

# RURAL

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## AGRICULTURAL TRANSITION PLAN – AN UPDATE

In November 2020, DEFRA published a major document, *The Path to Sustainable Farming: An Agricultural Transition Plan 2021 – 2024*, in which it sets out how it intends to implement the Agriculture Act from 2021 onwards. A number of the funding systems which were detailed in the document are now under a consultation process, with further information on others having recently

been released from the Government. There are some headline changes which have been set out and this is now an important time for farmers to understand the new schemes which will be put into place and how they might fully benefit from any support measures on offer.

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### BPS and Countryside Stewardship

We have seen a rapid uptake in interest in the Countryside Stewardship Scheme amongst farmers and landowners who are yet to take up the environmental scheme. As the much documented and progressive reductions to BPS payments are set to kick in this year, additional income streams are coming under closer scrutiny by farming businesses. With this in mind, it is important to look carefully into the wide range of possible options available, and whilst the scheme may not suit everyone, it is certainly worth some close consideration. Countryside Stewardship will continue to be offered to new applicants until 2023, with the final round of agreements starting in January 2024, after that, all new agreements will be through the Environmental Land Management (ELM) scheme. The current application window for Countryside Stewardship closes on 30th July 2021.

DEFRA has announced a review of payment rates of some existing schemes including Countryside Stewardship with changes to payment rates expected to be announced later in 2021 in advance of payments being adjusted ready for 2022 claims. As DEFRA starts to move away from the EU's income forgone payment methodology, we are hopeful this will lead to more favourable terms for a broad selection of the Countryside Stewardship options. Revised payment rates will apply to both new and existing Countryside Stewardship agreements, but not to older Environmental Stewardship agreements.

This is because these older schemes tended to combine an underlying whole-farm ELS payment with an options-based HLS payment which together offered more favourable terms than the newer Countryside Stewardship schemes.

### Environmental Land Management (ELM) Scheme

The national Pilot Scheme for ELM is due to begin later this year and will test and trial what will become the three main strands of the scheme from 2024 onwards; Sustainable Farming Incentive (SFI), Local Nature Recovery and Landscape Recovery. Meanwhile, farmers and landowners will be able to join the 'early rollout' Sustainable Farming Incentive from Spring 2022. The Government is aware that with reductions to BPS payments already taking effect there needs to be more immediate action as far as replacing support payments is concerned. The cautious rollout of early SFI will firstly see a set of 'standards' available to all farmers who are BPS claimants including those who are currently under any agri-environment schemes such as Countryside Stewardship or Environmental Stewardship.

Designed to accelerate the large-scale adoption of more sustainable approaches to farming the SFI will be limited to these four core elements: arable and horticultural soils standard, improved grassland soils standard, moorland and rough grazing standard, annual health and welfare review. Each of the SFI standards will be set at three levels – introductory, intermediate and advanced – with farmers able to choose the level they sign up to. First year payment rates for

# Renewable energy opportunities

**The demand for field scale solar farms disappeared a few years ago following the withdrawal of the Feed-in-Tariff. However, as the price of solar panels has fallen, interest has been rekindled and we are seeing significant demand for new sites for field scale solar farms.**

Typically, developers are looking for sites of 150–200 acres for solar farms of up to 50 megawatts. Developers usually seek an option for 3 years to enable them to apply for a grid connection and submit a planning application. If a grid connection can be secured at a reasonable price and planning permission is granted, then the developer will exercise their option and take a lease of the site.

However, this is not the end of the story because sites with the benefit of a planning permission and a grid connection are frequently sold on to larger developers and funders who actually construct the project and it is not until the project is constructed that the Landowner receives any rent.

The significant increase in the generation of renewable electricity has put enormous pressure on the electricity grid because the output from solar power and wind power fluctuates according to the weather. National Grid is not permitted to invest in generating capacity and this includes battery storage facilities. As a result, we have seen a huge increase in demand for sites for battery storage facilities.

Typically, developers are looking for sites of 2–5 acres located either adjacent or very close to electricity sub-stations for a battery storage site of up to 50 megawatts and are offering rents of up to £1,500 per megawatt.

**If you have land which you think may be suitable for a solar farm or a battery storage site, please contact Jonathan Stiff on 01353 654915 or email [jonathan.stiff@cheffins.co.uk](mailto:jonathan.stiff@cheffins.co.uk)**

**“...a few headline changes have been announced, making this an important time for farmers to understand the new schemes... and how they might full benefit from any grant funding on offer.”**

the arable and horticultural soils standard, for example, will be set at per hectare rates of £26 (introductory), £41 (intermediate) and £60 (advanced). As the SFI is rolled out further, more standards are expected to become available for measures such as farm woodlands, hedgerows, watercourse buffering, improved grassland, low and no input grassland and farmyard infrastructure. Payment rates for the various standards are also expected to be under continual review and adjusted as we progress through the Agricultural Transition phase. The very cautious approach we are seeing to these new schemes is a clear sign that DEFRA is keen to get this right, through trialling ideas, consulting with industry and acknowledging that adjustments will be made along the way. It is an approach that has to be welcomed, however, farmers and landowners know these support measures won't be the single solution to the challenges that lie ahead. Farming businesses will simultaneously be undertaking their own appraisals to reduce costs, maintain margins and seek other opportunities.

#### **Farming Investment Fund**

The Farming Investment Fund is a new initiative which is due to take flight this Autumn in order to support farming and forestry businesses to invest in equipment, technology and infrastructure that will improve productivity and deliver environmental and other public benefits. The scheme will be divided into two, with lower value grants under the Farming Equipment and Technology Fund and higher value grants under the Farming Transformation Fund. These grants will be loosely based on the Countryside Productivity schemes which have proved

very popular in recent years. Whilst details are still to emerge, investments are expected to include on-farm water storage infrastructure (incl. reservoirs), precision agriculture equipment, robotic or automated technology, specialist forestry equipment and equipment for storing, sorting or processing products.

#### **Lump Sum Exit Scheme**

The Lump Sum Exit Scheme is currently under consultation, with further details yet to emerge, however at the moment we know that the scheme will be launched in 2022 and will enable some farmers to leave the sector and take the BPS payments they would have been entitled to receive during the remainder of the agricultural transition. More details of this are expected once the consultation period ends in August 2021.

At Cheffins we will continue to keep all of our clients updated as and when news and more details on all of these funding systems is released. However, in the meantime if you have any questions on the Agricultural Transition Plan and how it might affect your land or business contact:

#### **For Cambridge clients**

**01223 213777 – [camb.agric@cheffins.co.uk](mailto:camb.agric@cheffins.co.uk)**

#### **For Ely clients**

**01353 662405 – [ely.agric@cheffins.co.uk](mailto:ely.agric@cheffins.co.uk)**

**Katie Hilton, Director, Cheffins Rural Professionals**  
**01223 271959 | [katie.hilton@cheffins.co.uk](mailto:katie.hilton@cheffins.co.uk)**



**“Huge increase in demand for sites for battery storage facilities.”**

# Changes to permitted development rights provide new opportunities for landowners

There has been a series of amendments to the Use Classes Order and permitted development rights in recent years, with many of these modifications to planning rules bringing new opportunities for farmers and landowners. Here we take a look at some of the most pertinent permitted development rights for the landowning community.

## Class E (Commercial, business and service)

The first radical change to use classes was the introduction of the new Class E, which was announced last summer and came into effect from the 1st September 2020.

This new single use class amalgamated previous use classes – B1a, B and C (office/business/light industrial), A1 (shops), A2 (financial/professional services), A3 (cafés/restaurants), D1 part (medical health facilities, creche and nurseries) and D2 (part indoor sports/fitness).

Whilst this might not have directly affected those with land, recently the Government introduced new permitted

development rights to allow for the change of use Class E to residential use, under Class MA. This allows owners of any buildings under Class E to convert them into housing, with only prior approval. So, owners of buildings currently used as an office, or for light industrial, for example, can now convert these into residential, providing a very real opportunity for land and property owners to make the most of today's fast-paced housing market.

Class MA comes into effect from 1st August 2021, however we would recommend any applicants take professional advice early to discuss options and what is required to take advantage of this new flexible permitted development right.

**"...owners of buildings currently used an office....can now convert these into residential..."**

# Second-hand machinery market remains buoyant in spite of pandemic, with six figure sales at both Cheffins monthly auctions and via on site sales

## Cambridge Machinery Sales

So far in 2021, the monthly Cambridge Machinery Sales have grossed over £16.9 million as demand for quality second-hand kit continues to outweigh supply.

As there is a significant shortage of good quality used machinery coming to the market, we have seen that both private and trade buyers continually look to the Cheffins sales for a second-hand alternative. The effects of the pandemic have no doubt been far-reaching, and the UK has seen significant delays in the supply of new machinery which has had a knock-on effect on the Cheffins sales, doubling demand and prices rising concurrently. This has been coupled with a lack of trade-in tractors finding their way into the marketplace, and although new tractor registrations are up on this time last year, according to the Agricultural Engineers Association, these have yet to trickle down into the second-hand market.

There has been much talk in the market about the new DEFRA directives and increased export paperwork and requirements for sanitary and phytosanitary certificates.

This undoubtedly had an affect on the first machinery sales earlier in the year as both buyers and sellers came to understand the implications of the new requirements, however we have since invested in hardstanding areas and a washdown facility to assist exporters with the certificates needed from DEFRA. This has ensured that exporters have continued to buy from the Cheffins machinery sales, and we have seen overseas buyers returning to the market in their droves post-Brexit. Indeed, overseas purchasers continue to be some of the most active at the auction courtesy of our online bidding platform, with significant sales throughout 2021 to all areas of Europe, the Middle East and northern Africa.

It has been heartening to see how rapidly buyers adapted to the online sales formats which became the norm over the past 12 months, however as the pandemic eases and social distancing measures are relaxed, we have been able to open the gates of the machinery sale ground and we're delighted to welcome back buyers old and new.

### Class Q – converting agricultural buildings to residential

In April 2018, the Government extended permitted development rights within Class Q to allow for the greater provision of new homes on an agricultural unit. Under Class Q, redundant agricultural buildings can now be converted into three larger homes with a combined floor space of 465 sqm or up to five smaller homes, each no larger than 100 sqm or alternatively, a combination of the two, but with no more than five properties in total.

This extension of the permitted development rights has resulted in an uptick in the number of larger agricultural buildings now being allowed to be converted into homes as farmers and landowners look to cash in on the opportunity. We have seen a growth in the number of more modern, steel-framed agricultural buildings seeking prior approval, as these large structures can provide sizeable footprints for residential properties, often in desirable, edge-of-village locations.



Class Q does come with limitations, however, and is not applicable to listed buildings or those within a Conservation Area. As with all prior approvals to residential, there are rules which need to be adhered to, including providing minimum space standards and adequate natural light. For anyone looking to convert a building, it is important to bear in mind that provisional floor plans must be supplied as part of the application. This is a complex process and we recommend that anyone looking to embark on such a conversion seeks professional advice ahead of making the application.

### Class R – agricultural building to flexible commercial use

Class R also continues to be a popular route for the conversion of agricultural buildings (and land within its curtilage) to flexible commercial use – i.e., uses falling within the following use classes: Class A1 (shops), Class A2 (financial and professional services), Class A3 (restaurants and cafes), Class B1 (business), Class B8 (storage or distribution), Class C1 (hotels), and Class D2 (assembly and leisure). There have not been any further amendments to Class R, however this is a conversion route which should be considered by landowners looking to convert buildings for uses other than residential.

There are many opportunities and options for farmers and landowners under both new and existing permitted development rights. If you have a building and would like to discuss its potential for conversion, please do get in touch with the Cheffins planning team.

**Claire Shannon, Associate, Cheffins Planning & Development**  
01223 271972 | [claire.shannon@cheffins.co.uk](mailto:claire.shannon@cheffins.co.uk)

### On site sales

**On site auctions on behalf of farmers restructuring or retiring have been increasingly successful over the past 12 months, with sales taking place the length and breadth of the country.**

Recent on site sales have attracted large numbers of registered bidders online and buyers from both throughout the UK and Europe have been active in all sectors of the market, from high value machinery right down to spares and parts. As buyers feel increasingly confident in the timed online method of sale, we have seen a growth in these types of auctions as they continue to pay dividends for farmers looking to sell up kit without having to transport it to the Cheffins sale ground. This was particularly prevalent in the sale which we hosted for well-known dealer, Ernest Doe, as part of The Doe Show in January, where over £1.25m-worth of agricultural, construction and ground care machinery was sold on behalf of the company via Cheffins online platform. The auction microsite saw a massive 110,000 views and resulted in 641 lots sold. Similarly, at an auction which we conducted on behalf of major grower, Huntapac Produce Ltd in Lancashire, over 130 lots of salad and brassica equipment were sold as the company looked to change direction, with almost all items finding new homes over a nine-day period.

As the pandemic put a stop to traditional style auctions in 2020 and the start of 2021, we have seen some serious prices paid at on site sales in recent months. This has been driven by the exponential growth in Cheffins' database of online buyers which has reached new heights as more farmers, dealers and exporters all sign up to receive details of forthcoming sales. We have also seen that our enormous social media following has had an impact on sales too, as more and more buyers turn to our Facebook, Instagram and Twitter pages for updates on upcoming sales and prices achieved.

This has put a greater importance on the quality of the photography we take and an increase in the number of videos we share, which all help to raise awareness of items for sale on behalf of our clients.

Only time will tell what the effects of the Agricultural Transition Plan will be, however with a number of farmers looking to restructure and retire as the details of new funding systems are ironed out, it is possible that we could see an increase in the number of on site sales over the coming couple of years.

The Cambridge Machinery Sales take place once a month from our 40 acre sale ground at Sutton in Ely. For more information on consigning to our sales or if you would like to discuss hosting an on site sale, contact the team on 01353 777767.



**Bill King, Chairman**  
01353 777767 | [bill.king@cheffins.co.uk](mailto:bill.king@cheffins.co.uk)

# Land values continue to rise as diverse range of buyers compete for opportunities

**Agricultural land values have continued to rise in the first half of this year with prices in the Eastern region now ranging from £8,000 - £10,000 per acre, indicating an average uplift of around 10 per cent per acre in the past 12 months. This can be attributed in part to a shortage of stock however, it has also been exacerbated by the diverse buyer types now active in the market.**

Having been involved in the sale and purchase of over 1,000 acres of farmland in the first half of 2021, at Cheffins we have experienced first-hand the growth in demand for both arable and pasture opportunities, across all price brackets throughout the region. As land is increasingly sought after for a range of uses, including food production, renewable energy schemes, carbon offsetting and environmental and biodiversity enhancement, these drivers have ensured that values continued to rise, in spite of the uncertainty around subsidies and funding for the farming community. Whilst we have seen continued demand from farmers and landowners looking to increase their holdings, these purchasers are now competing against other buyer types, including those looking for land for lifestyle and investment opportunities.

As the coronavirus pandemic put an increased focus on rural living, there has been a significant growth in the number of city-based buyers looking to acquire farm and pastureland for lifestyle reasons. With staycations and working from home now the 'new normal', there are some very real business prospects for landowners who are considering selling up. As large swathes of buyers look to build new country homes or purchase land for recreational purposes, the disposal of even just small parcels of land has proved financially rewarding for sellers with a large proportion of land selling off market. This level of demand has also brought with it an increased interest in the purchase

of redundant agricultural buildings which, with the changes to prior approval regulations now available, can readily be renovated to provide country homes, business units or holiday let opportunities. Similarly, the inheritance tax benefits of farmland continue to be attractive for many buyers as they look to mitigate the tax liabilities on their taxable estate, and this has brought with it investment purchasers with financial incentives.

We forecast that land prices will continue to rise over the next 12 months due to ongoing demand and a shortage of supply. It is worth noting that the full impact of the Brexit trade deal is yet to be seen in the farming sector, and the behaviour of the land market will be dependent on the details of the Agricultural Transition Plan (ATP) which are yet to be released. As the ATP continues to put an emphasis on biodiversity and delivering public goods, we also forecast that the price differential between traditional arable farmland and land which has previously been considered more marginal, such as wetlands or marsh, will narrow considerably as these opportunities also prove to be financially rewarding.

For more information on how to buy or sell farmland, please do not hesitate to contact the Cheffins Rural team:

**For Cambridge clients**  
01223 213777 – [camb.agric@cheffins.co.uk](mailto:camb.agric@cheffins.co.uk)

**For Ely clients**  
01353 662405 – [ely.agric@cheffins.co.uk](mailto:ely.agric@cheffins.co.uk)

**Simon Gooderham, Joint Managing Partner,  
Cheffins Rural Professionals**  
01223 271952 | [simon.gooderham@cheffins.co.uk](mailto:simon.gooderham@cheffins.co.uk)



"...the inheritance tax benefits of farmland continue to be attractive for many buyers..."



# Neighbourhood Plans – do they matter?

**The answer to this question is 'yes' – they certainly do matter to land and property owners, as well as local residents, as they are now firmly embedded in the National Planning Policy Framework.**

The status of these plans has recently been raised by the Government to that of Local Plans, allowing them to form a specific part of a Council's overall 'Development Plan.' This means that they can now have direct implications for land and property owners, because at times the Neighbourhood Plan can even have a greater impact on the development of a given area than the traditional Local Plans. With this in mind, it is important that Neighbourhood Plans reflect sound planning principles, are based on appropriate evidence and properly reflect national policy and legislation.

Neighbourhood Plans can now, for example: allocate specific areas of land for development, release land from a Green Belt (where the Local Plan confers such a principle) and set out policies for the control of development in their areas. Neighbourhood Plans can also sometimes drift into areas usually regarded as beyond the scope of a Local Plan, such as rights of way and environmental improvement projects. It is also the case that some Councils' Local Plans can now delegate responsibility for allocating development sites where there are emerging Neighbourhood Plans in place.

Recently the Cheffins Planning team in Cambridge has become aware of three separate draft Neighbourhood Plans (in Cambridgeshire and Essex) which have clear implications for our landowning clients. This is due to the Plans' approach to the designation of specific areas of privately owned land. A good example of this is the Local Green Space allocation for which there are very specific criteria set out in national policy. A response to such emerging plans is therefore important to protect landowners' interests and landowners may also wish to support elements of a Neighbourhood Plan, suggest alternatives or offer comment on emerging ideas.

What is most important is that property owners, local businesses and residents should be aware of these Plans and, if appropriate, seek further advice. That means keeping an eye on village newsletters, public notice boards, Parish Council business or letters through the door. It is very easy to miss or overlook these activities and the opportunity to have your say may be lost.

If there is a Neighbourhood Plan in your area and you are unsure as to how it may affect your property or home, then please contact the Cheffins Planning & Development Team.

**Ian Smith, Director, Cheffins Planning & Development**  
01223 271962 | [ian.smith@cheffins.co.uk](mailto:ian.smith@cheffins.co.uk)

# Online sales continue to achieve high values for land and property at the Cheffins auction

As the coronavirus pandemic put a halt to traditional ballroom auctions, the Cheffins property auction had to adapt, and adapt quickly. All sales had to be broadcast online in what is known as a webcast auction, the first of which was hosted in July 2020. With the auctioneer conducting the auction from the rostrum as normal, a live feed is broadcast to the internet, with bidding taking place by telephone, online or by proxy.

In order to bid online, buyers have to register before the auction, including providing proof of ID and lodging deposit funds. Once authorised, the buyer is able to bid from the comfort of their office or sofa, without having to travel to the auction room.

We were initially concerned about how buyers would react to the change in format, but our concerns were quickly quashed as registrations poured in for the first auction. Since then, we have undertaken another four live webcast auctions, all of which have been very well 'attended,' with the number of bidders actually higher than at previous traditional-style auctions, to the tune of around ten per cent. In fact, a record was reached at the December auction where there were 22 registered bidders for one particular lot, which went on to sell for more than £100,000 over its guide price.

It has been reassuring to see that the appetite of the virtual bidder is akin to the ballroom bidder; land (be it agricultural, amenity or development) remains as desirable as ever, partly driven by the shift in buyer preferences following multiple lockdowns, as families seek outside space, rather than centrally located stock. Likewise, the booming residential market has sustained the ever-present demand for refurbishment opportunities. And in a similar vein, with bank interest rates low and stock markets unpredictable, income-producing residential and commercial properties have also remained highly desirable.

The coronavirus pandemic has clearly changed many aspects of society and life, and there are some instances where it has accelerated change that might otherwise have taken years, not weeks, to establish, such as the move to remote bidding. While we all miss the buzz of an auction room full of excited buyers, we have found a new way to involve them, in a more convenient format that minimizes disruption to their day. This has also enabled us to spread our net further throughout the region and to have the ability to offer properties through the Cheffins auction from further afield.

**"...the booming residential market has sustained the ever-present demand for refurbishment opportunities."**

I am sure that buyers will return to the auction room in the not-too-distant future, and we will be very pleased to greet them when they do, but in the meantime, it is fantastic to know that the appeal and success of the property auction can continue, albeit in a slightly different guise, and we can consistently achieve the same fantastic results for our clients' assets.

Cheffins next Property Auction will take place on Wednesday 15th September; entries for this auction close on Friday 13th August.

For further information on the property auction, please contact the department on [property.auctions@cheffins.co.uk](mailto:property.auctions@cheffins.co.uk) or 01223 213777

Ian Kitson, Director  
01223 271942 | [ian.kitson@cheffins.co.uk](mailto:ian.kitson@cheffins.co.uk)







"...no member of the farming community should face adversity alone."

# RABI – a charity providing support for the farming community

**RABI has been supporting farming people throughout England and Wales for many generations. Providing guidance and support to anyone from the agricultural community, RABI has a network of locally based teams who understand the pressures that can arise in the sector. In recent times there has been a growing level of uncertainty and a number of complex issues continue to raise concerns, particularly in relation to farmer wellbeing.**

Against this demanding backdrop, RABI is developing and adapting its services to deliver enhanced, proactive support, to those within the agricultural sector. With an ambitious five-year strategy in place, this exciting period of transition will see the 160-year-old charity focus on supporting a far broader farming audience.

In January 2021, RABI launched 'The Big Farming Survey'. This important research project into farmer wellbeing is the largest of its kind ever undertaken. Working in partnership with the Centre for Rural Policy Research at the University of Exeter, The Big Farming Survey closed at the end of March. Having secured 15,500 responses, the charity has succeeded in its objective of building the most complete picture of farming life today. This robust dataset encompasses the diversity of many different farming situations, farm types and sizes, and mix of tenures.

The Big Farming Survey results are due to be published in the Autumn and will provide a true reflection of the pressures and the impacts that farming people are facing, both from a personal and business perspective. At this time, RABI continues to work closely with key sector stakeholders to consider how best to apply the findings to develop a targeted and thorough approach to the provision of future services.

However, there remains a pressing need to 'normalise' the conversations around farmer wellbeing. Many farming people are raised to be 'robust' and 'resilient', yet these expectations of being strong, healthy and virtually invincible simply aren't realistic. After all, everyone is human, and we can all be vulnerable and require additional support from time to time.

To start to meet this growing demand, RABI launched an online farmer wellbeing platform in October 2020. The service provides free and confidential access to a multitude of practical resources, as well as direct access to qualified counselling support without the need for a referral. The platform can be anonymously reached via [www.rabi.org.uk/kooth](http://www.rabi.org.uk/kooth) and is available at any time – day or night.

At a grass roots level, the charity has a network of County Committee branches that are run by dedicated volunteers and fundraisers. Despite the pandemic, RABI's local County Committees have adapted during the lockdown restrictions and hosted a number of innovative online fundraising events. Their invaluable support means that every penny in every pound donated to RABI is spent on providing charitable support. This means all fundraising activity has a direct impact, providing support and services that are helping RABI to support their vision that 'no member of the farming community should face adversity alone.'

Founded on the belief that every member of the farming community matters, RABI aims to offer practical, effective solutions and frequently partner with other key service providers to facilitate positive outcomes whenever possible. RABI provides confidential advice, practical support and care, as well as training and financial assistance.

RABI would like to thank Cheffins for their support in hosting an online auction of promises in February 2021. Essex RABI organised a list of 23 great lots, and over five days of live bidding through the Cheffins machinery sales website, a total of £7,195 was raised for RABI. Thank you to everyone at Cheffins who was involved and all the bidders who helped make that final total.

To find out more visit [www.rabi.org.uk](http://www.rabi.org.uk)

Lucy Bellefontaine, Regional Manager – EAST  
01728 667068 | [lucy.bellefontaine@rabi.org.uk](mailto:lucy.bellefontaine@rabi.org.uk)

# Ruth Lambillion from Birketts LLP provides an update on Agricultural Tenancies



**Ruth Lambillion**  
Associate, Birketts LLP  
01223 32659  
ruth-lambillion@birketts.co.uk

**The Agriculture Act 2020 (Agriculture Act) has introduced, amongst other things, amendments to succession rights for tenancies governed by The Agricultural Holdings Act 1986 (AHA 86). In general terms, a tenancy of an agricultural holding granted before 1 September 1995 is governed by the AHA 86 if certain conditions are met.**

In some circumstances where a tenant is entitled to take possession on or after 1 September 1995, the tenancy can retain its status as a tenancy governed by the AHA 86. For example, where there is an agreement to vary the terms of the tenancy such as extending its term (which can trigger a surrender and re-grant), it is possible for the tenancy to remain within the AHA 86, rather than create a farm business tenancy governed by the Agricultural Tenancies Act 1995.

Succession rights are dealt with under Part IV of AHA 86. A tenancy granted prior to 12 July 1984 will usually allow for two successions. There are some exceptions where succession is excluded such as where a valid notice to quit has been served. Further, in some cases tenancies granted after this date will allow for succession.

Succession can be granted on either death of a sole or sole surviving tenant, or retirement of a tenant (or all joint tenants) upon satisfaction of certain eligibility criteria.

A change introduced by the Agriculture Act concerns retirement notices. A retiring tenant previously (except in certain circumstances) had to reach a minimum age of 65 before a retirement notice could be served. The minimum age requirement has been removed by the Agriculture Act.

The following tests will be considered on an application for succession of an AHA 86 tenancy.

## Close Relative

The applicant must satisfy the close relative test and this requirement has not been changed by the Agriculture Act.

To be classed as a close relative the applicant must be the wife, husband, civil partner, brother, sister, child of the retiring or deceased tenant, or any person who, in the case of any marriage or civil partnership is treated as a child of the family by the retiring or deceased tenant in relation to that marriage or civil partnership.

## Livelihood Condition

Another aspect of the eligibility criteria which has not been changed by the Agriculture Act is the livelihood condition.

This notes that the applicant for succession must derive their principal or only source of livelihood from agricultural work on the holding or on an agricultural unit of which the holding forms part. This applies for a period of at least five out of the seven years preceding the date of the tenant's retirement notice or death.

There is an allowance made if the applicant has been in attendance of a full-time course at college or university (or other higher or further education establishment) during the seven-year period. A period of up to three years can be treated towards satisfying the livelihood five-year total.

## Occupancy Condition

A change made by the Agriculture Act is that the previous condition which stated that the applicant was not allowed to occupy another commercial unit of agricultural land has been removed.

However as noted above, the livelihood condition remains, and so if another commercial unit is farmed it will need to be demonstrated that the land under the AHA 86 holding forms part of the same agricultural unit. This is possibly not achievable if the two areas are not in close proximity to one another, but it will be assessed upon the facts of each case.

## Suitability Condition

The suitability condition had noted that regard would be given to the applicant's age, health and financial standing, along with any views of the landlord on the suitability of the applicant and the training in or experience of agriculture.

The Agriculture Act has amended the suitability criteria so that a person's suitability will be assessed upon their *'likely capacity to farm the holding commercially to high standards of efficient production and care for the environment.'*

Further detail will be issued on this element, but the Agriculture Act notes that the criteria relating to experience, age, health and finance are likely to apply.

The Agriculture Act has also introduced changes to how disputes are dealt with in relation to appointment of arbitrators (this applies to disputes arising from Farm Business Tenancies as well as AHA 86 tenancies) and disputes relating to requests for landlord's consent or variation of terms.

The amendment to the minimum retirement age requirement and removal of the occupancy condition which have been introduced by the Agriculture Act could provide tenants with a greater degree of flexibility in some situations and assist with estate planning moving forwards. Also, a possible greater flexibility in terms of business structure.

As noted, further regulations will be issued, and so the effect of the changes introduced by the Agriculture Act will be subject to such regulations. It is important therefore to be mindful of this if considering proceeding with succession planning.

**For further information, contact Ruth Lambillion at Birketts LLP.**

# Early engagement essential for landowners and occupiers impacted by utility schemes

**As the initial stages of a new Anglian Water pipeline linking north Lincolnshire and Essex are now underway, it is evident that early stakeholder engagement is now essential for those owners and occupiers who are likely to be impacted by the works undertaken by statutory powers.**

Early engagement can help minimise disruption and reduce potential problems prior to the commencement of works, and before schemes reach the construction stage, there are a wide range of matters to consider, from agreeing access for surveys, the impact of the route and keeping detailed records for claiming compensation.

On this basis, we have highlighted the key points to consider for anyone affected by a large-scale utility scheme:

1. Seek professional advice early – Schemes can run for a number of years and often require a significant amount of time in correspondence and meetings. It is usual practice that professional fees are covered under Statutory Compensation and this will allow you to avoid having to divert time away from your business. As your time can also be covered in the compensation claim, it is beneficial to start a formal record as early as possible.
2. Rights of Entry – It is important to confirm the rights of entry being used and the areas covered by the scheme to ensure you are covered for damages and compensation. Any works not covered under Notices of Entry, such as a works compound, should be negotiated separately to confirm rights of access, licence fees and reinstatement of land.
3. Consider any stakeholders who may need to be informed of third parties entering the land – farms are often at risk of unwanted trespass and unknown vehicles can sometimes be refused access by a farm worker or gamekeeper. A couple of days' notice prior to entry, confirming a date and details of any vehicle licence plates expected on site, can make all the difference.

4. Route adjustments – The route of the scheme can cause additional inconveniences, whether it cuts through the middle of a field or severs access to other land parcels, potentially having a dramatic effect. Considering these in consultation with the scheme provider can provide alternatives or minor route adjustments that can avoid problems further down the line.

**“Any works not covered under Notices of Entry... should be negotiated separately...”**

5. Consider any impacts to your land that may arise during works – drainage is of particular importance; it is important to clearly agree your expectations of reinstatement to ensure there are no issues that arise in the future.

Whilst the construction of the scheme and reinstatement of the land may seem some way off in the future, it is critical to head off any issues early to save time, stress and disruption to your business and ensure you have fulfilled your duty to mitigate your losses.

For anyone affected by a utility scheme and who would like further advice, please do not hesitate to contact the Cheffins Rural team:

**For Cambridge clients**  
01223 213777 – [camb.agric@cheffins.co.uk](mailto:camb.agric@cheffins.co.uk)

**For Ely clients**  
01353 662405 – [ely.agric@cheffins.co.uk](mailto:ely.agric@cheffins.co.uk)

**Ralph Knight, Associate,**  
01353 654930 | [ralph.knight@cheffins.co.uk](mailto:ralph.knight@cheffins.co.uk)



# Vintage tractors – what's the story?

Oliver Godfrey, Director at Cheffins Machinery Sales was recently interviewed by *Farmers Weekly* for the magazine's popular Farmlife section. In the article, Oliver explained the background to the world of vintage tractors and the market for these ever-sought-after machines.

## Who buys vintage tractors?

In the main buyers are vintage collectors and enthusiasts. However, we have definitely seen an increase in younger buyers for classic tractors and also the odd lifestyle buyer, looking for a small vintage machine to use for topping meadows and suchlike if they have a few acres of grounds, or just to pop down the pub!

## What's the demand currently like compared with the last decade or so?

Demand is certainly increasing, as are prices, and we are seeing plenty of new faces at our sales. The spring months are always when sales are best, as enthusiasts look to add to their collections ahead of the rally and ploughing match season.

## Sounds like tractors from the 80s and 90s are particularly sought after – why?

You cannot put a price on the nostalgic value attached to some of these tractors. And the examples from the 70s, 80s and 90s are really now starting to take off as the younger generations of farmers look to buy tractors which they used perhaps when they first started working on farms, or those which remind them of their childhood. This has always been the case, and as we start to see more buyers in their 30s and 40s, the demand for something like a good condition Massey 135 perhaps from the 1970s or a Ford 7810 from the 1990s has gone through the roof.

## Are vintage tractors a good investment compared with, say, works or art or stocks and shares?

Absolutely. The values for vintage and classic tractors have risen year-on-year, with some makes and models now selling for six figure sums. Also, unlike works of art or other collectables, tractors fall under the 'wasting asset' rule, which means they are not subject to capital gains tax on selling. Also, the return is not always financial, a good working classic has a very low depreciation curve and can still perform a solid day's work and potentially be worth near its purchase price some five years later, assuming it has been well looked after.

## What's the appeal of a restoration project?

For many people, the joy of buying a vintage tractor is to be able to restore it to its former glory, sourcing original parts right down to the last nuts and bolts to make it as historically accurate as possible. Many of our buyers are incredibly talented at restoring these types of machines and will actively seek out project opportunities to while away the hours in the workshop. Similarly, these can sometimes be offered at lower prices, depending on the make and model, and provide an opportunity for someone to make a profit if they then sell it on following the restoration.

## Could someone with a really low budget find a vintage tractor?

Yes, vintage tractors are not only for those with deep pockets. For example, for around £500 you could buy an Allis Chalmers Model B or possibly a petrol Ferguson TE20. If you had a budget of around £2,000 – £3,000, you could buy a presentable and good working tractor, but if you were after something which has been beautifully restored for road runs you would need to have a budget of up to about £5,000.

## Tell us about one item you'll always remember selling

A really memorable one for me would be selling an International 12-25 Twin Mogul dating back to 1917 in the Keeley Collection back in 2016. This was an incredibly rare tractor, and one of only five known surviving examples in the UK. It was one of those lots where no one knew how well it was going to do, the crowd were completely silent and there was a huge amount of anticipation when the bidding opened at £40,000. It was finally knocked down at £80,500 and that has to have been one of my most exciting times on the rostrum.

For more information on the vintage tractor market, or to sell a vintage item, contact the Cheffins machinery team.

**Oliver Godfrey, Director**  
01353 777767 | [oliver.godfrey@cheffins.co.uk](mailto:oliver.godfrey@cheffins.co.uk)





"The values for vintage and classic tractors have risen year-on-year..."

## Cheffins Promotions

We are delighted to announce that Katie Hilton has been promoted to Director in the recent round of promotions at Cheffins. Katie joined the firm in 2017 and is based in the Cambridge office. For those of you unfamiliar with Katie, she provides Farm Consultancy advice for landowners, farmers and rural business with a particular emphasis on rural subsidies and capital grant funding. Her extensive experience in this sector has been invaluable for many of our clients as she has guided them through environmental schemes and projects. Her knowledge will come to the fore over the next few years as the government rolls out the new Agricultural Transition Plan with greater focus on delivering environmental benefits through rural funding. **For those of you looking for this type of advice, please contact Katie on 01223 271959 or email [katie.hilton@cheffins.co.uk](mailto:katie.hilton@cheffins.co.uk)**



# Future Sale Dates

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## Thursday 29th July – Wednesday 4th August

The Leslie Willis Collection, timed online auction of stationary engines, classic tractors & bygones

## Monday 9th August

Cambridge Machinery Sales  
The Saleground, Sutton, Ely, CB6 2QT

## Saturday 21st August

Harrogate Vintage Sale  
The Yorkshire Event Centre, Great Yorkshire  
Showground, Harrogate, HG2 8NZ

## Monday 6th September

Cambridge Machinery Sales  
The Saleground, Sutton, Ely, CB6 2QT

## Wednesday 15th September

Property Auction  
Clifton House, 1-2 Clifton Road, Cambridge, CB1 7EA

## Monday 4th October

Cambridge Machinery Sales  
The Saleground, Sutton, Ely, CB6 2QT

## Saturday 23rd October

Cheffins Vintage Sale  
The Saleground, Sutton, Ely, CB6 2QT

## Monday 8th November

Cambridge Machinery Sales  
The Saleground, Sutton, Ely, CB6 2QT

## Monday 6th December

Cambridge Machinery Sales  
The Saleground, Sutton, Ely, CB6 2QT



# MEET THE TEAM



**Simon Gooderham** MRICS FAAV  
Director, Joint Managing Partner  
01223 271952  
simon.gooderham@cheffins.co.uk



**Jonathan Stiff** MRICS FAAV  
Director, Head of Rural Division  
01353 654915  
jonathan.stiff@cheffins.co.uk



**Bill King** MRICS FAAV  
Chairman  
01353 777767  
william.king@cheffins.co.uk



**Ian Smith** MRTPI CEnv  
Director, Head of Planning  
01223 271962  
ian.smith@cheffins.co.uk



**Edward Tabner** MRICS FAAV  
Director, Rural Professionals  
01353 654922  
edward.tabner@cheffins.co.uk



**Ian Kitson** MRICS  
Director, Property Auctions & Valuations  
01223 271942  
ian.kitson@cheffins.co.uk



**Mark Catley** FRICS FAAV  
Consultant  
01223 271925  
mark.catley@cheffins.co.uk



**Katie Hilton** BSc (Hons) ABIAC  
Director, Rural Professionals  
01223 271959  
katie.hilton@cheffins.co.uk



**Catherine Hackshall** AssocRICS  
Rural Surveyor  
01223 271991  
catherine.hackshall@cheffins.co.uk



**Anna Hicks** MRICS FAAV  
Associate  
01353 654928  
anna.hicks@cheffins.co.uk



**Ralph Knight** MRICS FAAV  
Associate  
01353 654930  
ralph.knight@cheffins.co.uk

**CHEFFINS**

Clifton House, 1-2 Clifton Road, Cambridge, CB1 7EA ☎ 01223 213777  
[cheffins.co.uk](http://cheffins.co.uk)

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