

Food & Farming

Farming Recovery Fund Payments

The delayed payments from the Farming Recovery Fund will start arriving in farmers' accounts from Thursday 21 November. The payments are to help cover the uninsured costs of restoring farmland affected by storms and severe wet weather. Payments will range from £2,895 to £25,000, based on the level of damage; for example, £2,895 will be paid for between one and 25 hectares and £14,625 for the band between 100 and 125 hectares. Only those identified as eligible by the Rural Payments Agency will be contacted - around 13,000 farm businesses. A total of £60 million, £10m more than expected, will be distributed.

Defra has also allocated £50 million for internal drainage boards (IDBs) to protect farmers from future flooding. The IDBs that submit successful bids will be able to spend the allocated funds over the next two years on projects that will improve or replace IDB assets, including flood barriers and embankments. The government is investing a total of £2.4 billion in flood defences until March 2026. A consultation is expected in the new year, including a review of the current formula for allocating money to flood defences and how much of the money will be allocated to rural and coastal areas.

SFI scheme for 2024

There is no need to complete an expression of interest survey for the SFI (Sustainable Farming Incentive) 2024 scheme. The change came into effect on 12 November, when the link to the survey was removed. This is the latest in a series of revisions to the SFI scheme since it was launched in 2021. Recent changes include new codes for the various SFI options and the extension of the 25% cap to more options, including in-field grass strips, bumblebird mix, unharvested cereal headland, and cultivated areas for arable plants.

Avian influenza confirmed

Highly Pathogenic Avian Influenza (HPAI) H5N5 has been confirmed in poultry in East Riding of Yorkshire. It is the first case since the declaration of zonal freedom in February 2024. A case of HPAI H5N1 has since been confirmed at a commercial poultry farm in Cornwall. All birds at the St Ives premises will now be humanely killed. A 3 km protection zone and 10 km surveillance zone has been put in place surrounding the premises. These zones place restrictions on the movement of poultry and other captive birds, carcasses, eggs, used poultry litter and manure. Bird keepers must also house their birds if they are within the 3 km protection zone.

Policy

Could APR changes bring down average farmer age?

Speaking at the Northern Farming Conference, Farming Minister Daniel Zeichner continued the narrative of the last few weeks, saying he was "absolutely convinced [that] the majority of farmers will be able to pass on their properties just as they have before". He then went on to say that he hoped the reform of Agricultural Property Relief (APR) and Business Property Relief (BPR) would inspire farming families to talk about succession, prompting younger generations to take over the running of the farm. He said the agricultural industry had not seen the productivity increases that it should have over the last ten years, and hopes he will see "transformational generational change" during his time in government. Acknowledging the response of the industry to APR and BPR changes, he said: "If people can say I blame the government for having this conversation now, they can blame me and I will be pleased they have the conversation because I want that transfer to happen".

In the UK, 38% of farmers are over 65, whereas 5% are under 35. If a farm is transferred to a successor more than seven years before death, no inheritance tax will be due, eliminating the hurdles the new APR and BPR regime may bring. It could be the government hopes more farmers will look at succession in this way, suggesting the motive behind the changes could be to bring ages down, rather than generate fiscal revenue.

Wales: Funding for SFS Preparatory Phase

New funding for farmers in Wales has been announced, for the five following schemes:

- Growing for the environment

- Small grants – environment
- Small grants – efficiency
- Small grants – horticulture start up
- Agricultural diversification and horticulture scheme

These form part of the preparatory phase of the Sustainable Farming Scheme (SFS), Wales' post-Brexit payment scheme. The five schemes are aimed at bridging a gap between now and SFS coming into full effect in 2026. Huw Irranca-Davies, deputy first minister said he hoped funding would provide reassurance to farmers in the lead-up to 2026 and reiterated the Welsh government intends to support and guide farmers into that transition to SFS. These schemes have been developed in conjunction with the SFS roundtable, which involves industry stakeholders in the design of the scheme. The deputy first minister said the roundtable has been working at pace to revise the SFS outline and more announcements should be expected soon.

Tenant farming commissioner to be appointed

A tenant farming commissioner is to be appointed in England following the findings and recommendation of the Rock Review. The Rock Review said a tenant farming commissioner would ensure government policy was tenant-proof and inspire fairness within the tenanted sector. The government says the commissioner's remit will include outreach, complaint investigation, signposting and developing codes of best practice for the sector. While the commissioner won't have statutory powers, it is hoped the role will influence the sector. After two years, the position will be reevaluated to see if statutory powers may be required.

Scotland has had a tenant farming commissioner since 2017, and the first commissioner appointed is still in the role. The introduction of the commissioner has been widely supported by the tenanted sector in Scotland, with the Scottish Tenant Farmers Association saying that it has brought huge benefits to the sector, improving landlord/tenant relationships, establishing proper monitoring of the sector and facilitating government engagement with the sector. The English appointment will be made in the spring through an open competition.

Environment & Natural Capital

Scotland publishes natural capital framework

A framework that provides guidance surrounding the natural capital market in Scotland has been launched. The publication sets out the steps the Scottish public sector will take before the end of this parliamentary term to enhance the sector that is worth more than £40 billion to the Scottish economy. As was expected following the consultation on a biodiversity metric for Scotland earlier this year, the document confirmed a Scottish biodiversity metric would be developed, based on England's biodiversity metric. £250 million of public funding for peatland restoration was also confirmed, and it was announced the Scottish government would aim to create an ecosystem restoration code by 2026.

Speaking at the launch of the framework, Tom Arthur, Scottish Minister for Employment and Investment said: "This framework outlines the steps we will take to attract greater responsible private investment into high-integrity natural capital projects. Scotland's breathtaking landscapes, rich biodiversity, and abundant natural resources are much more than a source of pride – they are the foundation of our future prosperity with investment being key to economic growth."

UK ecosystem services valued

Ecosystem services in the UK hold a total asset value of around £1.8 trillion. According to recent data released by the Office for National Statistics (ONS), these ecosystem services also had a total annual value (the amount of income generated in one year) equivalent to £87 billion in 2022, nearly twice the amount in 2021. Ecosystem services can be defined as natural assets that bring value to society, either in physical volume or monetary value – for example, provisioning services such as food production, cultural services such as outdoor recreation, and regulatory services such as carbon sequestration. The report says this increase can be attributed to increased green energy projects as the UK looks towards a greener energy future. The highest contributor to the overall £1.8 trillion valuation was health benefits from recreation. According to the report, an estimated 20 million people benefitted from the health benefits of spending time outdoors.

Property & Development

Coming soon: BNG for big infrastructure

Baroness Hayman of Ullock, a Defra minister, confirmed in a debate in the House of Lords that the government was planning to consult "very shortly" on applying Biodiversity Net Gain (BNG) to nationally significant infrastructure projects (NSIPs). The current rules require both major developments and small sites to achieve a

minimum 10% increase in biodiversity to obtain planning permission but does not yet apply to NSIPs. NSIPs are often large-scale, so it could be anticipated that if such a change happened, the natural capital market could benefit. Developers who are subject to the current rules often choose to keep BNG on site, as it is more affordable and easier to do. When you consider the size of some NSIPs, it is evident a 10% increase could be hard to obtain onsite, thus opening up the market for external BNG projects.

Scotland: Wood burning stoves permitted

Wood-burning stoves, bioenergy and peat heating will now be permitted in new homes and buildings in Scotland. An amendment to the New Build Heat Standard regulations permits the installation of any type of secondary heating systems in new buildings from 1 January 2025. This maintains the prohibition on mains gas and oil boilers as a main heating system. Under the original regulations, which came into force in April 2024, wood burning stoves were only permitted for emergency heating.

Round 2 of Local Nutrient Mitigation Fund

£45 million has been awarded to seven areas for the second funding round of the £110 million Local Nutrient Mitigation Fund (LNMF). Catchments over 10,000 hectares in size will each benefit from £100,000 of Nutrient Support Funding, which will be distributed to lead local planning authorities for each catchment. The LNMF is intended to support planning authorities in bringing forward nutrient mitigation schemes and unlock stalled housing development. This is the second round of the fund which opened in March. A full list of catchments and awards can be found [here](#).

Business & Economy

Clean Power 2030

There are two pathways to clean power according to the National Energy System Operator (NESO). The first, called Further Flex and Renewables, requires flexibility in consumer demand, more energy storage and faster deployment of renewables. The other, called New Dispatch, sees less growth in renewables and more low carbon dispatchable power like hydrogen and nuclear. The second scenario would also see natural gas used more. The pathways are set out in [Clean Power 2030](#), a report by the NESO which gives “advice on achieving clean power for Great Britain by 2030”.

A major suggestion in the document is connections reform. The NESO suggests the “creation of a direct link between the technology and capacity needed, by location, in the government’s plan for clean power by 2030, and the connection offers that are made”. This means better matching local generation with local demand; presently there are regions with more capacity than the NESO’s pathways need, while other regions are chronically undersupplied. Batteries are one of the most oversubscribed technology types, while longer duration energy storage, like pumped hydro, needs more attention.

The report came before Prime Minister Sir Keir Starmer attended the UN conference of parties (COP29) in Azerbaijan. Here he announced the UK will now aim for an 81% cut in its emissions by 2035, making the pathway to clean power even more important. The target is an increase on the 78% was pledged by the previous government. He said the target was essential to the UK’s prosperity and security but would not lead to the government telling people how to live their lives. Mr Starmer was one of only seven G20 leaders attending the summit, with the premiers of nations such as the USA, China, Germany and India being absent.

Funding for rural transport

Eight projects have been awarded £150,000 each to better connect rural communities. A total of £1.2 million was awarded from Norfolk to Scotland as part of the Rural Transport Accelerator Fund. Winning projects include:

- Civil Water Management; installation of new drainage systems using recycled car tyres to aid safer cycling along flood-prone sections of cycle routes, trialled in Milton Keynes.
- You.Smart.Thing – a digital tool to offer shared, demand responsive or community transport options for those without car access, trialled in Warwickshire.
- UrbanTide; mapping rural patient journeys to identify barriers to accessing health services in rural areas.

Other Rural News

And finally...

Saving one of Scotland's most endangered trees

A new initiative is underway in the Cairngorms National Park to save the 'tremlin tree'. The Aspen provides a habitat for fungi, mosses and moths as well as food for more than 60 insect species that are known to feed on the tree. It is also a feeding favourite for deer, contributing to its decline. The Scottish Wildlife Trust believes it has sustained more from deforestation than any other native tree, adding to its plight. As a result, the Aspen, once common across Scottish landscapes, has become an endangered tree. A new initiative called the Cairngorms Aspen Network (the Network) aims to restore Aspen tree habitats by mapping and then connecting the patchy stands of the tree across the park. The Network will see rewilding charity Trees for Life and the Cairngorms National Park Authority partner up and bring together stakeholders to revive Aspen populations and at the same time improve the habitat of the species that rely on them.

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