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1. **General observations re 2017 Papers 1 & 2**

* This year 132 candidates sat the two National Written Papers (163 in 2016). The combined pass rate for Papers 1 and 2 in 2017 was 55% (60% in 2016) and compared favourably to the results over the last 5 years. See table below:

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| **Year** | **Candidates (Written)** | **Passes** | **Pass Rate** |
| 2013 | 124 | 45 | 36% |
| 2014 | 149 | 71 | 48% |
| 2015 | 162 | 69 | 43% |
| 2016 | 163 | 98 | 60% |
| 2017 | 132 | 73 | 55% |

* In Written Board (WB) we felt we had set a fair and appropriate range of questions which were passable by those candidates who had prepared sufficiently. Rewardingly, this appears to have been borne out by the results stated above. As ever, there were no purposely laid trips or traps in any of the questions. From the spread of candidates answering particular questions we also took comfort. This was pretty even in Paper 1 questions (x3) i.e. ‘core’ subjects, with a wider spread (especially re Questions 1 & 6) between the six Paper 2 questions which, as per Examination guidelines, are aimed at the broader parts of the syllabus.
* We saw the usual wide range of marks on individual questions (see Appendix 1 for question reports) with some really excellent answers in a number of questions – the exceptional ones scoring 100%, which was so rewarding to see!
* On the whole the ‘theoretical’ questions (or parts thereof) were well answered, with the ‘situation or practical’ questions (or parts thereof) being less well tackled. This is consistent with 2016 and 2015 answers.
* Many candidates are still answering in ‘blocks’ of text instead of the commonly requested notes or bullet points, and future candidates would do well to adhere to do this.
* A minor point (but annoying for WB none the less!) – some candidates continue to write on both sides of the paper, or answer in pencil, or on paper with no margin (to mark in) – or indeed all three together – one for conveners to note and to give clear instructions to candidates.

1. **Guidance for future candidates**
2. Attend a Written Board tutorial if at all possible – lots of good tips and guidance are provided at these!
3. Do a ‘question plan’ before you launch into your answer – it will be time well spent to collect and gather your thoughts.
4. Read the question and answer the question – if it asks for advice about timescales or costs then provide them, not everything you happen to know about the subject area!
5. Less is more – often some of the best answers are the shortest. This was in evidence in this year’s scripts in several cases.
6. Read the full question – the subject area being tested might not be the key words your eyes are initially drawn to
7. Pay close attention to the mark allocation, and divide your time up accordingly
8. Time is precious – know exactly how long you have for each question before the exam starts, and don’t be tempted to spend longer on the questions you are comfortable with – the ones you are less easy with, will need just as much, if not more, thinking time!
9. Whether handwriting or using a laptop – simple formatting of your answers will help – white space between sections, bullet points, headings and underlining etc. all helps – blocks of prose are rarely sought and testing to mark!
10. Laptops – do think carefully about using a laptop – especially if your handwriting is as poor as mine! The system is proven to work now following the 2017 roll out, and it will (generally) lead to clearer, crisper, better formatted answers. Do also spend a few minutes formatting answers if at all possible – headings, justification, tables etc. (see point 8 above.)
11. Marked out of 100 – linked to point six above, be aware that written board mark out of 100 (i.e. each subdivision is grossed up by a factor of five) so a five mark part ex 20 marks for the questions is worth 25% so spend 25% of your time and effort on it!

**Written Board – Examiners Report on Questions**

**Paper One – Question One - Multipart question**

1. BPS
2. MEES
3. AHA NTQ’s
4. Forestry and tax
5. Business rates
6. Red book valuation
7. Money Laundering Regulations
8. Expert Witness and Arbitration

Number of candidates answering: 83

Percentage Passed: 84%

Average Mark: 74.8%

Top Mark: 100%

Bottom Mark: 37.5%

This was a typical format multi part question where candidates chose five ex eight questions, all worth an equal four marks (so totally 20 marks). Despite this clear instruction at least two candidates answered all eight parts!

Generally this question was well answered – there being no surprise topics, all of which should have been familiar to candidates.

The most commonly picked topics were BPS / MEES / AHA Notices to Quit and Red book valuations. Parts E (Business rates) and G (Forestry and tax) were the least favoured.

There was the usual wide spread of marks (as shown by the statistics above) with one (typed and expertly formatted) answer meriting a 100% score.

In several cases a tendency to ‘brain dump’ was shown (not needed nor asked for) and where two examples of Red Book Valuation exemptions were sought often four were given – again not necessary and wasted time and energy. The Red Book question asking for headings in a typical Redbook valuation was well answered by most which was good to see, as was part C asking for examples of incontestable notices to quit (AHA). For part B (MEES) this was less well answered, with candidates not stating the very latest advice and government guidance e.g. re registering exemptions and the new issue of Green Deal and latest funding options.

**Paper One – Question Two – IHT- Tax mitigation (for a mixed rural estate)**

Number of candidates answering: 86

Percentage Passed: 87%

Average Mark: 77.6%

Top Mark: 98%

Bottom Mark: 5%

This question gave a scenario for an elderly farmer and his family looking for input to help with IHT planning. The details summarised the various elements of the family and their property interests. It was well answered in the main, The numbers passing confirm that those who had revised tax as a subject had most of the facts and information to hand and were able to apply these to the specific items to secure high marks. In general, the more detail that was given for each part of the question the more marks were able to be secured.

Part 1 required a knowledge of the various reliefs available and most were aware of APR and BPR , but not everyone remembered the tax efficiency of transfers to a spouse, subsequent potentially exempt transfers or heritage property possibilities, for both the Manor and the paintings . On part 2 , most got the main legal cases on tax , including recent ones .

Part 3 looked for the correct title of the current Red Book, and a Market value definition when doing tax work . Candidates should note that ‘open market value’ is no longer used for RICS purposes.

Part 4 required application of some of the answers in part 1 and 2 to be applied to the various elements, and there were some good examples of practical suggestions to assist in making things more tax efficient , with these reflecting perhaps where candidates had actually been involved in this sort of work rather than just repeating theoretical knowledge.

**Paper One – Question Three – AHA - lifetime succession advice to both Landlord and Tenant**

Number of candidates answering: 95

Percentage Passed: 58

Average Mark: 58%

Top Mark: 83%

Bottom Mark: 22%

Most candidates had a sound knowledge of the basic principles of succession, including the principal source of livelihood test, and the other tests of eligibility and suitability, and went onto mention the commercial unit test.

Fewer candidates were able to apply those principles to the circumstances of the daughter’s application. Even fewer candidates had a clear understanding of the procedure many omitting to serve a Retirement Notice first or serving the notice on the Tribunal rather than the landlord.

Many candidates did not warn the existing tenant that he might be obliged to move out of the farmhouse or that once his daughter had succeeded, he would be vulnerable if she subsequently died or surrendered the tenancy.

Not everyone appreciated that the landlord would be entitled to 100% APR following the grant of a new succession tenancy.

**Paper Two – Question One – Planning / Development / Buildings – Development sale leading to new range of farm buildings**

Number of candidates answering: 22

Percentage Passed: 26%

Average Mark: 54.5%

Top Mark: 70%

Bottom Mark: 28%

The question was all about the re-establishment of a set of farm buildings following the existing buildings being taken for development. Candidates needed to use the information given within the question to work out what was required and the processes.

1. The question gave the overall farm size and details of the suckler herd with progeny kept and the remaining land being used to grow cereals, oilseed rape and beans in rotation.

The best candidates approached this by working out the headage numbers of livestock to be on the holding at any one time and applying physical haylage data leading to the size of building required for the livestock. They then considered what other facilities may be required relating to the livestock, such as feed and fodder storage and whether these might be in buildings or outside on hardstanding, handling facilities, isolation area and similar.

Having headage numbers for livestock on the farm in any one year, applying stocking rate gave an overall area of land required for the suckler herd and progeny leading to a quantity of land left for arable rotation. The question advised that cereals, oilseed rape and beans were grown in rotation. The best candidates worked out a sensible rotation leading to hectarages of crops in any one year, applied yields to lead to overall tonnages and therefore cubic capacity for storage requirements. They then worked out the size of building required and gave details of other ancillary buildings for storage of spray chemicals, fertiliser, machinery storage and similar.

Candidates were asked to identify the type of building and many gave brief descriptions of the type and nature of construction. Some of the candidates talked about the residential development site, which was not required. Some took that Mr Baggs wished to continue farming in a similar way but using a contractor to mean that the contractor would take and store all the crop and therefore lost their opportunity to demonstrate any knowledge on the grain element.

2. The best candidates talked about permitted development rights and requirements for full planning consent. Some tried desperately to fit the buildings into permitted development right criteria with unrealistically low ridge heights and sizes rather than realising that full planning consent was the more realistic and feasible option.

The best candidates set out a timeline of what would be required, starting with topographical survey, landscape and visual impact survey, ecology/environmental survey, highway survey and similar. They talked about the requirement for a design and access statement and statement of agricultural need and the likelihood of pre-application consultation with the local planning authority.

They then identified the process for submission of an application and what supporting evidence was required and gave details of the timescales for both the application process and a possible appeal.

3. Many candidates clearly did not read the question in full before beginning to answer as they gave costs for buildings in section 1 rather than in section 3. They were not penalised for this.

Having set out the planning process in (2) candidates had a template to apply possible costs of these and the best did so with some assumed background information for quantum.

Having identified buildings in (1) candidates had sizes of buildings to apply unit costs to and the best did this. They then went on to identify that additional infrastructure was required and likely upgrades to electricity supply, roads, concrete yards, hardstanding areas, drainage requirements, provision for fencing and gates.

4. The best candidates identified that they should have planning consents, planning condition details and notice of discharge from the local planning authority.

They should have copies of the detailed specialist reports required as part of the planning process and ensure that they have dealt with the actions.

They can prepare a specification of buildings and other works and preparation of working drawings to go out to tender, leading to a formal contract with a construction company leading to agreement of the responsibilities required under CDM regulations.

They should clear down any building regulations requirement, have Environment Agency drainage consents and be clear as to who is insuring the works during the construction.

The best candidates identified the need for finance and questioned if the development proceeds would be available to fund the new build project before sale of the site and a possible need for bridging finance.

**Paper Two – Question Two – Professional Practice – Recently qualified setting up business**

Number of candidates answering: 69

Percentage Passed: 53%

Average Mark: 65%

Top Mark: 97%

Bottom Mark: 34%

This question asked the candidates to consider the various legal, regulatory and procedural matters that they would have to deal with when setting up a new firm of rural surveyors. It is a favourite of RICS APC assessors and therefore ought to have been very familiar to most candidates.

In the main it was answered well with an average mark of 65%, and 37 out of 69 candidates who attempted this question gaining an outright pass and many others getting close. The highest mark was 97% and the lowest 34%.

Many candidates struggled with the very last part which was to consider how best to market a new firm with a surprising number failing to suggest a website, seminars and general networking. Some also found difficulty with the insurances that a firm should carry and whilst almost all came up with professional indemnity insurance, they found it rather more difficult to come with the wider range of business insurances that would be required such as public liability, employer’s liability, building and contents, business interruption, vehicles, directors and officers cover etc.

**Paper Two – Question Three – CPO – Flood mitigation and land take by Environment Agency**

Number of candidates answering: 68

Percentage Passed: 38%

Average Mark: 57.3%

Top Mark: 83%

Bottom Mark: 20%

The question tested the candidates on their knowledge of compulsory purchase compensation, a topic that regularly comes up in the exam. The first part was to outline the statutory basis of compensation. This required being able to detail the 6 rules under the Land Compensation Act 1961 S5 which many candidates could only do in part. Quite a number of candidates failed to detail any other statutes relating to other elements of compensation.

The second part required candidates to put together a simple claim with figures to show they understood how claims are calculated. The best candidates followed the normal headings, others did not seem to understand the difference between Disturbance, and Injurious Affection or that the latter should be calculated by a reduction in value rather than a capitalisation of increased costs. Some failed to include any figures.

The third part was not generally answered well and required a bit of lateral thinking about the effects on the existing gravel workings of possible raised water levels or whether there might be deposits under the land being acquired and the consequences of this.

**Paper Two – Question Four – FBT – re-letting of farm by tender**

Number of candidates answering: 115

Percentage Passed: 60%

Average Mark: 65.3%

Top Mark: 90%

Bottom Mark: 29%

This paper, which at 115 scripts was attempted by the most candidates, sought to examine options available to a landowner when unexpectedly offered a surrender of an AHA tenancy. It asked how the surrender might by effected, the pros and cons of the options (including but not limited to the benefits and risks of alternative scenarios, the ability to maintain flexibility for the owners child to farm in the future, potential for different treatment of separate parts of the asset, minor development opportunities and finance and tax consequences), the process for maximising income from letting the property and Heads of Terms for the farming lease.

A good question and not one where it was hard to pass – with scope to score well for the better Candidates. As ever you can see those who have worked that little harder in prep, as they develop their answers to score nicely over 65%, as against some who manage more of a bare minimum, which can fall short.

The first part regarding the process of surrender was not understood by most, with those often citing a standard Notice to Quit process and therefore missing the distinction. Those that scored well identified the opportunity to separately let the house with some buildings and land, letting the AOC tied cottage with the remainder of the buildings and land. The best scripts indicated the possibility of surplus farm buildings being let for commercial purposes. The process of letting was generally answered well,  for the conduct of the viewing day most identified H&S issues but few picked up on the issues arising from the Wakley case. Heads of Terms were generally answered well, where the holding was to be split no one indicated that different terms would be required for an AST of L&T 1954 lease

**Paper Two – Question Five – Diversification – timber lodges and long lease to operator**

Number of candidates answering: 96

Percentage Passed: 39

Average Mark: 60.3%

Top Mark: 87.5%

Bottom Mark: 24%

This was a simple no tricks question, which should have been within the easy capability of most if not candidates.  
  
Candidates have been advised that marking is out of 100 I.e. 8  marks is marked out of 40. This should (and did in the case of at least half of the candidates) show that for the first part of the question (heads of terms) needed more than just one word - it needed a little more to prove that the candidate understood the significance of the term and had not just parrot fashion recited a list of usual tenancy Heads of Terms key words. For example "Property" so to get full marks "Property - description and address with plan" was all that was needed to move from 1 to 2 marks.  
  
Candidates who referred to FBT terms did not lose marks, but certainly did not deserve any leniency in finding marks!  
  
Some candidates answered part 1 very well - in some case scoring full (or very near full) marks. Candidates who only gave one/two key words struggled to get above half marks for this part of question and then struggled to pull back more than 35 marks from remaining 60 to achieve a pass mark.

All candidates stuck to notes for this part, and most laid out terms in logical sequential manner which was good to see.  
  
Part 2 in the main was answered reasonably well but some candidates did not address the question - maximising income not sale. One suggestion to maximise income by not instructing an agent did not score a point for this unusual suggestion! It was anticipated that reference would be made to regular rent reviews, possibly linking rent to turnover in addition to a minimum level of rent, upward only review clauses, possibly charging additional rent for additional uses as well as considering other sources of diversification income both for estate owner and other estate occupiers.  
  
Part 3 indicated that candidates did not have practical experience of protecting the landlord. It was expected that reference would be made to Guarantors, personal guarantees, taking a deposit, landlord having right to take over business after termination of lease, robust tenancy terms for forfeiture (possible break clause but not for breach) tenancy requirements for reinstatement of property if appropriate, landlord taking to lodges. Some candidates showed business sense in referring to access to tenant's trading, figures so could asses strength of business.

Part 4 showed a wide range of answers - in the main all candidates could say something, but not all was relevant! Clearly interaction of the development with other tenants/users/estate owner gave opportunity to discuss positive and negative practical issues including possible trespass/permissive paths, conflicting and beneficial diversification projects, pressure on road use age, interruption of estate activities e.g. shoot, relieving estate of maintenance responsibilities for part of the estate which would not otherwise produce an income.

Part 5 in reality only required brief (but relevant) reference to relevant tax issues - it was not part of a tax question and this was reflected in marking. Candidates did not always compare tenancy vs. JV. Reference was expected to income tax treatment of rent v JV income; loss of BPR on tenancy but not JV; loss of APR on change of use; CGT implications on sale Roll over, Entrepreneurs Relief; other taxes such VAT and SLDT were sometimes also mentioned.

**Paper Two – Question Six – Environmental & Grants – advice to charity re soil water and grant schemes**

Number of candidates answering: 26

Percentage Passed: 52%

Average Mark: 62.3%

Top Mark: 79%

Bottom Mark: 39%

This question was designed to test candidates knowledge and understanding of agri-environmental issues and how suitable farming practices can deliver environmental benefits. Successful answers demonstrated not just a knowledge of environmental and conservation grants/schemes, but importantly appreciation of how these schemes can be implemented to deliver both environmental and economic benefits to farmers and landowners. Overall the question was well answered with a 50% pass rate.

Part a) asked for notes on key schemes with the focus being on Countryside Stewardship (higher and mid-tier) together with the associated Capital Grants for hedgerows/boundaries and water quality improvements. This section was well answered, with the highest marks going to those who provided background details of those schemes and also referred to Woodland Grants Schemes, LEADER and the Countryside Productivity Schemes.

Part b) carried 40% of the marks and gave candidates scope to advise on suitable objectives for the conservation charity and how to implement them. A number of candidates simply listed examples of management practices rather than considering and preparing objectives. Those who clearly set out objectives, particularly in terms of managing and improving soil and water quality and expanded how these could be achieved, scored the best marks. Surprisingly, only a small number of candidates recommended the analysis of soil samples and examination of soil structure as a way of monitoring the successful implementation of the charity’s objectives.

Part c) and d) were generally well answered with most candidates able to identify management practices such as the use of longer rotations, the introduction of grass leys and leguminous break crops, variable rate nutrient applications, maintaining over winter crop cover etc.

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