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Rural Newsletter

AUTUMN/ WINTER 2019

Lucy Habberfield, Somerset

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How our specialist advisers can help you manage a farming dispute

Lucy Habberfield, a farmer's daughter from Somerset, sought help from the court after her mother denied her the farm that she had been promised by her late father. Lucy's case brought with the help of expert advisers in our Inheritance and Trust Disputes Team hit the headlines and shows how a court is prepared to compensate the victim of a broken promise.

In brief, Lucy had worked on the family farm in Somerset for over 30 years, for low wages and with little in the way of holiday or time off. Lucy's father made repeated promises and assurances that she would take over the farm after his death. Lucy's partner also worked on the farm and they raised a family of four children there. The court accepted that Lucy's mother was aware of her husband's promises.

After Lucy's father died, the farmhouse and the land passed to Lucy's mother, but she denied Lucy's interest in the farm refusing to carry out her late husband's wishes. This led to a protracted court case during which Phil Gregory, Partner in Stephens Scown's Inheritance and Trusts Dispute Team represented Lucy, alongside Solicitors Holly Bryan and Georgia Wookey.

Facing a Dispute



- Choose your advisers carefully
- Be prepared to compromise
- Collect and preserve all relevant documentation
- Keep notes
- Take specialist advice early and negotiate from a position of strength with full knowledge of your rights and the available options for the business



Lucy and partner Stuart



Lucy, Stuart and their legal team

Issues exposed by the Habberfield case

Unfortunately, the Habberfield case isn't the first time that a family has been divided by the question of 'who gets the farm', as Phil explains:

"For farming parents deciding who should receive the farm and keep it running can cause a major headache, I have seen families divided and farms lost because confronting the issue has been avoided for too long. The result is all too often disagreements about who takes the reins and who gets what. It is disappointing that this trend seems to be becoming more frequent.

This lack of transparency between parents and their children is an issue particularly encountered within the farming community.

"Children from farming families, like the business itself, need some certainty and expectations have to be managed. Children who have spent their lives working on the farm need to know their parents intentions and plans need to be agreed. Partnership Agreements and other documents should be prepared", says Phil.

If these issues are not discussed and agreed then the law can step in to right an injustice. Phil explains:

Succession Planning



- Strive to be fair, rather than equal
- Set succession objectives for the next 5 years (you cannot reasonably foresee what might happen beyond that)
- Keep discussing the plan with your family and your advisers
- Make a Will with the benefit of specialist advice, keep it under review and update it
- Take specialist tax advice
- Consider putting in place a detailed partnership agreement

"The area of law involved in the Habberfield case and in many similar disputes is called Proprietary Estoppel. It is a developing area, with a series of high profile cases, particularly relating to farms, over recent years. "In Lucy's case, the law of Proprietary Estoppel meant that Lucy was entitled to be compensated for her father's broken promises."

Whilst Lucy's claim ultimately prevailed the outcome was not to give Lucy what she had been promised or what she really wanted. Lucy received over £1 million in compensation for her lost earnings and her father's unfulfilled promises, but the court could not award her the farm which will now have to be sold by her mother in part to cover costs of the dispute.

Reflecting on the turn of events, Lucy said:

"No one likes talking about what will happen after they die, but we are only here once and having a proper, open conversation about it so everyone knows where they stand could save so much misunderstanding and heartache later on.

"I'm so sad that our case had to go so far and my advice for other farming families is to get together around the table and talk about what you want to happen to your farms."

A failure to plan is a plan to fail

More than anything else, the Habberfield case laid bare the consequences of a lack of proper succession planning, with the family divided, and the court case ending in the potential loss of the very object that both parties were fighting over.

It is key that farming families have clear, transparent and honest succession talks as soon as possible, so that formal arrangements can be put in place. If things do turn sour and promises are broken, however, Lucy's case shows that it is possible to take legal action and win in a succession dispute.

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Phil Gregory is a partner in the dispute resolution team at Stephens Scown in Exeter. The team is top ranked in the Legal 500 guide highlighting the best lawyers in the country. If you would like to discuss your situation with Phil or any other members of our Inheritance and Trust Disputes Team call 01392 210700 or by email solicitors@stephens-scown.co.uk. For more information visit www.stephens-scown.co.uk

Running a farm? Beware the costs of water pollution laws

The day-to-day running of a busy farm can make it hard to keep track of everything that's going on at one time, but water pollution is an area that can result in a criminal conviction and hefty fines, as Planning and Environment team partner Chris Tofts explains.

Farms across England are at risk of prosecution by the Environment Agency if they do not meet environmental protection laws.

Potential costs from breaking anti-pollution laws

A number of recent local farm cases demonstrate the risks of not keeping farm waste in check – as well as causing significant environmental damage, improper farm waste management can lead to heavy fines. A farmer in Cornwall was fined for almost £9,000 after it was discovered that an unauthorised slurry discharge had reached a nearby river, killing hundreds of fish and necessitating the temporary closure of a popular beach further downstream.

Similarly, a Devon farmer was ordered to pay £9,500 in fines due to improper waste handling, which caused heavy pollution in a tributary of the River Exe. These fines are recent examples of the costs for pollution offences, which emphasises the importance of having watertight procedures for handling materials that could leak into the wider environment. It is worth mentioning that farming pollution isn't limited to animal waste; improperly applied fertilisers can also pose a risk to the environment.

Government guidelines identify a number of everyday farming activities that can cause pollution – this includes spreading manure or other fertilisers, planting and harvesting crops, ploughing fields and managing livestock.

At a basic level, farmers have a responsibility to ensure that their farming practices don't cause damage to nearby water sources or the soil; there are countless ways that pollution could occur, and a similar number of preventative measures that are endorsed by government bodies.

How pollution laws are enforced

The Environment Agency can inspect farms across England to ensure that farmers are doing their part to prevent pollution; as well as visiting farms themselves, inspectors will also assess the surrounding land for signs of pollution that could have come from the farm's practices.

If you are found to be breaching the laws, the Environment Agency may initially make recommendations to improve the situation, with a timescale attached to implement these changes. If you fail to act on these recommendations, however, then prosecution and fines could follow. Additionally, if inspectors find a significant instance of pollution or a high risk of pollution during a check, you could face immediate enforcement action or prosecution without the opportunity to correct the issue beforehand.

While the penalties for breaching the regulations can be alarming, there are precautions that farms can take to reduce the risk of pollution, which in turn will reduce the risk of a fine from the regulator. In particular circumstances it may be appropriate to obtain an environmental permit.

The planning and environment team at Stephens Scown has substantial experience in handling planning and environmental matters for their clients, allowing them to run their businesses with the knowledge that they are operating within guidelines and reducing the risk of prosecution.



Chris Tofts is a partner in our planning law team. If you would like to get in touch with Chris on this topic or any other planning issue, please email planning@stephens-scown. co.uk or call 01872 265100.

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Tenancy Reform

Susie Murray, who specialises in agricultural, equestrian and rural property matters, looks at the various changes that have been proposed in the Agricultural Tenancy Reform.

The key proposals include:

- The Right for Agricultural Holdings Act 1986 (AHA) tenants to assign their tenancies to another person for a fixed term of 25 years at an open market rent
- No minimum retirement age meaning that tenants can retire before the age of 65
- Reforms around alternative dispute resolution and arbitration
- The removal of the "commercial unit test" used to determine succession eligibility for AHA's and the introduction of a "business competency test" in order to assess the applicant's skills to farm commercially and efficiently
- Incentivising the landlord to invest in equipment and buildings by reducing the risk that any interest payments from the tenant will be lost in the following year's rent review
- In certain circumstances to incentivise landlords to let property, 10 year Farm Business Tenancies (FBTs) have been suggested, with shorter termination procedures in certain circumstances

There are some specific proposals concerning succession, these include replacing the suitability test with a business competency test and removing the minimum retirement age for a tenant whilst simultaneously imposing an upper limit on retiring to five years beyond state retirement age after which there could be no succession.

There has been a suggestion of extending the class of relatives eligible to apply beyond the current class of spouses, siblings and children enabling new entrants into the industry.

Depending on your own particular circumstances, any reform could potentially have a bearing on your succession.

We await the outcome of the consultation and will share updates once received.



Susie Murray is a partner and heads the rural team in Devon. If you have a question about a rural related matter please contact Susie and the team by email rural@ stephens-scown.co.uk or call 01392 210700.

GROUND MOUNTED SOLAR POWER

Ground mounted solar power is on the up again, despite suffering a slump in the UK since the withdrawal of subsidies. Sonya Bedford, Stephens Scown's head of energy assess what is driving this resurgence and how landowners and seize this golden opportunity to diversify their income streams.

Falling costs and increasing demand

Globally, solar power capacity has more than tripled between 2012 and 2016, according to the International Energy Agency (IEA), growing by nearly a third in 2016 alone. Solar has grown in the UK too, currently providing enough power to supply three million UK homes. Back in 2010, the solar power industry was on its last legs, but now it is booming.

It is the fall in costs for solar that is driving this, with the cost for solar panels having fallen by 80 percent since 2008. The UK Government is now committed to generating 15 percent of the country's energy demand from renewable energy by 2020. The resulting increase in demand for solar power has in turn driven the growth of large-scale solar serving industrial and commercial users and the national grid.

To seize this opportunity landowners will need to have or be located near a grid connection to the National Grid with a large amount of free capacity nearby (anything from 5MW - 120MW).

Benefits for landowners

What are the benefits of solar to landowners? For a start, the rental incomes from solar farms are increasingly attractive, given that current subsidy free solar rents are \$500 - \$650 per acre per annum. However they can reach as \$1,000 per acre with very little risk.

The rate achieved depends on the amount of solar radiation the site receives and various costs including connecting to the national grid, planning, installation and the cost of finance. It is also worth remembering that in general legal and development costs are paid by the developers, leaving the landowner free to accrue the rental income.

Another benefit is the guaranteed income available from solar. Leasing arrangements are generally long-term, meaning that solar can provide guaranteed, index-linked rental income for 30-50 years. Solar farms are also generally constructed in such a way that the land can also be grazed, primarily by sheep or poultry, therefore making the site dual use, however caution should be had when negotiating lease agreements to ensure the developer takes on the risk of insuring the solar array against any damage caused by sheep. It can also be used to increase diversity, as the ground can be sown with grass mixes and wild flowers. This in turn attracts bees and pollinators and means that lower grade land can be put back into productive use.

Solar Farms have a much lower visible impact than other renewable energy technologies, such as anaerobic digestion and wind turbines. They can also be screened by fences or hedging and do not emit any noise. Operation and maintenance, as well as security, can be monitored remotely.

If the land is required for other use after the end of the leasing period, a solar farm can also be easily decommissioned, however caution should be had when negotiating lease agreements to include a decommissioning bond or otherwise.

Window of opportunity over the next one to three years

With the fall in costs (and there is still some way to go), ground mounted solar should reach a point in late 2019/2020 where we will see large ground mounted solar schemes developed.

Indeed, this is already beginning to happen, with two subsidy-free solar farms opening in Milton Keynes and West Sussex. Developers are already entering into options and I predict that developers will be moving to secure options and sites within the next one to three years.

Solar farms will now need to increase in size to drive down the costs and the norm will be anything from 5MW to 120MW, with approximately 20 acres being required for a 5MW solar farm. This now means landowners are joining together with neighbouring landowners to provide an adequate amount of land for development.

Solar farms have a much lower visible impact than other renewable technologies.....

Next steps for landowners

Landowners who are interested in leasing their land for solar power generation will need to find out if they have a grid connection located on their land or neighbouring land with surplus power in the local area and provide details of the potential site to land agents or developers involved in subsidy free solar. The land agent or developer can then assess the potential solar generation capacity, the likely grid connection cost and whether or not local planning laws are favourable.

The next stage is to agree the heads of terms for the option and lease of the land. It is crucial to seek legal advice when drafting the heads of terms setting out the agreement upon which the option and lease will be drafted. Although not legally binding, heads of terms are difficult to move away from once signed and dated. Once agreement has been reached an option (which includes the lease) will be negotiated. Once entered into this gives the developer the sole right to seek planning permission, grid connection and other consents required to develop the solar farm with a certain timeframe. The construction of the solar farm should, if the costs of solar continue to fall, take place within one to three years of the option being completed.

The withdrawal of subsidies have not marked the end of solar in the UK. Far from it, falling costs and increasing demand means that for savvy landowners there is a real opportunity to be seized.



Sonya Bedford MBE is head of energy at Stephens Scown, one of the largest law firms in Cornwall and Devon. Sonya is one of the UK's leading energy lawyers with multiple industry awards. She received her MBE for services to renewable energy.

Stephens Scown's energy team is experienced in subsidy free solar and has worked on over 3GW of solar projects across the UK. To speak to Sonya or one of her team, please call 01392 210700 or email energy@stephens-scown.co.uk



SUCCESSION PLANNING

So how do you remove the elephants from the room when it comes to succession planning? Perhaps we can use a technique from business circles known as a 'premortem'.

A lack of action on succession planning ultimately upsets everyone and can cost the business a lot of money

It involves imagining at the start of a project that it has failed, allowing those involved to visualise why, so revealing the potential pitfalls and allowing them to be avoided.

It's a way of anticipating issues before they cause problems and, let's be honest, when it comes to succession planning, it's not hard to imagine failure.

When will dad hand over the cheque book? When will mum and dad retire and what money will they need from the business? Who gets to make the decisions? What happens to siblings who don't work in the business? These are just a few of the issues that can put families at loggerheads.

Given that over 60% of farm businesses don't have a succession plan, we know that the industry's current approach to this fraught topic isn't working. A new approach is required.

So instead of telling people to have family meetings to agree on all the things they can agree about, we should start the process with a family meeting to agree on all the things people are going to fall out over.

That may sound counter-intuitive, but talking about such issues can actually take the fear out of these difficult conversations. No more of the 'elephant-inthe-room' topics that no one dares mention. Instead, an upfront acknowledgement that the conversations will be uncomfortable and that some people may be disappointed, but everybody will know why the discussion needs to be had and that compromises have to be reached.

When you have talked about the areas you are going to fall out over, it should then be an easier conversation to find the subjects you agree on. There's probably quite a few of these. In an uncertain world, we know some things for sure. Mum and dad will die at some point. You want them to enjoy their retirement. We all want to pay as little tax as possible.

We want our family to be happy. We'd like to keep the farm as a farm (or perhaps we don't, perhaps it's simply been assumed that certain people really want to farm?).

When it comes to succession planning, it's understandable why people can be tempted to avoid the topic – they're scared of upsetting their loved ones through the decisions they make.

The potential financial implications along with the ups and downs of taking (or not taking) succession planning action are highlighted overleaf. We are not trying to make light of a very serious subject but by using a visual example we can highlight the challenging issues and actions that need to be considered, together with what can happen if they are not dealt with.

A lack of action on succession planning ultimately upsets everyone and can cost the business a lot of money. It's far better to face the issue head on and, like so many challenges in agriculture, try to break complex issues into more manageable chunks. Agreeing what you are going to disagree about may seem an unconventional approach, but at least you are agreeing on something – and it will begin this vital process.

Just in case you think we are over dramatizing the importance of succession planning, Stephens Scown have just successfully won a £1.3m settlement for a client where there was a family fall out and despite working on the family farm for over 30 years for very poor wages and being 'promised' the farm it was left to their siblings.



For more information please contact info@agritechcornwall.co.uk and visit www.2minutefarmer.co.uk.

The importance of farm to fork, as shown by #Trottergate

PIPERS FARM

UK farmers have enough to worry about without censorship of their produce, but Pipers Farm recently encountered an unexpected storm in the form of '#trottergate'. Abby Allen, Sales and Marketing Director at Pipers Farm, revisits the story. In the spring, chef and food writer Olia Hercules was unwittingly at the center of a viral campaign on the censorship of food.

Olia posted a simple photo of Pipers Farm pig ears and trotters, and after only a matter of hours, Instagram took the decision to censor the image - presumably due to a complaint.

Ukranian-born Ms Hercules shared the image praising the quality and affordability of the trotters and ears and asking her followers why they have fallen out of favour with UK diners.

"This photo contains sensitive content which some people may find offensive or disturbing" the filter read. Ms Hercules responded by asking Instagram why they felt the need to censor the image of the raw ingredients, while not applying the same standard to cooked food or other ingredients.

"My husband is vegetarian, I am a meat eater. In the seven years I have been on Instagram, not once have they censored an image with a meat dish in it."

"Yet when I post something that looks like the animal it came from, someone reports it. People have become far too detached and too squeamish."

"Meat does not come out of a plastic packet as a shapeless lump. It belonged to the animal, so if Instagram decides to censor pig's ears, it should censor minced meat, too" Ms Hercules went on to explain.



Jay Rayner 🥏

Foliciwing

This is bonkers. Those of us who eat meat need to acknowledge its part of an animal, not some abstract product.



Olia Hercules @OllasGastronomy

My photo of @pipersfarm pig's ears and trotters was censored by @instagram I guess someone complained. Why the monkey don't they report pictures of burgers, sausages and bacon too? Ridiculous. And shame on you @instagram for censoring it...

#Trottergate

Later that evening, the news had spread and thousands had left comments across various social media platforms, outraged with Instagram's bizarre decision. Instagram's censorship of the image raises wider concerns. It isn't the first time the platform has censored an image of butchered meat. In September last year, a London restaurant created a similar viral storm when they posted an image of a whole grouse including head and feet in a bid to educate their customers about what's on their plate.

Many small-scale farmers also joined in the conversation and commented that they too have had videos and images removed by social sharing giants Facebook and Instagram.

Anti-cyber bullying

There seems to be a worrying trend that social tycoons could have an agenda when it comes to the type of content they are allowing on their platforms.

Farmers, ourselves included, have seen a significant volume of malicious attacks about livestock farming and meat production, and at the same time we have also seen an increase in posts being removed or unapproved by social sites.

There is a growing concern about the bias forming on social platforms making it more difficult for artisan producers to help connect their audience with the real story of how their food has been produced. More worryingly, however, is the increase in farmers under attack on social platforms. The Sustainable Food Trust has recently documented how the rise in online abuse is impacting farmers mental health.

There is a responsibility on social media companies to take more seriously the threats aimed at farmers and related businesses, and act as quickly as possible. More widely, there have been persistent calls for social media giants, including Facebook, Twitter and Instagram, to improve their anti-cyber bullying and harassment measures.

Our view

As always, we will continue to show our followers every step of real artisan food production. Trotters and all... It is our mission to connect our customers with how food is produced. There should be no need to censor the realities of real sustainable food culture. If you are choosing to abstain from eating meat, we respect that choice, but we do believe that for those who choose to eat animal products, it is important they understand where their food has come from, and how together, we can make eating meat more sustainable.

READER OFFER

Use discount code: STEPHENSSCOWN at the checkout to claim 20% off Pipers Farm products excluding meat boxes and items that are already on offer, while stocks last. A minimum spend of £30 applies. This offer ends midnight 31st October. This offer cannot be used in conjunction with any other offers. This offer cannot be used in conjunction with Pipers Points. We reserve the right to change or remove this offer at any time.

FARMING DIVORCES

The complexity of farming divorces can make them among the most expensive. Add to that the fact that the impact of divorce on a family farm can be catastrophic. That is why leading family lawyer Sarah Atkinson from Stephens Scown LLP recommends farming families consider pre or postnuptial agreements to protect their family farms.



Pre or post nuptial agreements are becoming increasingly common to agree upfront as a provision for a spouse in the unwanted event of a divorce. For couples who are already married, post-nuptial agreements provide the same level of reassurance so it doesn't have to be done before a wedding. These are used effectively by farming families who want to pass ownership of the farm to the next generation after the intended owner has married.

These days, pre nups are not just the preserve of celebrities – hard working farming families are choosing them too, to give them peace of mind.

The reality of entering into a pre or post-nuptial agreement is that the process gives couples and their families clarity over previously unspoken areas of concern and enables them to proceed with succession plans and manage the risk of relationship breakdown. In a farming context, this can mean reaching an understanding over who will retain the family farm and setting out how their spouse will be fairly provided for if they split up, to meet their needs without damaging the farm business.

Although a pre-nup is not currently legally binding in England and Wales, it provides the couple and the Court with a 'default' approach to be followed if they eventually go their separate ways. Essentially, if properly entered into it will be followed unless it would be obviously unfair to one party. The Courts could then increase the provision beyond that set out in the prenup, but this is only done to ensure their basic needs are met, not to award a significantly higher share of the assets than might be awarded without a pre-nup in place.

This assessment of what the court might deem fair in the future when the prenup is tested filters down through to the drafting stage. Lawyers experienced at putting pre-nups together will be familiar with what might be regarded as fair and the sorts of mechanisms that can be included to ensure this remains the case, maximising the prospect of it being followed by a divorce court.

What is involved in agreeing a pre or post-nup?

Quite a lot can turn on the approach taken by the solicitors involved. Pre and post nups are always done with the purpose of limiting the assets shared on divorce with a spouse and it is approached with that in mind. The person with the assets to protect prepares the first version of the agreement for their fiancé/spouse to review with their solicitor.

They will plan the drafting process to ensure that each person is given the necessary time and space to properly consider the implications of what's being proposed. They will make sure that advice is fully explained and that all options are provided for the couple to consider together, to make sure they are on the same page throughout the process.

It is important for the solicitors involved to take a nonconfrontational approach, so they do not create tension ahead of the wedding day. They will ensure that only sensible and necessary alterations are requested to the document and not changes being made for the sake of it, focusing on the provision that will be made in various eventualities of separation in the future.

Above all else, they go out of their way to make sure that the experience is a positive one and something that will not compromise the sentiments of the couple going into their wedding day and future lives together.

Pre and post-nuptial agreements are a valuable tool for farming families looking to pass assets on to the next generation but secure the future of the family farm in the event of divorce.



Sarah Atkinson is a partner in the family team at Stephens Scown. This growing team is among the largest in the region and has top tier ranking in Legal 500. Sarah Atkinson is recognised as a notable practitioner by Chambers UK. To contact Sarah, please call 01872 265100 or email solicitors@stephens-scown.co.uk

2019 (and beyond) Drone Rules – Limiting the ability to "look to the skies"?

Drones have been increasing in popularity over recent years and now more people than ever are looking to the skies.

This unprecedented level of aerial freedom has allowed people to view the world in new and exciting ways, and also to provide further advancements in industries such as media and agriculture. However, it has also brought with it issues which are still being tackled by the authorities.

In December 2018, such issues became more evident than ever, as Gatwick Airport, ground to a halt as a result of drones reported to be flying dangerously close to the runway, posing a serious threat to the aircraft taking off and landing at the airport. This left hundreds of flights grounded and tens of thousands of people stuck at the airport.

In May 2018, the UK Department for Transport, in collaboration with the Civil Aviation Authority, enforced laws which governed the use of personal drones. These included a legal ceiling of 400 feet and a provision that they must not be flown within a kilometre of an airport boundary.

Even though those operating the drones which caused such havoc over the Christmas period were acting in contravention of the laws, those laws came under strict scrutiny. Following reviews of the law (which actually predated the incident), the Government announced amendments to the laws relating to personal drone use.

The additional 2019 rules

Extension of no-fly zones around airports:

- Pilots of drones will now have to stay outside a radius of 5 kilometres from any airport boundaries, which is to include further distances beyond the end of runways.

Introducing a "drone operator" register and test:

- As of 30th November 2019, operators of all drones between 250g and 20kg will be required to register their device with the Civil Aviation Authority and take an online safety test. The fine for not doing so will be up to £1,000.

Extension of Police powers over drones:

- Police will be able to, with a warrant, search a premises if there is suspicion a drone has been used to commit an offence. They will also be able to issue fixed penalty notices of up to £100 for minor drone related offences, such as not producing the relevant licence when asked, or not complying with police requests to land the drone.

What could be next?

There are further murmurings that the Government supports a minimum age restriction of 18 years of age to operate a drone. Similarly, further notification of drone use may be required, possibly having to notify authorities, as well as other users, where and when they plan to fly. Whilst this is not set in stone, it has been suggested that it could take the form of an app, which users may have to pay for.



How drones are used

Drones have developed by leaps and bounds over the last 10 years and now have a multitude of uses, from tiny toys controlled by a mobile phone to what are essentially giant, flying, ultra high-definition, infrared cameras. Consequently, they are becoming more prevalent in a variety of different industries.

At present, commercial drones are most commonly used for a assortment of digital media purposes, video recording for example, but are now regularly used for landscaping services, due to the ability to get an aerial view of the land. This has been further applied to the property and agriculture industries, to mention a few, to scope out potential border disputes, provide security to large areas of land and even to monitor the health of crops.

What is the impact?

As evidenced by the incident at Gatwick, drones, when misused, can create mayhem and even put lives at risk. These additional rules have been put in place as a consequence of this, but also as a result of common sense. However, an argument could be made to say that the issues which occurred at Gatwick would still have happened even if the 2019 regulations had been in force; the operators were in stark contravention of any rules.

These new rules are intended to increase drone user accountability and ensure the safety of flights, without compromising the security or privacy of others. They are also likely to have negative impacts on the use of drones in industries, such as those mentioned above, as it is possible that the costs for such commercial drone services will increase following the implementation of these additional regulations. Most notably, with new requirements such as having to register and potentially pay for certain elements, it is likely these charges will be passed on to the customer, meaning the prices for commercial services of drones will increase.

What is more, restrictions to flights, for example the height and location, may well mean that drones will not be able to be used in certain areas any longer. This is a particular concern for those in the agriculture industry, with farms located in the vicinity of airports no longer being able to make use of this new technology.

The true effects of the new rules on the popularity and use of drones is yet to become clear, however it is clear that the new rules will limit the ability to make the most a drones full capabilities.



Thomas Chartres-Moore is an associate solicitor in the IP and IT team at Stephens Scown. He has over 7 years experience of working in intellectual property and information technology, and qualified as a solicitor in 2016. If you have any IP and IT queries get in contact with our team on 01392 210700 or email ip.it@ stephens-scown.co.uk.

The employee who got away with it, despite being caught on CCTV!

Thousands of employers install CCTV at their premises thinking that they can use the footage as they see fit to protect their 'business'. However the law is not that straightforward, as we will see in the scenario below, and there are things businesses need to have in mind.

Trouble at Meadow Farm

Meadow Farm decides to install CCTV in its livestock office, accounts office, sheds and milking parlour. The decision to install CCTV was based on legitimate concerns for the business including:

- money being taken from the accounts office;
- break-ins from animal rights activists;
- their insurance company having advised them to install cameras in high risk areas to reduce their premium; and
- the offices containing sensitive information both about the business and its customers, including passport numbers for animals.

The CCTV system is visible but there are no signs in the area covered by the CCTV to bring attention to it. The entrance to the farm has a sign confirming that CCTV is in use and states the purpose is for the protection of animals. Most employees are largely oblivious to the CCTV as Meadow Farm did not consult with them or make them aware of the system before they introduced it.

The farm manager, Peter, is approached by an employee, Amy, who wishes to raise a grievance against, Michael. Amy claims that Michael approached her in the break out room, next to the parlour, and swore at her for spilling feed.

Amy claims that after berating her, Michael said "just get out of here" and pushed her.

Michael is denying the incident entirely and claims that Amy came to him upset about spilling the food and was rude to him. Michael says that he was tired and having tried to console Amy he eventually just snapped at her to go home.

Peter knows that if the incident occurred in the break out room to the side of the milking parlour, as Amy alleges, it would have been caught on the milking parlour's CCTV. The footage is obtained and viewed by Peter. The footage largely supports Amy's claims and Peter decides he has seen enough. He invites Michael to a disciplinary hearing to be heard by Mary. Amy is also invited to a disciplinary hearing as the footage shows she is not as innocent as she made out and was verbally abusive to Michael. The only evidence relied upon is the CCTV.

Amy and Michael are in shock that the incident was recorded on CCTV and object that Peter and Mary have viewed the footage for the purpose of watching the incident. Their complaints are ignored and Mary decides that based on what she saw in the footage, Michael should be dismissed for gross misconduct and Amy should receive a first written warning.

Amy resigns claiming her trust and confidence in Meadow Farm has been destroyed.

One month later Meadow Farm receives claims from both Amy and Michael. The tribunal finds in favour of them both, finding that their dismissals were unfair, as the evidence relied upon was unlawful and the use of it infringed Amy and Michael's rights. The compensation awarded is reduced for both Amy and Michael due to conduct contributing to their dismissal but Meadow Farm is left with its own legal bill and some compensation to pay.

So where did it all go wrong?

Meadow Farm is entitled to monitor its employees but there are risks associated with doing so including:

- breaches of data protection law;
- breaches of an employee's human rights; and
- undermining an employee's trust and confidence in their employer.

If the above risks aren't addressed then the monitoring may be unlawful and could undermine the fairness of a dismissal, as happened in the scenario above. Failing to notify employees of monitoring can cause issues with all of the above.

Data protection legislation permits employers to monitor employee activity in certain circumstances but they need a lawful basis to do so and they need to communicate the monitoring appropriately to employees in advance. Before implementing monitoring of any kind, including CCTV, employers will need to ensure that they have reviewed their obligations under the General Data Protection Regulation (GDPR) and taken such steps as are necessary to ensure their compliance.

The relationship of trust and confidence is a central aspect of all employment relationships and a breach of it can lead to a successful claim for constructive dismissal. As monitoring employees inevitably carries with it an element of intrusion, it's not difficult to see how, if handled incorrectly, it could erode trust and confidence. If an employee has a reasonable expectation of privacy then it can breach their human rights to monitor them.

In the scenario above the CCTV was ostensibly in the milking parlour but it caught the section of the break out room where the incident occurred. If Amy and Michael believed that the break out room was an area for staff to relax on their breaks then they could argue that they had a reasonable expectation of privacy, especially if the CCTV was supposed to cover the milking parlour and was stated to be for the "protection of animals".

In the scenario above Meadow Farm failed to carry out an assessment of the use of CCTV at the farm and had failed to notify the employees of:

- their rights in relation to the use of CCTV and, in particular, the data gathered;
- the purpose of the CCTV i.e. what it could be used for;
- where it covered; and
- details of who would view the footage.

How could they have handled it better?

Meadow Farm should have:

- ensured, where possible, that the CCTV was targeted at areas of particular risk and confined to areas where expectations of privacy were low;
- informed their employees of the extent and nature of the CCTV and the reason for it;
- consulted with their employees about the use of CCTV;
- ensured that adequate notices were used to inform employees about the use of CCTV; and
- kept all of these arrangements under review.

The good news is that the risks above can be minimised by carrying out a full privacy impact assessment and producing appropriate accompanying policies. Doing so will maximise the chances of the monitoring being lawful and an employer being able to rely on it to protect their business. It is vital that an organisation's GDPR compliance is also in order and taking these steps alone is unlikely to be sufficient.

The above principles apply to all forms of monitoring. The value of having lawful monitoring is growing as more employers want to be able to protect their business using new and old technology. Employees are becoming more aware of their rights, so it is vital for employers to ensure those rights are not breached.

Our employment team has experience in advising on a wide variety of different types of monitoring including the use of CCTV, vehicle tracking and drug and alcohol testing. If you want to discuss monitoring further or how we can support your business please contact our employment team.



Hazel Sanders is a Chartered Legal Executive Lawyer and based in the employment team in Exeter. If you would like to contact Hazel to discuss an employment law issue, please call 01392 210700 or email employment@ stephens-scown.co.uk.

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South West local authorities open up to more barn conversions

South West property owners planning barn conversions now have a better chance for approval from local councils, thanks to a key change to planning guidance.

Recent changes to Planning Guidance have led some Local Planning Authorities (LPA) to adopt a more welcoming attitude to agricultural building conversions, under new permitted development rules.

Plans to convert an agricultural building to a residence or other property type are known as a Class Q application. Previously, Class Q cases were frequently refused due to question marks over the structural strength of the buildings.

The new rules clear up areas which had been common reasons for refusing these applications. For example, the new guidance addresses the issue of a building's structural suitability for conversion, and now states that *"It is not the intention of the permitted development right to allow rebuilding work which would go beyond what is reasonably necessary for the conversion of the building to residential use.*

"Therefore, it is only where the existing building is already suitable for conversion to residential use that the building would be considered to have the permitted development right", which means a move away from a strict structural test. The guidance also makes clear that internal works (e.g. new floors within the existing building) should not be taken into account.

A successful Class Q application essentially means that agricultural buildings can be converted into homes without the need to secure planning permission, which could mean developing up to five homes in an agricultural building or converting and developing up to 465 square metres of floor space.



A recent survey by Planning Resource has named Cornwall Council as allowing the second highest number of agricultural conversions under permitted development rights in the country, while nearby councils in Teignbridge, North Devon, Mid Devon and South Hampshire have also featured in the UK's top 15 most permissive councils.

These statistics don't mean that barn conversion applications can be made without preparation, however, as the same survey also revealed these councils to have the highest numbers of refused agricultural conversions.

Carefully considering, preparing and presenting a sound planning application to the Local Planning Authority will give it the best chance of approval, and this remains the case despite the increased likelihood of success in a barn conversion application.

If plans to convert your existing agricultural buildings don't completely meet your needs, it can still be beneficial to gain permission under Class Q to use as a 'fallback' plan when promoting an alternate scheme.



Sinead Lowry is a solicitor in ourplanning law team. If you would like to get in touch with Sinead on this topic or any other planning issue, please email planning@ stephens-scown.co.uk or call 01872 265100.

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We read almost constantly about cyber security issues and sophisticated attacks that have breached organisations' defences. And with the GDPR now having come into effect, the information security regulator, the ICO, can levy large fines for breaches or for failing to take proper care of customer and personal data. However, the biggest cause of data breaches is something much simpler and closer to home. It's human error. In fact, the ICO has said that over 85% of breaches are due to human mistakes.

This can affect organisations large and small. One notable case that the ICO ruled on over the summer involved Gloucestershire Police, one of whose officers sent an update email concerning alleged victims of child abuse. The officer meant to 'blind copy' all the recipients so that people couldn't see each other's names or email addresses, but accidentally put all the addresses in the visible 'to' field. The force was fined £80,000 by the ICO.

Something as simple as email error is, in our experience, one of the most common mistakes made. It could be a case of not blind copying or it could simply be sending an email to the wrong address. We all know that these things can easily happen, especially when someone is under time pressure or multi-tasking doing something else. But if an incident like this leads to the leaking of someone's personal, sensitive data then the consequences could be serious, however innocent the mistake.

Defend your business against the biggest cause of data breaches: *human error*

Robert Camp, Director of Strategic Innovation at Stephens Scown and Director at NuBright

Other common human error issues include staff simply disclosing too much or inappropriate information. This could happen over the phone – it doesn't have to be electronically in writing. For example, if someone phones a hotel or holiday park claiming to be a guest's friend or relative – the natural instinct in a good staff member will to help them and tell them what they want to know. Most of the time, this will be harmless – but it could end badly if someone has negative intentions.

Other issues straddle the boundaries between human error and systems weaknesses. For example, staff clicking on fake links in 'phishing' emails which then introduce a virus or allow access into systems full of data. This is both an error by the staff member and also a system weakness because if software defences are installed then the damage should be prevented or limited.

This is why it's vital to ensure that staff have the training they need around cyber security and GDPR/ data protection issues. Staff are your first line of defence, and awareness of the issues is key. At nuBright, a joint venture between Stephens Scown and Bluegrass Group, we offer accessible and straightforward training that can help.

When businesses stand back and look at their processes, they often find that it's not just a compliance issue: there are improvements they can make that create a more efficient business. There are real returns in getting on top of the GDPR, as well as helping keep your business out of a very unwelcome spotlight.

Tips for buying land

Buying a block of land is one of the biggest financial commitments you will make. By taking some time to think about key issues at the start, the whole process will be much smoother. Kate Theophilus, one of Cornwall's leading agricultural lawyers explains what you need to think about. Every land purchase is unique and what you plan to use the land for will dictate how you approach the purchase. Having a good team of professional advisors including a lawyer and accountant with experience in buying land is important here as they will be able to advice on the best approach for your individual circumstances.

Structure

The way your purchase is structured is crucial and can have an impact on your tax liability. For example would it be more beneficial for you to buy the land as an individual, as part of a partnership or a limited company?

If there is a house on the land, it will be important to establish if it is included and if it is owned by the same person who owns the land. Careful thought will need to go into the structure of the deal here too, from a purchase perspective, as it could have an impact on your Stamp Duty Land Tax liability.

Access

Access is one of the first things you need to establish. Will you have unfettered access to the land? Does the land abut a public highway or cross land belonging to a third party or indeed land to which ownership is unknown?

Boundaries

Knowing who owns the boundaries of the land you are interested in buying is crucial. You should look at a copy of the title plan early in the process, although this may not give the answer and further investigation may be required. Also, look out for openings in the boundaries. For example, does a gate open onto land which is not part of the deal?

3rd party rights

When you visit the land check to see if there are any well worn tracks across the land as these may indicate a right of way. Are there signs that 3rd parties occupy the land? Also checks should be made to find out if mining and mineral rights are specifically excluded from the title, as in such circumstances where this exists any activity on the land may be a trespass should the owner of those rights wish to exercise them in the future. The fact the deeds may be silent does not automatically mean the rights are included.

Services

Find out what services are supplying the land and how they are set up. The seller should provide an up to date plan, showing the location of, for example the water supply, but when you visit the land you should take note of anything you can see, including boreholes, reservoirs, troughs or associated pipework.

Questions you should seek to answer include: is there a water supply? If so, how is it set up? Is it on a meter? Is it mains water or from a private supply? What is the route? Does anyone else have a right to use the water supply? Similarly, make sure you understand the drainage on the land, including the location of land drains, cess pit or septic tank and soakaway, especially if there are houses nearby. Similar thought needs to be given to other services such as electricity lines/pylons and gas mains.

Overage

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Some land purchases come with an overage clause, which gives the seller a right to a share in the future value of the land. Triggers could include building property on the land or changing the use of an agricultural building. Your lawyer will help you to understand what the implications of this could be for you further down the line, and any knock-on impact on your tax liability.



Kate Theophilus is a partner in the rural services team at Stephens Scown LLP in Truro. She is a fellow of the Agricultural Law Association and is recommended by independent guide to the legal profession Chambers UK and Legal 500 for her expertise in agricultural law. To contact Kate please call 01872 265100, email rural@stephens-scown.co.uk or visit www.stephens-scown.co.uk

NFU Support for farmers well-being and mental health



As a farming industry there is an increasing recognition that we all need to spend more time looking after our well-being and mental health. It is such an important area that for so long has been a taboo subject for many, especially in our industry. But the medical evidence is clear that the more we can openly discuss our mental health, the healthier we will be and this will lead to better decision making in the business and a more enjoyable life.

Andrew Butler, NFU Devon County Adviser

As the main trade association for farmers in England and Wales the NFU see the pressures that are on farmers on a daily basis and in some cases this can be a real drain on an individual's mental health. Within Devon NFU we identified it as something we could focus on this year and support our members and their families, through providing training to those that work with farmers across the county.

This manifested in two days of training for over 60 people at the start of July, with a real range of professions represented, including vets, solicitors, accountants, bank managers, machinery dealers, feed companies and NFU Group Secretaries. All able to bring their own knowledge and experience in this area and learn some new skills to help them and ultimately their clients going forwards. A real challenge in the farming sector is the willingness of those affected by mental health issues being able to discuss their issues and seek help. As part of the Mind Your Head campaign, 450 farmers under 40 were surveyed and 90% responded to say that pride prevented them from opening up. But there are other barriers such as farmers being used to 'just getting on with things', being too busy and not having anyone to talk to.

To help address this issue the attendees spent some time discussing signs they can watch out for either physical (tiredness, muscle tension and moving slowly); behavioural (sleep difficulties, mood swings, becoming quiet and sociable withdrawn, increasing use of alcohol, caffeine, nicotine) or mental (forgetfulness, persistent worrying).



If you do pick up on something and are concerned about an individual it is important to pick the right setting to ask them how they are feeling. This needs to be a comfortable space, such as out on the farm where you can ask them how they are. The important skill to concentrate on is the ability to listen to any concerns and show understanding, resisting the temptation to turn the conversation round to the positive and try and cheer them up. The aim is to encouraging them to seek support and steer them to either the various charities or medical professionals.

As well as improving general mental health, we also need to address the tragic issue of suicide, which is now the main cause of death in young men. Where you think an individual may be contemplating suicide, it is so important that you don't try you just cheer them up and try and solve their problems, but acknowledge their distress, express empathy and really listen. The main aim is to get them to discuss their thoughts and seek help. Clearly the best thing for all of us is to try and keep our mental health in good shape, just as we do our physical health. This translates to eating a healthy diet, plenty of exercise, finding time to relax and get enough sleep and if possible a hobby that takes your mind off work and other issues.

If we can all do what we can to keep our mental health in good shape and be open to discussing our own situation when things don't quite go for plan then ultimately we will all be in a better position.

If you want to read more on this topic go to www.yellowwellies.org and look for Mind your Head.

THE RISE OF AGRI-TECH

Legal issues to consider when creating new technology

Kathryn Heath, a specialist intellectual property lawyer and lan Thomas a property litigation lawyer in the rural team with Stephens Scown LLP recently attended the first Agritech Cornwall Business Forum at Tredudwell Manor which showcased the array of innovative agri-tech businesses in Cornwall.



There have been some fascinating developments in agritech in recent years, whether it be the use of artificial intelligence (AI), mobile apps for farmers or the use of drones for crop planning – the possibilities for innovation to improve efficiencies and drive productivity in the sector are endless.

In this article Kathryn asks what do businesses need to consider when developing technology for the Agri-tech industry?

1. In creating a new technology how can we best protect our new invention?

For all agricultural businesses or technology providers creating new technologies or inventing solutions for old problems, whether in agriculture or any other industry, you need to be aware of the intellectual property (IP) rights that can protect your inventions. Some IP rights, such as copyright, arise automatically as soon as you begin to design your products. In the UK there is no registered copyright, but in other countries, including the US, you can register copyright.

Where your business is 'inventing' something in the classic sense of the word, there are two registered rights you should be thinking about: patents and registered designs. Patents protect how something works whereas registered designs protect the way a product appears.

You also need to protect your name and brand. Registered trade marks are a cost-effective way to ensure you gain a monopoly right over the name of your products in the sectors in which you operate and help differentiate your products from others in the market.

From an intellectual property perspective, to fully protect the majority of inventions it would require patents, registered designs and copyright, as well as strong contracts with the businesses you work with ensuring all the IP rights remain with you.

If a patent is an option for your technology it is important to seek legal advice early on as disclosing the idea to the general public or a third party without a Non-disclosure agreement (NDA) in place will mean you will no longer be able to obtain a patent if it is in the public domain. Government funding is available which may help you with research and development and funding may also be available to help cover your legal costs.

2. What should we think about when licencing our product?

Licencing of your products occurs where you as the owner (the licensor) of the technological intellectual property allow another company (the licensee) to use, modify and/ or resell the technology you have developed. In return for providing your technology to the licensee they will pay you compensation. The usual options for compensation are: a lump sum payment, royalties based on usage, the right to use the licensee's technology, or a combination of those options. The way you decide to licence your product and the way you are compensated will depend on your business plan and commercial considerations. For example, you may not want the licensee to modify your complicated code as it could potentially damage the product and your brand and you would want this restriction in your licence agreement. However, licensing can be a great way to access markets that you may not have the resources to access. Your technology may have wider uses beyond the agriculture sector and if your specialism is agriculture then licensing the rights to exploit your technology in other sectors to another organisation with the requisite skills and contacts in that sector may be the best way forward and will allow you to focus on your own core market.

3. What legal issues do we need to consider when we work with another company?

The most common legal issues that come up when two companies choose to work together are around knowledge sharing and confidentiality, and about who will own the rights in the product. At the beginning of any working relationship the parties should carefully consider how they are going to work together and take the time to document this in a binding contract and for most collaborators you should enter into a NDA prior to discussing any of your technology. The binding contract will follow that once you agree how you are going to work together. This greatly lessens the risk of disputes later over ownership of the IP rights. Any outside contractors that the parties work with will also need to be bound by way of written contract.

4. What about Data Protection?

The General Data Protection Regulation (GDPR) requires you to put in place appropriate technical and organisational measures to implement the data protection principles set out in the Regulations and safeguard individuals rights. Data protection by design is about considering data protection and privacy issues upfront in everything you do from the initial design stages until the launch of the final product and it is important you consider GDPR when developing any new technology to ensure you are complying with the law and have adequate security and policies in place.

If you are creating or developing innovations in the agricultural sector, you should consider the above key issues and ensure your business' IP is protected by registrations and through binding legal agreements.



Kathryn Heath is a Senior Associate in the IP, IT and Data Protection team at Stephens Scown LLP. If you have any question's about your business's intellectual property rights Kathryn can be contacted on 01872 265100 or email ip.it@stephens-scown. co.uk. For more information visit www.stephens-scown.co.uk

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Stephens Scown NEWS ROUND UP

Richard Baker

New managing partner

Richard Baker is our new managing partner with growth and client service at the top of his agenda. He took up his post on 1 May, taking over from Robert Camp after his eight-and-a-half-year tenure in the role. Robert will remain with the firm as director of strategic innovation. Richard Baker joined Stephens Scown in 1993 and has been a member of its Board for over six years, initially as head of the Truro office and for the last year as deputy managing partner. A real estate expert with particular expertise in the agriculture sector, he is recognised as a leader in his field by independent legal guide Chambers UK.

"Stephens Scown has been on an incredible journey under Robert's leadership and I'm looking forward to building on that. We are in a great position to grow by focussing on what we do well, which is providing exceptional client service," says Richard Baker of his new role.

Expertise recognised

Several members of our rural team have been recognised in new editions of two guides highlighting the best high net worth legal advisors.

Family law partners Liz Allen and Andrew Barton have been selected to appear in the print edition of Citywealth Leaders List 2020. The guide features the best advisors and managers in the wealth industry, based on client and peer reviews.

The 2020 edition of the Chambers and Partners High Net Worth Guide has also just been published and four Stephens Scown partners have been ranked.

Charisse Crawford and Phil Reed, who are partners in our inheritance and trust disputes team, have been ranked in the private wealth disputes section. Stephens Scown has also received Band 1 ranking for private wealth law in Cornwall, with partners Phil Reed and Graham Murdoch both retaining their Band 1 ranking.

Leading property lawyer joins Stephens Scown

Richard Bagwell joins the firm as a partner our growing dispute resolution team and our wider rural team, bringing with him a wealth of knowledge and expertise in handling UK and international property disputes.

As well as working on property dispute cases throughout the South West and nationally, Richard also deals with French property disputes involving UK citizens. He is a member of the Property Litigation Association, the Agricultural Law Association and the Pyramus & Thisbe Club (an association of Party Wall experts).

Speaking about why he chose to move to Stephens Scown, Richard said:

"The firm's focus on the South West, its reputation in its dedicated sectors as well as the strength of the existing property litigation team convinced me to move."



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