

APPENDIX 2

Appendix: County Farms Audit Management Action Plan			
Colour Coding		In progress	To be commenced
		Complete/closed	
Ref	Audit Recommendation (truncated)	Management Action	Manager Responsible & Target Date
1	Recommendation 1: Essential i) The core recommendation is for a comprehensive review of team policies and procedures.... ii) Following discussions with the current [Interim] Head of Property, it has been proposed that the following approval limits will apply... iii) It is further recommended that the lead auditor from this work be seconded into the County Farms team for an interim period...	i) The first set of updated policies were presented to the County Farms Working Group on 24 March 2021. To date 11 policies and processes have been reviewed. ii) Approval limits will continue to follow CCC Constitution and Scheme of Authorisation. The application of this to the Farms team will be recorded. Limits specific to the Farms team in accordance with CCC policy have been agreed with Chief Finance Officer. iii) The Audit team is working alongside the Rural team in the review of policies and procedures.	Rural Asset Manager September 2021 Complete Complete.
3	Recommendation 3: Important It is recommended that the County Farms team identify a set of KPIs, aligned to team objectives and strategy.....	Second draft of KPIs has been completed. These are being fed into the corporate KPI review to ensure alignment to produce final KPI's for review by CFWG	Rural Asset Manager September 2021 subject to corporate KPI review.

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17	Recommendation 17: Important The County Farms team should take legal advice on the interest rates currently used in their tenancy agreements, and consider lowering the Default Interest Rate in any new tenancies granted, to reflect present low interest rates and ensure that such rates are enforceable by the Council.	Farms interest rate is close to the CCC Scheme of Financial Management debt interest rate of 8% over base rate so basis of recommendation remains unclear. Confirmation of interest rate to be discussed with new CCC Head of Finance.	July 2021
20	Recommendation 20: Important A formal policy is required to set out the circumstances under which a rent abatement will be considered, and how such abatements will be calculated and approved.	A formal policy has been drafted for review by CFWG. This procedure only comes into effect if part of the let property is not available to rent for reasons beyond the occupier's control. This is usually at the commencement of a tenancy when the holding's dwelling requires refurbishment following the departure of a long standing tenant and there is not sufficient time between tenancy agreements to complete the works required to bring the dwelling up to modern standards.	Rural Asset Manager April 2021 – pending CFWG review
21	Recommendation 21: Important The County Farms Capital Investment Procedure should be updated to require evaluation of the cost of the scheme against the expected rental price increase on the open market.....	Updated Capital Investment Policy and Procedure agreed with Chief Finance Officer, completed pending endorsement by CFWG.	Rural Asset Manager May 2021 – pending CFWG review
22	Recommendation 22: Important The Capital Investment Procedure should be updated to: • State that Business Cases should be produced at an earlier stage in the process....	A revised Landlord Improvements and Improvement Charge has been documented and implemented. It has been used successfully by several tenants and has streamlined the review of applications.	Rural Estate Manager July 2021
24	Recommendation 24:	Specialist agricultural legal advice is being sought. Instruction delayed pending further investigation.	Rural Asset Manager July 2021

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	The County Farms team should take legal advice regarding the best way to secure repayment of Improvement Charges.		September 2021
	Closed/Completed Recommendations		
2	Recommendation 2: Importanta comprehensive review of the Strategy is complete....	Complete.	February 2020 Document.ashx (cmis.uk.com)
4	Recommendation 4: Important A data cleanse of the property data should be undertaken..... County Farms should be included as active users of the new property asset management system currently being procured, unless there is a compelling reason to exclude the farms estate from this system.	Complete Next iteration due for updating and review by end of July 2021. A procurement process for a new property asset database is under way that will include all property assets including Rural Assets.	Rural Assets Manager July 2021 Assistant Director Property Summer 2022 (or earlier)
5	Recommendation 5: Standard Each County Farms property should be assigned a unique property code on ERP.....	Complete pending IT change. Each Farm has an existing 3 digit identifier code and a new field has been requested in ERP to permit the insertion of this code. Final completion of task dependent upon IT amendment of ERP system. The new asset database will incorporate revised property coding across all property assets.	Rural Asset Manager July 2021
6	Recommendation 6: Important The County Farms team should conduct a complete review of all invoicing raised in 2018/19 and 2019/20 to	The review has previously been completed.	Completed

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	The Rental Agreement Spreadsheet should also be updated with details of all information relevant to the income from each tenancy, including Improvement Charges, payment plans etc.	Complete. An updated master spreadsheet has been created and re-verified.	Rural Asset Manager April 2021
7	Recommendation 7: Standard The County Farms team should consider setting up “subscriptions” for each tenants, which would enable invoices to be raised automatically in ERP Gold.....	Complete subject to ERP amendments. Consultation with the Finance team has identified the preferred process of “Bulk Uploads” within ERP to partially automate rent invoicing. This should be completed and implemented in time for the next half yearly batch of rent demands in October 2021.	Rural Asset Manager June 2021
8	Recommendation 8: Important In line with the process envisaged in existing Tenancy Agreements, the County Farms team must start to charge interest on all debts, in line with the rate specified in the relevant tenancy agreement.	Complete. Working closely with the Debt Recovery a revised debt management process (Rec. 9) has been agreed. The application of interest remains a discretionary process reflecting the specific nature of debt amongst farming tenants and the wider non-commercial objectives of the Estate. The default approach remains to charge interest unless there are extenuating circumstances (e.g. serious illness)	Rural Asset Manager July 2021
9	Recommendation 9: Important A formal policy on debt management must be developed and implemented by the County Farms team....	Complete. A new debt management policy has been agreed with CCC Debt Management. Debts are reviewed monthly and allocated to Debt Recovery or the Farms team for action as appropriate. Categorisation of debts/debtors was considered but rejected due to issues around privacy, data protection and legal risks.	Rural Asset Manager May 2021
10	Recommendation 10: Important A policy on tenancy advertisement should be formalised and documented.	Complete.	Rural Estates Manager July 2021

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		<p>The updated advertising policy forms part of the revised lettings procedure.</p> <p>The Farms team recently advertised 6 holdings. This resulted in well attended viewing days viable applications offering good market rents. A total of 64 formal applications were received across the 6 holdings. As an example, the commercial holding received applications from business in fire safety, care farming, supporting disabled entrants into farming, micro-greens, goat breeding and equestrian businesses, demonstrating the reach and effectiveness and breadth of the advertising.</p>	
11	Recommendation 11: Standard The application form for tenancies should be amended to include any associations, links to the Council, or close personal relationships with officers or Members of Cambridgeshire County Council to be disclosed.	Longstanding policy and is already on the application form.	N/A
12	Recommendation 12: Standard In order to encourage a more diverse range of businesses, it is recommended for the County Farms team to provide two versions of the application forms and budget forecast forms etc...	<p>Complete.</p> <p>The application has been amended to suit agricultural and non-agricultural proposals using a single dual-use form.</p>	April 2021
13	Recommendation 13: Important The evaluation criteria should be reviewed and aligned with the criteria which are made public to applicants on the Council's website.....	<p>Complete.</p> <p>Evaluation and selection criteria are on the Council's website and a link to the Council's Equality and Diversity strategy has been added to the Rural Business application webpages.</p>	Rural Asset Manager April 2021

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		The standard position on any agricultural or commercial tenancies is that sub-letting is prohibited except with landlord's consent. In respect of sub-letting, there are a small number of holdings where sub-letting of residential properties has been permitted (with revenue share split between landlord and tenant), and occasional sub-letting of land for specific crops e.g. potatoes. This is subject to landlord's (i.e. CCC) consent.	
14	Recommendation 14: Important While rental levels should be realistic and achievable based on the planned use of the farm, it is recommended that the service would drive much greater value from its estate if a competitive bidding process were introduced to allow tenants who make it to the interview stage to formally review and re-bid on their rental offers. The team should also establish a target rent value for each property at re-rental.	Complete. The bidding process has been reviewed and policy updated in line with the management response.	Rural Asset Manager January 2021
15	Recommendation 15: Important A formal process should be introduced for succession tenancy applications.....	Complete. Members have previously agreed a succession process that will be followed for any re-lettings involving a succession request.	February 2020
16	Recommendation 16: Important In order to drive best value from the estate, the County Farms team should cease the practice of offering succession tenancies where there is no legal requirement to do so.....	Succession tenancies will continue to be an option for the Farms Estate as per agreed policy.	N/A

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18	Recommendation 18: Important Following discussions with the current [Interim] Head of Property regarding the immediate improvements which can be made within the County Farms team.....	Delegations will follow CCC Constitution and Schemes of Authorisation with escalation to Committee as required.	N/A.
19	Recommendation 19: Important It is recommended that formal guidance to officers within the County Farms team about the rent review process is produced, in line with RICS guidance.	Complete. Guidance incorporating RICS and CAAV requirements completed.	Rural Asset Manager June 2021
23	Recommendation 23: Important The practice of allowing tenants to retrospectively ask the Council to fund works they have carried out and treat this as an Improvement Charge is not appropriate and should be immediately discontinued.	Agreed and complete.	N/A
25	Recommendation 25: Important Improvement charges should be recorded on the Rental Agreement Spreadsheet.	Agreed and Complete.	N/A
26	Recommendation 26: Important The team should apply, and maintain records of, Improvement Charges separate to rent....	Agreed and Complete.	N/A
27	Recommendation 27: Important A clear housing standard should be established	Complete. A Rural Estate Housing Standard has been prepared and presented the CFWG and is now in use.	Rural Asset Manager June 2021
28	Recommendation 28: Standard There must be a clear division of duties with regards to tender review.....	This has been and continues to be Rural Estate policy, in line with wider council practices.	N/A
29	Recommendation 29: Important	Agreed and Complete.	N/A

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	Final proposed specifications should be assessed against the County Farms Standard and any variations from the Standard should have initial approval recorded by a manager.....		
30	Recommendation 30 OFR report.	Final recommendations were approved by C&I Committee in February 2020 in the County Farms Strategic Review that is now the approved and settled Farms policy.	February 2020.
31	Recommendation 31: Important Future Outcome-Focused Reviews (OFRs) or equivalent service review processes.....	Reviews are corporate matter and appropriately designed and managed reviews will be undertaken as required.	N/A