



McCartneys
Rural



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Rural Matters

Welcome

Welcome to the spring issue of Rural Matters, which includes various updates and advice from our team.

In this issue you can find out more about the various grants available in England, the recent rise in hogget trade and a recent successful diversification project.

You can also learn more about when a farmhouse is a farmhouse, an insight into valuation of land, an update on the new minimum energy efficiency standards for residential lettings and a clearance sale which resulted in over £8,000 being donated to charity.

Please do get in contact with our team if you have any questions, or would like any support.



Gareth Wall

Managing partner and chairman of the agricultural and rural professional departments

The Value of The Land is Derived From The Value of The Product.



What is this worth?

This concept is clear enough for everybody to understand, and relate to, and was core to the valuation lectures I attended at university. Whether it's agricultural land being either "good" "bad" or "indifferent", or retail property in the middle of a town (once sought after, perhaps not now) or on the outskirts, or mineral workings. It is easy to understand, as the products had value either in the way of market prices or rents people were prepared to pay for the premises related to such factors as position, footfall and transport accessibility. Where we have a problem now, and a path that is far less certain, is the value of public goods; whether those be national or international. The Government, quite glibly, refers to public funds for public goods as being the basis for agricultural support going forward, without giving any indication of how these goods are to be rewarded;

landscape, soil, water quality and carbon retention.

What value is the Amazon rainforest in the fight against global warming? It's surely more than the soya produced when it's felled; it's surely more than the cattle produced from clearing jungle; it's surely more than the timber from the felled trees. But nobody, it appears, has been or is prepared to pay for its carbon retention. The Chinese have shown no appetite, nor the Indian sub-continent, or for that matter America or Europe. Nobody has said to Brazil "we will pay you not to fell the Amazon". That is the whole point. Everybody wants public goods, but nobody wants to pay for them. I have a job to get water companies to pay compensation under statutory codes, let alone pay for water quality to land owners. How much more difficult will it be to reward

landscape? You can pay for capital works to achieve certain objectives. You can fine people for polluting, which has been the mechanism to date, which is negative and not positive, but that's not reward.

How do you truly value the natural world with such a crude mechanism as money and the free market? I am reminded of Oscar Wilde's definition of a politician as somebody who approaches every subject with an open mouth.

How we reward public goods. How we relate this to land values. How we measure those. How we actually get anybody to pay for them, and with what, is indeed the dawn of a new era, not only for British agriculture but mankind.



John Uffold

Based at Ludow Market Office

Diversification and Dreams

Kevin Jones and Alice Pond were looking for a way to diversify Kevin's family run farm. They wanted to pursue developing a glamping site for tourists, so they contacted Geraint Jones and Lewis Price at Kington survey department.

Alice explained "Kevin's family have frequently dealt with, and regularly sell stock through McCartneys. Having local branches in Kington and Knighton, we knew that they would understand the economics and logistics of the local area. To ensure the farm will survive an uncertain future, and changing attitudes towards traditional farming, we decided that it needed to diversify in another direction. Glamping pods were the natural progression."

Initially, Alice and Kevin were only looking for two glamping pods to start the diversification business, however Geraint and Lewis advised that they could get planning permission for more units initially, and then build in phases.



Having spent time with their clients to ascertain the scope of the project and agree the requirements for obtaining planning permission, architectural designs were undertaken to produce site plans and drawings of the pods. Alongside the planning application, a planning statement and percolation test results were submitted, as they wanted the pods to have their own en-suite bathroom.

Due to the rural nature of the site, the Council's Highways Consultant required additional passing places to be constructed. Lewis met with the Highways Officer and, through negotiations, established the number of passing bays and the desired location of each one.

With the need for passing bays, a habitat assessment survey was required, to assess the likelihood of Great Crested Newts living in the road verges and the impact the bays may have on them. In this case, there was a low likelihood of the newts being present, so a reasonable avoidance method statement was provided to minimise any potential impact to the newts, and advice on appropriate actions if one was sighted.

Once all consultants and the ecologist were satisfied, planning permission was approved in early spring for the erection of five glamping pods.

Alice says "We were absolutely delighted with the outcome! The process was slow and painful at times, mainly due to Council timescales. Lewis was brilliant and kept in touch with us regularly, updating us on the progress of the application and dealt with all the liaison; taking time to meet with Council personnel to iron out issues, which was a huge pressure lifted from our shoulders."

Geraint Jones
Based at Kington Office



Do you know when a farmhouse is a farmhouse?

A recent case that went to Tribunal, will provide some comfort where there is some doubt over the extent of the farming activity practiced by the deceased, in relation to claiming Agricultural Property relief (APR).

In William Charnley & Maxwell Hodgkinson as Executors of the Estate of Thomas Gill (deceased) v HMRC [2019] TC7425 the First Tier Tribunal allowed claims to APR and Business Property Relief (BPR).

To obtain APR, the farmhouse and buildings must be occupied for the purposes of agriculture. In this case although only farming 21 acres, which was let out under annual grazing licence, it was argued that Mr Gill had day to day involvement in checking the livestock and in the husbandry and maintenance of the land. He also grew vegetables on an acre of the farm, which he sold locally.

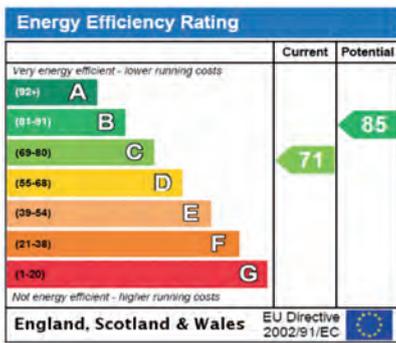
Initially APR, although allowed on the land, was refused on the house and buildings. The Executors appealed and this was allowed by the Tribunal. Evidence was provided showing that the farm buildings and the farmhouse had been occupied for the purposes of agriculture.

It is important to be able to prove that the farmer's business is not that of making or holding investments i.e. just collecting rent. The farmer must be actively farming and then the Estate should also be eligible for BPR, in relation to the machinery and other deadstock.

Glyn Owens
Based at Knighton Office



Residential Lets - New Minimum Energy Efficiency Standard (MEES)



Since 1st October 2008, an energy performance certificate (EPC) has been required. Failure to comply results in a penalty of £200.00.

From 1 April 2018, all new tenancies must have an EPC rating of at least "E".

From 1 April 2020, all existing tenancies must have an EPC rating of at least "E".

MEES applies to Assured or Assured Shorthold Tenancies (Housing Act 1988) and Regulated tenancies (Rent Act 1977). However, there are a few exceptions to the rule, where the MEES don't apply.

- a) if the tenancy commenced prior to 1st October 2008.
- b) if the property was let with a valid EPC but it will expire before 1st April 2020.
- c) if the property forms part of an agricultural tenancy

Exemptions can be applied for in the following scenario / evidence:

1. All relevant improvements have been made
2. Cost of purchasing and installing improvements exceeds £3,500
3. Wall insulation is not considered a 'relevant energy efficiency measure'
4. Third party consent is denied
5. Property devaluation
6. Temporary exemption

Failure to comply with the MEES could result in the local authority issuing a compliance notice, or a financial penalty, which could possibly be up to £4,000.

There is a perceived opinion that listed buildings are automatically exempt. However, this is incorrect. The exemption only applies if the recommended works alter the characteristics and appearance of the building.

If you require any further information or require assistance on this matter please contact your local McCartneys property expert's office.



Joanna Wall
Based at Craven Arms Office

Hogget Prices on The Rise...

Last autumn seemed like lots of farmers finished and sold their lambs sooner, so that they could get them sold before the "scheduled Brexit" happened. With the uncertainty surrounding Brexit, and how it might affect export and trade deals, understandably lots of lambs were sold through the back end of 2019. As well as this, a large number of farmers sold all of their sheep as they did not like the way the future was shaping up. This was all likely to lead to less hoggets around at the start of 2020.

The trend of hoggets being in short supply has carried on through recent months. I think that it would be fair to say that all Livestock Markets and Deadweight firms across the U.K. would be down on hogget numbers, compared to previous years. This decrease in supply has been one of the major factors in the trade that has followed recently. Hogget prices have regularly been 30-40ppk higher than this time last year, with large proportions selling over, 2.50ppk, and the very best even making 3.00ppk. This increase in fat trade has also meant that store hogget trade has been exceptional; with the very best stores now selling in the £90's, with some even making it in to the £100's.

Although the high hogget price has been "music to farmers' ears", there is also a worry that prices may get too high and "fall of a cliff", so to speak, as companies won't be able to sell the meat at such high prices. Things may change if more hoggets come on to the market, and decrease the demand but, this certainly does not seem



likely to happen. We may not see any great numbers until the end of March/April as the hoggets that are still around have been badly hit by the recent weather, hence they are taking a lot longer to put flesh on and get to their target weights.



James Amphlett
Based at Worcester Market

2020, the year to look at Countryside Stewardship

The 2020 application window for the Countryside Stewardship scheme has opened, with plenty on offer for farmers in England. The following grants are available;

1. Mid Tier
2. Water Capital Grants
3. Hedgerow & Boundaries Grant
4. Woodland Support

With 2020 being the last year farmers will receive a full BPS payment, it is therefore more timely than ever to look at ways to make extra income and enter into a Countryside Stewardship Scheme.

Mid Tier

A five year scheme with over 75 management options and over 65 capital items to choose from. Farmers can choose which fields to include or exclude from the scheme and can enjoy annual payments of up to £640/ha. In addition, capital items are available including farmyard concreting, covered manure stores and livestock handling buildings, planting new hedges, wooden field gates and planting fruit trees etc. Farmers can apply for an unlimited amount of capital works, subject to Catchment Sensitive Farming Officer (CSFO) approval.

In order to apply, CSFO approval must be sought for certain capital items by 31st May 2020, application packs must be ordered by 30th June 2020 and applications submitted by 31st July 2020.

Water Capital Grants

A helpful grant in which farmers can apply for up to £10,000 worth of capital items. There are over 40 capital items available including concreting of farmyards, yard drainage, livestock handling buildings and covered manure stores etc. There is no requirement to place any annual management options upon the land. Some items require CSFO approval which we can arrange for you. The same deadlines apply as the above Mid Tier.

Hedgerows and Boundaries

A two year grant of up to £10,000 for farmers to restore existing farm boundaries and hedgerows on their land. Items include Hedgerow laying (£9.40/m), Hedgerow gapping up (£9.50/m) and stone wall restoration (£25/m). Deadline for applications is 1st May 2020.

Woodland support

Farmers and land managers can apply for a range of woodland support grants all year round. The woodland creation grant provides funding to plant new trees. To be eligible, a minimum of 3ha must be planted with predominantly native trees. As well as funding for the trees themselves, additional capital items such as fencing and gates can be applied for.

Beth Hanson
Based at Kington Office



Usk House benefits from Buckland Hall Sale

A huge crowd attended the clearance sale at Buckland Hall, Bwlch on Saturday 25th January following the sale of the hall and business to a private owner. McCartneys were favoured with instructions to offer the entire contents of the hall to include; catering equipment, ovens, fridges and general furniture from this established business.

It attracted a very large crowd, for both the viewing and the sale, with 750 lots on offer and buyers were encouraged by the fact the owners

had generously agreed to donate some of the proceeds to Usk House Hospice in Brecon, and as a result, a cheque for £8,095 was collected and donated. Included in the sale were the chandeliers which sold for £1,650.

It was a fantastic result with a tremendous donation to a local charity. Every purchaser should be thanked for their contribution.

Chris Jones
Based at Brecon Market



With a long standing heritage in supporting the needs of the countryside economy McCartneys is one of the oldest and largest multi disciplined private practices in the United Kingdom. Offering a wide and comprehensive range of services across the Midlands and throughout Wales, McCartneys has a large dedicated team of professional experts specialising in all aspects of rural property, planning and business advice.

Please contact one of our professional staff for sensible and impartial advice. For any further information about any of the content of this newsletter Please contact the editors Gareth Wall and Amelia Crofts-Hill.

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