy has been terminated
- Two tenants have retired
- Two tenants have had to leave the estate through ill health
- One tenant has left the estate for personal reasons
- One tenant has progressed off the estate to his own farm
- Two tenants have progressed internally on the Estate moving from a starter farm to a progression farm (Markhams Farm, Ide and Dungeons Farm, Cullompton)
- Five farms (Lower Chitterley Farm, Bickleigh; Middle Winsham Farm, Braunton; Middle Yeo Farm, Down St Mary; Lower Uppacott Farm, Mariansleigh; and Perriton Barton Farm, Whimble) were re-let to new tenants
- One starter farm tenant was granted a second term (Higher Leigh Farm, Churchstow).
- One '54 Act lease was renewed.
- Two common law tenancies were granted to Parish Councils for recreational and community growing spaces.
- One Common law tenancy was granted to a public body for habitat creation associated with a biodiversity offsetting requirement

6.3 Property Matters

The size of the Estate increased to 3,869.21 hectares (9,560.81 acres) during 2023/24. This was the result of a sale of land at Lower Northchurch Farm, Yarnscombe, and the purchase of land at High Bickington.

Size of the Estate	2020/21	2021/22	2022/23	2023/24
Hectares	3,873.61	3,872.28	3,863.43	3,869.21
Acres	9,571.68	9,568.39	9,546.53	9,560.81

6.4 The overall picture of the Estate as at 31 March 2024 was as follows:

	2020/21	2021/22	2022/23	2023/24
Number of let residential farms	65	65	65	64
Total AHA 86 Farms	12	12	10	9
AHA 86 Lifetime Tenancies	7	7	6	5
AHA 86 Retirement Tenancies	5	5	4	4
Total ATA 95 (FBT) Farms	53	53	55	55
FBT's more than seven years	21	21	20	18
FBT's seven years or less	32	32	35	36
Temporarily in hand				1

6.5 Two Option Agreements remain in place for pending solar farm leases.

6.6 One farm cottage remains sublet by an Estate tenant (with landlord's consent).

6.7 One traditional building remains let on a Landlord and Tenant Act 1954 lease to a micro-brewery operator.

6.8 One site has been let on a Landlord and Tenant Act 1954 lease to a green waste composting operator.

6.9 Two farm buildings are sublet (with landlord's consent) to rural businesses on Landlord and Tenant Act 1954 leases.

6.10 Five blocks of bare land are let to Parish Council's for community use (playing field, recreational space, allotments, and community growing spaces).

6.11 One block of woodland is let to the North Devon Biosphere Reserve as a best practice demonstration site.

- 6.12 One block of land is let to a public body for habitat creation associated with a biodiversity offsetting requirement associated with the Crediton to Barnstaple railway improvements.
- 6.13 Two blocks of woodland are held in hand and will be actively managed as part of a BNG delivery requirement associate with the North Devon Link Road improvements.
- 6.14 Six allotments are let direct to members of the public.
- 6.15 A small length of fishing rights is separately let on the river otter.
- 6.16 Two telecommunication masts are let on the County Farms Estate.
- 6.17 Five leases are granted for community internet apparatus installed on the County Farms Estate.
- 6.18 One site is let to the Environment Agency as a remote weather station.
- 6.19 Seven blocks of bare land are let to non-core Estate agricultural tenants (land at Whitsun Farm; Land at Cofton Cross; Part East Hill Farm; Part Greenhills Farm; Part Beara Down Farm; Part Manor Farm; and Part East Week Farm).
- 6.20 Two farmsteads and one set of former farm buildings remain declared surplus to the operational requirements of the Estate and are to be sold as soon as practically possible (Lower East Week Farm, South Tawton; Beara Down Farm, Bratton Fleming; and Baxters Farm, Musbury).
- 6.21 Class Q permitted development rights have been secured on the barns at Lower Pilehayes Farm, Woodbury. The barns will now be advertised for sale.
- 6.22 2 further sets of agricultural buildings are being managed on short term agricultural agreements or held in hand pending Class Q permitted development applications under The Town and Country Planning (General Permitted Development) (England) Order 2015 (Barns at Glebe Farm, Rattery; and Hurditch Farm, Lamerton).

7 Other notable Estate achievements and events:

7.1 Farmwise

- (i) Farmwise was once again a key feature for the Devon County Show on 18th, 19th and 20th May 2023.

Approximately 5000 visitors attended the stand over the three days including the Right Worshipful The Lord Mayor of Exeter, Councillor Kevin Mitchell; 2023 Show President, The Honourable John Rous DL; and Michael Caines MBE (2024 Show President)

Tom & Helen Garland (Lower Pilehayes Farm, Woodbury) kindly provided sheep; Russ and Becky McKee (Merrifield Farm, Holsworthy), and Marcus and Liz Warner (Lower Henland Farm, Kentisbeare) all kindly volunteered and enjoyed making the seed bombs!



Thanks also go to volunteers from the YFC who helped with the milking demonstrations.



- (ii) The ninth Farmwise Devon event was also held on 10th October 2023 at Westpoint.

The following key facts are worthy of note:

Approximately 1,450 pupils

Approximately 37 schools attended

12 zones (dairy, beef, sheep, pigs, poultry, fruit, vegetables, arable, wildlife, forestry, food and environment)

At least 10 tenants from within the estate volunteered and ran zone exhibits.

7.2 CIPFA Returns

The annual County Farms Estate CIPFA return was completed.

7.3 DEFRA's 72nd Annual Report to Parliament on Local Authority Smallholdings in England 2021/22.

Each year DEFRA is required under section 59 of the 1970 Agriculture Act to provide statistical details to Parliament of the land let as smallholdings by local authorities across England. The case study attached at Appendix B featured in the report.

7.4 CAAV Agricultural Land Occupation Survey (ALOS)

The CAAV ALOS was completed. This survey is the largest of its kind and is used by DEFRA and other decision makers to inform policy around the tenanted sector.

7.5 Tree planting

In spring 2024 a total of 1900 trees were planted on the Estate.

The trees were all planted on low productive marginal farmland.

7.6 Tyres

Over 250 waste tyres have been removed from one farm by a licenced contractor.

7.7 Newsletters

One edition of the highly informative and well received Estate Newsletter was published in year.

8 Options / Alternatives

- 8.1 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.

9 Consultations / Representations / Technical Data

- 9.1 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.
- 9.2 No other parties have been consulted and no other representations have been received
- 9.3 The technical data is believed to be true and accurate.

10 Strategic Plan

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

11 Financial Considerations

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

12 Legal Considerations

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

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

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

14 Equality Considerations

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

15 Risk Management Considerations

- 15.1 No risks have been identified.

16 Summary / Conclusions / Reasons for Recommendations

- 16.1 The Author has prepared this report in accordance with the findings of the County Farms Estate Strategic Review (April 2010).

Angie Sinclair,
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Electoral Divisions: All

Local Government Act 1972: List of background papers

Background Paper

Date

File Reference

Nil

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COUNTY FARMS ESTATE - FINANCIAL REPORTS
FINANCIAL STATEMENT - FINAL OUTTURN 2023/24

	2023/24	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19
	ANNUAL TARGET	OUTTURN	OUTTURN	OUTTURN	OUTTURN	OUTTURN	OUTTURN
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
INCOME							
Rent	(1,213)	(1,309)	(1,256)	(1,191)	(1,085)	(1,149)	(1,075)
Other	(40)	(27)	(66)	(34)	(36)	(27)	(33)
TOTAL INCOME	(1,253)	(1,336)	(1,322)	(1,225)	(1,121)	(1,176)	(1,108)
EXPENDITURE							
STATUTORY COSTS							
Tenant Right Valuation	21	79	99	174	37	87	25
SUB - TOTAL	21	79	99	174	37	87	25
PREMISES COSTS							
Building Maintenance - unforeseen	103	65	63	74	69	86	80
Building Maintenance - programmed	216	275	242	223	256	153	242
Building Maintenance - Surveys	10	5	9	8	6	4	11
Building Maintenance - STC	21	22	15	17	25	8	18
Building Maintenance - other (incl. land agents initiatives, redundant buildings, asbestos and health & safety)	63	39	65	15	5	101	11
Grounds Maintenance	13	15	15	5	20	10	7
Rents & other landlord charges	11	11	12	12	11	11	14
Rates, Electricity and Water Charges	6	8	9	10	7	15	10
SUB - TOTAL	443	440	430	364	399	388	393
SUPPLIES & SERVICES							
Insurance	0	0	0	0	0	0	0
Adverts	2	0	0	0	1	1	6
NPS Fees	236	274	244	211	211	223	264
Legal Fees	4	1	0	2	0	1	1
Professional Fees	6	18	15	7	6	10	3
Other Fees & Charges (DFYF, SHLAA, GPDO)	7	(5)	0	1	0	2	4
SUB - TOTAL	255	288	259	221	218	237	278
TOTAL EXPENDITURE	719	807	788	759	654	712	696
Revenue Funded Restructuring	0	0	0	0	0	0	0
NET OPERATIONAL (SURPLUS)/DEFICIT	(534)	(529)	(534)	(466)	(467)	(464)	(412)

Following the incredibly successful 2022 farm lettings campaign, the Devon County Farms Estate has awarded another large crop of new farming entrants their first farms, all commencing Lady Day 2023!

Five starter farms were advertised to let on the open market to new entrants. These include:

1. Lower Northchurch Farm, Yarnscombe – a 122 acre residential stock farm
2. Little Stone Farm, South Molton – a 101 acre residential dairy holding
3. Endfield Farm, Sandford – a 120 acre residential dairy holding
4. Hurditch Farm, Lamerton – a 131 acre residential dairy holding
5. Lower Parks Farm, Crediton – a 69 acre residential stock farm

One of the new entrants awarded a tenancy of a starter farm is Adam Garthwaite who secured the tenancy of Lower Northchurch Farm, Yarnscombe.

Adam said “I have worked on farms all my life but always dreamt of becoming a farmer in my own right. As a new entrant to farming I have had to work really hard to build a small sheep enterprise renting bits of grass keep all around me in several different parishes. Although not easy to farm profitably, it did allow me to build equity in livestock and machinery whilst working fulltime. It also gave me the opportunity to prove I had all the skills and experience to run my own farm business. Until recently, I never thought that I would get the chance to rent an affordable whole farm complete with house and buildings but when I heard about the Devon County Farms Estate and attended the farm viewing day for Lower Northchurch Farm, I realised it could actually happen! Securing the tenancy of Lower Northchurch was tough - we had to put our all in to preparing a comprehensive business plan supported by detailed cashflows and budgets. It took a huge amount of time but it was all worth it. We will now be able to grow our business in a sustainable and efficient way with the full security of the County Council as landlord”.

Photos below of Adam Garthwaite and his partner Megan Chapman



