

### WEBSITE NOTE

24<sup>th</sup> May 2023

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### CAAV REVIEW OF 2022

Yesterday's CAAV Council approved this Report on the Association's activities in 2022, alongside the financial accounts.

### REVIEW OF BUSINESS

2022 was a busy year as the world moved on from the Covid-19 pandemic but faced the consequences of Russia's invasion of Ukraine. As the development of new agricultural and environmental policies across the United Kingdom gathered pace, so we also saw evolution of the new balance in the ways of working,

The activity of the Association and its development of services to members continued on many fronts throughout the year, not only dealing with the usual wide range of professional and organisational matters throughout the United Kingdom but also ensuring that the Association's finances and management are maintained in good order for the future. Sound finances and management are essential not just for the survival and independence of the Association but as an assured basis for its work on behalf of members and the profession.

The policy has been that the basic work of the Association should continue to be funded by subscriptions but that prudent budgeting should enable surpluses from activity to support reserves and, as available, meet necessary capital expenditure. This has been assisted by growing overall membership and, within that, the increasing number of Fellows. With hard work and effort, for which the Secretariat and members involved are thanked, this policy has enabled the developing work of the Association and the benefit of an investment reserve.

This is the fourth year that turnover has exceeded £1 million. The combination of sustained income and reduced costs of travel and meetings that developed in the pandemic delivered an operating surplus of £142,552 (2021: £199,779) from continuing activity, improving that investment reserve with its long term assurance of the Association's future.

With the concern to ensure the renewed physical engagement of members with the Association's activity, from March much of the Spring Briefing round and conferences were successfully held again in person with others still delivered remotely. In particular, the annual

national conference and AGM were held physically in Liverpool, after the virtual events of 2020 and 2021.

Recognising the growing range and intensity of members' work as well as the pace of post-Brexit policy development in the UK, the structure of technical committees, largely unchanged since 2010, was reviewed. A new pattern of four UK-wide committees - Environment and Land Use, Farming and Business, Property and Valuation and Compensation working alongside the devolved and management committees - was established, now operating with a mix of physical and remote meetings.

The weekly e-Briefing, established in the spring 2020 lockdown, was continued as a direct service to members, highlighting new material on the website, forthcoming issues and events, with many appreciative comments. The programme of podcasts and webinars continued throughout the year.

We are pleased that the Association ended the year with a membership approaching 3,000 and, with the results of the 2022 examinations, started 2023 with towards 1,900 Fellows, the highest figures at any time in the Association's history. Nonetheless, as a growing profession, we are looking to secure the future inflow of new members.

As a central part of the activity of a professional association and important to those progressing in the profession, the November examinations were held in all seven usual centres from Scotland to Cornwall together with the first ever examinations in Northern Ireland. The Association expresses its appreciation of the work and commitment of all involved - examiners, tutors, observers, the Secretariat and the increased number of candidates who came forward with the support of tutorials held increasingly as physical events. 141 candidates applied and 72 qualified as Fellows, continuing to confirm the growing younger membership of the CAAV. At least 10 per cent of the Fellows give time and support voluntarily to the examination process and this is much appreciated. We have continued to review and update the examination process.

The CAAV continues to look ahead at the potential new calls that may be made on members and the Association, responding by trying to keep itself and members well and realistically informed, engaging with all UK governments and many other bodies. What were explored five years ago as future skills are now becoming current skills. This continuing work is now focused on both the emerging policies being developed in each part of the UK and the real issues for businesses facing economic change.

As agriculture was the sector most closely enmeshed with the EU, the new policies developing in each part of the United Kingdom inevitably have enormous potential effects on members' clients and work and so also for the Association. While England's Agricultural Transition gathers pace, Wales has now presented a Bill and a draft scheme, Scotland has consulted on its future legislation and policies and one of the last acts of the Northern Irish Executive was to lay out the direction of future policies.

These are accompanied by the developing force of targets and policies for the environment as they bear on rural land management, notably for biodiversity and water. Those are increasingly joined by climate change with its impact illustrated by summer 2022's hot dry spell. Its mitigation requires carbon sequestration and renewable energy while adaptation to what is to come becomes increasingly important. The CAAV seeks to maintain a perspective on where value, opportunity and threat really lie in this so that members and clients can act in their best interests. We are similarly assessing the growing roles of biodiversity and nutrient neutrality in planning, again reviewing issues of value and practical management.

The entirely revised Welsh regime for residential lettings initially provided for by the Renting Homes (Wales) Act 2016 but since developed by amendments and many SIs was finally implemented in December. As part of assisting members, the CAAV published Private Residential Lettings under the Renting Homes (Wales) Act 2016. We continue to watch the prospective Renters Reform Bill for England.

The rented sector, under accumulating regulatory pressure, is one barometer of housing issues in the United Kingdom with many owners reviewing their positions while rents rise in response to shrinking supply. That is accompanied by growing taxation and planning controls over the holiday lets that aid incomes on many farms and estates.

More widely, attention is being paid to the increasing fraught world of planning and development and the expanding need for infrastructure and associated compulsory purchase. With many members' clients affected by the vast project that is HS2, work continued throughout the year on the difficult issues arising.

With the CAAV President statutorily empowered as a "professional authority" to appoint arbitrators for agricultural tenancy disputes in England and Wales, appointments were made for both 1986 Act tenancies and FBTs at both Lady Day and Michaelmas. Work is to support training and to expand the Facilitating Dispute Resolution service for rural economy.

Work has continued on land occupation issues as part of answering British agriculture's productivity challenge, contributing on that to DEFRA's Agricultural Productivity Task Force (including its Business Models to Unlock Future Farming Potential) and elsewhere.

While the financial management of the pandemic has taken attention away from tax design, the CAAV was pleased to see the results of work with the new permanence for the Annual Investment Allowance at £1 million as well as a practical tax regime for the lump sum and delinked payments in England. We continue to point to the merits of the Irish Republic's Income Tax relief for the arm's length letting of land for five years or more in giving the opportunities needed for the right people to farm, helping answer the productivity challenge. Environmental land management would be aided by its recognition for Inheritance Tax.

More generally, the CAAV continues to be involved in many government stakeholder groups, seeking practicality in the development of policy and its implementation. A wide range of technical and policy work includes issues concerning tenancies, taxation, residential lettings, environmental policies and schemes, climate change issues, natural capital and ecosystem services, biodiversity net gain, soils, energy standards for buildings, development control, the Electronic Communications Code, anti-money laundering and a variety of compulsory purchase topics. Contacts have been progressively developed with a number of acquirers, from Water UK to HS2 to take professional issues forward to the assistance of members, whoever they may act for.

In addition to the publication mentioned above, the News Letter, Handbook, Agricultural Land Occupation Surveys for both England/Wales and Scotland, the Fees Survey, Costings, model agreements and other usual publications were all produced.

The CAAV attended the TEGoVA Assemblies in both Lisbon and Athens, each with a focus on the issues in Ukraine and for the valuers associations there. Jeremy Moody particularly contributed to the guidance provided to assist Ukraine on applying valuation standards to the assessment of war damage and reconstruction costs.

The Association is in good heart, delivering effective support to its growing membership. Greater activity in these changing times tends to involve greater expense as the Association acts through briefing, advice and guidance to members, representations to the authorities and other bodies, and striving to maintain a sound standard of professional quality on which clients and others can rely. With turnover exceeding £1 million and having reviewed the management and delivery of its services, the costs of sustaining a strong and growing level of activity for an increasing membership with the challenges ahead and the uncertainties of the pandemic led to a standstill in subscriptions for 2023.

The total membership at 31st December 2022 stood at 2,993 (2,963 at 31st December 2021) comprising 1,887 (1,852) Fellows, 16 (16) Associates, 649 (641) Probationers, 14 (14) Initial, 194 (216) Students and 220 (224) Retired members. There were 13 (13) Honorary members.

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