

DON'T MISS 'GOLDEN' OPPORTUNITY PDRs PRESENT FOR BUILDING

'Planning' and 'simple' are two words that rarely go together.

As anyone who has had dealings with it will know, the planning system can be complex, confusing and costly.

The existence of Permitted Development Rights (PDRs), however, offer farmers a streamlined – and, yes, simple – process for erecting or converting buildings.

Assuming you meet certain basic criteria and can provide an agricultural justification, PDRs cover projects of up to 1,000 sq m of floor space, allowing dealings with the authorities to be quick and cheap; typically costing hundreds rather than thousands of pounds and with a presumption in favour of the application being approved.

In areas such as National Parks and AONB, an application under PDRs may be subject to additional scrutiny, but the principle still applies. The significant number of new buildings spread throughout the South Downs is evidence enough.

Factor in the availability of cheap finance at present (the base rate is just 0.1%) and you'll probably never get a better time to put up buildings than now.

Having modern, fit-for-purpose structures can obviously increase the efficiency of your farming enterprises, but converting old buildings and putting up new ones can also future-proof your business by opening the door on new opportunities, even if they're not apparent at the time of construction.

A low-ceilinged, dilapidated grain store might not be suited to today's 16 to 20 tonne trailers, so investing in a new one can bring extra capacity and will be more appropriate for modern kit, plus give you the chance to generate new income streams from the old one. Under PDRs, it could be converted into, for instance, workshops, storage or potentially even residential use.

Recent events have probably changed work practices for good and demand for rural offices may increase as owners of city office blocks face the

challenge of falling occupancy.

It's understandable that some farmers are delaying any major spending plans given Covid-19 worries and uncertainties surrounding Brexit, but a decision to invest in buildings is rarely a bad one. Naturally, there has got to be a clear business strategy, but nowadays it's possible to put up a 500 square metre general purpose structure for about £50,000.

Time might be of the essence, too, with the system currently favourable to farmers. PDRs might not be around for ever. Policies evolve, the way authorities and officials interpret them changes – and a new government could well review how the planning system operates in the countryside, just as it could review the legislation surrounding inheritance tax and capital gains tax.

Agriculture is generally regarded as being treated 'leniently' when it comes to planning compared to other industries. Such a treatment is entirely justified as it's necessary to boost the viability of farms and keep rural communities vibrant, but this approach has its critics so it's possible that all agricultural buildings could be subject to full planning rules in future. This would involve far more regulations and conditions and make navigating the system more costly, complicated and slower.

As BPS is phased out, the essence of what it means to be a farmer will continue to change. Currently, if you ask a bunch of schoolkids what a farmer does, they'd say someone who grows crops or keeps livestock. They wouldn't be wrong – but in many parts of the country, especially here in the busy and densely populated South East, the definition has been considerably wider for some time. Yes, farmers receive income from food production and perhaps support payments, but non-farming income is important.

With returns from agriculture under pressure and BPS payments set to disappear between now and 2028, revenues from such non-farming businesses and assets, including buildings, will become ever

more vital.

If you are in the right area, there is a massive demand for buildings for uses unconnected to agriculture. Across the South East, there are many opportunities for rental income near towns and cities.

Some farmers and estate owners are making a big profit from a relatively small turnover on rental income from buildings, while only generating a small profit on a massive turnover from crops and livestock.

Even if you're a long way from a centre of population, but just near a busy road, it may be that someone in your area is looking for storage or a place to park lorries.

Farming is at a crossroads, so it makes sense to review your buildings and develop a strategy to best utilise them. They should be seen within the context of your whole portfolio of assets – your land, property, buildings, natural capital and skills.

If you decide to embark on any project, remember flexibility should be one of the guiding principles. You might be putting up a structure that will be there for 30-plus years, so think carefully about its layout, size and location in relation to access and livestock and machinery movements. Run through all the scenarios about what might happen if your enterprises change and you want to use that building for something else.

Ensuring it has a low environmental impact should also be high in your thought process, as choice of materials and design (along, of course, with its siting) are key factors the authorities will consider.

If you can do that, now might be a golden opportunity to responsibly erect, extend or alter a building.

For now, 'simple' is a word that can legitimately be used to describe this part of the planning system and that's not something you'll hear me say very often.

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