

**WESTERN COUNTIES AND CORNISH EXAMINATION GROUP
PRACTICAL EXAMINATION: WEDNESDAY 8th NOVEMBER 2023**

TO BE HELD AT

**LOWER FARM, KINGWESTON, NR. SOMERTON, SOMERSET, TA11 6BA BY
KIND PERMISSION OF MR AND MRS DAVID SEDGMAN**

8.45 am – 9.00 am Introduction by Examination Chief Examiner / Secretary

9.00 am – 12.30 pm Inspection and Examination

12.30 pm – 1.00 pm Time allowed for completion of notebooks before handing in

NOTES FOR CANDIDATES

1. Candidates will be accompanied by an Examiner throughout the morning Practical inspection. Shared writing tables are available in the former Court House room for candidates at any time between 11.00 am and 1.00 pm.
2. Candidates are recommended to read the entire question paper before making their inspection of the farm. It will aid both candidates and examiners for notes to be written on the left hand pages of the field books and answers on the right.
3. During the morning candidates are advised to make whatever notes are needed to assist in answering the afternoon questions and for the Oral Examination.
4. Please remember at all times throughout the day that no mobile phones or personal laptops are to be used. Smoking is strictly prohibited. Laptops will be issued for the afternoon written part of the Practical examination.
5. The following introduction sets out the general background to the farm which should be used in answering the questions unless otherwise stated.
6. There are two plans which will be issued to candidates on either side of a laminated sheet, viz:-

Plan 1	Traditional buildings near the farm house and adjoining land
Plan 2	Modern farm buildings and adjoining land
7. Please exercise due care and attention whilst walking to and from the assembly point outside the farmhouse to the Grain Store buildings along the road, which is busy.



Introduction

Lower Farm is let to Mr David Sedgman, presently 59 years of age, under an Agricultural Holdings Act 1986 tenancy from Lady Day 1990 after a competitive tender process. The Landlord, the Kingweston Estate, is a private trust. The Tenant and his wife, Jane, run the holding as an arable unit with some permanent pasture subject to SSSI status.

The farm extends to 208 hectares, (514 acres). The trustees of the Kingweston Estate agree by annually renewable written licence that the Tenant may share occupation of the holding with the company trading as Kingshill Farming Company Ltd., (KFCL), of which he is a director to carry out the farming operations at Lower Farm. KFCL also farm a further 600 acres of local arable land.

At Lower Farm the arable rotation and average crop yields are:-

Crop	Tonnes / Hectare	Tonnes /Acre
Two years in winter wheat, then	8.65	3.50
Winter barley	7.50	3.00
Oil seed rape	4.00	1.60
Spring beans	3.90	1.66

The holding includes a large period farmhouse opposite a range of stone traditional buildings which have not been in agricultural use for some years together with a pair of semi-detached two bedroom brick built Victorian cottages located in the village of Kingweston. The cottages are sub-let with the Landlord's prior consent to residential tenants who are not involved with agriculture.

The repair liability under the tenancy agreement is subject to the Model Clauses 1973 as amended or replaced from time to time. The current rent passing for Lower Farm is £44,050 per annum, last reviewed with effect from Lady Day 2021.

The structure of the grain store buildings located to the south side of the B3153 road belongs to the Landlord but the grain drier and related fixed equipment were erected by the Tenant without the Landlord's consent.

There is grain storage capacity for 3,000 tonnes. Up to 7,000 tonnes of grain may pass over the weighbridge per year.

The Tenant has no livestock of his own. The tenancy agreement permits the sale of grass keep. The Tenant has a regular arrangement with another local livestock farmer. Mr and Mrs Sedgman are presently looking at their retirement options.

MORNING PAPER

ANSWER ALL QUESTIONS		Marks
1	<p>Modern Buildings Plan 2 (South side of B3153 road)</p> <p>The area of hardstanding shaded in purple was laid by the Tenant in 1993 without the Landlord's consent.</p> <p>Assuming that the tenancy terminates on the 8th November 2023 set out:</p> <p>(a) the procedure which would need to be followed in order for the Tenant to seek compensation;</p> <p>(b) the basis of valuation; and</p> <p>(c) the likely agreed value at the termination date.</p>	<p>2</p> <p>1</p> <p>1</p>
2	<p>Modern Building marked 1 on Plan 2</p> <p>The Tenant has been approached by a local builder looking to rent storage space in the area. He has asked whether he could rent the 6 bay open fronted shed. The Tenant has asked for your assistance on the following aspects:-</p> <p>(a) Advise on the practical implications involved in any such letting;</p> <p>(b) Prepare a brief Schedule of Condition of the building to be used in the event that a letting does proceed.</p>	<p>3</p> <p>5</p>
3	<p>Modern Buildings NG 0567 (0.59 Ha; 1.46 Ac) and the surrounding yard areas - Plan 2.</p> <p>Your client, the Tenant has instructed you to compile a risk assessment on issues relating to the management and operation of the modern farm buildings and surrounding aprons / yard areas shown to you.</p> <p>Set out in bullet point format those issues which you would expect to be included. Assume any locked buildings to be used purely for on floor storage.</p>	<p>6</p>

4	Modern Buildings - Plan 2 For the purposes of an auction catalogue describe and estimate the likely hammer price for the three items of machinery shown to you. A) B) C)	 2 2 2
5	Modern Building marked 2 on Plan 2 The Tenant erected the lean-to building in 2005 with an unconditional written consent from the Landlord. Set out the basis of valuation and assess the value of the building at the end of the tenancy as at 8 th November 2023.	 4
6	NG 0162 – The Orchard - Plan 2 At entry in 1990 it was noted on the ingoing inventory that there were 46 fruit trees in the orchard; the post and wire fence against the buildings on the north side was the Landlord's and all other boundaries were Away. The surface was stated to be "clean". (a) Identify the potential issues arising between the Landlord and the Tenant on determination of the tenancy; (b) What steps would the parties take to mitigate those issues.	 2 1
7	NG 2162 - Plan 2 Upon the basis that the tenancy terminated on 8 th November 2023:- (a) Identify the dilapidations to the north west stone field boundary between the points marked 'A' and 'B'; (b) State the basis for the valuation of the dilapidations; and (c) Assess the value of the dilapidations.	 2 1 1

8	<p>NG 2162 – Plan 2</p> <p>Your client, the Tenant, has been approached by a developer seeking a site on which to secure payments for ecosystem services or other natural capital related income. Your client has identified the former quarry forming a part of NG 2162 as a potential site. Prepare notes for a meeting with your client and the Landlord on:</p> <p>(a) Your evaluation of the possible opportunities in the short and long term;</p> <p>(b) the legal considerations which the parties are likely to need to consider;</p> <p>(c) practical management issues; and</p> <p>(d) financial aspects, including likely sums which might be realized by each party.</p>	<p>3</p> <p>3</p> <p>1</p> <p>2</p>
9	<p>NG's 9365, 9060 and 9741 - Plan 2</p> <p>Wessex Water proposes to lay a new 150 mm diameter water main along the blue line indicated through parcels NG 9365, 9060 and 9741. A site compound is required as shown shaded in blue. The pipeline easement width will be 6 metres and a working width of 15 metres will be required for construction.</p> <p>(a) Report to the Tenant on the day to day management issues which will need to be brought to the contractor's attention prior to entry;</p> <p>(b) Prepare and quantify heads of claim for the Landlord and the Tenant respectively for matters arising from the scheme over the full construction length as shown on the plan, including any issues arising from the site compound.</p> <p>Set out whatever assumptions you have made in assessing the claim.</p>	<p>4</p> <p>8</p>
10	<p>NG 7450 - Plan 1 – Arable</p> <p>Identify and assess the Tenant's claim for the growing crop at the end of the tenancy as at 8th November 2023.</p>	<p>4</p>
	<p><i>Questions 11 to 14 relate to the traditional buildings near the farmhouse.</i></p>	

14	Orchard House – Plan 1 The Landlord has made a deal with the owner of the property known as Orchard House (coloured green on the plan) to sell the area of land to the north west as cross hatched in green. The Landlord has served a bare notice to quit part of the holding which the Tenant has not contested. You are acting for the Landlord and are instructed to:-	
(a)	Set out the points which will need to be covered in a Memorandum of Sale;	3
(b)	Note the matters which will need be agreed or resolved with the Tenant upon the termination date; and	4
(c)	Note the procedures which the Landlord will need to follow in order to resolve such matters where not agreed.	2

(85 marks)

Up to a further 5 marks are available for the presentation of field books, overall total, 90 marks.

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. Candidates are reminded that exam conditions still prevail throughout lunch.

PLEASE RECONVENE AS DIRECTED AT 2 PM

AFTERNOON QUESTIONS
ESTIMATED START TIME 2.00 PM

**TWO AND A HALF HOURS ARE ALLOWED FOR COMPLETION
OF THE PAPER**

(tea will be available thereafter)

ANSWER FOUR OUT OF FIVE QUESTIONS		Marks
15	<p>Modern Building marked 1 on Plan 2</p> <p>The Tenant has decided that he would like to proceed further with the letting of the open fronted shed referred to in Question 2 above and has sought further advice.</p> <p>Prepare a Briefing Note in preparation for a meeting with your client setting out:-</p> <p>(a) The steps which the Tenant would need to take in order to arrange the letting;</p> <p>(b) The principal Heads of Terms for the Lease;</p> <p>(c) Your advice on the most suitable length of term and a starting rent.</p>	<p>3</p> <p>8</p> <p>4</p>
16	<p>Modern Buildings</p> <p>Tim Black, a local farmer, owns and occupies approximately 700 acres, including 600 acres in arable cropping. He has approached the directors of KFCL asking whether he might be able to use Lower Farm's grain storage on a long term basis as he is short of capacity at his farm. He currently dries and stores his grain through a local co-operative.</p> <p>The directors broadly welcome the proposal. They are concerned that whilst the drier at Lower Farm has adequate capacity, investment in extra storage for approximately half of the additional grain will be required. The new storage Tim and the Tenant have agreed will be provided by the Tenant in the form of a new steel portal framed building at Lower Farm. The directors of KFCL have sought advice both of you and the company's accountant.</p> <p>Prepare a briefing note in advance of a meeting with the Tenant to cover:-</p> <p>(a) the options and recommendations for siting of the additional grain storage on Lower Farm, with calculations on the appropriate size and costings accordingly;</p>	<p>5</p>

(b)	the legal and financial matters which the Tenant will need to consider and resolve in order to make progress with the project; and	4
(c)	what are the key considerations for reviewing Mr Black's proposal assuming agreement can be reached with all parties involved and the steps required before the Tenant can build the storage with timescales.	6
17	<p>Whole Holding</p> <p>The Tenant, your client, has approached you asking for advice on how to mitigate the impact of the Basic Payment Scheme being phased out.</p> <p>(a) Advise your client generally on schemes potentially available for the whole holding;</p> <p>(b) Provide a summary description of the requirements for scheme compliance for the scheme (s) you consider appropriate;</p> <p>(c) Recommend specific options for field NG 2462 with likely income.</p>	<p>5</p> <p>5</p> <p>5</p>
18	<p>Whole Holding</p> <p>The Landlord, your client, is contemplating the future of the holding at the end of the tenancy and the trustees have asked you to prepare a valuation to assist them in their deliberations. They have asked you to assume vacant possession for the purposes of the valuation.</p> <p>(a) State the principal headings to be included in the valuation report as bullet points with relevant commentary</p> <p>(b) Identify the key issues which would have an impact on the valuation and explain how you would approach the assessment of the value of the individual elements of the property.</p> <p>For the purposes of the question assume that the remainder of the land is similar to that which you have seen during the morning inspection.</p>	<p>6</p> <p>9</p>
19	<p>Traditional Buildings group shaded in red and the areas as cross hatched in red on Plan 1</p> <p>The Landlord is contemplating the future of the holding should vacant possession be forthcoming. The trustees have asked for your advice on the potential for change of use of the group of traditional buildings (timber doors painted red) as shown to you together with the red cross hatched areas.</p>	

	Write notes on:-	
(a)	The most likely options for future use given the nature and location of the buildings;	5
(b)	Your appraisal of the development potential for the buildings with likely costings;	5
(c)	Planning issues arising and how they may be addressed leading up to the submission of a planning application.	5

DAY 2 – THE ORAL: **Please refer to the accompanying green sheet**