



HOBBS • PARKER

Property Consultants LLP

Review

Winter 2010

CURRENT ISSUES AFFECTING THE LAND & PROPERTY SECTORS

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view point:



Welcome to the new look edition of our Quarterly review, where I am pleased to introduce our newest team member John Rossiter. Amidst the doom and gloom of the Comprehensive Spending Review, there is some good news with many of the agricultural sectors prospering and the general outlook is encouraging, particularly for the sheep and arable farmers. We have some good news on increased spending for HLS and can also now report on the latest proposals affecting the planning system.

And finally on behalf of all at Hobbs Parker I'd like to wish all our readers and clients a Very Merry Christmas!

Jon Rimmer
Managing Director.

What does the Comprehensive Spending Review (CSR) mean for planning?

With substantial cuts in government spending announced in October, the department with the responsibility for the planning system, the Department of Communities and Local Government (CLG) has been significantly reduced. There is a 33% cut in expenditure in real terms (51% if the devolution of budgets to councils is taken into account). Councils will face a reduction in their budgets from CLG of 28% over the period of the CSR. Capital funding to councils will fall by 45% over the same period.

Local authorities are considering outsourcing and combining planning services in a response to the reductions in planning and regeneration staff.

Commenting on the CSR, Ann Skippers, President of The Royal Town Planning Institute (RTPI) stated;

"The RTPI will continue to work with Government to demonstrate that planning is a driver rather than a barrier".

Despite the cuts, the Government has identified the planning system as a key area for structural reform in order to support economic competitiveness, and reiterated the following proposals:

- **The Localism Bill** - to ensure that the planning system works for sustainable growth and is responsive to the needs of local communities.



- **There will be a new presumption in favour of sustainable development.**
- **The New Homes Bonus** - giving local authorities incentives to ensure that local communities benefit from new housing and economic development.
- **There will be a reduction in the regulatory burden on the house building industry.**
- **There will be a National Infrastructure Plan.**
- **The High Court has recently quashed the Government's decision to abolish Regional Spatial Strategies – these will remain in force, until new legislation is passed**

Whilst the overall picture is one of cuts, the following positive announcements have been made:

- **Investment in transport infrastructure:** including £10 billion on road, regional and local transport schemes; £14 billion on Network Rail; funding for Crossrail.
- **Flagship Green projects:** up to £1 billion on commercial scale carbon capture and storage demonstrations on an electricity generation plant; £200m for development of low carbon technologies including wind technology and manufacturing at port sites; a Green Infrastructure Bank.
- A £1.4 billion Regional Growth Fund in place of the Working Neighbourhoods Fund, Growth Area Funding and the Thames Gateway fund.
- £2 billion investment in flood and coastal erosion risk management.

The recent cuts and reforms certainly make for very interesting times the planning system, which is being tasked with balancing ever more complex issues whilst making challenging decisions to enable the development required for economic recovery and growth.

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Environmental Stewardship bucks the trend!

Better use of European funding, thought to stem from favourable currency exchange rates, helped DEFRA to keep environmental stewardship schemes open to all farmers following recent budget cut announcements.

Bucking the trend, the government announced that Higher Level Stewardship (HLS) would receive an additional 80% of funding on the previously allocated budget, although any new agreements would not be able to commence until April 2011 to make savings of over £50 million this financial year.

It is becoming increasingly clear from Natural England that eligibility criteria for HLS will be tightened, with agreements that offer the maximum environmental outcomes and value for money, most likely to be accepted.

Even with money still in the pot, increasingly more arable farmers are questioning whether to renew their Entry Level Stewardship agreements in light of improvements in commodity prices. Environmental Stewardship is key to the success of the Campaign for the Farmed Environment and there are already concerns that regulatory measures will need to be re-introduced if the campaigns targets are not met.

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Hobbs Parker welcomes John Rossiter.

John joined Hobbs Parker in October 2010 from a similar disciplined firm in Shropshire where he has worked for the past 3½ years both auctioneering Livestock, Horses and Machinery and assisting on rural property consultancy matters from their Shrewsbury base.

John comes from a family stud farm in Wexford, South East

Ireland which he left in 2003 to study at Harper Adams University College, Shropshire. After Graduating from Harper with a degree in Agriculture with Land and Farm Management in 2007 he worked in Shropshire until joining Hobbs Parker in 2010.

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SPS Update and Diary Dates

- **Entitlement trading** has now started, if you have any to buy or sell please contact us.
- **Soil Protection Reviews** - to be completed by **31st December 2010**. These need to be kept on the holding and be available in the event of an inspection or a **5% penalty** can be applied to the entire holding.
- **The 2010 SPS Exchange rate** is set at: €1 = £0.85995, which is around 5% lower than 2009.
- **Entitlements trading deadline** (RLE1 transfer) is **Sunday 3rd March 2011**.
- **The 2011 Claim deadline (SP5)** - **Monday 16th May 2011**

Ups and Downs in 2010.

- **The Bank of England Base Rate** has remained at 0.5% since March 2009. Banks remain committed to lend to the agricultural sector, with Hobbs Parker Property Consultants approved panel valuers for the main high street banks and the AMC.
- **Property** - the Nationwide Building Society House Index shows an increase of 4.49% from Quarter 3 of 2009 to Quarter 3 of 2010. We have seen an increase in activity and interest although this has slowed in the second part of the year.
- **Hobbs Parker opens their new Estate Agency branch in Tenterden.**
- **Land** - The RICS Rural Market Survey reports a 6% increase in the value of bare land throughout the first half of 2010. At Hobbs Parker we have sold land consistently in excess of £6,000/acre, in addition to acting on behalf of several buyers purchasing agricultural land.
- **Telecom Sites** - Whilst the RPI figures linked to many mast rent reviews have allowed rents to be increased, the operators are now pushing hard to secure more favourable terms. The merger of Orange and T-mobile to create Everything Everywhere Limited and talks of further network consolidations means the number of mast sites is likely to be significantly reduced. Before agreeing to any variations to the lease, read the provisions of the lease agreement carefully and contact our office for further up-to-date information and advice.



Hobbs Parker Property Consultants

Hobbs Parker Property Consultants is a team of chartered surveyors and planning consultants dedicated to providing advice to farmers and property owners since 1850.

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You can keep up to date on all the latest news items and current developments by signing up to receive our quarterly review, by registering for automatic email alerts, or by reading the regularly updated blogs on our website.

For further information, help or advice, please contact Jon Rimmer.

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Hobbs Parker Opening Hours

Our office hours are Monday to Friday 9am to 5.30pm and Saturday 9am to 4pm. When contacting us out of hours please send an email or leave an answer machine message and we will respond as soon as possible.
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The articles in this edition should not be relied upon or regarded as a substitute for advice. Hobbs Parker Property Consultants LLP would be pleased to provide further information or advice on any particular issue.

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