

LAND SPHERE

MAY 2023

BTF PARTNERSHIP**CHALLOCK | HEATHFIELD | CANTERBURY**

AVOID THE SPEED
BUMPS AND BE
PREPARED WHEN
YOU COME TO SELL

THE BENEFITS OF
GOING SOLAR
WITH YOUR LAND

THE GRANTS ON
OFFER THAT YOU
COULD BE
MISSING OUT
ON

JON DREW FROM
THE AMC
ENCOURAGES
FARMERS TO
DIVERSIFY



SELLING? AVOID THE SPEED BUMPS

A high value and high demand market, uncertainty over access to new farm support levels, along with farmgate price volatility, all point to a potential rise in property sales this year. Plus there are the ever-present traditional reasons for sales, including debt, death and divorce. Whatever the driver for this big decision, there are many considerations in preparing for a sale and generally, the longer the lead time, the better.

MARKETING

Making the decision

Selling should not be a spur of the moment decision. Often the best and most genuine sellers are those that seek out advice in the autumn, reflect over the winter and decide in the spring. Consider carefully where and when you will move and how you will cope with the upheaval.

Presentation

Good quality marketing and the right sales process is vital. There is no 'one size fits all' with rural properties. Assess the pros and cons of a sale by private treaty, informal tender, formal tender and public auction and pick the right one to suit you and your family, your timescales and the time of year.

Timing

Choose a time when the ground is walkable and gardens, crops and stock are flourishing. Making a good first impression really counts, so ensure everything is neat and tidy ahead of viewings. Photographs tell a thousand words.

Maximise Value

Set a realistic and competitive guide price. Take advice on any development opportunities there might be on the land that could add value. If so, consider whether it is best to apply for planning permission yourself ahead of the sale or consider an overage clause so you can benefit from future uplift in value. Alternatively, you may want to add a restrictive covenant to protect against any future development if you are staying in the locality.

TAX

Consider carefully how the property is valued, the reliefs available and opportunities and other advantages. Take accountancy advice early on so you know what your tax liability position will be on completion.

LEGAL

Form a strategy early

Choose a solicitor with the right credentials to handle the sale and contact them as early as possible, as well as accompanying them around the property.

Issues such as anti-money laundering legislation are becoming ever more time consuming for solicitors and compliance may delay the start of the legal work, even for long-standing clients.

Hold a strategy meeting at an early stage with the solicitor, accountant and agent to ensure all the key advisors agree on the way forward and the 'plan of attack'.

Review the title deeds

Make sure the whole property is registered. If it isn't, then register the title before sale or get a plan in place to answer any awkward questions. This will save time throughout the conveyancing process.

Gather relevant documentation

Locate title deeds, up-to-date property plans, all tenancy/licence agreements, utilities maps, agreements for government-backed schemes or designations, details of any planning permissions including planning ties or other conditions, and all other information that you think may be relevant.

Consider ordering searches

While searches are ordinarily undertaken by the buyer's solicitor, turnaround times with local authorities vary considerably. Some can produce a search result within a week, others can take many months. Highways searches are renowned for taking a long time and should be lodged with the county council as soon as possible to stop a delay further down the line.

Services and Boundaries

Check you know where all your services run and who they are supplied by. Do you supply water to any other properties and do they pay for it? What legal agreements are in place?

New purchasers are often wary about taking on water supplies that serve third parties, especially with regard to determining where the responsibility for maintaining the waterpipe lies.

Do you know where your boundaries are and whose responsibility they are? Have there been any encroachments? Clarify and iron out any issues prior to launch.

Written agreements, contracts and tenancies

Vendors need to make sure all tenants, graziers and other occupiers of the property have written agreements. The neighbour who has used part of a paddock for years on a verbal agreement could cost you time and money when it comes to the conveyancing and the sale.

CHECKLIST

- Planning permissions, listed building consents and building regulations documents
- Wayleave agreements and Service Information
- Occupancies which may need to be terminated to give vacant possession
- Farm Business Tenancies, Agricultural Holdings Act Tenancies, Commercial Leases
- Employee contracts- will these pass to the buyer under the TUPE regulations or be terminated prior to sale?
- Basic Payment Scheme documentation
- Stewardship agreements, details of payments made, terms agreed etc
- Easements to be granted/reserved between each lot or for the benefit of retained property
- Covenants to be imposed for benefit of any other retained property
- Overage Clause draft



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*Richard Thomas
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GRAVENEY, KENT

- 4 bedroom farmhouse
- Surrounded by farmland and views over a reservoir
- In all 4.24 acres
- **Guide Price - £1,350,000**



BOOK A VIEWING



*Tim Crundwell
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HEATHFIELD, EAST SUSSEX

- 6 bedroom farmhouse
- River frontage and ponds
- In all 66.4 acres
- **Guide Price - £1,600,000**



BTF PARTNERSHIP



*Alex Cornwallis
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SITTINGBOURNE, KENT

- 5 bedroom farmhouse
- 2 converted holiday barns
- In all 58.77 acres
- **Guide Price - £2,300,000**





WHY CONSIDER SOLAR?

- Long term leases can provide a stable and consistent income for up to 30 years
- Grazing is still available after installation
- Lower visual impact compared to other renewable technologies
- Easy to decommission when the lease is over



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The renewable energy sector continues to be busy, with landowners being regularly approached by solar and battery developers. Solar energy provides an opportunity to export electricity, and landowners are paid a rent per acre. Battery Energy Storage Schemes can both regulate the supply and demand of solar into the grid, but also function as a direct import and export facility for the trading of electricity on a short term basis. Landowners are typically paid per megawatt, and with an approximate ratio of 20 MW per acre the rental returns can be very attractive for a relatively small area of land.

Both facilities can be developed to connect into the local grid, or directly into the National Grid if over 50 MW, and are subject to an application for connection which will be determined dependent on projected capacity in the respective grid. Capacity for export (as required by solar) has been available in the local UKPN grid (the DNO), but import capacity (for batteries) has been limited. It is understood that plans may be emerging to enhance the local grid to increase capacity for import which would make battery development feasible. It remains to be seen whether National Grid and UKPN will be able to deliver the connections now under offer over the next 10 years or so.

All schemes need planning permission of course, and developers continue to grapple a number of conflicting themes. Any development needs to relate to policy, and the impact of a solar scheme on the landscape and neighbouring residents can be significant, particularly in or near AONBs and Conservation Areas. In the meantime the Government has declared a climate emergency which means policies to reverse negative climate change must now be enacted. Renewable energy schemes will play a part in this, but the debate about the use of the best quality agricultural land remains unresolved. Rishi Sunak has pledged to support the protection of the best and most versatile agricultural land to include Grade 3b, earning him the description of a 'fossil fuel Prime Minister' by the shadow Climate Minister.

Any scheme requires a long term commitment from a landowner at a very early stage, and the commercial and legal terms need to be negotiated carefully to take account of reinstatement obligations, onward project sales to other developers, and landowner obligations for the new Biodiversity Net Gain requirements

Landowners should look to the future for not only revenue purposes but to also do what they can to help combat climate change.

CHECK YOUR GRANTS

FARMING IN PROTECTIVE LANDSCAPES

These are available for anyone farming in Areas of Outstanding Natural Beauty. Grants are available to support:-

- Nature recovery

- Mitigation of the impacts of climate change
- Opportunities for people to discover, enjoy and understand the landscape and its cultural heritage
- Protection or improvement of the quality and character of the landscape



GRANTS TO SUPPORT CATTLE HOUSING

These grants are infrastructure grants available for housing to support farmers to improve cattle health, welfare and productivity. They are made available through the Farming Transformative Fund, with grants opening in summer 2023.

GRANTS TO SUPPORT SLURRY INFRASTRUCTURE

They are specifically designed to help improve or expand slurry storage capacity. The first round of applications closed in January 2023, however more will be opening up later in the year.



SUSTAINABLE FARMING INCENTIVE

Farmers will be paid to provide public goods such as:-

- Improved water quality
- Biodiversity
- Climate change mitigation
- Animal health and welfare

There are 6 standards within this:-

- Nutrient Management Standard
- Integrated Pest Management Standard
- Hedgerow Standard
- Arable and Horticultural Land Standard
- Improved Grassland Standard
- Low/no Input Grassland Standard

These incentives last for 3 years and have rolling start dates for applicants, and it is worth noting tenant farmers do not need their landlords consent to take part.

COUNTRYSIDE STEWARDSHIP GRANT TO IMPROVE THE MANAGEMENT OF WOODLANDS

This offers a one-off payment to create a 10 year woodland management plan which complies with the UK Forestry Standards. For this, the plan must be approved by the Forestry Commission and this can be applied for at any time of year.

BASIC PAYMENT SCHEME DEADLINE - MAY 15TH 2023

COUNTRYSIDE STEWARDSHIP STANDALONE CAPITAL GRANTS 2023

The aim of the Countryside Stewardship Capital Grants is to improve:-

- Boundaries, trees and orchards
- Water quality
- Air quality
- Natural flood management

These grants can be applied for at any time of year



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5 TOP TIPS FOR FARMERS LOOKING TO DIVERSIFY



Jon Drew is a familiar face in the BTF office and at local shows , ploughing matches and rural events around Kent & Sussex. Jon is the AMC Regional Agricultural Manager for the South East and a great support and help to our AMC team here at BTF, ensuring applications are well presented & dealt with as quickly as possible . We have asked Jon with his wide experience to share his diversification tips. AMC are hungry for new business so please direct enquires for finance & new loans to myself , Laura Nesfield or Thomas Wilson.

RICHARD THOMAS, BTF DIRECTOR



As British farming continues to navigate a period of considerable change, an increasing number of rural businesses are looking to future proof their farms by diversifying into non-agricultural enterprises. Whether this means branching out into tourism or hospitality, using existing assets to create new revenue streams can certainly help farmers reduce risk and overcome uncertainty.

Jon Drew, Regional Agriculture Manager for the Agricultural Mortgage Corporation (AMC) in the South East of England, shares his top tips for farmers considering a new project and outlining what they should - and shouldn't - be doing when looking to secure funding to help support this type of expansion.



1 GET GOOD MARKET KNOWLEDGE

It's essential to do as much research as possible. For traditional farmers considering a move into non-farming activities, such as restaurants and shops, it's important to reflect on how much you really know about the new market you're entering.

Consider the level of demand for the new product or service, read up on the competition and outline what you can do to differentiate. You'll also need to consider any new means of distribution and where you're aiming to sell the new product or service – is it local to you, via retailers, online or to other businesses?

2 PREPARE YOUR CURRENT FARMING BUSINESS AND PREMISES

It's important to weigh up whether the new enterprise will enhance or support your existing business and how this could be maximised. Conversely, consider any negative impact that the venture could have on current trading and how you'd effectively manage this.

For example, could your existing business service borrowing for the new enterprise as it gets up and running to support the start-up? It's worth considering how long this could be managed for and, whether your existing premises are adequate to accommodate the new facility in terms of accessibility, storage and regulatory demands.



3 PUT PEOPLE FIRST

You'll need to carefully assess what impact the new business will have on your existing staff and whether some of them have the capacity and skills to work in the new enterprise. A lack of expertise or inadequate competences to run the new business can lead to failure, so consider if you'll need to hire new people, develop your existing talent or whether you may need to outsource.

If new staff are required, you'll need to consider how will these be found and managed and indeed, if there's a particular skill set needed to make the enterprise a success, whether this will be easy to find.

And, of course, you need to remember that your own attention is likely to be diverted away from the traditional business, meaning you may not be able to dedicate as much time or resource to the core business as you have done in the past.

4 SET YOUR SIGHTS ON SUSTAINABILITY

Sustainability is an essential consideration for all farming businesses, with the goal to reduce carbon emissions and fund a greener future laid bare. So, when you're exploring a new enterprise, it's important to assess its environmental impact and, if this is beneficial, how you will maximise and promote this to help develop the business.



5 TAKE PROFESSIONAL GUIDANCE AND MAP OUT A SOLID BUSINESS PLAN

Seeking out sound business and funding guidance to help your diversification venture is key to your success. Speak to a raft of professional advisers - financials, regulatory requirements, legal and HR - who can offer guidance on your plan, sources of finance and how to effectively manage the transition to the new enterprise.

Careful planning is essential to diversify a traditional farm business and can help mitigate risk. Prepare a thorough business plan outlining how you envisage the new venture will work. This should include set up costs, cash flow projections and budgets, financial accounts of the existing business and confirmation of any essential requirements such as planning permission, licences etc.



AMC

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Headquartered in Andover, AMC has supported land-based commercial farming businesses and rural estates since 1928, helping them to acquire more land, improve their infrastructure, and invest in diversification projects to create new revenue streams.



FARMING FAYRE 2023

TRACTOR DISPLAYS, DEMONSTRATIONS,
FOOD & DRINK, LOCAL STALLS & CRAFTS
AND MUCH MORE!

SUNDAY 4TH JUNE

10AM – 4PM

BROADLEES FARM, DEAL ROAD, SWINGATE,
DOVER CT15 5DL

ADMISSIONS: £5 PER PERSON, UNDER 12'S FREE

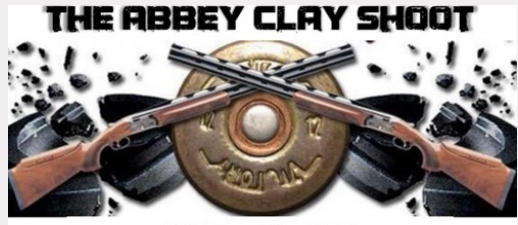
BY CANTERBURY YOUNG FARMERS CLUB
CONTACT: farmingfayre@gmail.com



THE GWCT KENT GAME BIRD CHALLENGE CLAY SHOOT 2023

FRIDAY 30TH JUNE 2023

THANK YOU TO OUR SPONSORS



Heathfield
Agricultural Show

SATURDAY MAY 27TH 2023

TOTTINGWORTH FARM, BROAD OAK, HEATHFIELD,
TN21 8UE

GATES OPEN 8:30 AM

LOOK FOR OUR FLAGS AND JOIN US FOR A DRINK

