



**THE CENTRAL ASSOCIATION OF AGRICULTURAL VALUERS
SOUTHERN GROUP**

PRACTICAL EXAMINATION PAPER

WEDNESDAY 11TH NOVEMBER 2020

**PARK MILL FARM
OLDBURY LANE
THORNBURY
BRISTOL
BS35 1RD**

BY KIND PERMISSION OF MR D AND MRS V GARRETT & SONS

All candidates will be deemed to have read the Central Association of Agricultural Valuers' 2020 publication "Guidelines for the Practical and Written Examinations and Oral Examination" and be familiar with the contents.

Important Notes:

1. Candidates are required to undertake all necessary disinfection of footwear on entering and leaving the farm.
2. No smoking is allowed during the examination.
3. Candidates are responsible for their own Health & Safety whilst on the farm and should make themselves aware of any hazards and take appropriate precautions.
4. No mobile phones, computers or programmable calculators may be taken into the examination.
5. Candidates are not allowed to converse with each other. A breach of this rule may mean disqualification.

NOTES TO CANDIDATES

1. Notebooks, question papers and CAAV publications for both morning and afternoon sessions of the practical examination will be handed to each Candidate at the initial briefing. All answers, calculations and any assumptions must be properly recorded in the notebook.
2. This exam paper comprises 11 typed pages plus 2 blank pages for notes plus 2 plans. While on the farm, you will be able to make and retain notes on this examination paper which can be taken into the examination room for use in the afternoon written paper. The notes for the oral question are to be made on the pink paper provided and retain that sheet for tomorrow's interview..
3. Whilst undertaking their valuations and inspection, Candidates must appraise the holding, taking particular note of what is to be seen on the farm as this will be of relevance to the afternoon session and to the interview.
4. Candidates will answer all questions during the morning session in the notebooks provided, in pencil. Examiners will look for an orderly format to the notebook and marks will be awarded for the Candidate's approach and for the presentation of the notebook. CAAV guidance on approaches to notebook layout has been prepared. Candidates will not be marked down for their choice of format, provided it is clear and logical.
5. Half an hour will be allowed before the end of the morning's examination for the completion of calculations and a final check on answers. The notebooks will then be collected by the Examiners at the end of the morning session.
6. No information will be provided other than that given in the questions. You should answer the morning's questions in the order the questions are presented to you. The examiners will control timing.
7. The Candidate's number and practice area should be written on the top right-hand corner of the front cover of the notebook.
8. Please prepare your notebook including a summary page and index, using the following information unless stated otherwise in the question:

Holding: Park Mill Farm, Oldbury Lane, Thornbury, Bristol, BS35 1RD
Owner & Occupier Mr D and Mrs V Garrett & Sons

9. Where applicable you should show any assumptions that you have made in arriving at your answers. In respect of the valuations required on a stocktaking basis, you should clearly state which alternative method of valuation (as required by HS232) has been adopted.
10. Candidates are under examination conditions and will be supervised throughout the day including during lunch.
11. **CANDIDATES MUST NOT CONVERSE WITH EACH OTHER. BREACH OF THIS RULE MAY DISQUALIFY A CANDIDATE**
12. Marks are available in each section as follows:

| | | |
|-----------------------|-----------------|------------|
| Practical Examination | Morning Paper | 90 |
| | Afternoon Paper | 60 |
| Oral Interview | | 50 |
| Written Examination | | 100 |
| TOTAL | | 300 |

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.

PRACTICAL EXAMINATION PAPER

TIMETABLE

| | |
|-------------------|---|
| 8.40 am | Meet at The Gables Hotel, Bristol Road, Wotton-under-Edge, GL12 8DL |
| 8.55 am | Depart for Park Mill Farm |
| 9.155 am | Introduction and briefing by the Exam Group Chairman and distribution of examination papers |
| 9.30 am – 1.00 pm | Inspection of items included in the practical examination papers and of property relevant to the afternoon written paper and oral questions. |
| 1.00 pm – 1.30 pm | Completion of morning note books and separate notes for the afternoon written paper and oral interview. A covered seating area will be available |
| 1.30 pm | Morning note books for the oral interview are collected by examiners. Return to The Gables Hotel for Lunch |
| c. 2.30 pm | Afternoon written paper at The Gables Hotel answering four questions out of five from notes made during the morning inspection. |
| c. 5.00 pm | Completion of the examination. |

MORNING QUESTIONS

1. Answers to be written in the Note Book provided.
2. Candidates should mark their Note Book and papers with their examination number but **NOT** their name.
3. 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.

ORAL QUESTION

Candidates should make notes on the pink sheet and retain the sheet for the Oral Interview tomorrow.

AFTERNOON QUESTIONS

The afternoon 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 additional paper provided.

MORNING PAPER

Time Allowed: 3½ hours plus an additional ½ hour for completion of the notebook

To be answered in pencil in the Note Book provided.

Please start a fresh page for each question answered and include a numbered contents page at the front of your Notebook.

The examiners will control timings and will take you to each question in turn.

You will be acting for the owner/occupier unless otherwise advised.

Answer ALL the questions in this section

QUESTION 1 (10 marks)

- 1.1 Describe and value the pen of cattle for annual stocktaking purposes. (5 marks)
 - 1.2 Describe the 5 items shown to you labelled I-V (5 marks)
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QUESTION 2 (15 marks)

- 2.1 You have been instructed to make notes for the preparation of a farm dispersal catalogue, describe and value each item shown to you labelled A – E. (10 marks)
 - 2.2 Describe, assess and calculate the quantity of produce shown to you providing calculations to support your assessment. (4 marks)

Provide a value per tonne for the product (1 mark)
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QUESTION 3 (10 marks)

For the purposes of this question, Park Mill Farmhouse has been let on an Agricultural Holdings Act 1986 Tenancy incorporating the Model Clauses. From an external inspection only

- 3.1 List the external items only that require attention and which party is responsible or the cost split between the parties if appropriate. (3 marks)
 - 3.2 Assuming the property is now surplus to requirements what is the statutory basis for any end of tenancy claims for both landlord and tenant and the timeframes? What would the basis of valuation be in each case? (4 marks)
 - 3.3 If the property is surrendered what compliance matters should the landlord take into consideration before re-letting? (3 marks)
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QUESTION 4 (15 marks)

Your client has a range of farm buildings to the rear of the farmhouse. There are four buildings, shown marked 4 on the plan.

Building Dimensions:

Building 1 – 21.7m by 5.8m

Building 2 – 13.8m by 6.4m

Building 3 – 18.4m by 6m

Building 4 – 8.6m by 7.5m

- 4.1 For insurance purposes please provide a reinstatement cost (as a whole) for the buildings, showing a breakdown of the calculation. (10 marks)
 - 4.2 If the buildings were to burn down tomorrow, what practical options would your client need to consider for their replacement? (5 marks).
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QUESTION 5 (10 marks)

Your client, the owner/occupier of the farm, has been approached by the contractors carrying out repairs to the high pressure gas main running through the farm. The contractors require an area of land or yard to store their equipment for 12 weeks whilst working and you have recommended to your client that this might present an opportunity for some additional income. Your client has forwarded you a plan of the area proposed, edged red and marked 5, which measures 60m x 10m.

5.1 What type of agreement would you advise that your client enters into with the contractors? Set out brief bullet points on the options for the client and considerations in each case. (2 marks)

5.2 Please make site notes on the practical considerations of having a compound at this location on the farm for your client before entering into an agreement.

Consider as part of your answer the points that you will recommended to your client are conditional on the contractors taking occupation. (3 marks)

5.3 Please write a briefing note with reasoning on the Heads of Terms you will need to include in the agreement to be issued to the contractor.

Please also include your recommendation of the income your client will achieve for the 12-week occupation of the site. (5 marks)

QUESTION 6 (10 marks)

6.1 Identify the Growing Crop in the field shown to you (2 marks)

6.2 Together with their associated costs (including labour), schedule the cultivations and inputs required to establish the subject crop to its current stage on either a £'s per acre or £'s per hectare basis. Assume the field was previously down to a cereal crop (6 marks)

6.3 Today is your client's financial year end and he requires a valuation of the growing crop for stocktaking purposes.

How is the growing crop valued? What is the general valuation principle which must be applied? (2 marks)

QUESTION 7 (15 marks)

The owners of Park Mill Farm wish to ensure that they are compliant with all relevant legislation and regulations relating to the farm as they are concerned that their elderly farm secretary who has recently retired was not fully up to speed with these issues.

As a potential new agent the owners have asked you to inspect parcel ST6291 6985 being 0.9335 ha and provide feedback. They seek a summary of your observations and the actions you would take going forward.

More specifically;

- 7.1 In 2020 field parcel ST6291 6985 was claimed on the BP5 form as 100% eligible. Comment on the issues you have observed during your inspection and provide advice to the owners as to the actions you would take prior to submitting a claim in 2021. (5 marks)
- 7.2 Having inspected the field and having regard to the mature hedgerow standard trees and the adjoining woodland to the west, comment on any issues that you have observed and discuss what courses of action are available to the owners to address these issues (3 marks)
- 7.3 Provide a file note on any other practical issues that you have identified whilst inspecting the field (2 marks)
- 7.4 The owners are also considering entering the holding into a Mid-Tier Countryside Stewardship agreement next year. In respect of field parcel ST6291 6985 specifically provide advice on the:
 - i) Potential management options suitable for the parcel (3 marks)
 - ii) Potential capital works options that would be available (2 marks)

| | |
|------------------------------|-----------------|
| Morning Paper | 85 marks |
| Presentation of the Notebook | 5 marks |
| TOTAL | 90 marks |

THE ORAL INTERVIEW

The first part of the interview on Thursday afternoon will require knowledge on the current regulatory framework of a practical and professional nature with reference to a particular part of the farm.

Candidates should pay particular attention to the area shown to you and edged red on Plan 2 including its physical characteristics, condition and uses.

Candidates should make and retain notes on the pink paper provided and then take them to the interview. No other books, notes or materials may be brought into the interview. *(25 marks)*

In addition there will be two technical questions set nationally drawing on your relevant general knowledge of subjects within the syllabus. This will be followed by 10 quick fire questions. Candidates will also be assessed on their communication skills *(25 marks)*

TOTAL

50 marks

AFTERNOON PAPER

Time allowed: 2½ hours

If you are handwriting your answers please use the A4 paper provided. Please use a fresh piece of paper for each question answered and write on one side of the paper only.

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

Answer 4 questions only out of the 5 questions in this section

QUESTION 8 (15 marks)

The oil pipeline shown to you on your farm inspection is being replaced. The operator of the pipe has recently submitted a Development Consent Order (DCO) application for planning permission and compulsory purchase powers. The line of the underground rights proposed to be acquired is shown by the blue dashed line on the plan. Your client has recently obtained planning permission for an intensive pig rearing unit on the land outlined green on the plan. The DCO will also provide rights for surface temporary possession of approximately 5 metres on either side and access for construction traffic (normal working hours, 6 days/week) via the main farm access.

- 8.1 What is the main statute relevant to DCO applications? (1 mark)
 - 8.2 Identify three key problems and potential solutions that should be raised in the DCO representations your client has asked you to prepare? (6 marks).
 - 8.3 Your client is concerned they won't receive enough compensation - should this be raised in the DCO representations and, if so, why? (2 marks)
 - 8.4 What 'Heads of Claim' for compensation would your client have if the promoter proceeds by compulsory purchase? (5 marks)
 - 8.5 What duty is your client under in respect of their approach to dealing with the pipeline development and claiming compensation? (1 mark)
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QUESTION 9 (15 marks)

Your client has approached you to ask for some advice in relation to the public right of way network around the farmyard. The footpaths are marked with pink dotted lines and the byways are marked with orange dotted lines on your plan.

He describes several “near misses” that have occurred when walkers use the footpath that runs directly through the busy farmyard.

9.1 With specific reference to the footpath through the yard, what are the options open to your client for altering the public right of way network at this location? (5 marks)

9.2 What are the costs that you can foresee for your client, for each of the options that you have set out in your answer 9.1? (3 marks)

You do not need to provide figures but should list the cost items in each case.

9.3 Your client asks you to suggest an alternative route for this footpath and asks you what impact this might have on the value of his holding.

Where would you suggest rerouting the footpath and how would that impact the value of the farm assets? (3 marks)

9.4 Your client is worried about the time it will take to make any significant changes to the route of the footpath and has asked you to assess the hazards that you can identify along the route through the yard.

List 4 risks you can identify to anyone using the footpath, the farm workers or livestock and provide a mitigation measure that could be put in place to reduce the risk in each case. (4 marks)

QUESTION 10 (15 marks)

Your client has decided the building edged red and marked as number 10 on the plan is no longer required for farm use and is surplus to their requirements. You have indicated there is a market for commercial lettings of such space in rural areas and your client is interested to take this forward. Prepare a briefing note for discussion with your client on the following:

10.1. What practical considerations should your client be aware of before pursuing this venture? (7 marks)

10.2 What is the process and what are the requirements for letting the building? (7 marks)

10.3 What typical rent per sq ft or per sq m might your client expect to achieve? (1 mark)

Please state any assumptions necessary.

QUESTION 11 (15 marks)

The stone barn in the farmyard was converted for residential use 15 years ago, it has an agricultural occupancy condition. The first occupant was a retired farm worker but upon his death 4 years ago the property was let on an AST to Mr and Mrs Savill. Mr Savill is a postman and Mrs Savill is a nurse. Your client is the owner of the farm and he is now considering selling the barn.

- 11.1 What recommendation would maximise value? (1 mark)
 - 11.2 What options are available to achieve this? (2 marks)
 - 11.3 Explain the options and describe the process? (8 marks)
 - 11.4 What option would you recommend to your client and why? (2 marks)
 - 11.5 Explain how you would value the property and recommend a price for marketing assuming the property has an agricultural occupancy condition - show your calculations. (2 marks)
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QUESTION 12 (15 marks)

The current owner has instructed your firm to provide a Market Valuation of the currently vacant residential barn conversion (which has open residential use consent) as shown red and marked 12 on the plan, indicating he intends to gift the barn to his son as a capital tax planning initiative. His son intends to let it, and the father would like to receive some of the letting income from it.

- 12.1 Prepare a RICS 'Red Book' report and valuation, including details of any assumptions you have made in providing your valuation following your site inspection. (12 marks)
- 12.2 Detail any issues and implications that you would discuss with the client based on his gifting proposal. (3 marks)

N.B. Your examiner is more interested in the key factors covered in your report, your assumptions and your approach than the actual monetary values, and appreciates that values differ across the region from which candidates are drawn.

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