



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

PRACTICAL EXAMINATION PAPER

Wednesday 8th November 2023

**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 and on
farm at Upper Far Coton Farm, Shenton, Market Bosworth, CV13 0PJ

MORNING QUESTIONS

Answers to be written in the Notebook provided.

ORAL QUESTION

The area outlined blue on **Plan 1** will be the subject of the Oral
Interview on Thursday 9th November. Candidates may make notes on
the **coloured 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 areas 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 2023 and be familiar with its 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 Notebook 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
08.35 Prompt	Introduction and exam briefing by Exam Group Chair 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
13.45 to 16.15	Afternoon written paper in exam room answering four questions out of five from notes made during the morning inspection.

Notebooks 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. Notebooks 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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**Wednesday 8th November 2023
Morning Paper**

No. 1 AGRICULTURAL KNOWLEDGE

(15 Marks)

Commodities		
1.1	Identify and give the current market value in £/t for all of the six items labelled as A - F	(3 marks)
Agricultural Equipment		
1.2	Identify the six items labelled as G - L	(3 marks)
Implements and Machinery		
1.3	Select three items of machinery from the items shown to you referenced M - Q 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)

No. 2 LIVE AND DEADSTOCK INCLUDING GROWING CROPS

(20 Marks)

Livestock		
2.1	Describe and estimate the weight of the animals shown to you in Pen X	(2 marks)
2.2	Describe and give the current market value of the animals in Pen Y	(2 marks)
Harvested Crops		
2.3	Describe and assess the quantity and give the current market value of the goods stored in August 2023:	
	(a) In the building shown to you.	
	Note: assume the heap dimensions to be 10.0m x 6.0m x 2.4m and density 625 kg/m ³	(2 marks)
	(b) 100 No. bales	(2 marks)
Growing Crops		
2.4	Describe and value as at today's date the growing crop in field A on Plan 2 which has a total area of 7.77 hectares (19.19 acres). The previous crop was Winter Wheat. Show your assumptions and workings.	(3 marks)
2.5	In note form, describe the nature and character of the soil	(2 marks)
2.6	Identify either four Mid Tier or four Sustainable Farming Incentive options that would be eligible for use in this field	(2 marks)

2.7	Your client is considering de-risking his rotation using AB15/ NUM3 legume fallows. Explain the potential physical and financial pros and cons of including legume fallow in their rotation and explain why break crops are necessary in arable farming	(3 marks)
2.8	Describe what you understand by the term 'Complementary Grazing' and why it is important for animal health	(2 marks)

No. 3 COMPULSORY PURCHASE AND COMPENSATION

(15 Marks)

Your Client, Mr Brown, has been notified by the local gas distributor that they are proposing to construct a new gas main early in summer next year as part of their network reinforcement programme to meet increasing demand on the network due to local housing developments. The proposed route is shown red crossing **Field A** on **Plan 2**, and is approximately 576m in length.

Your client has already received a number of letters, with the most recent correspondence mentioning that rights for a Deed of Easement will be sought voluntarily but also backed by a Compulsory Purchase Order (CPO) to ensure delivery of the project.

3.1	Prepare a briefing note for your client outlining the steps of a CPO, including any relevant legislation	(4 marks)
3.2	What are the principal terms you would expect to see in the Heads of Terms for the Deed of Easement	(3 marks)
3.3	Based on your inspection of the field, outline the anticipated Heads of Claim, including the calculations for each	(8 marks)

No. 4 ALTERNATIVE USE OF RURAL ASSETS

(10 Marks)

Your Client is the landlord of the Farm Business Tenancy of Upper Coton Farm, which briefly comprises a farmhouse, traditional buildings, modern buildings and 100 acres. The tenant has said he no longer has a use for the **Building B** on **Plan 1**, and as such wishes to exclude it from his tenancy.

4.1	Explain to your Client how the tenant might be able to go about removing the building from his tenancy, and how the terms of their tenancy may influence this	(1 mark)
4.2	Your client is interested in regaining possession of the building in favour of residential conversion. Prepare a briefing note on the practical and financial considerations of converting the building to a residential dwelling	(4 marks)
4.3	Once converted to a residential dwelling your client wishes to let the property on an AST. a. Provide advice as to how the Renters' Reform Bill could impact your Client's ability to obtain vacant possession of the property in future	(1 mark)

	b. Provide a list of the documents you will be required to serve together with the AST agreement	(2 marks)
4.4	Explain to your Client the capital taxation implications of the building being removed from the FBT, converted to a residential property, and forming part of your client's let residential portfolio	(2 marks)

No. 5 GRANTS, SUBSIDIES AND SCHEMES

(10 Marks)

Your Client, Mrs Helen Bach has been concerned about the reduction in BPS and has heard her neighbour talking about Sustainable Farming Incentive (SFI) and receiving good payments for these. Mrs Bach is considering current options for her farm and has asked you to meet with her to provide some further information on what is available. Before meeting with your Client, she has asked you to inspect the farm so that you can provide her with some advice.

5.1	a) Field C on Plan 1 is 5ha with 200m of hedges. Set out, including calculations, a suitable SFI scheme for the field	(4 marks)
	b) Describe the management requirements for one of the actions chosen above	(2 marks)
	c) Set out, including figures, the costs and income foregone your client may face if entering an SFI scheme, and comment as to whether you would advise her to enter into this agreement	(4 marks)

No. 6 LANDLORD AND TENANT

(15 Marks)

Your client, the Landlord, has asked for your advice regarding **Building D** on **Plan 1** attached. The building requires repair, and the Tenant has indicated that they may serve a notice to that effect. The tenancy agreement is dated 1st July 1984 and is silent on repairs.

6.1	Which statutory regulations will apply to the repairing obligations?	(1 mark)
6.2	List any items of disrepair and state who is responsible for each	(5 marks)
6.3	In the event that a notice to repair is received from the tenant provide advice to your client on: a. What procedure is available to your client to challenge the notice. Note any timescales involved. b. What the tenant could do if your client does not contest the notice or carry out repairs that are their responsibility? Note any timescales involved.	(4 marks) (2 marks)
6.4	If this building was erected by the tenant without consent from the landlord:	

	a. How would it be treated in respect of repairs?	(1 mark)
	b. Under what conditions could the tenant remove the building from the holding?	(2 marks)

AFTERNOON PAPER

Wednesday 8th November 2023

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)

7.1	What is the principal legislation governing health and safety for farm and estate businesses?	(1 mark)
7.2	What is a LOLER test and how frequently should it be undertaken?	(1 mark)
7.3	Name a piece of equipment that may be found on a farm that should be subjected to such a LOLER test?	(1 mark)
7.4	Public Footpath S72 passes through the farmyard (as shown marked purple on Plan 1). Having attended an NFU Health & Safety event last week, your client is concerned about their exposure to claims arising from injury to members of the public whilst using the footpath. Please prepare a Risk Assessment for the footpath to be sent to your client.	(6 marks)
7.5	Terms have been agreed to let Building E on Plan 1 for commercial purposes to a workshop Tenant. The building already has a fibre cement roof that is known to contain asbestos. Conversion works will include installing concrete block walls and box profile steel sheeting to enclose the building, together with a roller shutter door. A mains electricity and water supply will also be installed, together with a toilet and kitchenette area. Foul drainage will be to a new private treatment plant. Please list any key points the Landlord should consider to comply with health and safety requirements or any environmental regulations both during the conversion process and the subsequent letting.	(6 marks)

No. 8 PLANNING AND DEVELOPMENT**(15 Marks)**

Your Client, Mr Marv Ellis, who farms in hand, has been approached by a local firm of Farm Business Advisers who would like to establish their offices on the farm in **Building E on Plan 1**. The barn extends to approximately 385m² Gross Internal Area. The barn is surplus to your Client's requirements and he is willing to investigate the possibility of alternative use. Please prepare notes for a meeting with your Client.

8.1	Set out the process of obtaining full planning consent for a change of use, what information would be required and note the likely timescale and cost?	(5 marks)
8.2	What alternative method to achieve the required change is available?	(1 mark)
8.3	What are the criteria for this and what would be the process, likely timescale and cost of this alternative method?	(5 marks)
8.4	Highlight the financial and practical consequences of removing the barn from agricultural use and putting it into commercial office use.	(4 marks)

No 9. PROPERTY AGENCY**(15 Marks)**

Your client hears that the adjoining property, Four Winds, a 16.78 acre smallholding, (**marked F on Plan 1**) is coming to the market following the death of the owner and will be sold at a traditional-style auction at a local pub in January 2024. Your client is seeking your advice on the process, market and values for properties of this nature.

The smallholding is let to a local farming family on a 5 year Agricultural Tenancies Act 1995 tenancy, which commenced in September 2015; no notices have been served. There are 16.5 acres of temporary grassland. Four Winds, the 1,850 sq ft house, was built subject to an Agricultural Occupancy Condition (occupied in accordance with the condition) and sits in a plot of 0.28 acres. The BPS belongs to the tenant and there is no stewardship agreement in place.

9.1	Explain the auction process and how buying property by auction differs from other methods of sale	(4 marks)
9.2	Describe the market for let properties of this nature and what influences the market	(3 marks)
9.3	Provide brief reasoned advice (with workings) on the value of the property, and your advice on an appropriate level of bid for your client	(5 marks)
9.4	Your client intends to bid at the auction. What preparations should they undertake in advance of the auction date?	(3 marks)

No. 10 LANDLORD AND TENANT**(15 Marks)**

Your client has been invited to submit a tender to rent an adjoining block of arable land under the terms of a Farm Business Tenancy to commence on 30th September 2024. The property is c. 400 acres (161 ha) with a grain store with capacity of 1,200 tonnes. There are no dwellings on the holding. The proposed term is 5 years. In preparation for a meeting with your client to discuss the matter:

10.1	Set out the key headings in bullet form that you would include in your client's tender document, including any assumptions that you have made	(4 marks)
10.2	Based on your observation of the home farm, what practical factors should your client consider before submitting the tender	(3 marks)
10.3	Draft a budget for year one assuming a combinable crops rotation only. Your budget should include expected gross margins, fixed costs and the likely rent to be tendered	(5 marks)
10.4	<p>Your client has not previously rented land on a Farm Business Tenancy and has specifically asked you what happens if the Landlord and Tenant are unable to agree on a tenancy related matter during the term of the tenancy.</p> <p>Explain what options would be available to him, ahead of negotiating this into the tenancy agreement, in terms of dispute resolution and what are the principal differences in the options available</p>	(3 marks)

No. 11 VALUATION**(15 Marks)**

You have been approached by your Client, Mr Ben Dover, who rents **Field G** on **Plan 1** from an Institution registered as a charity. They own the land for investment purposes. Your Client is a first successor to the tenancy granted to his father on 29th September 1982. The rent is £550 per annum. Mr Dover cannot recall when this was last reviewed.

The managing agent acting for the Institution has advised Mr Dover that the Landlord is considering the sale of some assets, including the land. Mr Dover is interested in acquiring the land and has asked you to advise him in achieving this.

11.1	In bullet point form, set out the physical attributes and features of the land which will be relevant to your advice	(3 marks)
11.2	<p>In advance of a meeting with Mr Dover, set out notes in respect of the following, including workings:</p> <p>a) The potential method(s) the Landlord's agent may adopt in setting a guide price, assuming the land is to be sold in the open market. Include workings with figures in respect of each scenario.</p> <p>b) The advice you would give to Mr Dover in respect of the level of offer he may need to make in order to secure the land</p>	<p>(5 marks)</p> <p>(1 mark)</p>

	c) Considerations relating to the tenancy that may be considered in a negotiation?	(1 mark)
11.3	<p>Mr Dover's accountant has advised him that if a purchase is agreed, he will need to borrow some of the money to fund the acquisition and has suggested using the land as security for a mortgage. Mr Dover has therefore asked you what would be required in respect of a formal valuation to support the borrowing and for you to undertake the work.</p> <p>a) What are the requirements of a valuation for this purpose?</p> <p>b) What would be the basis of value?</p> <p>c) How would you respond to Mr Dover?</p>	<p>(0.5 mark)</p> <p>(0.5 mark)</p> <p>(1 mark)</p>
11.4	Given the status of the current owner, what other reporting obligations would the owner have in respect of this disposal and what are the minimum requirements?	(3 marks)