

WESTERN COUNTIES AND CORNISH EXAMINATION GROUP
WEDNESDAY 11th NOVEMBER 2009
AT
LOWER FARM KINGWESTON, NEAR SOMERTON, SOMERSET
BY KIND PERMISSION OF MR DAVID AND MRS JANE SEDGMAN

Background

Lower Farm is occupied by the Sedgman family partnership under an Agricultural Holdings Act tenancy in favour of David Sedgman, aged 55, which commenced on 29th September 1989. The Landlord is the Kingweston Estate, a private trust. The tenant and his wife run the holding as an arable unit with diversified enterprises around the homestead and their eldest son returned to work on the holding, from full time education at Reading University two years ago. There is no other employed or family labour involved in the farming business; local casual labour is used as necessary in the diversification and casual and contract labour on the farm.

The farm extends to a total of 208 hectares (513 acres), approximately 188 hectares at Lower Farm and 20 hectares some five miles away.

The rotation includes Oil Seed Rape, Beans and Wheat farmed in conjunction with two other local farmers pooling machinery and fixed equipment.

Current rolling three year crop averages are wheat 8.65 tonnes per hectare (3.5 tonnes per acre) and rape 4 tonnes per hectare (1.6 tonnes per acre). Beans. 3.90 tonnes per hectare (1.66 tons per are)

The current rent passing is £25,000 per annum, last reviewed on 29th September 2000. The tenancy agreement has a model clauses repairing/insuring liability. The off-lying range of buildings which you will be shown (NG0567) were all either taken over by the Tenant at entry or have been erected during the tenancy at the expense of the Tenant with no formal consent.

The investment in conversion of the existing traditional buildings for diversification within the homestead (NG6871/6565) was funded entirely by the Tenant with formal agreement from the Landlord subject to the compensation being written down to £100 over 15 years. Conversion was completed in October 2000 and the cost was £50,000 net of VAT.

The principal landlord is a lady in her 80's and the Estate has approached the tenant to open discussions over the future and particularly the possible conversion of the tenancy to a Farm Business Tenancy.

YOU MAY KEEP THIS EXAM PAPER

YOU NEED TO READ THE ENTIRE PAPER AT THE COMMENCEMENT OF THE EXAMINATION, MAKE WHATEVER NOTES YOU NEED TO TO ASSIST YOUR ANSWERS FOR THE AFTERNOON QUESTIONS.

**WESTERN COUNTIES AND CORNISH EXAMINATION GROUP
PRACTICAL EXAMINATION
WEDNESDAY 11TH NOVEMBER 2009
9 A.M. TO 1 P.M.**

**8.50 – INTRODUCTION BY EXAMINATION SECRETARY/CHIEF
EXAMINER**

ANSWER ALL QUESTIONS		Marks
1	<p>NG part 6871 – Buildings – Traditional Range</p> <p>The Landlord has noted the dilapidated condition of the west elevation of the storage building shown to you.</p> <p>Advise both parties on their position and liabilities under the model clauses</p> <p>Do Not Enter The Building</p>	10
2	<p>Farm Buildings (Traditional Range) – NG 6871/6565</p> <p>a) Identify and value the livestock shown to you</p> <p>b) Identify and value the livestock shown to you</p> <p>c) Identify and value the livestock shown to you</p>	2 2 2
3	<p>NG 2162 arable – 5.41 ha – 13.36 acres – Plan B</p> <p>Identify and assess the tenant’s claim for the growing crop as at today’s date</p>	4
PROCEED WITH CAUTION ALONG THE MAIN ROAD PLEASE		
4	<p>NG 2162 west - pasture – 1.5 ha – 3.71 acres – Plan B</p> <p>The Tenant has been approached by a landfill contractor wishing to tip in part 2162</p> <p>Write notes advising the Tenant of the issues to be addressed</p>	10
5	<p>NG 0263 – Orchard – 0.62 ha (1.54 acres) – Plan B</p> <p>At entry it was noted that there were 46 fruit trees in the orchard, the post and wire fence against the buildings on the north was the Landlords, the stone boundary to the south and west was away. The surface was stated to be “clean”.</p> <p>Discuss the potential issues arising on the termination of the tenancy.</p>	5

<p>6</p> <p>x</p> <p>y</p> <p>z</p>	<p>NG 0567 – Buildings – Plan B</p> <p>Identify and value the three items of machinery</p>	<p>2</p> <p>2</p> <p>2</p>
<p>7</p>	<p>NG 2162, 9845 and 0567</p> <p>a) Wessex Water propose laying a new 150 mm water main along the field side of the road hedge through NG numbers 2162, 9845 and 0567 (farm buildings). This is part of a major scheme scheduled to last for 6 weeks in this location commencing on the 16th November 2009. The easement width will be 6 metres and a working width of 15 metres will be required for construction – coloured blue on Plan B</p> <p>Acting for the Tenant prepare a note of condition prior to entry in respect of the line between points M and N on the plan.</p> <p>b) The Utility has left the issue of site compounds to the contractor to negotiate and the Contractors have approached the Tenant asking to establish a temporary site compound in NG 9845 north of the line B to C – estimated area 0.4 ha (1 acre)</p> <p>Set out the Terms you would advise the Tenant to accept including an indication of remuneration.</p> <p>N.B. You may wish to read Question 16 with this question.</p>	<p>5</p> <p>5</p>
<p>8</p>	<p>NG 0567 – Buildings – Plan B</p> <p>Identify the commodity shown to you, assess the quantity per cubic metre and the value per tonne ex farm and assuming it is being sold to a merchant advise on the maximum acceptable moisture content</p> <p>NB Do not climb over the heap</p>	<p>4</p>
<p>9</p>	<p>NG 0567 – Buildings – Plan B</p> <p>Describe and value the 6 bay shed as a Tenant’s Fixture</p>	<p>5</p>

10	<p>NG 0567 – Buildings – Plan B</p> <p>The Farm’s Insurers have asked the Tenant to obtain a Risk Assessment of what is contained within the curtilage of the modern farm buildings</p> <p>Set out the headings under which you would approach this task and note any specific issues. Any locked buildings assume to be purely on floor storage.</p>	10
11	<p>NG 0567 – Buildings – Plan B</p> <p>The Tenant has decided to convert the modern farm buildings to light industrial use (Use Classes B1 and B8)</p> <p>The buildings extend to approximately 2,000 square metres</p> <p>Write notes on the Design and Access Statement to support the planning application to be submitted to North Somerset District Council</p>	10

This section of the exam finishes at 1.00 pm when Candidates will hand in their completed valuation books. Lunch will be taken immediately thereafter in the farmhouse. Candidates are reminded exam conditions still prevail throughout lunch.

<p>PLEASE RECONVENE IN THE COURTROOM AT 2 P.M.</p>

Candidates will be accompanied by an Examiner throughout the questions. Individual writing tables are available in the Court Room for Candidates at any time between 11.00 a.m. and 1 p.m.

CANDIDATES – PLEASE REMEMBER, AT ALL TIMES THROUGHOUT THE DAY – NO MOBILE PHONES, LAPTOPS, ETC. SMOKING ONLY BY ARRANGEMENT WITH THE CHIEF EXAMINER AT LUNCH TIME

AFTERNOON QUESTIONS
ESTIMATED START TIME 2.00 PM AND TWO AND A HALF HOURS ARE
ALLOWED FOR COMPLETION OF THE PAPER
(tea will be available thereafter)

ANSWER FOUR OUT OF FIVE QUESTIONS		Mark
12	<p>Whole Holding The Tenant has approached the Landlord with a proposal to enter the Higher Level Stewardship Scheme.</p> <p>Write a briefing paper for the Landlord explaining the implications for the holding and the potential impact on the Landlord's interest.</p>	15
13	<p>Whole Holding The Landlord has asked you to review the rent of the off-lying block of 27.6 hectares (68.32 acres) at Windmill Hill, shown on Plan A.</p> <p>On enquiry you have discovered that there is no written tenancy agreement.</p> <p>Advise the landlord on the implications and what action they should take.</p>	15
14	<p>Alternative Enterprises</p> <p>The Tenant is considering alternative enterprises to supplement the core arable business either establishing a herd of suckler cows or a flock of sheep.</p> <p>Either</p> <p>a) Advise on the establishment of a 40 cow suckler herd including both capital and revenue implications for the first three years of operation and practicalities of using existing fixed equipment</p> <p>Or</p> <p>b) Advise on the establishment of a flock of 250 breeding ewes including both capital and revenue implications for the first three years of operation and practicalities of using existing fixed equipment</p>	15
15	<p>Opposite Farmhouse</p> <p>The Landlord requires a valuation of the holding subject to the present tenancy (see Background on front page).</p> <p>Assuming the remainder of the land is similar to that which you can see from opposite the farmhouse, prepare a formal valuation for the Landlord.</p> <p>Set out at the beginning of your answer as bullet points the</p>	15

	assumptions that you have made in preparing this valuation.	
16	<p>NG 2162, 0263, 9845 and 0567</p> <p>Wessex Water propose laying a new 150 mm water main along the field side of the road hedge through NG numbers 2162, 9845, 0567. This is part of a major scheme. (see question 7) The easement width will be 6 metres and a working width of 15 metres will be required for construction</p> <p>The respective lengths of each section are:-</p> <p>2162 – 200 m L-M 0567 – 63m M-N 9845 – 95m O-P</p> <p>a) Report to the Tenant on the day to day management issues he will need to bring to the Contractor’s attention prior to entry</p> <p>b) Prepare and quantify Heads of Claim for the Landlord and Tenant respectively for matters arising from the scheme over the full construction length as shown on the plan, include reference to the issues involved in the site compound</p> <p>Set out whatever assumptions you have made in assessing the claim</p>	<p>5</p> <p>10</p>

N.B. The plans attached to this question paper, all areas are in acres not hectares unless otherwise shown on Plan B.

ORAL QUESTION THURSDAY 12TH NOVEMBER 2009 PM

The oral question in the examination to be held on the Thursday afternoon will involve approximately a 10/15 minute discussion on the following topic:

The Entire Holding

The Landlord is considering seeking to substitute a Farm Business Tenancy for the current Agricultural Holdings Act tenancy.

The Oral question will investigate the Landlord's reasoning and the implications for each party.

35 marks

The remainder of the oral examination will comprise three brief discussion questions drawing on relevant general knowledge.

15 marks

PLEASE CONSIDER THE ABOVE IN READINESS FOR THE ORAL EXAMINATION

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