

THE CENTRAL ASSOCIATION OF AGRICULTURAL VALUERS EASTERN GROUP

Morning Practical Examination

Wednesday 9 November 2011

at

9 a.m.

at

Kingshill Farm, Old Warden, Biggleswade, Bedfordshire

By Kind Permission of

The Trustees of the Shuttleworth Trust

Shuttleworth College

Robert Capon

All candidates should have read the 2011 Guidelines for the Practical and Written Examinations.

All questions should be answered.

Time allowed – 3½ hours with ½ hour added for completion of calculations and final check on notebook answers which gives 4 hours in total.

Notebooks, question papers and CAAV publications for both morning and afternoon sessions for the practical examinations will be handed to the candidates at the initial briefing.

During the morning session candidates will be shown various items by the Examiners.

INTRODUCTION

Kingshill Farm is owned by the Shuttleworth Trust and is let to Mr T Farmer principally on a 1986 Agricultural Holdings Act Tenancy incorporating Model Clauses (SI 1973/1473), with some bare land on a Farm Business Tenancy.

The holding comprising farmhouse, buildings and land let under the Agricultural Holdings Act Tenancy extends to approximately 300 acres and the current rent agreed on 29 September 2010, is £75 per acre. The bare land let on a Farm Business Tenancy extends to 50 acres.

Question 1	Growing Crops	Maximum Marks
You will be shown growing crops in Fields marked Y and Z on the plan.		
a)	Provide a valuation for stocktaking purposes of both crops as of today's date on a per hectare or per acre basis.	5
b)	Provide a gross margin on both crops on a per hectare or per acre basis for harvest 2012.	5
		Total 10

Question 2	Health & Safety	Maximum Marks
a)	Carry out a health & safety audit of Building A and its immediate surroundings (up to 3m away) as shown to you, for your tenant farmer client. Your answers should identify the risks, likely persons at risk, risk level and likely accident and measures to minimise risk and emergency and routine procedures.	5
b)	Identify the legislation that imposes a legal requirement to carry out such an Audit.	2
c)	What are the relevant criteria that apply before an audit must be carried out under the legislation.	3
		Total 10

Question 3	Environmental Stewardship	Maximum Marks
You will be taken to Point X on the plan of the holding. Answer this question on the basis that no existing Entry Level Stewardship Agreement is in place.		
a)	Identify FOUR options that you would recommend to your client occupying the holding which you consider may be appropriate for inclusion within a proposed new application for an Entry Level Stewardship agreement.	4
b)	Detail any management constraints you would bring to the occupiers attention prior to entering the Scheme in regard to the selected options.	3
c)	Your client occupies parcel V on a 3 year Farm Business Tenancy Agreement that commenced on 29 September 2011. What additional consents will Natural England require as part of the application and what must you consider should the FBT terminate prior to the ELS agreement.	3
		Total 10

Question 4	Dilapidations	Maximum Marks
You will be shown a building within the farmstead and as marked 'B' on the plan. The dimensions of the building are 22.4m x 10.2m.		
a)	Provide a full description of the building for valuation purposes.	2
b)	Prepare a schedule in note form of the dilapidations.	2
c)	For the dilapidations listed above, identify which dilapidations are the tenant's responsibility.	2
d)	Prepare brief notes on the basis of valuation, timescales and procedures for the Landlord to claim dilapidations at the end of the tenancy.	4
		Total 10

Question 5	Livestock & Produce	Maximum Marks
5.1	You will be shown two pens of livestock. Describe the livestock and provide a total market value for each pen of livestock.	
a)	Pen 1: Age 4 years, last calved November 2010, date of service February 2010.	2
b)	Pen 2: Age to be provided by examiner.	2
5.2		
c)	Produce 1: Assuming that the dimensions of the heap are 8.4m x 2.7m x 1.5m identify the commodity, which was harvested in 2011, provide an estimated tonnage and market value of the heap.	1.5
d)	Produce 2: Assuming that there are 22 bales harvested in 2011 identify the commodity, provide an estimated tonnage and market value of the heap.	1.5
e)	Produce 3: Assuming that there are 30 bales harvested in 2011 identify the commodity, provide an estimated tonnage and market value of the heap.	1.5
f)	Produce 4: Assuming that there are 200 bales harvested in 2011 identify the commodity, provide an estimated tonnage and market value of the heap.	1.5
		Total 10

Question 6	Implements & Machinery	Maximum Marks
<p>You will be shown five items of machinery (numbered 1 to 5).</p> <p>Describe each item as if it was being included in a catalogue for sale by auction.</p> <p>Provide a current market value for each item.</p>		2 per item
		Total 10

Question 7	Tenants Improvements and Fixtures	Maximum Marks
7.1	You will be shown Building C which was built by the Tenant with unconditional Landlord's consent about 30 years ago. The Tenant is vacating the holding and wishes to claim compensation for the building. This is the only building of its type on the holding and was built with no grant aid. The dimensions of the building are 27.2m x 18.4m.	
a)	Provide a full description of the building for valuation purposes.	2
b)	What is the measure of compensation.	1
c)	Provide a valuation of the building for end of tenancy compensation purposes.	3
7.2	Assuming the same building was erected by the Tenant without Landlord's consent.	
d)	What is the basis of compensation.	1
e)	Assuming that the Landlord has elected to purchase, provide a valuation of the building for end of tenancy compensation purposes. Assume there are essential repairs required at a cost of £10,000 and the building has another 10 years of useful life remaining.	3
		Total 10

Question 8	Lettings	Maximum Marks
<p>Building D is occupied by Mr Sparks, an electrical contractor, who uses it for storage of equipment, parts and his van for business purposes, paying Mr T Farmer, the farm tenant, £200 per month for the use of the building. His occupation is undocumented, and from the information you have managed to glean, is without planning permission and the business is not being charged rates.</p> <p>There is no indication that the Landlords consent has been sought or granted for the subletting. Mr T Farmer has asked you to advise him. Make bullet points regarding the issues relating to:-</p>		
a)	The likely legal position relating to Mr Sparks' occupation.	2
b)	The affect that the occupation might have on Mr T Farmer's own legal position.	2
c)	What steps could be taken by Mr Sparks to regularise his own position in relation to the authorities, and any financial implications these steps might have.	3
d)	What options does Mr T Farmer have regarding the termination of Mr Sparks' occupation, to be able to give vacant possession of the building to the Landlord, and what procedures is he required to follow.	3
		Total 10

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Written Practical Examination - Afternoon Paper

Wednesday 9 November 2011

**Based on the Morning's inspection of
Kingshill Farm, Old Warden, Biggleswade, Bedfordshire**

Examination to be held at

The Mansion House, Old Warden Park

at

2 p.m.

All candidates should have read the 2011 Guidelines for the Practical and Written Examinations.

Answer 4 out of 5 questions set.

There are 15 marks for each chosen question. Each question carries equal marks.

Time allowed – 2½ hours.

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Question 1	Compensation	Maximum Marks
<p>Your tenant farmer client has notified you that in the local press he has seen a Notice by the Local Authority that they intend to widen the road running along the northern boundary of field U.</p> <p>The field amounts to approximately 33.75 hectares (83.4 acres). The proposed permanent land take will be a 15m wide strip and up to 40m wide for construction on a temporary basis. The length of road through the farm is 410m.</p>		
a)	In letter format advise your client of the procedures involved and important steps following the Council's advert. Your answer should identify the opportunities to intervene, or be involved in the process and how and when to claim.	5
b)	Prepare a draft Claim for Compensation stating all assumptions made.	10
		Total 15

Question 2	New Grain Store	Maximum Marks
a)	Provide the dimensions for a purpose built new grain store at point W as marked on the attached plan of an appropriate size for a 500 acre combinable crops holding. Show all your calculations and workings.	4
b)	Describe your purpose built grain store.	3
c)	Provide a schedule of costs for the same assuming that it has on floor drying with ducts and below ground laterals. Show all your calculations and workings.	5
d)	Provide an insurance valuation for the building. Show all your calculations and workings.	3
		Total 15

Question 3	Renewables	Maximum Marks
<p>The landlord has read about the Feed-In Tariff and thinks it may be a good idea to install Solar Photovoltaic panels on the grain store roof.</p>		
3.1	Prepare a letter of advice setting out what needs to be considered for the project; your advice should cover both:	
	a) The landlord funding the installation himself. b) Letting the roof to a developer.	8
3.2	In bullet point format, list the actions required to develop a scheme, the approximate time they will take and indicate the dates for any key deadlines.	7
		Total 15

Question 4	Tenancy	Maximum Marks
<p>The landlord has approached your client Mr T Farmer and asked him whether he would consider surrendering the existing Agricultural Holdings Act tenancy and entering into a new tenancy agreement with effect from 29 September 2012.</p> <p>The tenant is considering retiring but he is keen to ensure that he retains the tenancy so that his son has an opportunity to continue the tenancy on the holding.</p> <p>Write bullet points on the following:</p>		
a)	What is the legislation to allow the parties to expressly create a new tenancy.	2
b)	What criteria must be met to ensure that the new agreement is regulated under the Agricultural Holdings Act 1986.	5
c)	Outline the potential tax implications for the tenant which might arise from a surrender and re-grant and comment on the basis of valuation for tax.	6
d)	What is likely to be the main factor in the Landlord wanting to create a new tenancy.	2
		Total 15

Question 5	Option Agreement & Planning	Maximum Marks
<p>Assume that the traditional buildings within the farmyard have been declared redundant for modern agricultural purposes under the terms of the tenancy agreement. All appropriate notices in this respect have been served.</p> <p>The landlord has received an approach from a developer who is interested in acquiring the buildings for an office development scheme.</p> <p>There is no planning consent at present but the developer's initial discussions with the Local Planning Authority have been encouraging and the location, close to the A1 is likely to encourage good demand for such a use. The developer has suggested to the landlord an option agreement. The Landlord seeks your advice on the following points. Prepare notes for a meeting to cover the following.</p>		
a)	Explain what an option agreement is and the affect on the landlord's interest.	3
b)	Detail what terms should be negotiated in an option agreement in this case.	5
c)	With regard to the Planning Application that will be required to obtain consent for the developers proposed scheme, what are the likely policies or guidance that will influence the outcome of the application.	3
d)	In submitting the planning application what determines the documentation that will have to accompany the application, and what specialist reports is the developer likely to have to obtain for this scheme in particular.	4
		Total 15