

Rural Vision

Shaken not Stirred Chancellors CGT Shakeup

Inside this issue:

- Growing Biomass 2
- Grain Passport Updates 2
- Register your Land 3
- Electrical Safety Certificates 3
- Unprotecting Deposits 3
- New Public Access Proposals 4
- Forthcoming Shows & Events 4

Big bold statements were on the top of the agenda for Alistair Darling the Chancellor of the exchequer in his pre budget report as he plans to reduce the 40% top rate to a mere flat rate of 18%, whilst this may be received as good news, the bad news is that two valuable tax relief's have been thrown out.

Essentially what this will mean for people who have enough capital gains to qualify for the tax, is that from April 2008, rather than paying 40% they will pay 18%. The people to benefit from this could be most shareholders, property investors and land owners who sell land for development.

For example selling an investment property under these new proposals could save thousands

On the back foot will be entrepreneurs, private share holders and alternative market investors who will loose any relief's and face a for example a small business man selling up after building a company could see a tax bill of almost double.

The proposals seem rather extravagant and given the sensitivity and uproar to these proposals we will have to watch this space and monitor any changes as they happen.



“Will you benefit under the new proposals”

Cross Compliance & ELS Update/Checks

Have you completed your Soil Protection Review?

CPMP - yearly update under ELS options & Farm Assurance

0% Set a side think carefully about your cropping & grazing options

Hedgerow cutting still permitted GAEC 15

GAEC 12 now applies to land designated as SAS due to 0% rule

Remember to establish footpaths correctly GAEC 8

ELS - Soil Management plans

ELS - Nutrient Management Plans (P&K Tests)

2008 Time for SPS Health Check

We have seen a lot under the 4 years of the Single Payment Scheme, and yet more changes are proposed as we are half way through our journey. Many proposals are to replace or alter existing policies and these changes include, new payment models, removal of a flexible 10 month rule, abolishment of FVP entitlements, 0% Set a Side beyond 2008, the phasing out of coupled aids such as protein payments, introducing a capping/maximum payment of €300,000, an increase in modulation, further simplification of Cross Compliance to be adopted by January 2008, with review on Milk quota and intervention stores expected later on. So how does this affect you... we have already seen 0% set aside meaning alterations in cropping , stocking and land use, together with the abolishment of FVP's will mean further alterations to the completion of SP5 forms and the value's and trading of Entitlements. Alterations of Cross Compliance could affect your management practices and more records and schemes are sure to follow. To ensure you stay complaint FWAG are offering sensibly priced health checks.



“4 years on how has the CAP progressed”



We Would like to wish you a very Merry Christmas and a Happy New Year



Looking at Growing Biomass Energy Crops?

As the ever emerging energy obligations continue to fuel the energy debates could it be worth introducing energy crops/Biomass into your cropping system to meet new market demands, further utilise machinery and equipment? Or on the other hand simply create additional income from your existing practices.

What Energy Crops are available? Crops are available in many forms from Oil Seed Rape straw, Miscanthus, Switch Grass, Reed Canary Grass, Rye Grass, and Short Rotation Coppice.

Dependant upon what scale of Biomass cropping you are proposing the changes to your business could be very small if you are considering baling your OSR straw. If on the other hand you are considering growing miscanthus crops or SRC then you need to consider the establishment costs of the crop, can it be grown on my land, the effects on your existing farming enterprise and assess the anticipated costs and return including grant aid applications.



“Establishing Energy Contracts is essential”

Following the initial considerations it is essential to address the following issues:

Establish connections with local producer groups.

Existing and potential markets. Energy power stations are the obvious market, but other markets can include equine bedding and pet shops.

The location of your farm in relation to energy crop power stations is also important as it can become difficult to establish contracts if located to far away

Acceptance into the Energy Crops Scheme if growing miscanthus or SRC as these will provide £800/ha for miscanthus and £1000/ha for SRC towards establishment

Utilisation of machinery and facilities if needed.

Establishment costs, inputs & Harvesting period for crops such as SRC and Miscanthus this is winter –spring

Given the emerging markets and opportunities it may be worth considering biomass on less productive areas of your farm or whether existing practices can create additional income?



Top Tips to consider

Can existing practices generate additional income?

Customers & Groups

Market opportunities

Energy Contracts

Grant Aid

Location of Energy Plants

Establishment Costs

Current machinery & facilities

Affect on current practices

Micotoxins to add yet more tape to Grain Passports

When we thought we had enough red tape to deal with yet another declaration is ask of the industry as of the 1st November all movement of grain off farm will require a Micotoxin declaration? Micotoxins are produced by plant fungi and are becoming an increasing threat to the UK food processing sector. To ensure food safety farmers will be required to declare their risk level when moving feed or milling wheat for the food sector. New passports should have been sent to you through your merchant. Ticking another box sounds easy enough however you will be required to demonstrate how you have reached your level of risk, through a risk assessment and your score is calculated dependant upon your areas of the country, weather conditions at flowering, previous crop and whether you use a traditional plough based system or minimal cultivation system? Following this you must be able demonstrate which fields are stored in which shed/store and record this showing the risk for the store. These should be kept as a separate records together with your movement records as they will be asked for during your crop assurance inspection and could also be called upon during a DEFRA Inspection

For further information and templates for undertaking DON assessments, or to receive the necessary templates and forms please contact your local grain merchant/company or alternatively contact the NFU or HGCA.



PROPERTY & LAND

Know Where you Stand Register Your Land?

As land registry continues to push the benefits of the voluntary registration scheme we are informed that there are many areas of the country that still remains unregistered. Whilst under legislation all properties sold or mortgaged are recorded through land registry, there are still vast areas that remain unregistered and could remain that way for many years. So what are the benefits? Most importantly protection of title against any claims of adverse possession, convenience of use and creation of new maps, and value all deeds are reduced to one easy document, that can simplify and speed up transactions when

selling or developing a property, holding or land.

We are informed that the costs vary dependant upon the size of your holding and normally range from £30 - £525 these costs benefit from a reduction for voluntary registration. All is required will be your existing deeds if these are no available land registry can still complete the registration

If you are thinking of selling a property, land or holding, or alternatively you wish to simplify your management now might be a good time to think of the benefits.



“Do you know the benefits”

Get ready for Home Information Packs!

Avoid a Shock - Electrical Safety Certificates

For landlords who let furnished property will be familiar with the need to undertake annual safety checks on all electrical appliances. For Landlord who let unfurnished properties these checks are not required and there is even no legal requirement to have an annual inspection or suggested period for checking electrics, such as internal wiring, fuses boxes etc . Given that that all new installations and annual appliance checks are mandatory it is felt that it is only a matter of time before such checks become mandatory. For landlords this could be an unwelcome expense and by implementing an electrical programme now could help spread your costs should such a requirement be enforced as well as maintaining your properties to a high standard.

Unprotecting Tenancy Deposits - Do you know how?

As the First six months of the Tenancy Deposit Scheme is reached what does it mean for those landlords with Tenants vacating the property and for those Landlords wanting to renew a six month agreement? Essentially it is a case of following your scheme rules and ensuring you know you time constraints, deadlines and procedures

Renewing Agreements

If you are simply renewing an existing tenancy the process is relatively strait forward and in most cases you will have to apply to unprotect your existing deposit and re-deposit under your new agreement, passing the details of the new tenancy onto the scheme administrator, the same deposit time constraints will apply to re-deposits/ renewals.

Returning Deposits

Should your agreement have reached an end and all is in order having undertaken your checking out inspection then you will be required to return the deposit to your Tenant within 10 days. In the case of the custodial scheme the parties agreement is required through a joint repayment form. In the case of untraceable tenant a single claim form should be submitted. Under the Insurance scheme the landlord/agent can unprotect the deposit by simply notifying the scheme that the deposit has been returned. With any deductions being formally agreed between the two parties.

Under both schemes should a dispute occur that can not be resolved either mutually or by adjudication then an application to the Alternative Dispute Resolution is made

Dispute Procedure

Under the Custodial scheme an application should be made within 28 days of the tenancy ending, the claim should not exceed the amount of deposit held.

Under the insurance schemes the TDS scheme indicates deductions should be notified to the tenant with 10 working days, the tenant then has 20 days to inform you that they wish to apply to ADR. The TDSL scheme allocates 10 days for claim submission and a further 10 days for evidence to be submitted and makes a decision based on this whether it is referred to the scheme. If it is referred to the scheme this can take another 28 days.

The Right to Moan as Lost Ways project gathers pace!

A phrase we hear all the time is the right to roam! introduced under the Countryside Rights Of Way Act 2000 (CROW) and no such project makes greater use of the phrase than the "lost ways project" also introduced under the CROW Act. Essentially the scheme aims to increase and improve the public rights of way network to provide greater access to the countryside, encouraging people to submit evidence of Public Rights of Way that once existed and apply to add them to the Definitive map by 2026.

Originally enforced through the Countryside Agency the scheme is now being implemented through Natural England following research from a number of small projects trialed to examine the process and research required. Natural England are providing £1m per year to ensure the survival of this project, to help with the research and application process. The project is based on the submission of good evidence to suggest a PROW once existed to the relevant authority.

The scheme has the potential to cause many problems if not controlled and enforced correctly and could mean access

routes across farmland not only for ramblers! The effects of a badly managed application process could mean routes opened across farms and land causing increased disturbance, more management of paths in accordance with Cross Compliance and together with a possible increase in illegal rambling and off roading. Dependant upon the proposed path there could be some benefits to agreeing to opening paths such as applications to Higher Level Stewardship and for negotiations in future diversification or development projects.

The process is relatively strait forward. Evidence is submitted to the authority, then an order to modify the Definitive map under the Wildlife & Countryside Act 1981 is drawn up and served upon the relevant parties, objections should be made within 42 days and referred to informal hearing or an enquiry, should an agreement still not be reached then the ultimate decision is made by the Secretary of State. The project is expected to encounter many hurdles and this is an area that will need close monitoring,



Here at Davies & Co we recognise the need for you to maintain a secure and profitable future and would welcome you to discuss any aspect of your business past or present with us.

Forthcoming Shows & Events

LAMMA Machinery Show - Newark Showground 16 - 17 January 2008

Dairy Event - Shepton Mallet - January 2008

International Property Show - Knutsford - 2 - 3 February 2008

National Poultry Show - Stoneleigh Park 3 - 4 February 2008

National Farm Attractions Conference - 6th February 2008, Drayton Manor, Stafs

Landlord Show buy to let show—18-19 April 2008

"Looking after your interests"

"Davies & Co is proud to Sponsor the National Farm Attractions Network"



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