



THE MIDLAND COUNTIES EXAMINATION GROUP OF THE CENTRAL ASSOCIATION OF AGRICULTURAL VALUERS

PRACTICAL EXAMINATION PAPER

Wednesday 14th November 2018

**CANDIDATES MUST NOT CONVERSE WITH EACH OTHER AND A BREACH
OF THIS RULE MAY DISQUALIFY A CANDIDATE**

The Examination is held at Bosworth Hall Hotel, Market Bosworth, Warwickshire and on farm at Upper Farm, Far Coton, Warwickshire.

MORNING QUESTIONS

Answers to be written in the Note Book provided.

ORAL QUESTION

The area hatched pink on Plan 2 will be the subject of the Oral Interview on Thursday 15th November. Candidates may make notes on the **yellow paper** provided. The notes will be handed back at the end of the morning to be returned just ahead of the Oral Interview. No other books, notes or materials may be brought into the Interview.

AFTERNOON QUESTIONS

This afternoon's questions will be based on items seen on the farm during the morning's inspection. Candidates are advised to make their supporting notes on the white paper provided.

NOTES TO CANDIDATES

All candidates will be deemed to have read the CAAV Guidelines for the Practical and Written Examinations and the Interview 2018 and be familiar with their contents.

IMPORTANT: in all cases you **MUST** show your **methods** and **calculations**. The examiners are not just looking for the answer.

Livestock and Produce are to be valued at today's value.

The questions should contain all the information necessary to answer them. If candidates need to make any other assumptions, these should be clearly stated. Examiners will not provide further information if questioned.

Marks will be awarded as shown on the attached sheets. In addition, marks will be given for the way in which the Note Book is prepared, the field work set out, general agricultural knowledge, conduct and professionalism.

The day's timetable will be:-

08.30	Candidates to arrive at Bosworth Hall Hotel, Market Bosworth, Warwickshire
08.40 Prompt	Introduction and exam briefing by Exam Group Chairman and reading paper
09.00 to 12.30	Inspection of farm and answering of morning session questions in notebooks
12.30 to 13.00	Examination Room – completion of notebooks before handing in to examiners.
13.00 to 13.45	Lunch at Bosworth Hall Hotel
13.45 to 16.15	Afternoon written paper in exam room answering four questions out of five from notes made during the morning inspection.

Note Books will be provided together with sheets of paper for making notes for the afternoon and oral exams. No other paper or books may be taken into the exam. Note Books will be collected in at the end of the morning session.

Marks are available in each section as follows:-

Practical examination –		
Morning Paper	90	
Afternoon Paper	<u>60</u>	150
Oral interview		50
Written examination –		100

5 of the 90 marks allocated to the morning session of the Practical examination will be awarded for presentation.

To pass, candidates will need to achieve 65% across the whole examination (that is 195 marks out of 300) with not less than 60% in any of the Written, Practical or Oral parts.

Candidates should mark their papers with their examination number but **NOT** their name.

Candidates should indicate on the inside cover of their Note Book the general geographical area they work in and similarly on the first page of their afternoon answers.

Candidates are under examination conditions and will be supervised throughout the day including during lunch.



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Morning Paper

(to be answered in Note Book except 1.1 below)

No. 1 AGRICULTURAL KNOWLEDGE (15 Marks)

- 1.1 Answer the ten general agricultural knowledge questions on the separate question sheet provided to you. (5 marks)

Commodities

- 1.2 Identify and give the current market value in £/t for all of the seven items labelled as items a-g. (7 marks)

Agricultural Equipment

- 1.3 Identify the six items labelled as h-m. (3 marks)

No. 2 LIVE AND DEADSTOCK INCLUDING GROWING CROPS (20 Marks)

Livestock

- 2.1 Describe and give the current market value of the following animals shown to you.
- (a) Pen X (2 marks)
- (b) Pen Y (2 marks)

Implements and Machinery

- 2.2 Select **three** items of machinery from the items shown to you referenced A-E and for each:
- Describe as for an auction sale catalogue;
 - Estimate the hammer price;
 - Identify and briefly comment on the principal factors influencing the value of each item.
- (9 marks)

Harvested Crops

- 2.3 Describe and assess the quantity and give the current market value of the produce harvested in September 2018 identified to you:
- (a) Building A marked on Plan 1
Note: assume the heap dimensions to be: 10.0m x 6.0m x 2.2m (2 marks)
- (b) 10 No. bales (2 marks)

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Growing Crops

- 2.4 Describe and value as at today's date the growing crop in Field marked B on Plan 1 which has a total area of 4.283 ha (10.58 ac). The previous crop was Oil Seed Rape. Show your assumptions and workings. (3 marks)

No. 3 VALUATION

(15 Marks)

The owners of the farm have obtained planning consent for conversion of the brick building, marked C on Plan 1, to 2No. single storey dwellings, with use of the adjacent paddock as garden space. The owners of the farm require bank finance to undertake the project. The Bank has contacted you to undertake a valuation for secured lending purposes.

- 3.1 Please provide detailed site notes in respect of the building. (3 marks)
- 3.2 What items would you include within your letter of engagement to the Bank? (3 marks)
- 3.3 Which section of the RICS Red Book identifies what should be included within your letter of engagement? (1 mark)
- 3.4 What pertinent issues should you make the bank aware of as part of your report, assuming a charge is to be taken over the property? (2 marks)
- 3.5 What method(s) of valuation would you use to value the property? (1 mark)
- 3.6 Showing your workings, and using indicative figures from your area of practice, please set out your valuation under the relevant headings. (5 marks)

No. 4 ALTERNATIVE USE OF RURAL ASSETS

(10 Marks)

Your client, Mr Brown, would like to convert building D on Plan 1 into an annexe of the farmhouse for his retirement. However, his son in law, Mr Green, wants to open a farm shop on the holding and has identified the same building as the potential location for this. They have asked for you to visit the site and discuss both options and provide advice accordingly.

- 4.1 In bullet point form, undertake a SWOT analysis for the conversion of the building to a farm shop. (4 marks)
- 4.2 Prepare a briefing note on the practical implications of converting the building into an annexe of the farmhouse. (4 marks)

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- 4.3 Mr Brown and Mr Green have decided that the farm shop is an appropriate use of the building, however, they have not considered the potential business rate liability. Outline how business rates are calculated and any exemptions that may apply. (2 marks)

No. 5 PROPERTY AGENCY

(15 Marks)

Your client owns, and farms in hand, Upper Coton Farm. In 2016 he obtained planning permission for a dwelling house on the area hatched blue on Plan 1. You are informed that the planning permission has been lawfully implemented. Your client needs to raise some funds quickly and would like to sell the plot.

In preparation for a meeting with your client, and in advance of bringing the property to the market, make notes in bullet point form on the following:-

- 5.1
- The methods of sale available;
 - The key advantages and disadvantages of each;
 - Which method of sale you would recommend and why.
- (5 marks)
- 5.2 Your client instructs you to proceed with the sale. In bullet form, what information do you need to gather before the property comes to the market? (3 marks)
- 5.3 Identify what key matters need to be considered on the retained holding in relation to the sale of the plot. Consider how they can be dealt with to minimise any impact on your clients retained holding. (5 marks)
- 5.4 Upon agreement of a sale, bullet point the terms, that need to be included in the Contract of Sale. (2 marks)

No. 6 COMPULSORY PURCHASE AND COMPENSATION

(10 marks)

Due to the expansion of Stoke Golding Airfield to the south of Upper Farm, a commercial pipeline operator is constructing a new high-pressure oil pipeline. The route of the pipeline is identified by the red line on Plan 2.

Entry is due to be taken on 1st December 2018 and all necessary agreements are in place.

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The pipeline will have a 6m easement and there will be a 25m working width. The access route is shown hatched brown on Plan 2. The operator also wants to set up a 40m x 40m compound adjacent to the pipeline route, to store equipment for the works.

You act for the owner-occupier of Upper Farm. In advance of a pre-works meeting, prepare a briefing note covering:

- 6.1 The legal framework that can be used to enter the land to do the works. (1 mark)
- 6.2 In table form, what are the key practical implications of the scheme for your client and the possible mitigation measures that could be taken? (4 marks)
- 6.3 Outline the likely compensation your client may receive indicating the heads of claim, calculation methods and likely amounts. (4 marks)
- 6.4 What are the options open to the parties if there is a dispute as to compensation? (1 mark)

AFTERNOON PAPER

Wednesday 14th November 2018

TIME ALLOWED 2½ Hours

To be answered on the A4 paper provided.

Please start each question on a fresh sheet of paper.

Write your CANDIDATE NUMBER ONLY on the top right hand corner of each sheet of your answer paper

ANSWER FOUR QUESTIONS ONLY OUT OF THOSE SET

All questions carry 15 marks each

No. 7 GENERAL REGULATIONS AND HEALTH AND SAFETY (15 Marks)

Your Client is the owner occupier of Upper Farm and has asked for your advice in relation to on farm Environmental, Health and Safety and Waste regulations.

7.1 Review the area hatched purple on Plan 1, to include building elevations where applicable, and:

- Identify the hazards/issues relating to on farm Environmental, Health and Safety and Waste;
- State recommendations for reducing those risks;
- Identify any legislation or regulations and penalties for non-compliance (where appropriate).

(10 marks)

7.2 Your Client is considering moving his storage facility for agricultural pesticides. Prepare briefing notes in advance of your meeting on:

- Practical consideration your Client must take into account before constructing new storage;
- The key regulations that your Client must be aware of.

(5 marks)

No. 8 LANDLORD AND TENANT MATTERS

(15 MARKS)

Your clients are Mr Back (64) and his only child Helen Back (27). Mr Back has been the tenant of the farm since 1980, which extends to c. 500 acres including the house and farm yard. Helen has been employed by the farm full time since graduating from university. Mr Back is in good health and is thinking of retiring soon.

Helen has advised you that the field marked B on Plan 1, extending to approximately 4.283 ha (10.58 acres) is owned and farmed by her, in her own right.

Prepare briefing notes ahead of a meeting with your clients.

- 8.1 List the four key dates relating to agricultural tenancies and their implications. (2 marks)
- 8.2 In tabular form:
- note the different tests & criteria for succession under the Agricultural Holdings Act 1986;
 - List what practical information Helen needs to gather in relation to this; (8 marks)
- 8.3 What information would you refer to, to establish whether the field marked B affected Helen's application? Provide a worked example of the calculation and comment on whether this is likely to affect her application (3 marks)
- 8.4 What are the two time limits relevant to Mr Back and Helen Back in respect of a succession application of this nature? (2 marks)

No 9. BUSINESS LETTINGS & MANAGEMENT

(15 MARKS)

The Market Bosworth Battle Re-Enactment Society have contacted your client, requesting the use of the field marked E on Plan 1, for battle re-enactments.

Your client occupies the farm under an Agricultural Tenancies Act (1995) tenancy, which has a remaining fixed term of 10 years, and has asked for your advice on the following points ahead of a meeting:

- 9.1 Identify the issues that will need to be considered between all parties. (3 marks)
- 9.2 The parties require written confirmation of the Battle Re-enactment Society's occupation. What options are available to achieve this? Which option do you recommend? Give your reasons. (3 marks)

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- 9.3 Your client wants to ensure he is compliant with planning regulations. Provide advice relating to his options. (3 marks)
- 9.4 Aside from planning, what other practical considerations and mitigation would you need to have regard to when advising your client? (6 marks)

No. 10 PLANNING

(15 marks)

You act for the owners of Four Winds, shown on Plan 1. They have decided that they would like to sell the bungalow to release funds.

The bungalow was originally consented in 1974 and is currently subject to an Agricultural Occupancy Condition (AOC) – the wording of the condition is as follows:

"The occupation of the dwelling shall be limited to a person wholly or mainly employed, or last employed, locally in agriculture as defined in Section 290 (1) of the Town and Country Planning Act, 1971 or in forestry, or a dependant of such a person residing with him (but including a widow or widower of such a person)."

Your clients would like to achieve best value in the sale of the property and to do this, want to remove the AOC. They have been informed that there are different ways of doing this.

- 10.1 Provide a brief summary of both the background of Agricultural Occupancy Conditions and their removal. (3 marks)
- 10.2 In bullet point form, set out the potential options available for removing the AOC, including for each option:
- Method of removal;
 - Legislative / Regulatory considerations;
 - Practical considerations and any information you would need from your client to support the removal;
 - Timescales.
- (12 marks)

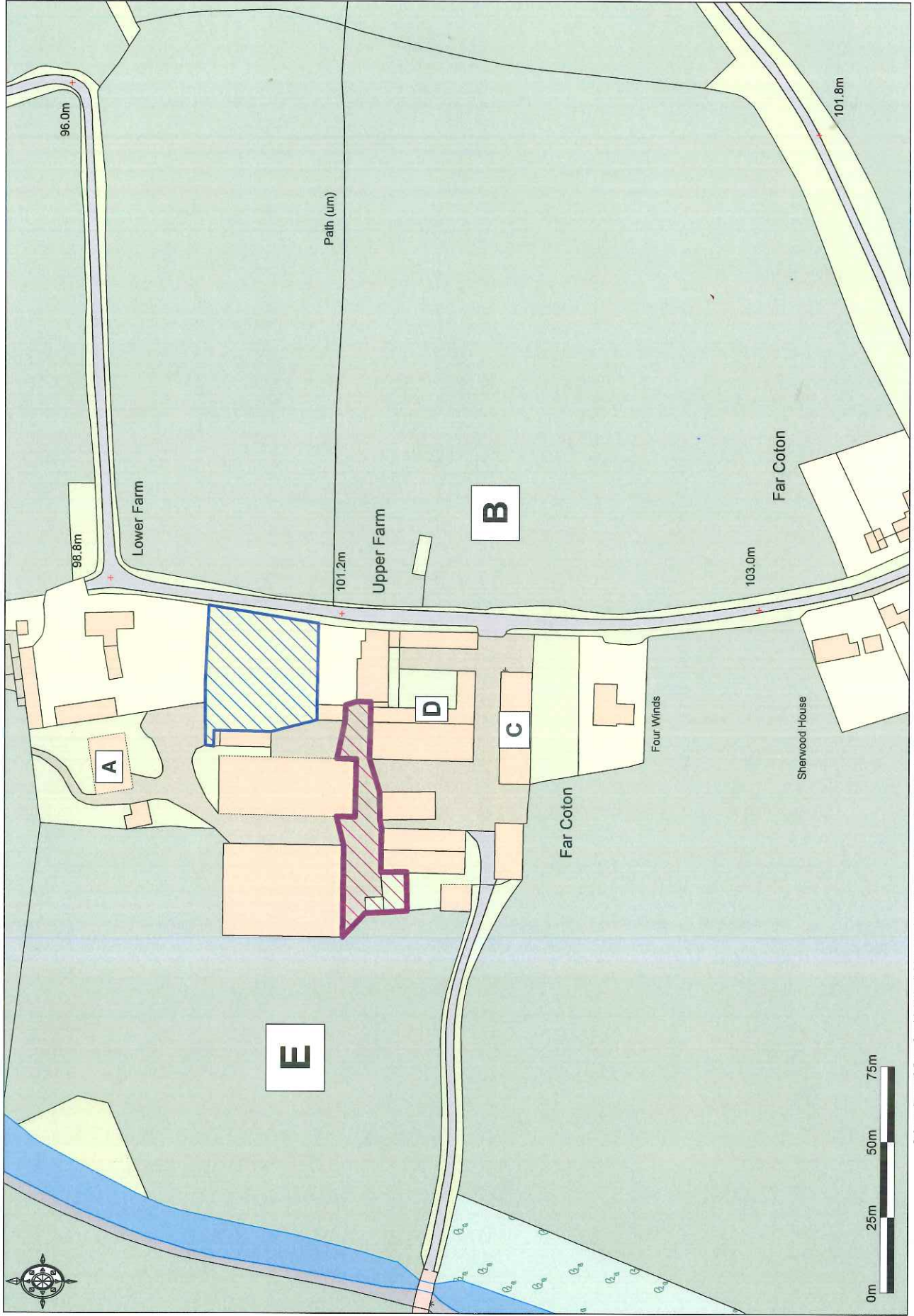
No. 11 GRANTS, SUBSIDIES AND SCHEMES

(15 MARKS)

Your client, Mr Charlie Fox, has heard of the Countryside Stewardship Scheme (CSS), but does not know anything about it. In order for him to decide whether to enter the scheme, he has asked you to advise him further.

- 11.1 Write to Mr Fox to provide a brief summary of the CSS: Mid-Tier and Offers for Wildlife only. (6 marks)
- 11.2 Based on what you have seen on farm, prepare a briefing note setting out:
- options which may suit the farm;
 - information relating to the implementation / management of these options;
 - likely payment rates. (4 marks)
- 11.3 Mr Fox hopes to obtain support to plant some new woodland. Prepare a briefing note covering the practical considerations relating to both the grant application and the woodland creation. (5 marks)

PLAN 1



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PLAN 2

