

Food & Farming

Grants for calf housing and solar

A £10 million grant has launched for cattle farmers in England to help upgrade their buildings to have ambient environments. The Calf Housing for Health and Welfare grant can be used to build new, upgrade, or replace existing calf housing buildings. It provides between £15,000 and £500,000 of funding per farm and will fund rooftop solar panels too. Ordinarily the grant funds 40% of project costs but is restricted to 25% for the solar element. If you would like to discuss animal health and welfare grants please contact [Georgina Sweeting](#).

Change needed on 9 in 10 farms

The latest results from Defra's Farmer Opinion Tracker show most farmers in England will need to make changes to their businesses in the next three to five years as the agricultural transition progresses. Just 8% think no changes are required, 35% are already making changes and 14% know that change is required but don't know what. Of those who have change planned, the most common types are diversifying into non-farming activities, increasing agricultural productivity and expanding the farm business.

Through the government's Future Farming Resilience Fund, Savills Food and Farming team offers farmers in England free business advice to help them understand the changes to agricultural support, the potential impact on their business and to identify options to adapt their business models. Please [click here](#) to find out more and register your interest.

Wales: Criticism of mandatory tree cover continues

In the last issue of Landscape we covered the Welsh government's plan to make it compulsory for farmers in its proposed Sustainable Farming Scheme to achieve 10% tree cover on their suitable land. This plan continues to attract criticism with the leaders of NFU Cymru saying they would personally boycott the scheme. Clear differences are opening up as the devolved nations develop their future agricultural support schemes, with England's equivalent scheme now becoming more flexible. For a summary and analysis of the Welsh government proposals see our latest briefing note.

UK fertiliser profits rise and reliance on imports to increase

CF Fertilisers UK has announced plans to permanently close its ammonia production plant at Billingham, Co Durham. The company closed its other UK production site at Ince, Cheshire in 2022. Billingham will continue to produce ammonium nitrate based fertilisers but will rely on imported ammonia instead. It has been operating on this basis for 10 months due to the high natural gas prices in the UK and Europe. It is switching to this model on a long-term basis due to projected ongoing high prices and the impact of carbon costs in the UK.

Despite high gas prices, fertiliser companies' profits increased significantly last year. According to a new report from the Energy and Climate Intelligence Unit (ECIU) the three main companies that supply the UK market (CF Industries, Yara and Origin Enterprises) made a combined net profit of £5.45 billion in 2022, an increase from £909 million in 2020. Its analysis shows that total income from farming increased by 16.6%, enough to offset these higher input costs. In the same period, retailer profits were generally flat, suggesting higher fertiliser costs were passed along the food chain and absorbed by the consumer who saw a 20% increase in the price of food.

Fenland farming

To enable the Fens to adapt to the challenges of climate change both now and into the future the Environment Agency has launched the Fens 2100+ project. It will take an 'adaptive approach' to balance the needs of people, the environment and agriculture within the catchment for the next 100 years. It will also focus on developing investment plans for flood and coastal risk management investment over the next 20 years.

Land management and use within the Fens is also set to evolve in response to the need to manage lowland peat soils better to protect productive agriculture and to contribute to the government's target to achieve net zero by 2050. The Lowland Agricultural Peat Task Force recently reported and the government is taking action in

response to all of its recommendations, including adopting a roadmap to develop the business case for commercially viable wetland farming (paludiculture). Our recent briefing note summarises the task force report. <https://environmentagency.blog.gov.uk/2023/07/17/the-fens-preserving-the-breadbasket-of-britain/>
<https://www.bbc.co.uk/news/uk-england-norfolk-66267942>

Future Farmer Programme

Tesco and Harper Adams University's School of Sustainable Food have just announced they will be giving 75 young farmers the opportunity to develop their skills in sustainable agriculture through their Future Farmer Programme. The nine month programme starting in October will offer farmers under the age of 40 training on how to implement sustainable agriculture practices as well as mentoring sessions on optimising business operations and personal development. [Applications](#) are open now.

BPS advance payments

Most farmers in England should now have received their 2023 Basic Payment Scheme (BPS) advance payments as the Rural Payments Agency was due to pay these on 1 August. The payment will be up to 50% of the total annual BPS payment and the remaining balance will be paid in December.

Policy

UK-wide EPC reform?

A new Scottish [consultation](#) seeks to reform domestic and non-domestic Energy Performance Certificates (EPCs). For domestic properties, this would see new metrics introduced to determine the energy efficiency of a home, including taking into account how well the fabric of the building retains heat. Similar changes would be made to the non-domestic sector. In an attempt to provide more up to date information on homes, cutting the validity period of an EPC from 10 years to five is proposed. The reformed EPC would be introduced shortly after amended Energy Performance of Buildings Regulations are implemented in Winter 2023-24. The consultation runs until 10 October 2023.

Whitehall is also reportedly considering an overhaul of the EPC system in the UK, including extending the deadline for landlords in England and Wales to meet the mandatory efficiency standards, which were initially set for April 2025. Whitehall sources have said the government wants to avoid overburdening landlords, mirroring comments from Tory MPs who believe current environmental policies will hurt the party's chances at the next general election.

Environment & Natural Capital

Biodiversity credit prices announced

Biodiversity net gain will apply to most new development in England from November 2023. The policy requires developers to ensure their development generates a 10% increase in biodiversity relative to pre-development levels. To achieve this on-site habitat creation or the purchase of off-site biodiversity units can be used. According to the habitat type different types of biodiversity units are required, this potentially means there could be supply issues for some rarer habitat types. In evidenced cases where suitable units cannot be purchased, the government is offering 'statutory biodiversity credits' to developers as a last resort. Use of this option is disincentivised relative to the private market as the developer would have to buy two credits for every one unit that they need to offset.

Indicative prices for the statutory biodiversity credits have just been [announced](#). They vary between £42,000 per credit for habitats such as cropland, heathland and shrub, through to £125,000 for lowland mixed deciduous woodland and £650,000 for lakes. VAT would be charged in addition.

Defra is also now inviting applications from local authorities, public bodies, charities and other organisations to apply to be 'responsible bodies' - the counterparty with a landowner to a conservation covenant (a mechanism to secure BNG land management long-term). To be eligible for the role the organisation must have a conservation focus. The first responsible bodies are expected to be designated later this year. Additionally, to support the rollout of mandatory BNG Defra is providing £9 million of funding to help local authorities recruit in-house ecologists and specialists. If you would like to discuss a BNG project please contact [Johnny Campbell](#).

Have you heard our nature-based solutions podcast?

The six-part series explores: water, restoration and rewilding, biodiversity, woodlands, and regenerative agriculture; and includes guests from a wide range of organisations including WaterAid, the Tree Council and

Rabobank. The podcast is hosted by Alex Godfrey - our joint head of natural capital and Nicky Wightman - global director of emerging trends, and each episode takes a candid look at some of the issues we are facing, and how they might be solved. You can find the episodes by subscribing to the Savills Real Estate Insights podcast on [Apple](#) or [Spotify](#).

Scotland: Funding for riparian tree planting

Scottish Forestry has published a new riparian target area in which elevated grant support for tree planting is available. In total the target area identifies 175,000 hectares of land where tree planting would help improve water quality, reduce river temperatures, improve flood management and enhance biodiversity and the wider environment. The additional target area payment rate is 12.5% higher and applied at an option level within the application, so will be paid on all the land in the application for that option provided over 50% of it is in the target area.

Hydrogen engine steps forward

In July 2023, JCB unveiled its first zero-carbon emissions hydrogen-fuelled engine; it will develop and adopt this engine in larger plant for which electric power is impractical due to long use and frequent charging. Existing hydrogen engines are often conversions of petrol technology, however JCB started from scratch to design out some of the weaknesses. Critics of hydrogen engines argue that they are not a green option due to their requirement to burn the gas at high temperatures which produces harmful nitrous oxide emissions. JCB says its engineers have managed to find a way to use less heat so the issue is minimised. The larger challenge for hydrogen may be producing the fuel and supplying and storing it cost effectively, although there are initiatives underway to support adoption. The government has just made an £8 million investment to fuel supermarket delivery vans and airport vehicles in the North East with hydrogen.

What does this mean on farm? Earlier this year Savills analysed the pro and cons of alternative fuels such as hydrogen and biomethane for fuelling agricultural vehicles in our [Future of Farm Fuels report](#).

Property & Development

Barn conversions: Permitted development rights to be expanded?

A consultation on agricultural permitted development rights was launched as part of the government's long-term plan for housing on 24 July. Under current rules Class Q Part 3 within the Town and Country Planning (General Permitted Development) (England) Order 2015 allows agricultural buildings to be changed to residential use subject to restrictions on the size and number of dwellings. The proposed changes are intended to provide some additional flexibility and include:

- Removing the existing limitations on smaller and larger homes, and instead introducing a single maximum floorspace limit of either 100 or 150 square metres per home
- Increasing the maximum number of homes that can be delivered on an agricultural unit from five to 10
- Introducing an overall maximum of 1,000 square metre of floorspace changing use - this would include all Class Q conversions on the unit to date
- Allowing a single-story rear extension of up to four metres in depth, provided the land was a hard surface (e.g. concrete yard) prior to the publication of the consultation
- Allowing use of Class Q rights (but not the rear extension element) in AONBs and National Parks
- Allowing the rights to be used for agricultural buildings that are no longer part of an agricultural unit.

The consultation explores whether the principle of Class Q conversions and also Class R Part 3 - which allows conversion to a flexible commercial use - should both be expanded to cover other rural buildings too, such as those currently in forestry and equestrian uses. It also proposes allowing conversions and curtilage land to be used for outdoor sports, recreation or fitness uses and for general industrial use provided it is to process produce from the farm for sale on site. Permitted development rights are also available to help farmers build new farm buildings - revisions proposed here include increasing the ground area allowed under Class A Part 6 from 1,000 square metres to 1,500 square metres. The [consultation](#) runs until 25 September.

Renewed push for e-conveyancing

Over 20 years ago the Land Registration Act 2002 was introduced and made 'e-conveyancing' legally possible. The vision was that it would speed up the property market and reduce stress and the risk of failed transactions. Since then, there has been some progress but also recognition that no single body can achieve this vision alone. To reinvigorate the transformation a new coalition of government and industry partners has been formed to help the property market work better by accelerating the adoption of digital technology.

Business & Economy

Our tax system is too complicated

That is the conclusion of the House of Commons Treasury Committee in its review of tax reliefs. There are over 1,000 in existence but less than half have official published costings. In general, governments create more new reliefs than axe old ones. Perhaps this is why the Office of Tax Simplification was itself axed in March 2023 and responsibility for simplifying the tax code embedded in the Treasury and HMRC. The committee has recommended:

- A comprehensive and systematic review of existing tax reliefs to look for opportunities for simplification
- HMRC publishes full costings of all tax reliefs
- Greater public consultation on new and existing tax reliefs
- Non-structural tax reliefs - those designed to promote certain behaviour - should be classed as public spending and scrutinised as such
- The Government should conduct five-year reviews of individual tax reliefs and commit to remove those that no longer serve their policy goal or are vulnerable to abuse.

Wales: Barriers to tourism

Wales lacks a distinct brand and efforts to market the nation to international visitors are failing says the Welsh Affairs Committee. Its report on Wales as a global tourist destination argued that VisitBritain is not achieving all it can on behalf of the nation because it lacks the knowledge and expertise to successfully promote Wales. Tour operators ignoring Wales and challenging transport connections were also blamed. In 2019, of the 41 million international tourists that visited the UK, only one million visited Wales, and of the total amount spent by international tourists, just 2% was spent in Wales.

Downing Street energy summit

The latest Downing Street summit focused on energy - the headlines from it include a £22 million (around 11%) increase to the budget for the government's main system for supporting low-carbon electricity generation (Contracts for Difference). The funding boost for this year's auction is intended to increase developer confidence and send a clear signal to investors that the UK is an attractive place to invest. £20 million of the budget increase will support established technologies such as wind or solar. From the wider summit there were no specific announcements relating to onshore wind or solar policies.

Other Rural News

Wild camping on Dartmoor can resume

Earlier this year the High Court ruled that the public do not have a legal right to wild camp on Dartmoor as had long been believed. The decision hinged on the view that the byelaw relating to open-air recreation in the Dartmoor Commons Act 1985 did not specifically reference wild camping and the activity was therefore excluded.

Seeking to maintain full access to the moor, the Dartmoor National Park Authority and the Open Spaces Society brought an appeal which has been successful. In the summary judgement, Lord Justice Underhill said that "wild camping plainly fell within the definition of open-air recreation" and that "many people took pleasure in the experience of sleeping in a tent in open country", typically although not always as part of a wider recreational experience.

And finally...

Rare butterfly finds home at military training area

Small Blue butterflies have been found at Barry Buddon Training Area in Scotland after a conservation project established Kidney Vetch, its sole food source across the base. The Small Blue is the UK's smallest resident butterfly and is in decline in most areas. The MoD project aimed to improve connectivity between breeding colonies of the Small Blue in the surrounding region and is part of the MoD's commitment to balance the conservation of vital species and habitats with military training requirements.

If you have queries regarding any of the articles, please contact Andrew Teanby or Joe Lloyd.

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Landscape | Issues shaping the future of rural estates, agriculture and land management

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