

# Rural Vision

## To Review or Not to Review?

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*"It is essential that you construct your budgets"*

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Tenants Farmers Association for these comparables (We are Members). Once a rent has been settled, either by agreement or by arbitration, the rent is the fixed for the next three years.

The rent review process under the ATA Act 1995 is triggered with a Section 10 Notice which, again, must be served at least 12 months and no longer than 24 months before the intended review date. It is essential when reviewing the Rent that rent payable is considered against how the holding might reasonably be let on the open market by a willing landlord and tenant, given the terms of the tenancy. Comparable evidence is key when negotiating the rent. This can either be agreed between the parties or, again, the appointment of an arbitrator on request to the RICS unless the terms of the tenancy agreement detail otherwise. Following recent rent increase reductions, a rent may again be fixed for a period of three years or a longer specified period is detailed in the tenancy agreement.

If you have diversified your holding to non farming practices then you will have to consider the Tenancy Reform Industry Group (TRIG)

guidance for diversified holdings.

Should you be served with a notice then it is important that you formally acknowledge your Notice and it is essential that you construct your budgets together, with your considered rental level, with a view to agreeing a revised rent with your landlord, tenant or by arbitration.

### Cross Compliance & ELS Update/Checks

Hedgerow cutting now permitted - GAEC 15

Remember to establish footpaths GAEC 8

ELS - Low Input options Harrowing/Rolling now allowed (EK2)

Soil Management Review

Field Operations remember GAEC 14 & GAEC 3

ELS - Ditch management no cutting of vegetation

**"ELS Changes announced for new applicants"**

## Land Market Continues to Strengthen

Whilst the residential market continues to slow we are seeing the land market continue to strengthen, as rising commodity prices has seen restored interest in farmland with average UK prices for farmland now reaching over £8,000/acre, with many purchasers being local farmers, landowners and investors as interest from lifestyle buyers slows as a result of the credit crunch.

The RICS states that farmland prices continue to rise at record rates some 24% during the first half of the year as a result of increasing commodity prices and these rising prices now see farmers, investors competing strongly for farmland. Contact James Bailey for more information



*"Farmland prices continue to rise"*

# Looking at starting a Fishing Lake!

A hole in the ground can provide sufficient income to support an existing farm business or to create a totally independent business.

Whether you have an existing pond or lake or are thinking about creating one there are some important factors to consider, when creating your business plan and when physically creating your pond/lake.

One of the key considerations will be competition within your area, find out what's about, what facilities they have and how much they charge?

Advice from the Environment Agency must be sought if you are considering renovating or establishing a fishery and a good starting point is the EA guide on "The Construction and renovation of Stillwater coarse fisheries" and more recently the Water Framework Directive.

In most cases Planning Permission will be needed as the development will involve the change of use of land and undoubtedly will

Involve greater volumes of traffic entering the highway. Advice of abstraction and discharge licenses should also be sought.

Careful consideration should be given to the lakes location, Soil type, design and construction, try to offer something different to your competitors. Consider all types of customer and platform design.

Once you have created your lake you will need to stock it and advice on stocking levels and breeds should be taken from a professional consultant and in accordance with the associated legislation as movement licenses will need to be obtained and approved.

Once stocked and created you are ready to open but don't think it stops there, future management is key and can mean the difference between success and failure and advice from the E.A or external consultants should be sought.

The key to income and success will be through good marketing

The attraction of a fishery is that you can add more lakes, look to create club rooms etc and many fishery projects are stand alone businesses.



### Top Tips to consider

- Suitable Location
- Market Research
- Environment Agency
- Stocking Rates/Breeds
- Opening Hours
- Layout & Design
- Local Clubs
- Disabled Anglers
- Car Parking
- Security & Safety
- Tackle Shop
- Designations
- Planning Permission
- Marketing Plan



**"Key to income and success is good marketing"**

## SPS Inclusions 2009!

Although a final decision has not been reached by DEFRA at the time of writing it is being proposed that for the 2009 scheme year growers of Fruit, Small Vegetable, nursery crops and vines be included into the Single Payment Scheme (SPS) Consultations have now been received and we will keep you informed of any developments as they happen.

For more information on this proposal please visit the DEFRA website at [www.defra.gov.uk](http://www.defra.gov.uk)



## Waste Regulations

Under new regulations emerging later in 2009 farmers across the UK will soon be required to recycle all non-packaging plastics under the proposed regulations. It will see the following plastics covered; Silage wrap, Tree guards, Baler Twine, Net wrap, Poly tunnel film and Crop cover/Mulch film. We are informed the government are



aware of the pressures on rural waste hubs and aim to tackle this as part of their future plans for collection of all farm waste.

## Lettings on the Up! - Still the time to Buy!

With the decline in residential sales we are seeing greater interest in the Lettings sector, as many houses that were recently up for sale are now up to let.

The **Royal Institute of Chartered Surveyors (RICS)** reported that in the first quarter new instructions have increased after a fall in the previous quarter, and that gross yields are rising at the fastest pace recorded in nine years. This is particularly for houses rather than flats. Tenant demand, rents and new instructions are all increasing strongly in the northern region. In the Midlands and Wales, there were similar increases in demand and new instructions, but rent increases were lower, whereas in the east, demand has slowed as rents have increased at the fastest pace since 2001. The south-west has seen

demand increase dramatically along with rents. In both London and the south-east areas, new instructions and rents have increased but demand, we are informed, still remains stable.

The strongest demand is in the 2—3 bed property market. As demand rises on the letting sector, now may be the right time to consider buying an investment property if the price is right.

In light of the recent decline in property prices many reports suggest that investment in the residential market continues, with many properties still being purchased in the private, buy-to-let and protected tenancy markets.



*“When preparing your property to consider its appeal and what rent you are wanting in return”*

*Don't Forget Energy Performance Certificates !*

## Fire Safety Guidance !

New national guidance for residential properties is being launched by the Local Authority Co-ordinator of Regulatory Services (LACORS). The guidance applies to all residential lettings because the Housing, Health and Safety Rating System (HHSRS) applies to all lettings. The legal basis for this guidance is as a result of the Housing Act 2004 and the Regulatory Reform (Fire Safety) Order 2005 (RRFSO).

Whilst the RRFSO does not apply to domestic premises, generally the RRFSO does not apply to letting private houses to a single person or family; nor does it apply to shared Houses in multiple occupation (HMO) as they do not have common parts, i.e. common areas within blocks of flats, stairwells, etc. The new guidance contains no new regulations and it does not set down standards to follow; however, from widespread consultation, it does set a benchmark of what is accepted and what is considered reasonable and advises that landlords undertake risk assessments.

It is an ideal situation that all landlords carry out a risk assessment, but it is only a requirement if those properties fall under the RRFSO regulation, i.e. where common parts are involved, and that it defined as partly-shared by occupants of more than one dwelling, e.g. these would be a bed-sit type HMO'S occupation and situation like blocks of flats. Landlords might take comfort that they will not have to perform them, but in principle all properties should have a risk assessment undertaken and LACORS offers guidance and solutions to the most common risks whilst looking at the fire safety features that should be considered.

For more information on the implementation of fire safety guidance, it is recommended that you visit the LACORS website at [www.lacors.gov.uk](http://www.lacors.gov.uk)

## Business Rates - Farm Diversification

If you have diversified you should be receiving your 2010 re-valuation assessment shortly, with the effective date of valuation being April 2008. You may have received your assessment form to complete either a VOA 6030 or 6036. These forms are very much different in their request for information and in the first instance you should examine whether the description of the “Hereditament” is correct in relation to your particular enterprise. It does have an important bearing as to which form is completed and how it is completed.

.In the majority of cases farm diversification projects are seen as a “business premises” and you are almost certainly liable to pay business rates. Business rates are based on the rateable value of the property which reflects the rental value. If your project is part or ancillary to the main farming holding, then it is important to distinguish parts of the farm that have “agricultural exemption” from that of the diversification project.

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The Valuation Agency (VOA) of the Inland Revenue assesses the rateable value of your farm diversification project “business premises”. Living accommodation is generally treated as domestic property and is subject to the council tax charge instead. If the “business premises” and “living accommodation” are in the same property and occupied by the same person then this property is known, as a “composite” and, special rules will apply. The general principle is business rates are payable on the business premises and council tax on the element of living accommodation.

The rateable value of the diversification scheme is broadly its open market rental value assuming the tenant insures the premises and carries out all the repairs. There is a fixed date upon which the rental value is assessed which is usually 2 years before each rating list comes into force. The current re-valuation is effective from 1<sup>st</sup> April 2010. You can appeal against the rateable value your properties 2005 rating list anytime before the next re-valuation as at 1<sup>st</sup> April 2010.

### OVERSEAS INVESTMENT LAND FOR SALE

Land in Montenegro with full  
Planning Permission  
Please call for more details!

## Planning for the Future - The Future is 1 App

After many years the planning system was finally overhauled in April this year and now we see a much more consistent approach from local governments, with clearly defined requirements and more detailed guidance notes. The 1 APP is intended to remove the confusion and discrepancies by ensuring that all local authorities ask for the same information.

The Form is a generic form available from your local council and via the Planning Portal Website. For some authorities the new application form now contains more information than previous planning application forms. There still are different forms for different permissions such as full planning applications, advertisements applications and outline planning permission to name a few of the 25 produced. The form is designed preliminary as an electronic form to aid the application choice and submission process

As we always advise it is essential when considering any planning application to talk to the planning department first, incorporated under the new system local authorities now have a list of National and Local requirements, that may be needed to accompany your application for example in low lying areas of East Anglia, a Flood Risk Assessment (FRA) would be one standard requirement, where as a national requirement is for a tree survey to be undertaken or for an ecological survey to be undertaken.

The new system for applying and registering applications also introduces the need for all applications to have scale plans at differing scales and for more detailed applications introduces scales of 1:200, 1:100 and if necessary 1:50 to allow greater clarity on applications and there content,

Whilst these guidelines are here to follow it is important to Talk to the planners, as each application should always be taken on its own merit and you may be able to agree on the surveys and assessments required, before you apply saving you both time and money.

This Pre-application advice was always free under the old system and many authorities are still offering a free pre application advice service, however some councils under the scheme are now charging for any advice given.

With all changes there is a charge and 1 APP is no exception, the new scheme sees full planning application charges rise from £265 to £335.

For more information on the new 1 APP system please either contact Davies & Co or visit the planning portal website at: [www.planningportal.gov.uk](http://www.planningportal.gov.uk)



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

### Forthcoming Shows & Events

**The Dairy Show** 17-18 September  
Stoneleigh Park, Warwickshire

**Catchment 08 - Drainage & Flood Event**  
17-18 Sept, East of England Showground

**National Dressage Championships -**  
18-21 Sept Stoneleigh Park, Warwickshire

**Property Investment Show** 19-21 Sept  
London, Excel, Royal Victoria Docks

**Leisure Industry Week**  
23-25 Sept, NEC Birmingham

**Landlord Buy to Let Show**  
London 14-15 November

**BIAC - Planning Gain Not Pain**  
9th October 2008 - Kelmarsh Hall  
Northamptonshire

**National Farm Attractions Conference**  
Drayton Manor February 2009

*“Looking after your interests”*

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



[www.farmattractions.net](http://www.farmattractions.net)



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