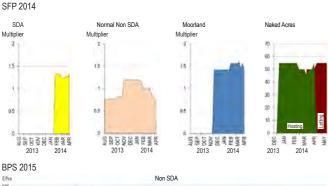
ENGLISH ENTITLEMENTS & NAKED ACRES





1-May 01-Jun 01-Jul 01-Aug 01-Sep 01-Oct 01-Nov 01-Dec 01-Jan 01-Feb 01-Mar 01-Apr 01-May 01-Jun









These graphs represent averages and are for illustrative purposes only. Prices of traded entitlements are expressed in f.s. The exchange rates and payment values used were those set for the previous Scheme Year. Naked Acre rental prices are gross of letting fees with no VAT charged. Hosting fees are excluding VAT. For historic entitlement and naked acre price graphs please see www.townsendcharteredsurveyors.co.uk/entitlements and follow the link. If you would like a formal written entitlement valuation, please contact us.

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KEY DATES (subject to 2016 Cross Compliance publication)

1.1.16 Start of the Basic Payment Scheme 2016 Scheme year

Cross Compliance rules must be followed from this date

Organic manure* can be applied to land on shallow or sandy soils from this date if conditions are suitable & quantity conditions are adhered to

Manufactured nitrogen fertilisers can be applied from this date if conditions are suitable e Lambs ID'd with the single slaughter tag must be ID'd with an electronic identification (EID) slaughter tag only e Individual tag numbers for sheep ID'd before 2010 must be included on the movement document. • Start of fallow period for EFA rules 29.1.16 Countryside Stewardship – water capital grants claims and supporting evidence deadline 12.16 Pheasant & Partridge seasons close • Organic manure* can be applied on all soil types if conditions are suitable & quantity conditions are adhered to 2.2.16 Candlemas 15.2.16 End of Red, Fallow and Silka deer hind stalking season in Scotland 28.2.16 to 2.2.16 Candlemas 15.2.16 End of Red, Fallow and Silka deer hind stalking season in Scotland 28.2.16 End of quantity restrictions for application on organic manures' 1.3.16 Hedgerows & threes must not be cut & hedgebanks must not be cast up from this date but hedge laying and coppicing may continue 25.3.16 Lady Day 31.3.16 End of Red, Fallow, Roe and Silka deer hind stalking season in England Wales and Northern Ireland • End of Roe deer hind stalking season in Scotland 1.4.16 Heather, bracken gorse etc. in lowland areas must not be burnt from this date • Start of Roe deer stag stalking season in England Wales and Northern Ireland • Start of Roe deer stag stalking season in Scotland 1.4.16 Heather, bracken, gorse etc. must not be burnt in upland areas from this date 30.4.16 Farmers with an NVZ grassland derogation must submit 'Fertiliser Accounts' to the EA • The number of 'specified' livestock kept on the farm during the previous year must be recorded & the amount of nitrogen they produced calculated • End of Fallow and Silka deer stag stalking season in Scotland 1.5.16 Start of 'cropping period' for crop diversification rules • Hedge-laying or conprision season in Scotland 1.5.16 Start of cropping period for crop diversification rules + Hedge-laying or coppicing must not be carried out from this date 15.5.16 Whitsunday • Environmental Stewardship claim deadline 16.5.16 UK BPS Application Deadline - Land must be 'at your disposal' on this date • BPS entitlement transfer deadline 24.6.16 Midsummer Day 30.6.16 End of 'cropping period' for crop diversification rules • End of fallow period for EFA rules 1.7.16 Start of Red and Silka deer stag stalking season in Scotland 1.8.16 End of tailow period for EFA rules 1.7.16 Start of Ked and Sinka deer stag staiking season in Scotland 1.8.16 Holders of an RPA derogation may cut hedgerows from this date & Start of closed period for applying organic manure* to tillage land on shallow or sandy soils unless crops will be sown on or before 15th Sept • Start of Red, Fallow and Silka deer stag stalking season in England Wales and Northern Ireland • Start of Fallow deer stag stalking season in Scotland 12.8.16 Red Grouse and Ptarmigan seasons open 28.8.16 Black Grouse season opens 31.8.16 Catch crops used for EFA must be established 1.9.16 Hedgerows & trees can be cut & hedgebanks can be cast up from this date • Start of closed period for applying organic manure* to grassland on shallow & sandy soils • Start of closed period for applying manufactured hitrogen fertilisers to tillage land • Partridge season opens 15.9.16 Start of closed period for applying manufactured nitrogen to grassland 16.9.16 Start of closed period for applying organic manure* to tillage land on shallow or sandy soils sown with crops on or before 15th Sept 29.9.16 Michaelmas 1.10.16 Pheasant season opens • Catch crops used for EFA must remain until this date • Cover crops used for EFA must be established by this date • Heather, bracken, gorse etc. in upland areas can be burnt from this date . Start of closed period for applying organic manure* to tillage land on soils which are not shallow or sandy 15.10.6 Start of closed period for applying organic manure* to grassland on soils which are not shallow or sandy 15.10.6 Start of closed period for applying organic manure* to grassland on soils which are not shallow or sandy 20.10.16 End of Red, Silka and Roe deer stag stalking season in Scotland 21.10.16 Start of Red, Fallow, Roe and Silka deer hind stalking season in Scotland 31.10.16 End of Roe deer stag stalking season in England Wales and Northern Ireland 1.11.16 Heather, bracken, gorse etc. in lowland areas can be burnt from this date • Start of Red, Fallow, Roe and Silka deer hind stalking season in England Wales and Northern Ireland 11.11.16 Martinmas 1.12.16 The annual inventory for sheep must be carried out in England 10.12.16 Grouse and Ptarmigan seasons close 25.12.16 Christmas. 31.12.16 NVZ Derogation deadline.

AGENCY - SALES & LETTING





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farm facts 2016



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THE BASIC PAYMENT SCHEME (BPS) IN ENGLAND BPS Eligible Land Any agricultural area that is used for an agricultural activity (defined as producing, rearing or growing agricultural products etc., or keeping land clear of dense scrub) • Active Farmer Farmers who do not operate airports, railway services, waterworks, real estate services or permanent sport & recreational grounds, or whose total 2015 BPS claim was worth £3,656.45 or less, automatically qualify as active farmers. Farmers who do not automatically qualify must satisfy one of the following criteria: 1) Have at their disposal 36 ha or more of eligible land; 2) Their total agricultural receipts were at least 40% of their total receipts in the last financial year: 3) The value of their BPS claim was equivalent to at least 5% of their total non-agricultural receipts in the last financial year • Entitlement Transfers BPS entitlements can be permanently transferred or leased to 'active farmers' • Entitlement Usage At least once every 2 years all of the claimants' BPS entitlements must be activated in a single year • Minimum Claim 5 ha • Expected 2016 payment rates (based on 2015 exchange rate & FDM) Non-SDA & SDA £179/ha. Moorland £47/ha • Capping BPS payments (excluding greening & any young farmer payment) over €150,000 (£109,693.50 in 2015) will be reduced by 5% • National Reserve Used to allocate new entitlements to excess eligible area to: Young Farmers - 40 years old or less, in control (i.e. has more than 50% of the shares and votes in the business) of a farm business & took control in the previous 5 years; New Entrants - In control of a farm business which started an agricultural activity in 2014 or later & were not in control of any farming activity in the preceding 5 years • Young Farmers Scheme Young farmers can apply annually for a 25% top-up payment on a max of 90 entitlements for up to 5 years after taking control of a business • Dual Use 1 party claiming BPS & another claiming under an agri-environment scheme on the same land. Allowed for 2016 (with the exception of mid-tier Countryside Stewardship) provided the BPS claimant has the land 'at their disposal' & the agri-environment scheme claimant has 'management control' of the land, & the obligations under both schemes are set out in writing • Greening BPS claimants must meet 3 measures (see below) on all of their eligible area, not just the land used to claim BPS.

BPS GREENING MEASURES IN ENGLAND Permanent Grassland If the % of English permanent grassland (compared to the area of English agricultural land) falls by >5%, farmers who have ploughed permanent grassland may have to re-instate it. Permanent grassland in Special Protection Areas (SPAs) or Special Areas of Conservation (SACs) cannot be ploughed • Crop Diversification 2 different crops required if claimant has 10-30ha of arable land (1 crop comprising not >75% of arable land); 3 different crops required if claimant has >30ha of arable land (1 crop comprising not >75% & 2 combined not >95% of arable land). Arable land includes land cultivated for crop production, fallow & temporary grassland. Spring & winter crops count as separate crops. Fallow land counts as a separate crop. The 'cropping period' is from 1st May to 30th June (the RPA will accept crops harvested before 30th June if stubble or other crop residue remains) • Ecological Focus Area (EFA) BPS claimants with >15ha of arable land must have the equivalent of 5% of arable area as EFA. The following EFA options are available: Fallow Must be on arable land, no crop production or grazing from 1st Jan to 30th June, min width 2m, grass & wild bird seed mixes & nectar mixes can be sown, herbicides & cultivation to control weeds is permitted, 1m² = 1m² of EFA; Hedges 1 side must be adjacent to, or within 5m of, arable land, both sides to be at claimant's disposal (if only 1 side is at their disposal & it's adjacent to arable land, only ½ the hedge counts), any width or height, min length 20m, can include gaps if <20m, 1 linear metre = 10m² of EFA (5m² if half); Buffer Strips Must be next to, or within 5m of, arable land. Must be next to a watercourse or parallel with & on a slope to a watercourse with arable land on both sides, min width 1m. No production permitted but grazing & cutting is allowed provided buffer strip is 'distinguishable from adjacent agricultural land', 1 linear metre = 9m² of EFA; Nitrogen Fixing Crops Must be on arable land & present from 1st May to 30th June, min area 0.1ha, 1m² = 0.7m² of EFA; Catch Crops/Cover Crops Must be on arable land. Catch crops must be established by 31st Aug & retained until 1st Oct in the relevant Scheme year. Cover crops must be established by 1st Oct in the relevant Scheme year & retained until 15th Jan the following year, and must sow a mix of crop species including 1 cereal & 1 non-cereal from the following list: barley, oats, rye, mustard, vetch, phacelia, lucerne & oilseed radish, grass can be used if it was undersown in the previous crop, $1m^2 = 0.3m^2$ of EFA • Exemptions Greening exemption Land certified as organic or in conversion by an accredited body. Crop Diversification exemptions If >75% of arable area is temporary grass &/or fallow & the remaining arable area is 30ha or less; If >50% of arable area a claimant declares was not declared by him in the previous Scheme year & all of the arable area is in a different crop to the previous year. EFA exemption If >75% of arable area is temporary grass &/or fallow &/or leguminous crops & the remaining arable area is ≤30ha. Crop Diversification & EFA exemption If permanent & temporary grassland is >75% of agricultural area & the remaining arable area is ≤30ha.

RURAL DEVELOPMENT PROGRAMME (RDP) SCHEMES Environmental Stewardship (ES) (ELS/HLS) Agreement holders must submit a claim by 15th May each year to receive their payment. Existing ES options can be used to meet the EFA & crop diversification rules under BPS • The Countryside Stewardship Scheme (CSS) 3 routes available: Higher Tier For sites of high environmental value, a range of management options & capital grants are available, and one-to-one advisory support from Natural England (NE) & Forestry Commission (FC). Prospective applicants should contact NE or FC before applying. Mid-Tier More limited range of options, available nationally, however applications are scored taking into account local environmental priorities highlighted in the 'Statements of Priorities'. The higher the score, the more likely the application will succeed. Applicants can increase their score by selecting options from the Wild Pollinator and Farm Wildlife Package. Lower Tier Capital grants for hedge and boundary works up to £5,000 are available for applicants without a current ES agreement or Upper or Mid-Tier CSS agreement; water capital grants are also available as well as grants for woodland tree health issues, woodland management plans & woodland creation. CSS options can be used to meet EFA requirements for BPS, however the payment for 19 CSS options will be reduced if they overlap with EFA in any one year to prevent double funding • Woodland Creation CSS Supply and Plant Trees (TE4) is a capital grant under Higher Tier of £1.28/tree, up to a max of £6.800/ha to supply, plant, weed and protect. Woodland Creation Maintenance (WD1) is a Higher Tier option funding £200/ha per annum over a 10-year agreement & can be used in conjunction with TE4 • Countryside Productivity

Scheme Small (£2,500-35,000) and large (£35,000-1,000,000) grants available for up to 40% of the eligible cost of investment in animal productivity, health & welfare, arable & horticultural productivity (e.g. remote crop sensors & crop robotics), forestry productivity (e.g. woodland harvesting, extraction & processing) & resource management (e.g. slurry application systems & LED lighting in livestock housing) • Growth Programme Provides funding to help projects in England which create jobs & help rural economy growth. Grants (usually covering 40% of costs) available for business development, food processing, small-scale tourism infrastructure & tourism cooperation • LEADER funding Applications can be submitted to Local Action Groups for funding to support micro & small businesses & farm diversification, boosting rural tourism, increasing farm & forestry productivity, providing rural services & providing cultural & heritage activities.

RENEWABLE ENERGY FUNDING Renewables Obligation (RO) From 1.4.17 the RO is being replaced by Contracts for Difference & will close to all new schemes with the following exceptions: 1) Large scale solar schemes (over 5MW), which closed in April 2015; 2) Solar schemes under 5MW, which will close on 1.4.16; Onshore Wind Development, which will close on 1.4.16 • Contracts for Difference (CfD) A new scheme to replace the RO. Schemes with planning permission & grid connections will bid into an annual auction with a price per unit of electricity generated (up to a max price for each technology). If the total bids received equate to more than the annual budget, only those projects bidding a lower price per unit will be offered CfDs. All accepted projects are offered a CfD at the lower of their technology-specific ceiling price or the bid price of the highest accepted project • Feed-in Tariffs (FITs) Support for renewable energy generating schemes of less than 5MW peak output. Eligible technologies including photovoltaic (pv) cells, wind turbines, anaerobic digesters & hydro-electric plants. Rates vary depending on the technology used & the number of applications. When a system is commissioned it locks into the current FIT rate which lasts for the life of the scheme (usually 20 or 25 years). The payments are raised yearly in line with RPI, but are subject to degression cuts and periodic reviews. In Autumn 2015 the Government launched a wholesale review of the FIT scheme. This proposed changes in bandings, far lower support levels and support being phased-out in some cases (see https://www. ofgem.gov.uk/environmental-programmes/feed-tariff-fit-scheme/tariff-tables for up-to-date FIT rates) • The Renewable Heat Incentive (RHI) The domestic RHI is for owner-occupiers & landlords of individual dwellings. The non-domestic RHI is for non-domestic properties & heating systems covering multiple dwellings. Eligible technologies are biomass boilers, solar thermal units, ground & air source heat pumps, biogas plants & deep geothermal systems. Payments are per unit of metered heat generated & the installation will lock into the payment rate that year with this index-linked rate being paid for the lifetime of the scheme (7 years for domestic & 20 years for non-domestic). The payments are raised yearly in line with RPI, but are subject to degression cuts and periodic reviews.

FORESTRY 5 Year Establishment Cost Broadleaves - £5,983/ha; Conifers - £5,055/ha • Fencing Rabbit - £5.00-7.50/m; Stock - £5.00-7.00/m; Deer - & 8.50-12.00/m; Deer & Rabbit - £6.50-8.00/m • Guards Spirals & canes (750mm) £28-32/100. Plastic tubes (1,200mm) £100-135/100. Stakes £50-70/100. No standard restocking grants available. New planting grants see CSS.

FARM PRICES & RENTS – ENGLAND AND WALES Sales Including residential component - £9,692/acre; Bare land - £8,429/acre • Average AHA rent bare land Arable - £80/acre; Pasture - £60/acre • Average FBT rent bare land without entitlements Arable - £147/acre; Pasture - £104/acre.

SPORTING RATES Annual rents Wildfowling and rough shooting on property with limited sporting potential -£0.50-2.00/acre. With good topography & woodlands - £5-10/acre (excludes cover crop payments) • Charges for a day's shooting (ex. VAT) Driven pheasants £20-28/bird; driven partridge £22-30/brace; duck - £18-22/ bird; driven grouse - £120-180/brace; walked-up grouse - £80-120/brace • Poult to shot £20-25/bird shot.

LABOUR National Minimum Wage From Oct 2015: Apprentice - £3.30/hr; <18 - £3.87/hr; 18-20yrs - £5.30/hr; >21yrs - £6.70/hr e Agricultural Wage Order Workers employed before the rules changed on 1.10.13 still have the right to the Agricultural Minimum Wage if it says so in their contract e National Living Wage From April 2016 for all workers >25 - £7.20/hr e Arable Standard Man Days (SMDs) per ha Wheat & Barley straw ploughed - 1.15 & straw harvested - 1.75; OSR Spring - 1.00 & Winter - 1.10. Field Beans Spring - 0.95 & Winter - 0.90; Potatoes early - 5.50 (exc. casual harvest labour) & main crop - 9.25 (exc. casual harvest labour); Silage 1 cut - 1.60 & 2 cuts - 2.80 (reseeding + 0.60) e Livestock SMDs per head Dairy cows - 4.00; Bulls - 3.50; 18-month beef - 1.60; Ewes (lowland) - 0.50; Ewes (upland) - 0.45; Store Lambs - 0.30 e SMDs per person per annum 275.

FARM BUILDINGS AND DRAINAGE Dutch Barn Timber frame, roofed, hard-core floor - £75-85/m² • General Purpose Portal Frame Building Steel or concrete frame, roofed & clad on gable ends, rainwater goods, electrics, no walls, hard-core floor, 4.8m-6m eaves - £115/m². Total for complete enclosed building - £210/m² • Cattle Cubicle Housing Portal frame, including cubicles and all internal services with feed stances and slats - £2,520/head(6m²) • On-floor Grain Store Portal framed building, walling to 3m & no drying facilities -£105-120m², with drying facilities, ducts and below ground laterals -£240-270/m²; Thrust panel walls 2.5-3m -£225-275/m • Field Drainage £2,500/ha for drainage with permeable backfill; £1,500-£2,500/ha for drainage without permeable backfill.

DILAPIDATIONS Traditional wooden gate 3.3-4.2m £85-100 • Tubular steel gate 3m £110 • Post & 4 rail fence (post every 1.8m) - £15-21/m • Stock fencing round posts (2.13mm x 100mm) every 3m, medium gauge pig netting & 2 strands of barbed wire - £5-7/m • Permanent Electric Fencing £3-4.50/m • Stone walling 1.52m high - £40/m • Ditching cleaning out - £2.40-4.80m • JCB hire including operator, fuel and transport to site - £26/hr • Flail hedge cutting 1-2 years growth £0.45/m • Hedge laying including stakes, cleaning up & burning brash £12-£25/m.

SHORT TERM IMPROVEMENTS & TENANT RIGHT UNDER THE AGRICULTURAL HOLDINGS ACT Short term improvements Mole drainage, protection of fruit trees against animals, clay burning, liming, application



of purchased manure & fertiliser, consumption on the holding by livestock of com, cake or other feedstuff not produced on the holding • Tenant right Growing crops & severed or harvested crops & produce which the tenant has no right to sell or remove; seeds sown & cultivations, fallows & acts of husbandry performed at the expense of the tenant; pasture laid down at the expense of the tenant or paid for by the tenant on entering the holding; acclimatisation, hefting or settlement of hill sheep on hill land; The residual fertility value of the sod of the excess qualifying leys on the holding • Calculation of value The regulations imposing valuation approaches & many figures were repealed in 2015, & it is now for valuers to determine the value of the items of claim to an incoming tenant • The Agricultural Holdings Act 1986 (Variation of Schedule 8) (England) Order 2015 has been put before Parliament and when approved, will broaden the heads of claim by an outgoing tenant under a 1986 Act tenancy by: 1) Extending the definitions of manures & fertilisers for which claims may be made; 2) Adding soil improvers & digestate to the list; 3) Moving the focus from the consumption of feedstuffs to the manure in store on the holding.

2015 MODEL CLAUSES The Model Clauses set out liabilities for the repair, replacement, maintenance & insurance of items of fixed equipment on a farm. They apply to all Agricultural Holdings Act tenancies, except insofar as they would impose on one of the parties a liability which, under their agreement, is already imposed on the other. The previous Model Clauses (SI1973/1473) were out of date, not having been amended since 1988. The new 2015 Model Clauses include obligations in respect to a number of new items not previous SI1973/1473 'as amended', the old Model Clauses will continue to apply. 2) If it provides for SI1973/1473 'as amended, modified or replaced', the old Model Clauses apply. 3) If it repeats the wording of SI1973/1473, the wording will apply & any items not covered will be filled in by the new Model Clauses. 4) If the agreement is unwritten or silent as to repairs, the new Model Clauses apply.

DEREGULATION ACT 2015 3rd Party Determination The Act allows the appointment of a 3rd party to resolve AHA tenancy disputes, excluding notices to quit, as an alternative to arbitration. Both the landlord and tenant must agree to utilise this option • Tenancy Deposit Schemes The Act alfrises that a deposit protected at the start of an Assured Shorthold Tenancy (AST), continues to be protected when the original tenancy comes to an end and a statutory periodic tenancy arises • Preventing retaliatory eviction A Section 21 notice to terminate an AST will not be valid if prior to service of the notice the tenant had made a written complaint to the landlord regarding the condition of the property, the landlord had not provided an adequate response within 14 days & the tenant had then made a complaint to the Local Housing Authority who served the relevant notice in response to the complaint • **Restrictions on service of Section 21 notices** (new tenancies from 1.10.15. 1) There is no requirement for a S.21 notice period to end on the last day of a period of the tenancy. 2) A S.21 notice cannot be served in 1st 4 months of the tenancy. 3) A new prescribed form for a S.21 notice must be used. 4) A S.21 notice cannot be served if the landlord ris in breach of "prescribed legal requirements", which are providing a copy of the EPC and Gas Safety Certificate to the tenant. 5) The landlord."

GRASSLAND NITROGEN LIMITS WITHIN NVZs & STEWARDSHIP NVZs Livestock manure 170kg N/ha/yr (Derogation: farms with grazing livestock and >80% of their area under grass may work to a higher limit of up to 250kg of N/ha provided a successful application is made in advance each year (deadline 31st Dec for derogation the following year] and certain conditions are met). Other organic manure 250kg N/ha in any 12-month period (not including manure deposited by grazing animals) • Environmental Stewardship ELS Permanent grassland with low inputs 50kg of N/ha/year as inorganic fertiliser & 100kg of N/ha/year total. Permanent grassland with very low inputs 12.5 tonnes of FYM/ha/year • Countryside Stewardship Permanent grassland with very low inputs When a parcel is cut for hay or silage you can apply a max of either 12 tonnes of FYM/ha, or fertiliser at rate of 9kg/ha N, 23kg/ha P & 83 kg/ha K.

ENVIRONMENTAL IMPACT ASSESSMENT (EIA) REGULATIONS Before carrying out either of the following projects a screening application must be made to NE who will decide whether consent is needed. If it is, the applicant must produce an Environmental Statement and make an application to NE for a consent decision on whether the project may proceed ● Uncultivated land projects Increasing the agricultural productivity (e.g. applying an increased level of fertiliser, sowing seed, ploughing, draining or clearing vegetation) on areas of 2ha or more that have either not been cultivated (physically or chemically) in the last 15 years or are seminatural areas (unlikely to be semi-natural area if containing 2 or more of the following: >30% rey-grasses & white clover, <9 species per m² & <10% cover of wildflowers & sedges) ● Restructuring projects Physically restructuring rural land holdings (e.g. addition or removal of field boundaries & re-contouring of land through the addition, removal or redistribution of earth). Only applies to changes to 4km or more of field boundaries, movements of ≥10,000m² of earth, or otherwise restructuring an area of 100ha or more.

ENTITLEMENT TRADING 2016 UK BPS Entitlement Transfer prices (As at 7.12.15) Sales English Non-SDA · £240-250/na (Non-SDA Non-VAT · £288); SDA · £240/na; SDA-Moorland · £75/na; (Non-SDA leasing predicted at £100/na). No trade as yet in Wales, Scottand and Northern Ireland **e English Entitlement Payment** Values 2015 Non-SDA BPS Value (BPSV) · £125.66, Greening Value (GV) · £55.72, Total Entitlement Value (EV) - £181.38, SDA BPSV · £124.76, GV · £55.31, EV - £180.07. Moorland BPSV · £32.96, GV · £14.62, EV - £47.58. Any payments above £2,000 (£1,462.58) will also be subject to a Financial Discipline Mechanism reduction of 1.393041%.

CONSTRUCTION DESIGN AND MANAGEMENT (CDM) REGULATIONS 2015 Commercial clients defined as organisations or individuals for whom a construction project is carried out that is done as part of a business. Their main duties are to: 1) Make suitable arrangements for managing a project, including making sure other duty-holders are appointed as appropriate & sufficient time & resources are allocated; 2) Make sure relevant information is prepared & provided to other duty-holders; 3) Make sure the principal designer & principal contractor carry out their duties; 4) Make sure welfare facilities are provided • Domestic clients defined as people who have construction work carried out on their own home (or the home of a family member) that is not done as part of a business. Their duties are normally transferred to the contractor for single contractor projects, or the principal contractor for projects with more than one contractor.

SMOKE AND CARBON MONOXIDE REGULATIONS 2015 From 1.10.15 landlords of residential properties must: 1) Ensure there is a smoke alarm on each storey on which there is a room used as living accommodation; 2) Ensure there is a carbon monoxide alarm in any room used as living accommodation which contains a solid fuel burning combustion appliance; 3) Make checks to ensure each alarm is working at the start of any tenancy commencing on or after 1.10.15.

ENERGY PERFORMANCE CERTIFICATE (EPC) Residential properties EPCs must be displayed when marketing all properties that are built, sold or let. Exemptions include listed buildings, buildings that are rented for <4 months of the year, and temporary buildings intended to stand for <2 years • Business properties EPCs are required when premises are built, sold, let or, if fixed, heating, air conditioning or mechanical ventilation system are installed or extended. An EPC must be displayed on the premises if the useful floor area is >500m², it is frequently visited by the public & an EPC has already been produced for the building's sale, rental or construction.

ENERGY EFFICIENCY REGULATIONS & LET PROPERTY (subject to publication of guidance) April 2016 Residential tenants will be able to request landlords' consent, which must not be unreasonably withheld, to install prescribed energy efficiency improvements. Exemptions may be available • April 2018 Private domestic & non-domestic landlords will need to ensure that their properties achieve at least an E EPC rating before granting a new tenancy. Exemptions may be available • April 2020 These requirements will apply to all private rented properties (including already occupied properties) in the domestic sector • April 2023 The same will apply to all properties in the non-domestic sector.

TAX Income Tax Personal Allowance £10,600 (£11,000 from 1.4.16) (£1 withdrawn for every £2 of income >£100,000); Rates & levels 20% on £0-£31,785 (£0-£32,000 from 1.4.16), 40% on £31,786-£150,000 (£32,001-£150,000 from 1.4.16), 45% on >£150,000. Landlords Relief from Income Tax for "costs" (e.g. interest) of a "dwelling related loan" (an amount borrowed for the purpose of a property business carried on to generate income from dwelling houses) is only to be allowed at the basic rate of tax. This is to be phased in over 4 years from April 2017. There is also a proposal to remove the fair wear and tear allowance of 10% of the rent for furnished lettings. Relief would instead be given on capital expenditure • Capital Gains Tax Individuals 18% (on unused part of individual's basic rate band) or 28% (if any part of income is chargeable to higher income tax rate). Annual Exemptions Individuals - £11,100 & Trustees - £5,550. Principal Private Residence Relief Gains on sole or main residence (with usually up to 0.5ha) are exempt. Roll-over Relief Defers tax on disposal of certain business assets where receipts are reinvested in other gualifying assets 1 year before to 3 years after the disposal. Entrepreneurs' Relief 10% CGT for material disposal of relevant business assets. Re-investment Relief Chargeable gains can be deferred where reinvested in gualifying shares. Holdover Relief Defers tax on gift of business assets. The 2015 Autumn Statement announced a prospective requirement to make a payment on account for the CGT due on the sale of any residential property within 30 days of the completion of the sale, as opposed to between 10 & 22 months in other cases • Inheritance Tax 40% above threshold of £325,000, exempt spouse/civil partner transfer; £3,000 annual exemption, small gifts £250. Taper Relief Reduction of tax payable on sliding scale from 100% chargeable <3 yrs from a Potential Exempt Transfer (PET) to 0% >7 yrs from a PET. Business Property Relief 50% or 100%. Agricultural Property Relief 100% relief if 2 year's ownership if owner occupied, or 7 year's ownership (& agricultural occupation) if let out - 50% of agricultural value for agreements pre-1.9.95. Proposed residential nil rate amount This is a proposed new additional relief from IHT for a dwelling inherited by lineal descendants of the deceased. It will apply for deaths after 6.4.17 and will start at £100,000 per individual, increasing year on year up to £175,000 in 2020 • Stamp Duty Land Tax Rates and thresholds: Residential (charged in bands): 0% for <£125k; 2% on £125k - £250k; 5% on £250k - £925k; 10% on £925k - £1.5m; 12% on >£1.5m. Non-residential (levied on whole price): 0% on <£150k; 1% on £150k - £250k; 3% on £250k - £500k; 5% on >£500k. Leasehold Residential 0% on the first £125k; 1% on anything >£125k. Leasehold non-residential 0% on the first £150k; 1% on anything >£150k. Net Present Value ascertained at discount rate of 3.5% over the life of the lease (YP Single Rate in arrears). Second homes & buy to let properties The 2015 Autumn statement has announced higher rates for purchases of additional residential properties from April 2016. The proposed rates are 3% for £40k - £125k; 5% on £125k - £250k; 8% on £250k - £925k; 13% on £925k - £1.5m; 15% on >£1.5m • The Annual Tax on Enveloped Dwellings (ATED) Annual charge where a 'single dwelling interest' is worth >£1m (£500k wef 1.4.16) & is owned by a company. A 'single dwelling interest' includes the main house, gardens & grounds enjoyed with the house & other dwellings occupied with the house. The amount of tax charged is dependent on the value of the property on 1.4.12 or the date of acquisition if later. A number of reliefs are available including for working farmhouses • Capital Allowances Businesses receive a 100% initial allowance on the first £200k of expenditure.

PLANNING General Permitted Development Order 1995 – Part 6 (Agricultural Buildings and Operations) – Class A (Development on units of 5ha or more) The erection, extension or alteration of a building on agricultural land which is reasonably necessary for the purposes of agriculture is permitted development. Buildings must be: on separate parcels of land of <1ha; <465sq.m. (including other development within 90m, constructed in the past 2 years); <512m high (3m if <3km from aerodrome); <25m from a trunk/classified road. Livestock/slurry buildings must be located >400m from 'protected buildings' (e.g. residential property not associated with the agricultural business.

18.12.2015 Whilst care has been taken to ensure that Farm Facts 2016 is as up-to-date and accurate as possible, Townsend Chartered Surveyors cannot be held responsible for any errors or omissions contained herein. It is published as a broad guidance only and should not be relied upon without further professional advice.

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