

Rural News

Bruton
Knowles

RURAL

FEATURE

Escape to the Abbey: Prinknash Abbey Estate

Introduction

Welcome to our newsletter for Autumn/Winter 2024.

We are entering a very challenging period for farmers and landowners with a new Government bringing a large degree of uncertainty. It is certainly a time when we at Bruton Knowles Rural are involving ourselves with many business owners and occupiers to ensure they are making good decisions and moving in the right direction.

If you need help and advice, please do not hesitate to contact our friendly team.



John Amos – Partner - Head of Rural

07813 601424

John.amos@brutonknowles.co.uk

Land and Property Sales

As we approach the end of a busy summer for the Bruton Knowles Rural Agency team, we continue to bring quality stock to market in the autumn with the recent launch of the Prinknash Abbey Estate.

The sale represents the rare opportunity to acquire a multi-faceted agricultural investment portfolio comprising two properties and agricultural land extending in total to about 171 acres. Offered for sale as a whole or in up to seven lots, the estate is currently occupied under a number of Agricultural Holding Act tenancies as well as a good portion to be offered with vacant possession.



As we look back over the summer months it's hard not to reflect on the important sale of Hoarthorns Farm in Coleford, Gloucestershire. Hoarthorns Farm kick-started our spring/summer 2024 season and represented the sole, commercial grade farm to come to the open market in west Gloucestershire in recent years. The 218 acre mixed farm attracted interest from both the local market as well as corporate institutes and government bodies. Bruton Knowles were the sole selling agent of Hoathorns Farm with the farm now sold Subject to Contract.

Looking forward, the market remains active but is becoming more location-driven than it has been recently. For anyone considering a sale or purchase, we would strongly recommend you make contact with our Rural Agency team and seek professional advice early in the process. Bruton Knowles' knowledge and experience of the particular nuances of your local market may be crucial in ensuring a successful sale or purchase.

If you would like to arrange an up to date, independent, no obligation market appraisal free of charge, please do not hesitate to contact Archie Stray or a member of the wider Rural Agency Team.



Archie Stray – Rural Surveyor

07719 092906

Archie.stray@brutonknowles.co.uk

Contract Farming Arrangements / Lettings

Bruton Knowles have a long and well-respected history of providing Contract Farming Agreements (CFA) and tenancy advice, support and management whilst working on behalf of landlords and tenants.

Recently, we have seen an increase in the number of CFA requests with many landowners opting to enter a CFA over a Farm Business Tenancy (FBT) especially where longer terms are being offered. We are perfectly positioned to offer a full service and help our landowners to manage their farming business and are delighted to advise clients on the differences between CFAs and FBTs and how which option may be suitable for your business situation.



Hannah Morgan - Senior Surveyor

07514 493039

Hannah.morgan@brutonknowles.co.uk

The market for land to contract farm and rent remains strong and we have offered several entire farms, pasture, and arable blocks to the market. We have been delighted with record demand for all land types with top values having been achieved for productive arable land with longer term lengths or where ground is offered for premium crops.

We work for a variety of clients and are well placed to ensure they achieve their aims whilst advising on the best tenancy or CFA to protect their interests. If you have any CFA or tenancy questions, queries or would like us to help with your negotiations, please do get in contact.

Telecom Masts

The Electronic Communications Code ('the Code'), was inserted into the Communications Act 2003 as Schedule 3(A) by the Digital Economy Act 2017, taking effect on all new agreements on or after 28th December 2017. This has now taken full effect in the industry and we have many clients who we have now negotiated terms for.

Telecommunication companies have also been given renewal rights which we are starting to see them rely on, therefore they are likely to serve notices to terminate leases and replace. These will always have a backstop date which after such time they can seek Court approval along with setting the rents. Given the rent mechanism of the new legislation requires it to be considered as it is in the 'no scheme world' rents have dramatically fallen with starting offers being seen in the mid hundreds.



Charlotte Ibbs - Senior Associate

07484 915723

Charlotte.ibbs@brutonknowles.co.uk

The market has improved with the most recent court case EE Limited (1) and Hutchison 3G UK Limited (2) vs. AP Wireless II (UK) Limited at Vache Farm has awarded unexceptional rural sites a rental of £1,750 per annum.

Bruton Knowles are delighted to say that we have been successful in negotiating many renewals with rents and signing incentives, substantially in excess of case law settlements. Therefore, we are expertly placed to be able to advise clients on their telecommunication masts and negotiate terms for your renewals. If you have any telecommunication questions, queries or would like us to help with your negotiations, please do get in contact.

Funding For Farmers



In 2024 we saw the introduction of delinked payments that replaced the Basic Payment Scheme (BPS) subsidy. The requirement to actively farm was completely removed and payments based on a reference amount will taper down to zero by 2027.

Farmers looking to replace the shortfall in BPS should now be considering the funding that is currently available including the Sustainable Farming Incentive (SFI) and Capital Grants schemes. A well planned SFI application could have the potential to offset lost BPS income, without major changes to the current farming setup.

Additional SFI actions are scheduled to be released in the future to add further value. Capital Grants are available to work alongside chosen SFI actions such as for fencing and hedgerow works.

To help improve animal health and welfare, farmers who keep cattle, sheep or pigs can get funding for a vet to visit their farm to carry out annual reviews.

At various times of the year, the RPA release schemes for funding to Invest in equipment, technology and infrastructure to increase productivity. Bruton Knowles issue regular newsletters advising our clients with updates to funding grants and if you would like to receive these please contact us.



Adam Holt – Agricultural Adviser

07510 372473

Adam.holt@brutonknowles.co.uk

Rural Finance / Cost of Living

When it comes to farm finance in 2024, we are clearly in a very different world to when the Bank of England base rate was just 0.25% a couple of years ago.

Today we are looking at a base rate of 5%, following 14 rises, with one recent fall, largely because of worldwide inflation pressures. It is hoped that rates will continue to fall, as inflation comes under control, however there is no guarantee, and it is unlikely we will see rates as low as 0.25% for quite some time.

Recent rate increases have put increased pressure on rural businesses at a time when they are already grappling with high input costs, wage inflation, market volatility and the phasing out of Basic Payments. It is therefore even more important to ensure you are getting the best service from your bank, especially if you are coming to the end of a term loan or looking to expand or invest into a new enterprise.

Shopping around for the best deal is no longer straight forward and often needs specialist advice. Larger loans for diversification projects may not be attractive to some traditional banks and a different approach to raising finance might be needed. Higher interest rates do create opportunities for businesses to improve their returns from cash reserves, but banks often don't offer the best rates to businesses unless asked.

Any potential investment needs very careful consideration, with a clear vision of how the investment will help the business to grow and should be underpinned by a robust business plan.



If you want to diversify, purchase land, invest in a capital project or restructure existing loans to improve affordability, it could well save you time and money by employing the services of an independent finance professional to explore your finance and debt options.

Ben Compton - Partner

07500 064848

Ben.compton@brutonknowles.co.uk

We have relationships with all the major lenders in the rural and agricultural sector. We also work with independent financial consultants, who can help source funds from multiple avenues to get the best deal at that time and one that is right for your business, taking all factors into consideration.

Partnership Agreements

The new Government will deliver their first Budget on 30th October 2024. They have made it clear the state of the public finances means that tax rises are inevitable. Having ruled out increases to the rates of income tax, national insurance and VAT, it is highly likely changes to Capital Taxes are being considered. The Prime Minister has said those with the 'broadest shoulders should bear the heaviest burden' suggesting there will be tax rises on property. We will of course be ready to assist clients with rural property advice once the contents of the Budget are known.

However, whatever those changes may be, owners of farms, land and other rural property would be well advised to be thinking about their Capital Tax position now. In particular, the very significant rises in the values of this type of property in recent years, mean that leaving tax and financial planning until the next generation take over is not a sensible option. Prudent owners will be making sure their farming and property owning structures are fit for purpose now.

Many farming businesses are run through a general partnership structure. Yet some of those don't even have written partnership agreements in place. Many more have partnership agreements which are not up to date or fit for modern farming purposes. An agreement drafted many years ago that no longer reflects how the partnership is run, what the partners want or what the partnership assets are, is a highly dangerous document. In addition to the potential loss of valuable CGT and IHT reliefs, such a situation can lead to catastrophic disputes within farming families, some of which have resulted in lengthy and damaging legal disputes and even recent Court cases.

The impending Budget provides a good opportunity for property owners, with the advice of their professional team of Surveyors, Solicitors and Accountants, to review these matters. Failure to do this could make the outcome of this Autumn Budget even more painful than it needed to be. For assistance on the valuation aspects of partnerships and all other rural property advice contact your local BK office.



Geoff Coster – Associate

07786 258684

Geoff.coster@brutonknowles.co.uk



Planning

The Planning Team at Bruton Knowles can support landowners in obtaining planning permission / Listed Building Consent for development and changes of use in rural locations. This includes advising on the use of permitted development rights. We also offer services for strategic land promotion through Local Plans, working closely with our Rural and Development Teams who can assist with promotion / option agreements and land disposal. In summary, our services cover:

- Planning appraisals and strategies
- Pre-application meetings
- Planning applications
- Listed Building Consent applications
- Prior approval applications, i.e. Permitted Development rights via Class Q and Class R, for the conversion of agricultural buildings to residential and commercial uses, or Class A/B for the construction of new agricultural buildings
- Site submissions and representations on Local Plans

The Government’s proposals for planning reform aim to boost the supply of housing and could open up fresh opportunities on suitable sites, either in the short term where Councils are underperforming against their housing targets, or over the longer term through the strategic promotion of land through a Local Plan. We are closely monitoring these potential changes and are ready to advise interested landowners as and when opportunities emerge.

Earlier this year, additional flexibilities were added to Class Q – these changes mean that up to 10 dwellings can now be created through the conversions of agricultural buildings. Certain conditions and requirements apply to the use of Class Q, and we would be pleased to advise on the potential to use this permitted development right in respect of your building(s).

If you have land or a building(s) that you think may have development potential and would like to investigate their potential in planning terms, then please contact Lauren McCullagh. Such prospects may include the conversion of existing rural buildings or new build residential/commercial/agricultural development.



Lauren McCullagh – Senior Planner
07730 568095
Lauren.mccullagh@brutonknowles.co.uk

Biodiversity Net Gain

Biodiversity Net Gain (BNG) has been mandatory for nearly all developers in England since 12 February 2024 under Section 7A of the Town and Country Planning Act 1990 (inserted by Schedule 14 of the Environment Act 2021). This requires that developers must demonstrate at least a 10% improvement of the natural habitat prior to that development taking place, either by enhancing the existing habitat within the red-line boundary of the site or by purchasing off-site units. This has created an emerging marketplace for these off-site units with good opportunities for landowners to promote their land for this purpose, although uncertainty remains.

Bruton Knowles are partnered with a national BNG provider to facilitate units to sell to developers within the same local planning authority (LPA). Unlike other providers in the market, they will take full responsibility for the ongoing management and monitoring of the established habitat over the 30-year agreement – a cause for a lot of uneasiness over the initial months. Bruton Knowles are seeking land of 30 - 100 acres nationwide for farmers wishing to diversify their income, particularly suitable for landowners with marginal land subject to flooding or who are looking at taking land out of production but retain ownership. There may be scope to combine a BNG scheme with nutrient neutrality or carbon capture, offering additional income.



Ben Owen – Rural Officer
07719 092907
Ben.owen@brutonknowles.co.uk

As previously mentioned, it remains early days within the market with some LPAs more prepared than others so please get in touch for further information or to have a non-obligatory appraisal of your land.

Valuations



Within the rural team we have a number of RICS Registered Valuers, and we have expertise in all types of rural valuations including farms, land, residential and equestrian property. We can provide market value and market rent valuations for a variety of purposes. We regularly carry out secured lending valuations on behalf of banks on a nationwide basis. In addition, we can provide valuations for tax purposes, including Capital Gains and Inheritance Tax, for estate planning and for charities amongst other things. For advice on any issue relating to valuation please get in touch and we would be delighted to help.

Leominster

Charlotte Ibbs	charlotte.ibbs@brutonknowles.co.uk	07484 915723
Gavin Loynes	gavin.loynes@brutonknowles.co.uk	07880 224302
Geoff Coster	geoff.coster@brutonknowles.co.uk	07786 258684
Hannah Morgan	hannah.morgan@brutonknowles.co.uk	07514 493039
Miranda Jones	miranda.jones@brutonknowles.co.uk	07917 008766

Gloucester

Ben Compton	ben.compton@brutonknowles.co.uk	07500 064848
Archie Stray	archie.stray@brutonknowles.co.uk	07719 092906
Ellie Isaac	eleanor.isaac@brutonknowles.co.uk	07849 800739
Ellie McDowell	ellie.mcdowell@brutonknowles.co.uk	07514 494694
Julia Allen	julia.allen@brutonknowles.co.uk	07808 904481