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DIVERSIFICATION

The key to producing more with less?

With falling incomes farmers are under increasing pressure to produce more for less, and this was the topic on discussion at a recent Carver Knowles seminar.

The seminar, held at Ledbury Rugby Club in February attracted over 150 farmers from right across Gloucestershire, Worcestershire and Herefordshire.

The simplest way of increasing profitability is to make more of what you have and new Government legislation makes it easier to convert farm buildings to commercial properties under the General Permitted Development Order (GPDO).

Planning Consultant Simon Rowles explained; *"The GPDO always gave farmers priority over others with regard to the size and types of building allowed, and the fast 28 day response time. The change in legislation has kept this benefit and provided further changes to allow conversions to dwellings and commercial premises under similar, straightforward legislation."*

This makes redundant farm buildings ideal for commercial and residential conversion, which can command attractive rental incomes.

At the seminar Carver Knowles **Managing Director Andrew Troughton outlined some attractive methods of funding development;** *"We're Agents for the Agricultural Mortgage Corporation and with the fixed rates being at the lowest we've seen for six years we're seeing an increasing number of clients going down this route."*

"With rates so low and the ability to fix them at that level, combined with a simpler planning process, it's making diversification a really attractive income stream."

Carver Knowles are helping to prepare an increasing number of budgets and business plans to check project feasibility.

We would also like to thank all the farmers that came along to the event.



MAKE HAY WHILST THE SUN SHINES

With the Bank of England looking as though it will delay increasing the base rate, lending costs of fixed rate loans have fallen to record lows. This means it is now a really attractive time to look to borrow for development.

A 10-year fixed loan costs about 3.5%, compared to a variable loan over a 10 year period, for the last ten years coming in at around 7.07%. Fixed rates over 25 years are around the 3.9% mark.

Whilst fixing might not be for everyone, these rates are incredibly low. The AMC is able to offer a range of terms from 5 to 30 years as well as interest-only loans.

ASK THE EXPERT!

Give Andrew or Julie a call for a no obligation, confidential discussion

01684 853400



We welcome Simon Rowles to our Planning Team

We're delighted to introduce you to Simon Rowles who has joined our Planning Team as a dedicated Planning Consultant.



With over 10 years of experience working for the Local Planning Authority in both Malvern Hills and Herefordshire, he knows what the Planners are on the lookout for. Simon has already dealt with Planning Appeals and is working on a number of strategic applications.

THINGS TO WATCH OUT FOR - CLASS Q

We've seen some examples of Planning Authorities using suitability of location as a reason for turning down residential conversions under Class Q. This is not a valid reason, so if this is something you've experienced, it's likely you have strong grounds for an appeal.

If you use Class Q to convert a barn to a house on your farm you cannot use the other Permitted Rights for a new farm building for 10 years. You can however still seek consent for an agricultural building using the full application route.



IF AT FIRST YOU DON'T SUCCEED

Having your Planning Application refused does not mean it's the end of the road. Whilst we strive to avoid planning refusals, it isn't an exact science and Planning Permission can be refused for any number of reasons, including a misinterpretation of the application, local pressure on the Planning Department or an incorrect interpretation of the planning policy.

Simon Rowles explains; "In cases where Planning Permission is not granted, all is not lost and an Applicant has two options; to appeal the decision or to resubmit an amended application, both of which are free."

Where it is believed that misinterpretation or local pressure was at play then Appeal is the obvious route. The Application would then be decided by a Planning Inspector, independent of the Local Authority.

If however the Planning Department has had genuine concerns about the Development, it is best to work with the Local Authority to amend the plans to address this and then resubmit them.

RECENT PLANNING SUCCESSES

- Removal of a holiday occupancy condition in the Tewkesbury Borough Council area.
- Removal of agricultural tie's in Forest of Dean District Council, Herefordshire Council, Tewkesbury Borough Council and Wychavon District Council areas.
- Planning permission for erection of an agricultural building in Tewkesbury Borough Council area.
- Planning permission for the conversion of traditional red brick barns to three dwellings in the Forest of Dean District Council area.

We've drawn up this handy chart to help you identify the best route forward:

	PLANNING APPEAL	RESUBMITTING YOUR APPLICATION
Decision type	Written representations, hearing or public inquiry.	Application will be considered by a Planning Officer or Planning Committee.
Cost	Free.	Free within twelve months.
Timing	Must be submitted within 6 months of original decision.	Must be submitted within twelve months of original decision.
Decision time	20 - 24 weeks from appeal submission.	Same timescale as original application.
Opportunity	Inspector takes an objective view with no room for local bias.	Planning Officer familiar with the site and positive changes to the application may be welcomed.
Drawbacks	Appeal matches the original application and no room for negotiation.	Can be refused for a second time and cannot change site area.
If approved?	An allowed appeal is the same as a planning consent and may be subject to conditions.	Planning consent will allow the development to go ahead, subject to conditions. Conditions can be appealed if they are not procedurally correct.
If refused?	Next step would be court proceedings.	A second refusal could be appealed.

HAVE YOU PREVIOUSLY BEEN REFUSED PLANNING APPROVAL FOR CONVERSION BY YOUR LOCAL AUTHORITY?

The Carver Knowles team has the expertise to ensure that your appeal is considered in the best possible light.

Is a rent decrease due?

With dire commodity prices for most farmers meaning greater losses this year, it is tempting to serve notice seeking a rent review.

Pressing the button for a rent review can be a risky move. Losses may be high now, but rents can go up as well as down. We've looked at the pro's and con's to help farmers decide whether to fire the starting gun.

REASONS TO SERVE NOTICE:

- Poor farm margins make the economic argument for a rent reduction easy to justify, and a positive outcome more likely.
- Due to poor margins the chances of a landlord arguing for an increase should be remote.
- Farm rents are one of the few costs that can be negotiated in your business.



Andrew Troughton says; *"It's best to run through the arguments and assess how strong the case is. Farmers who have had increases in recent years on the back of strong prices should be looking for a downwards correction in their rent, particularly when it doesn't look like a commodity price upturn is likely."*

REASONS NOT TO SERVE A NOTICE:

- Typically a notice is served to review the rent in 12 months' time so if farm gate prices have improved a reduction may be harder to achieve.
- The review may upset a good Landlord/Tenant relationship.
- The landlord may seek to terminate or threaten to terminate short term FBT's if the relationship sours.

THE BASIC PAYMENT SCHEME: An online work in progress

After the chaos of the 2015 BPS application process, the Rural Payments Agency has made some progress. The online application system has been developed for 2016 applications and will launch this month, with the RPA hoping most applicants will use it. On the online system we will be able to update cropping and land use codes as well as greening options, and sign declarations too.

Whilst you'll be able to view your land parcels, mapping changes will still have to be done on paper. The 2016 system is a "work in progress" which will hopefully reduce accidental errors on paper forms.

The RPA hope the system will be fully operational online by 2017.

The Great Barn Revival



Like prawn cocktails and perms, barn conversion properties were popular in the 80's and 90's, but had fallen away in recent times. It seems that fortunes may be changing.

We have recently seen an increase in the number of instructions to advertise for sale redundant barns for conversion and it seems supply and demand of barns is back. What has changed and what can you do to take advantage?

People love barn conversions because they offer a rural lifestyle. They can also be designed internally for modern day living in an area where the potential for Planning Permission for other residential dwellings would be virtually nil.

The advent of the Class Q permitted development rights means the potential for getting planning for the conversion of a barn has become much easier.

With residential property values remaining strong, gaining consent to convert a barn into a residential dwelling, and even including a small parcel of land is likely to significantly increase the value of your assets.

Demand for barns to convert is exceeding our expectations at the moment. If you've got a redundant building that you'd like to look at turning into capital for your business, get in touch with Carver Knowles today!



Grant Watch

Mike Cluley gives us a brief update on grants that may be available to you.

Hedgerow and Boundaries Grant - Open now until 30th April: Capital funding for hedgerow and wall repairs and restoration for those currently not in ELS, HLS or CSS.

Mid-Tier Countryside Stewardship – Opens mid March until 30th September: Agri-environment grant scheme similar to former ELS (includes Organic payments).

Higher Tier Countryside Stewardship – Opens March / April: Applications are usually at the invitation of Natural England - Agri-environment grant scheme similar to former HLS.



Woodland Grants – Rolling application windows: Includes tree health, woodland creation and woodland management planning themes.

Countryside Productivity Scheme – Opens soon this spring: Capital grant scheme for a variety of technologies above and beyond standard practices eg. GPS, nutrient management, water quality, energy efficiency projects.

LEADER Grant – Rolling applications windows: Locally based small to medium sized capital grants for farm diversification projects.

Growth Programme – Rolling application windows: Locally based larger sized capital grants for farm diversification projects.

An expert in the field



If you have an ongoing dispute which means you could end up in court proceedings, and you need an expert to assist your case, we may be able to help.

Carver Knowles has a diverse range of specialisms which means we are often called to act as Expert Witnesses in court proceedings.

Our specialist areas include;

- Rural property valuations including farm houses, buildings, land, live/deadstock.
- Neighbour disputes including breach of covenants, boundaries and nuisance.
- Agricultural Tenancy disputes under the Agricultural Holdings Act and Agricultural Tenancies Act.
- Development potential and site values of land and buildings.

Our expert witnesses are all accredited and act within the guidelines of the Royal Institution of Chartered Surveyors.

Reports are compiled in accordance with the Civil Procedure Rules and we act as Single Joint Experts or as an Independent Expert Witness.

