



EVOLVING AND MOVING ON

It is still difficult to comprehend how quickly established routines and ways of working have been upended by Covid-19 but, as the dust settles and we begin to return to a 'new normal', it is life affirming to reflect on how rapidly we can react and evolve and how a crisis can foster positive innovation and change.

Inside this issue, Michael Hudson reflects on how Sworders has embraced the new ways of working, Lucy Back outlines that now could be the time to consider new opportunities and James Dennis looks forwards to how the Chancellor might begin to balance the books and what this might mean for our clients.

The recent publication of the White Paper 'Planning for our Future' illustrates Number 10's desire to use the planning system as a tool for recovery. For those of us who engage with planning day to day, any simplification is to be welcomed. However, the issues that planning covers, and the interests that it must arbitrate between, are complex and interdependent. It remains to be seen if the Government can navigate a successful course and deliver a system which better serves all involved. A summary of the proposed changes is included inside.

Clare Hutchinson

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FARMING IN A COVID-19 WORLD

We spoke to the Morton family, a client of Sworders who farm in the heart of Warwickshire and who have had success during the Covid-19 pandemic through diversification. This is a traditional family run farming business with mixed arable and livestock enterprises. The farm is currently in organic stewardship producing high quality lamb and pork from their homebred stock.

An important part of the farming income is a catering business, set up 10 years ago as a way of selling produce directly to customers from a 1960s Citroen H Van. Their busiest time is during the spring and summer months when they attend weddings, festivals, parties and country shows. They were already fully booked for the 2020 season, however, on 16th March were placed into lockdown and subsequently all bookings had to be cancelled.

One morning when checking the sheep, they noticed how many people were using a disused railway neighbouring the farm for cycling, walking, running and horse riding. It struck them that maybe this could be an opportunity to promote their home raised meat and make good out of a bad situation.



As soon as the restrictions allowed, they set up in the field on weekends to offer takeaway food. They put in place a framework to ensure customers could meet safely and that all Covid-19 restrictions were followed. Fully PPE'd and with socially distancing measures in place, the first outing proved to be a great success!

The news of the van spread throughout the local community and week on week they have more people stopping to visit.



They were even lucky enough to have a visit from Tom Heap, Countryfile, who tweeted about the business after enjoying some of their food. As the business has grown, they have been able to employ local young people to help with the increased demand.

This success has led to an increased customer base and regular customers which include classic car clubs, cycling clubs, family groups and friends. Feedback on the food and their setup is very positive and the Morton family feel confident that their measures are robust enough to be able to continue. The new model has kept the catering business alive and trading, allowing them to continue delivering the takeaway service next year and to provide a meeting place for walkers, cyclists, classic car groups, families and friends.



The Mortons' overall vision for the farm is to develop a diversified scheme focusing on eco-tourism and they have instructed Sworders for advice on further potential diversification projects on the farm. The catering will fit into their new vision and they hope this will continue to allow them to spread the word about home raised local produce and to demonstrate the benefits of farming in a sustainable way whilst supporting the environment and providing essential habitats for wildlife, even in a post Covid-19 world.



Naomi Puliston

THE NEW WORK ENVIRONMENT

Social distancing, Zoom, Microsoft Teams, 'you're on mute' - are all words or terms that were not part of our vocabulary before the pandemic. The adaptations we have had to embrace in our work practices since the pandemic have become a major factor in all our lives, and have in many respects, been life changing.

Sworders, whilst being an innovative firm, has further strengthened its systems and these will no doubt further evolve as part of the way we will all communicate and work in years to come. Sworders had systems in place which enabled a seamless transition to home working and much of what we have learnt is being embraced, as we begin to return to 'normal'. We will continue to encourage a home work/office balance to ensure we maintain the level of service clients expect.

Home working does not suit everyone and there are many instances where particular jobs need an office environment to be carried out effectively. We are now at a stage in the pandemic where we have offered the choice of home working or office based but always on the basis that the work place is a safe environment and social distancing can be observed.

Whilst the use of Zoom and Microsoft Teams have been of huge benefit and will continue to be, much of what we do is based on direct client interaction and this cannot be replaced by remote communication.



Over the past 9 months, we have continued to generate new business and service existing clients' requirements. This has resulted in numerous worthy successes, including the marketing of three significant development sites, securing consent for the redevelopment of a listed farmstead for a major business scheme, negotiating terms on behalf of landowners for three large scale solar energy schemes, and the letting of several commercial premises, ranging from storage and light industrial uses to high end office space. We foresee the demand for commercial space in rural areas likely to grow even further, as firms increasingly look to move premises from more urban areas to a setting offering a greater work-life balance.

Michael Hudson

THE CHANCE FOR CHANGE

With Covid-19 induced changes to both public and business behaviour, as well as uncertainty over Brexit deals, now may be the time to re-evaluate the farming business, the property assets underlying the business and the ownership structure. Whilst there are still unknowns over the implications of any Brexit deal for agriculture, owners and managers of farming businesses can take steps to improve their resilience and benefit from change.

Within the property portfolio, opportunities can include repurposing buildings, whether from agricultural to residential or offices, or from already converted offices and storage units to residential – be they holiday lets to take account of the current demand for UK holidays or permanent homes – much of which is now possible under Permitted Development Rights. Due to the flexible working required during lockdown, many businesses are reconsidering the office space needed and where this is located, creating demand for smaller, rural based office space (albeit with broadband connectivity being a key consideration).



The Government introduced CBILs and Bounce Back Loans may be able to provide cost effective initial capital, and the availability of grant funding and efficient tax planning all need to be considered. Opportunities for additional income include renewable energy and battery storage as well as Biodiversity Net Gain which most Local Authorities are already requiring on developments before its official introduction in the Environment Bill.



So embrace change rather than resist it and take the opportunity to ensure firstly that your property assets are being used effectively; secondly, that your business model is effective and resilient to the changing marketplace, and thirdly that the ownership structure of both property and business allows long term succession in the most tax efficient way.

Lucy Back

RECENT CLASS Q SUCCESSES

Sworders successfully obtained planning permission for the change of use of this previous agricultural barn in Warwickshire into a five bedroom residential dwelling. A modest design was submitted and approved under a permitted development Class Q Application. Once obtained, this was followed by full application to allow for the addition of further architectural elements, including the full zinc facade, while still maintaining the agricultural feel of the building.

As you can see from the before and after pictures, it is a stunning transformation which has already been sold subject to contract. An outstanding high end, unique transformation and another planning success for Sworders. If you have a similar building you would like to convert or would like any advice, please contact our experienced team.

Katherine Brett



PLANNING FOR THE FUTURE

RADICAL OVERHAUL OF THE PLANNING SYSTEM

The Government has released the 'Planning For The Future' white paper outlining its proposals to overhaul the planning system. The paper details the ways in which the Government proposes to bring the 'outdated and ineffective planning system' into the 21st century.

This is a consultation, but if progressed in its proposed form, will radically overhaul the planning system, with increasingly centralised control over setting housing requirements, development management policies and standardising infrastructure contributions.

Pillar 1

Planning for development which proposes major changes to the Local Plan process to save time and cost in delivering sites for development. All areas of land in the Local Plan will be zoned into areas for; growth, renewal and protection. Growth areas are for 'substantial' development, renewal areas for smaller scale development, and protection areas to ensure that areas designated in the NPPF continue to be protected from development. The paper also proposes to remove the current tests of soundness, the Duty to Cooperate and the Sustainability Appraisal process, and to replace them with a single 'sustainable development' test.

A standard template would be used for Local Plans, which would focus on 'site and area specific requirements and Design Codes'. Plan making would be speeded up, to take no longer than 30 months from Call for Sites to adoption, and Local Plans are expected to be slimmed down to one third of the average size at present.

Pillar 2

Planning for beautiful and sustainable places which proposes the delivery of beautiful and well-designed homes that are environmentally friendly in line with the Government's 25 year Environmental Plan. This pillar also includes proposed legislation to 'change the nature' of permitted development. The Government will produce a National Model Design Code which will provide more detail to the National Design Guide published in October 2019. There will be a revised Manual for Streets.

Pillar 3

Planning for infrastructure and connected places which proposes to replace the existing ways in which developer contributions are secured with a new reformed and extended 'Infrastructure Levy'. The Government proposes to replace CIL with a flat rate, value based charge, set nationally at either a single rate or at area specific rates. Local authorities could borrow against Infrastructure Levy revenues so they could forward fund infrastructure. The scope of the new infrastructure levy would be extended to better capture revenues from changes of use and permitted development.

Kelvin Grimes

RE-ORGANISATION OF FARM TENANCIES



It is often challenging aligning the interests of landlords and tenants when discussing deals, whether relating to investing in the holding, rent reviews or sale/purchase. The landlord is likely to be considering the long term value of the asset and what impact the proposals might have on the tax position whereas the tenant is likely to be thinking about their business income, outgoings and potentially bringing in the next generation.

Sworders has been able to advise in many cases in order to agree a mutually beneficial arrangement between all parties. In one such recent case, we were able to agree the sale of the core of the farm including the farmhouse, cottages, farmstead and some land to the tenant with the surrender of the remainder of the land. This suited the tenant who wanted the security to live in the farmhouse and carry out their main business which did not require all of the land and suited the landlord who was keen to dispose of a listed farmhouse that was costly to maintain and preferred bare land for their farming operations. The deal included giving the tenant a long term Farm Business Tenancy across part of the land adjoining the farmstead and the landlord acquiring some land owned by the tenant, both gaining access rights from the other party.

The valuation of assets is a key component and there will usually be various factors to consider, including the term remaining on the tenancy, tenant's improvements, entitlements, sporting and mineral rights as well as the condition of the land and properties involved. Considering the tax position for both parties at an early stage can also help to steer how an arrangement is structured and the timing of completion to minimise exposure.

A successful and amicable outcome is only likely to be achieved by asking the right questions and listening carefully. With some give and take on both sides and using their wealth of experience in such situations, Sworders is able to facilitate practical negotiations to achieve tailored solutions that are beneficial for both parties.

Lucy Back

WHO WILL PICK UP THE BILL?

Whilst the Prime Minister is at pains to reassure voters that taxes will not immediately rise to pay for the enormous financial stimulus that has been launched as a reaction to the Covid-19 pandemic, as with all borrowing, there will ultimately be a day of reckoning.

Of the range of taxes available to the Chancellor, capital taxes are often an easier option in political terms, being perceived to primarily affect the wealthy.

After a period of particularly benign conditions for Capital Gains Tax (CGT) and Inheritance Tax (IHT) in particular, it would not be surprising to see some tightening of reliefs and possible increases in tax rates.



This was flagged for IHT with publication in July 2019 of the second part of the Office of Tax Simplification (OTS) report in to “Simplifying the design of Inheritance Tax”. This was followed in January of this year by the All-Party Parliamentary Group publishing their report on “Inheritance and inter-generational fairness”. Both reports considered the inter-relationship between CGT and IHT on death as well as reviewing the various reliefs available such as Business Property Relief and Agricultural Property Relief, both of which are critical tools for preserving rural businesses through generational change.

Options considered include removing the CGT base value uplift on death where IHT relief is available, increasing the threshold of trading income for Business Property relief to 80% (the so called Balfour test) and more radically moving to a tax on all transfers (whether lifetime or on death) with a uniform tax rate, minimal reliefs and an annual exemption (£30,000 has been mentioned). All of these options would potentially have a significant effect on many rural businesses.

CGT is also now under review with a survey and call for evidence by the OTS on 14 July. Portrayed as an opportunity to simplify the rules, this may lead to more equivalence with the income tax regime.

With many businesses reviewing their structure through the current turmoil, consideration of succession opportunities and ways in which current tax reliefs can be crystallised should be high on the agenda. Ultimately someone will have to foot the bill, however, prudent action now can ensure that rural businesses do not suffer an additional financial burden when the time comes for the next generation to take on the business.

STAFF UPDATE

New Staff

We are pleased to welcome Michael Sills to our Hertfordshie Office. Michael has a Degree in Physical Geography from Durham University and a Masters in Rural Land and Business Management from the University of Reading (MSc). He previously worked as a Manager on an arable farm in Suffolk and is currently working towards his professional qualification to become a Chartered Surveyor.



MICHAL SILLS
GRADUATE SURVEYOR

Promotions

Huge congratulations to Rebecca Cox and Naomi Puliston who have been promoted to Senior Associates.



REBECCA COX
SENIOR ASSOCIATE



NAOMI PULISTON
SENIOR ASSOCIATE

Qualifications

Congratulations to Kelvin Grimes, Jeremy Pidgeon and Katherine Brett on passing their recent exams.



KELVIN GRIIMES
SURVEYOR



JEREMY PIDGEON
SURVEYOR



KATHERINE BRETT
ARCHITECT

Nick Sandford - Secondment at the CLA, Eastern Region

Sworders are pleased to be helping out the CLA by providing high level expertise to cover maternity leave for Cath Crowther the Eastern Regional Director. Nick Sandford, based at the Norfolk office, will be seconded to the CLA as acting Regional Director from 1st September. Many of our clients are CLA members and they will know what an important role this is especially at this time of huge change in all aspects of rural business, the environment and conservation, let alone Brexit, Climate Change and Covid recovery. Nick is well placed to take over having had many years' experience as a CLA member serving in various roles, currently on the national Business and Rural Economy Committee and the Norfolk Committee. This combined with over 30 years of estate management and rural practice means Nick will be able to head up the Eastern team and progress the CLA's work advising members, lobbying at all levels of government on rural matters and legislation and promoting the importance of agriculture, landed estates and country based businesses of all sizes to many other organisations. We wish Nick the very best of luck in this temporary secondment role.



CHARITY WORK By Amanda Ranner

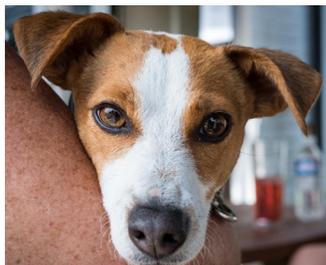


During 2020, we nominated mental health charity, 'MIND' as our Charity of the Year. Even though our Summer Charity Walk was cancelled due to the recent COVID situation, we held a very successful charity fundraising weekend during July whereby all offices took part. Along with friends and family and our canine friends, we undertook the challenge to individually either run, cycle or walk a total distance of at least 14 miles each to cover 560 miles!! which is the total distance between all our four offices.

We undertook some wide-ranging tasks in challenging weather conditions! Some took on the Norfolk 'Peddars Way', some walked to Blakeney Point, some ran and walked the North Devon Coastal path with its steep elevation and some enjoyed circular walks along the beautiful Hertfordshire, Warwickshire and Gloucestershire landscape. Some even found their new sporting hobby of cycling and cycled over 14 miles in half a day!

Between us all, we managed to cover a total of 656 miles during the weekend, with some covering over 55 miles in one weekend!

It was a fun way in raising money for our nominated charity and we are pleased to have raised just over **£1,564.00** which is an amazing result. **We have shared some of our highlights below:**



As rural property professionals, we advise across the agricultural, commercial and residential sectors on all aspects of rural property. We provide advice that seeks to maximise the value of clients' properties, often on a shared risk basis.

To be sure you are maximising the value of your asset, please contact us to discuss your opportunities.

Sworders recognises its impact on the environment throughout its business and is passionate about the need to reduce and manage waste wherever practicably possible. Please recycle or give me to a friend.



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Please note, the articles featured in this publication have been selected and prepared with a view to disseminating key information available at the time of publication and are not intended to be comprehensive nor to provide advice. It should not be acted upon or relied upon, and is not a substitute for seeking professional advice that is specific to your individual circumstances.

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