PLOUGHING OF PERMANENT PASTURE Natura 2000 Permanent grassland in areas covered by the Wild Birds &/or Habitats Directive (Naturra 2000) must not be ploughed, even if the farmer is not claiming BPS. To check if your land is designated under Natura 2000, check http://natura2000.eea.europa.eu or http://magic.defra.gov.uk • Screening Decision Farmers must obtain an EIA screening decision from Natural England before they plough up or improve land which hasn't been cultivated for 15 years or which is semi-natural grassland.

RECENT SUCCESSFUL CASES VALIDATING TOWNSEND CHARTERED SURVEYORS SERVICES/

ADVICE Naked acre letting - R (T & S King A Partnership) v The Secretary of State for Environment, Food & Rural Affairs ([2016] EWHC 1692). • Unfair contract, misrepresentation - The Crown Estate Commissioners v I & J Wakley (3TA00071)

KEY DATES (subject to 2017 BPS rules & CSS Guidance) 1.1.17 Start of the Basic Payment Scheme 2017 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
 Start of assessment of the annual amount of livestock manure applied to land
 Start of Countryside Stewardship Higher and Mid Tier agreements • Start of fallow period for EFA rules • EFA cover crops must be retained until now • The annual inventory for sheep and goats must be carried out in Wales 16.1.17 Manufactured nitrogen fertilisers can be applied from this date if conditions are suitable 31.1.17 Pheasant and Partridge season in Northern Ireland close

Woodcock and Gold Plover season closes 1.2.17 Pheasant and Partridge season in England Wales and Scotland close • Organic manure* can be applied on all soil types if conditions are suitable & quantity conditions are adhered to • Welsh annual sheep and goat inventory submission deadline 2.2.17 Candlemas 15.2.17 End of Red, Fallow and Sika deer hind stalking season in Scotland 28.2.17 End of quantity restrictions for application of organic manures* 1.3.17 Hedgerows & trees must not be cut & hedgebanks must not be cast up from this date but hedge laying and coppicing may continue • Start of EFA catch crop and green cover crop establishment period 14.3.17 Countryside Stewardship Higher and Mid Tier agreement application period opens 25.3.17 Lady Day 31.3.17 End of Red, Fallow, Roe and Sika deer hind stalking season in England Wales and Northern Ireland • End of Roe deer doe stalking season in Scotland • End of Chinese Water deer buck and doe stalking season in England

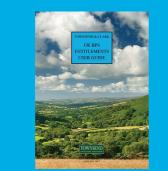
• Water abstraction annual bills issued 1.4.17 Heather, bracken gorse etc. in lowland areas must not be burnt from this date • Start of Roe deer buck stalking season in England Wales Scotland and Northern Ireland . Winter and all year round water abstraction licence holder return forms available from the EA 16.4.17 Heather, bracken, gorse etc. must not be burnt from this date in upland areas 30.4.17 Farmers with an NVZ grassland derogation must submit 'Fertiliser Accounts' to the EA

Countryside Stewardship Higher Tier (non-woodland) application period closes . 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 Red, Fallow and Sika deer stag stalking season in England Wales and Northern Ireland • End of Fallow deer stag stalking season in Scotland 1.5.17 Start of 'cropping period' for crop diversification rules • Hedge-laying or coppicing must not be carried out from this date 15.5.17 UK BPS Application Deadline - Land must be 'at claimants' disposal' on this date • BPS entitlement transfer deadline • Environmental Stewardship claim deadline 31.5.17 Countryside Stewardship Higher Tier woodland only application period closes 4.6.17 Whit Sunday 24.6.17 Midsummer Day 30.6.17 2016 BPS payment window ends • End of 'cropping period' for crop diversification rules • End of fallow period for EFA greening rules 1.7.17 Start of Red and Sika deer stag stalking season in Scotland 1.8.17 Lammas • Holders of an RPA derogation may cut or trim hedgerows throughout August to sow oilseed rape or temporary grassland • 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

EFA catch crops must be established

EFA nitrogen-fixing crops can be harvested Start of Red, Fallow and Sika deer stag stalking season in England Wales and Northern Ireland • Start of Fallow deer stag stalking season in Scotland 12.8.17 Red Grouse and Ptarmigan (Scotland only) season opens 20.8.17 Black Grouse season opens (excluding Somerset Devon and New Forest) 1.9.17 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 nitrogen fertilisers to tillage land
 Partridge and Golden Plover season opens
 Black Grouse season in Somerset Devon and New Forest opens 15.9.17 Start of closed period for applying manufactured nitrogen to grassland 16.9.17 Start of closed period for applying organic manure* to tillage land on shallow or sandy soils sown with crops on or before 15th Sept 29.9.17 Michaelmas 30.9.17 Countryside Stewardship Mid Tier agreement (including water capital grants claims and supporting evidence) application period closes . Countryside Stewardship Higher Tier application building process closes 1.10.17 Pheasant and Woodcock season opens • EFA green cover crops must be established . 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 15.10.17 Start of closed period for applying organic manure* to grassland on soils which are not shallow or sandy 20.10.17 End of Red, Sika and Roe deer stag stalking season in Scotland 21.10.17 Start of Red, Fallow, Roe and Sika deer hind stalking season in Scotland 31.10.17 End of Roe deer buck stalking season in England and Wales • Summer water abstraction licence holder return forms available from the EA 1.11.17 All Hallows . Heather, bracken, gorse etc. in lowland areas can be burnt from this date . Start of Red, Fallow, Roe and Sika deer hind stalking season in England Wales and Northern Ireland . Start of Chinese Water deer buck and doe stalking season in England 11.11.17 Martinmas 30.11.17 Water abstraction licence holders with two-part tariff agreements receive 2nd part charge

Red Grouse season in Northern Ireland closes 1.12.17 The annual inventory for sheep and goats must be carried out in England 10.12.17 Grouse and Ptarmigan (Scotland only) seasons close 25.12.17 Christmas 31.12.17 NVZ Derogation deadline. *with a high readily available nitrogen content



UK BPS ENTITLEMENTS USER GUIDE TOWNSEND & CLARK - JANUARY 2017

"Whether you are a practicing farmer, an accountant, a rural surveyor, a student, a land agent – or even an agricultural journalist – this e-book will become an invaluable tool for understanding the intricacies of agricultural support in the UK." Philip Clarke, Executive Editor, Farmers Weekly

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AGENCY - SALES & LETTING



20.2.2017 Whilst care has been taken to ensure that Farm Facts 2017 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 & should not be relied upon without further professional advice.

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farm facts 2017



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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 2016 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 2017 payment rates (based on 2016 exchange rate & FDM) Non-SDA £212.69/ha, SDA £211.16/ha, Moorland £55.79/ha • Capping BPS payments (excluding greening & any young farmer payment) over €150,000 (£127,842 in 2016) will be reduced by 5% • Over-claiming Penalties The penalty applied for over-claiming has changed for 2017. When an over-claim amounts to more than 2ha, or 3% of the total area claimed, the area over-claimed is multiplied by 1.5%, rather than the 2% previously. The new Yellow Card system also means that first-time offenders, who have not over-claimed in the past, will have their penalty rate halved to 0.75%. • National Reserve Used to allocate new entitlements to match 'naked' eligible area for Young Farmers (40 years old or less) in control (i.e. has more than 50% of the shares & 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 BPS payment on a max of 90 entitlements for up to 5 years after taking control of a business • Dual Use One party claiming BPS & another claiming under an agri-environment scheme on the same land. Allowed for 2017 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 DEFRA have advised that farmers should follow the 2016 Greening rules for 2017 • 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. • 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 1.5.17 - 30.6.17 (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 1.1.17 - 30.6.17, 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 1/2 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 1.5.17 - 30.6.17, 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, & 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. 1m² = 0.3m² 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) now incorporates elements of the past Environmental Stewardship scheme plus English Woodland Grants & Catchment Sensitive Farming Grants into one programme. Applicants compete for limited funding, based on the strength of their application. • CSS Structure All agreements are for 5 years, unless a 10-year agreement is justified (eg. water/weltand habitats, complex tenure arrangements or woodland creation). A 5-year break clause will be included which can be implemented, without penalty, by either party. There are three tiers in the scheme; *Higher Tier, Mid Tier & Capital Grants*. • Higher Tier (HT) selection is similar to previous HLS for most environmentally significant sites & applications are by invitation. Widest range of management options some only available in HT, eg. habitat restoration & woodland creation. • Mid Tier (MT) focuses on reducing diffuse water pollution & improving farmed environments for farmland birds & pollinators & is awarded on competitive basis. There are 127 options and applicants must have £5,000 in options over 5 years eg; Beelte Banks - £573ha; Field Corner Management

- £365/ha: Hedgerow Management 1 side - £8/100m. both sides - £16/100m: Winter Cover Crops - £114/ ha; Buffer Strip on cultivated land 4-6m - £353/ha. • Capital Grants Stand-alone capital grants available, separate from MT and HT options, for: Hedgerows & Boundaries - restoration & improvement of hedges & stone walls (≤£5,000, ≥£1,000): Water Quality Grants – a selection of 45 capital items to reduce diffuse water pollution within a Catchment Sensitive Farming area (up to £10,000 per holding): Feasibility Studies - funds to assess the potential success of a project; Facilitation Funding - £7.2 million has been set aside to facilitate 'landscape-scale' CSS agreements of >2,000ha & >4 holdings. £10,000 is available for facilitators to provide necessary skills & training etc; Woodland Creation - see section on CSS Woodland Creation. CSS Applications Funding dependent on strength of application. Natural England not yet set timetable for 2017, likely to be similar to 2016. Application windows: Facilitation Fund - closed 15.2.17; Hedges & Boundaries Capital Grant - 1.2.17 - 28.4.17; Woodland Creation - 3.1.17 - 1.3.17; Mid Tier (2016) - 14.3.16 - 30.9.16; Woodland Improvement (2016) - 14.3.16 - 30.9.16; Woodland Planning & Tree Health - rolling application window. • CSS Woodland Creation Funding for woodland creation under Supply & Plant Trees (TE4), a capital grant of £1.28/tree (up to a max of £6,800/ha) to supply, plant, weed & protect. Woodland Creation Maintenance (WD1) is a Higher Tier option, £200/ha per annum over a 10-year agreement & can be used in conjunction with TE4. • Growth Programme 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. See https://www. gov.uk/european-structural-investment-funds • LEADER Applications to Local Action Groups for supporting micro/small businesses & farm diversification, boosting rural tourism, increasing farm & forestry productivity, providing rural services, and providing cultural & heritage activities.

FORESTRY 5-Year Establishment Cost Broadleaves - £5,983/ha; Conifers - £5,055/ha • Guards Spirals & canes (750mm) £45-50/100. Plastic tubes (1,200mm) £140-190/100. Stakes £55-75/100. • New planting grants - see CSS Woodland Creation.

FENCING Posts @ £2.00-5.00; Strainer Posts @ £10.00-15.00; Strainer Struts @ £7.00-10.00; Rabbit - £5.00-7.50/m; Stock - £5.00-7.00/m; Deer - £8.50-12.00/m; Post & Rail - £15.00-21.00/m

FARM PRICES & RENTS – ENGLAND AND WALES Sales Including residential component - £10,700/acre; English bare land - £7,670/acre • Average AHA rent bare land Arable - £72/acre; Pasture - £51/acre • Average FBT rent bare land without entitlements Arable - £137/acre; Pasture - £95/acre.

SPORTING RATES Annual rents Wildfowling & 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 Apprentice - £3.40/hr (£3.50/hr from April 2017); <18 - £4.00/hr (£4.05 from April 2017); 18-20yrs - £5.55/hr (£5.60 from April 2017); 27-24yrs - £6.95/hr (£7.05 from April 2017); >25 - £7.20/hr (£7.50 from April 2017) • 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 • National Living Wage From April 2016 for all workers >25 - £7.20/hr (£7.50/hr from April 2017) • Arable Standard Man Days (SMDs) per ha Wheat & Barley straw ploughed in - 1.15, & with 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) • Livestock SMDs per head Dairy cows - 4.00; Bulls - 3.50; 18-month Beef - 1.60; Rams - 0.50; Ewes (lowland) - 0.50; Ewes (upland) - 0.45; Store Lambs - 0.30 • SMDs per person per annum 275.

WORKPLACE PENSIONS From April 2017 All employers must provide a Workplace Pension to all workers aged between 22 & the State Pension Age, working in the UK & earning over £10,000 pa. • National Employment Savings Trust (NEST) Government alternative to private pension providers. • Minimum Contributions Before Oct 2017 - Employer 1% & Employee 1%, Total 2%; Oct 2017 to Sept 2018 – Employer 2% & Employee 3%, Total 5%, After October 2018 – Employer 3% & Employee 5%, Total 8%.

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 - £115-125/m². Total for complete enclosed building - £210-240/m² • Cattle Cubicle Housing Portal frame, including cubicles & all internal services with feed stances & slats - £2,520-3,000/head (6m²) • On-floor Grain Store Portal framed building, walling to 3m & no drying facilities - £105-120m²; with drying facilities, ducts & below ground laterals - £240-270/ m²; Thrust panel walls 2.5-3m - £225-275/m • Field Drainage £1,500-£2,500/ha or £2,500-£3,500/ha

DILAPIDATIONS Traditional wooden gate 3.3-4.2m £85-100 • Tubular steel gate $3m \pm 110$ • Post & 4-rail fence (post every 1.8m) - $\pm 15-21/m$ • Stock fencing round posts (2.13mm x 100mm) every 3m, medium gauge pig netting & 2 strands of barbed wire - $\pm 5-7/m$ • Permanent Electric Fencing £3-4.50/m • Stone walling 1.52m high - $\pm 75-110/m^2$ (excl. materials) • Ditching cleaning out - $\pm 2.40-4.80m$ • JCB hire including operator, fuel & transport to site - $\pm 26/hr$ • Flail hedge cutting $\pm 30-40/hour$ • Hedge laying $\pm 13-17/m$.

COMPENSATION FOR IMPROVEMENTS & TENANT RIGHT UNDER THE AGRICULTURAL HOLDINGS

ACT AHA tenants are entitled to compensation at the end of the tenancy for any major long-term improvements & short-term improvements, as well as for 'tenant right' & the use of any special system of farming which has benefitted the farm. Long-term Improvements may include the erection or alteration of buildings, the construction of silos, roads or bridges or the planting of orchards. Short-term Improvements include mole drainage, protection of fruit trees, clay burning, liming, application of purchased manure & fertiliser, consumption by livestock of corn, 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 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 broadens 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; 3) Moving the focus from the consumption of feedstuffs to the manure in store on the holding.

GRASSLAND NITROGEN LIMITS WITHIN NVZs & STEWARDSHIP NVZs Livestock manure 170kg N/ha/yr (Derogation: farms with grazing livestock & >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 each year [application window 3.10.16 – 20.3.17 for derogation in 2017] & certain conditions are met). Other organic manure 250kg N/ha in any 12-month period (not including manure deposited by grazing animals) Transitional Arrangements II and is in an NVZ for the first time in 2017, no need to comply with legal requirements until 1.1.18, or 31.7.19 for regulations 18, 20, 21, 22, 24, 25. 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 a rate of 9kg/ha N, 23kg/ha P & 83 kg/ha K.

ENTITLEMENT TRADING 2017 UK BPS Entitlement Sales Prices (As at 20.2.17) Non-SDA - £180/ha; SDA - £190/ha; No trade as yet of SDA-Moorland or in Wales, Scotland & Northern Ireland **- 2016 UK** BPS Entitlement Sales Average Prices: English Non-SDA - £190/ha (Non-VAT - £200); SDA - £213/ ha (Non-VAT - £230); SDA-Moorland - £69/ha. **- English Entitlement Payment Values 2016** Non-SDA BPS Value (BPSV) - £149.38, Greening Value (GV) - £66.23, Total Entitlement Value (EV) - £215.61. SDA BPSV - £148.31, GV - £65.75, EV - £214.06. SDA Moorland BPSV - £39.18, GV - £17.38, EV - £56.56. Any BPS payments above €2,000 (£1,462.58) will also be subject to a Financial Discipline Mechanism reduction of 1.353905%.

ENERGY PERFORMANCE CERTIFICATE (EPC) Residential Properties EPCs must be displayed when marketing all properties that are built, sold or let. Exemptions: listed buildings, buildings that are rented for <4 months of the year, & temporary buildings intended to stand for <2 years e Business Properties EPCs required when premises are built, sold, let or, if fixed, heating, air conditioning or mechanical ventilation systems are installed or extended. EPCs must also 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 Since April 2016 residential tenants have been 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 & nondomestic landlords' properties to achieve an E EPC rating before granting a new tenancy, with a penalty of up to £4,000 for breaches. Exemptions may be available • April 2020 These requirements will apply to all private rented properties (including already occupied properties) in the domestic sector, and by April 2023 will also apply to all non-domestic properties.

TAX Income Tax Personal Allowance £11.000 (£11.500 from 1.4.17) (£1 withdrawn for every £2 of net income >£100.000); Rates & levels 20% on £0-32.000 (£0-£33.500 from 1.4.17), 40% on £32.001-£150.000 (£33,501-£150,000 from 1.4.17), 45% on >£150,000. Tax on Dividends 0% on the first £5,000 in a tax year: 7.5% for over £5,000 if basic rate tax payer, or 32.5% for higher rate tax payer; additional rate 38.1%. 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 & tear allowance of 10% of the rent for furnished lettings, Relief would instead be given on capital expenditure • Capital Gains Tax Individuals 10% (on unused part of individual's basic rate band) or 20% (if any part of income is chargeable to higher income tax rate) (2015-2016 18% & 28%). Trustees 20% • CGT Annual Exemptions Individuals - £11,100 & Trusts - £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 qualifying assets 1 year before to 3 years after the disposal. Entrepreneurs' Relief There is a lower rate of 10% CGT for material disposal of relevant business assets. Holdover Relief Defers tax on gift of business assets. The giver of the gift does not pay CGT, while the receiver of the gift pays CGT when they later 'dispose' of the asset. • Inheritance Tax 40% above threshold of £325.000 (£425.000 in 2017/18), 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 (BPR) Business assets of a farming company may gualify for BPR. The business should have been owned for at least 2 years, however individual business assets can have been held for a shorter time. Current BPR relief is 100%. BPS entitlements will qualify for BPR. 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, Main Residence Nil Rate Band (RNRB) Additional relief from IHT for a dwelling inherited by lineal descendants of deceased. Applies for deaths after

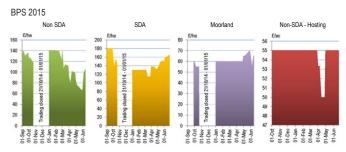
6.4.17 & will start at £100,000 per individual, increasing year on year up to £175,000 by 2020/21 ● Stamp Duty Land Tax Rates & thresholds payable in UK (not Scotland) by purchaser: Sole Residential (charged in bands): 0% for <£125k; 2% on £125k + £250k; 5% on £250k - £925k; 10% on £925k + £1.5m; 12% on >£1.5m. Non-residential (levied on whole price): 0% on <£150k; 2% on £150k - £250k; 5% on ±250k. Leasehold Residential (0% on the first £150k; 1% on anything >£15k. Leasehold Non-residential 0% on the first £150k; 1% on anything >£15k. Leasehold Non-residential 0% on the first £150k; 1% on anything >£15k. Leasehold Non-residential 0% on the first £150k; 1% on £125k. Ease (15k) and 10% on the first £150k; 1% on anything >£15k. Net Present Value ascertained at discount rate of 3.5% over the life of the lease (Years Purchase Single Rate in arrears). Second homes & buy to let properties 3% for £40k - £125k; 5% on £125k - £250k; 8% on £250k - £925k; 13% on £925k - £1.5m; 15% on >£1.5m • Annual Tax on Enveloped Dwellings (ATED) Annual charge where a 'single dwelling interest' is worth ≥£500k & is owned by a company. A 'single dwelling interest' includes the manunt of fax 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 per year. Other capital allowances are available for renovating business premises in disadvantaged areas, extracting minerals, research & development and dredging.

CATTLE MOVEMENTS Apply for passport within 27 days of birth • Notify BCMS of movements within 3 days. • Standstill period Once an animal (cattle, sheep, goats or pigs) has been moved onto a holding no livestock can be moved off the holding again for 6 days (20 days for pigs). • Update farm records within 36 hours of movement. • Pre-movement TB testing All cattle over 42 days old moving out of an annually tested herd must have tested negative to a TB test within 60 days prior to movement (subject to certain exemptions) • 10-Mile Rule Between Summer 2016 & Mid-2017 Sole Occupancy Authorities will be scrapped, & replaced with the new 10-Mile Rule. The new rule states that farmers may apply to register all land they use within a 10-mile radius, whether in use permanently or temporarily, under the same County Parish Holding (CPH) number. The movement of livestock between pieces of land within the same CPH do not need to be recorded or reported, & they will not trigger standstill rules.

CROSS-COMPLIANCE CHANGE FOR 2017 – GAEC 1 Land within 2 metres of the centre of a watercourse or field ditch, or from the edge of the watercourse to 1 metre on the landward side at the top of the bank, must be under greencover, must not be cultivated, & must not be treated with fertilisers or pesticides.

PLANNING General Permitted Development Order 1995 – Part 6 (Agricultural Buildings & 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); ≤12m high (3m if <3km from aerodrome); <25m from a trunk/classified read. Livestock/slury buildings must be located >400m from 'protected buildings' (e.g. residential property not associated with the agricultural business). ● Class Q allows for the conversion of an agricultural building to a dwelling, provided certain conditions are met, eg. the site must have been used solely for agriculture on 20.3.13, or had last been used for agriculture if it was not in use on 20.3.13.

ENGLISH ENTITLEMENTS & NAKED ACRES/HOSTING - PRICES







These graphs represent averages and are for illustrative purposes only. Prices of traded entitlements are expressed in £/ha excluding VAT. 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. 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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