

Food & Farming

Payment schemes causing widespread uncertainty

The rollout of agricultural payment schemes in England is causing uncertainty for farmers when they are already under pressure from extreme weather, market conditions and input costs. A [report](#) by the National Audit Office (NAO) on the Farming and Countryside Programme states that a lack of long-term vision is creating uncertainty over how schemes will develop, and Defra's caution in sharing information is undermining trust. The report says Defra's iterative approach to the schemes is making it difficult for farmers to plan, compromising both economic viability and environmental objectives. At the same time, the report says farmers need quality advice and support to adapt to the withdrawal of direct payments but Defra has yet to provide it.

There is some positive news. The NAO reports that Sustainable Farming Incentive uptake is accelerating, with 17,690 farmers signed up as of April 2024, and Defra has achieved what the NAO called a step-change in the speed of processing applications. 48% of farmers rated their experience 8 out of 10 or better in 2023, a significant increase from 28% in 2022 and 15% during the pilot phase.

Strengthen the Seasonal Worker Scheme

A Seasonal Worker Scheme is needed in the UK if the government wants to maintain current domestic food production levels. A new [report](#) by the Migration Advisory Committee has made recommendations around five broad themes:

- Confirm visa numbers and any scheme extensions on an annual basis to provide certainty about the scheme's future
- Create a more flexible visa so employers can plan efficiently and workers can maximise their earnings
- Fairer work and pay for workers, including guaranteeing at least two months' pay to cover their costs in coming to the UK
- Tighten, communicate and enforce employee rights to avoid exploitation
- Consider the Employer Pays Principle and how the costs might be shared along the supply chain.

Policy

King's Speech outlines the government's first moves

The King's Speech marked the official State Opening of Parliament and announced 40 proposed bills. The speech stated that the government's legislative programme will be based upon "principles of security, fairness and opportunity". The speech contained new bills which are set to impact the rural sector in multiple ways, offering challenges and opportunities. Proposed bills included the Great British Energy Bill, the Planning and Infrastructure Bill, the English Devolution Bill, the Renters' Rights Bill and the Water (Special Measures) Bill. See our [briefing note](#) on the King's Speech 2024 for a full overview of the speech and the implications for the rural sector.

Wales: changes to Sustainable Farming Scheme

NFU Cymru and The Farmers' Union of Wales have expressed their approval of the Welsh Government's announcement that Site of Special Scientific Interest (SSSIs) management will be incorporated into the universal baseline payment for the Sustainable Farming Scheme (SFS). There are over 1,000 SSSIs in Wales, covering 235,000 hectares (roughly 12% of the country), and many farmers would be affected if they could not access SFS due to SSSI designations on their land.

This SFS development follows the announcement that several Glastir schemes will be continued into 2025 as part of the preparatory SFS phase and the addition of one new scheme. The schemes aim to provide advice and support for farmers in Wales as they transition to SFS and are as follows:

- The Habitat Wales scheme, which will be offered into 2025
- The extension of existing Habitat Wales Scheme Commons agreements into 2025
- Continuation of the Organic Support Payment into 2025
- An extension of Farming Connect to 2026

Minister for Nature appointed

Mary Creagh has been appointed as the Minister for Nature, finalising the Defra ministerial team. She has formerly served as the chair of the Environmental Audit Committee (EAC) and as shadow Environment Secretary between 2010 and 2013. During her tenure as EAC chair, Mary Creagh was critical of the previous government's approach to environmental regulations, saying that the Environment Agency and Natural England lacked independence. She also encouraged the government to "plug gaps" in the UK's environmental legislation following Brexit.

Environment & Natural Capital

Scotland's new national park selected

Galloway has been chosen as the site for Scotland's third national park. It was selected from a shortlist of five potential locations. NatureScot will now hold a public consultation to assess the area's suitability and determine the park's boundaries. A Galloway National Park Association representative, who jointly proposed the area alongside the Galloway and Southern Ayrshire UNESCO Biosphere, said that national park status would bring "transformational economic and environmental benefits" to Galloway. According to Dumfries and Galloway, East Ayrshire, and South Ayrshire councils, the designation would benefit the local economy by £250 million annually.

37% decrease in insects in arable fields

A study conducted by the Game and Wildlife Conservation Trust over 49 years has revealed a concerning decline in invertebrate numbers within a 32-square-kilometre study area in the Sussex Downs. The populations of five types of invertebrates decreased significantly, while the number of pollinators remained unchanged. The study attributed this decline to changes in crop types, field sizes, pesticide use and weather patterns. These findings are consistent with other research indicating that agricultural intensification and climate change are the primary contributors to the decline in insect populations. Given the importance of insects in maintaining soil health, integrated pest management and crop pollination, the study highlights the need for further research to address this decline while ensuring productive farming practices.

Slow progress towards net zero

The Climate Change Committee (CCC) has released its 2024 report to Parliament. The report praised the UK for meeting all net-zero targets to date and slashing terrestrial emissions by over 50%. However, this praise was coupled with a warning as the report identified a lack of progress on actions towards the UK's commitment to a 68% cut in emissions by 2030 (compared to 1990 levels), a pledge made as part of the Paris agreement. The report identified a level of backpedalling from the previous government on commitments and targets relating to net zero, which has resulted in the country not being on track towards its 2030 goal, which is now only six years away. The CCC urged the new government to "act fast" to hit the country's commitments.

Property & Development

Government partners with The Crown Estate

The government has launched Great British Energy and announced a partnership with The Crown Estate. The Crown Estate, which owns most of Britain's sea bed, will work with Great British Energy and help to develop up to 30 gigawatts of offshore wind. The government says the developments have the potential to attract up to £60 billion of private investment into offshore wind. Great British Energy will initially be backed by £8.2 billion of public funding. The Labour Party promised to quadruple offshore wind as part of its target to decarbonise the electricity sector by 2030.

The partnership was supported by the introduction of two Bills to Parliament. The Great British Energy Bill will support the creation of the new publicly owned company by setting out its objectives and ensuring it has access to necessary finances. The Secretary of State will also be able to set Great British Energy's strategic priorities. The Crown Estate Bill seeks to modernise The Crown Estate by removing restrictions on its activities. The Bill will also expand The Crown Estate's investment powers and grant borrowing capabilities.

Labour's manifesto also promised a tripling of solar power by 2030. Ed Miliband announced plans to fit millions of homes with solar panels and gave development consent to three major solar power projects. Those projects have a total capacity of 1,350 megawatts or enough power for more than 400,000 homes. Still, they will cover 2,837 hectares of farmland, raising concerns that the new government is putting energy security ahead of food security. Ed Miliband has said that ground-mounted solar farms took up 0.1% of UK land in 2022, and the decision to approve them was supported by the National Farmers Union.

A win-win for housing and nature?

Environment Secretary Steve Reed and Housing Secretary Angela Rayner have written to environmental organisations about impending changes to the planning system. The letter stated that planning reform is not a matter of choosing planning system reform and economic growth over net-zero aims but an effort to achieve all three. It also suggested changes will be made to the process of securing mitigation for the environmental impact of development because “environmental assessments and case-by-case negotiations of mitigation and compensation measures often slow down the delivery of much-needed housing and infrastructure”. It is clear, however, that nature recovery is a priority and that value unlocked by enabling development should flow quickly and smoothly to fund environmental projects.

To help speed up the planning system Natural England has launched a new tool which local authorities can use to rapidly assess the impact of development on Sites of Special Scientific Interest (SSSI). The Impact Risk Zones for Sites of Special Scientific Interest (SSSI IRZs) is a geographical information system tool that can identify if a development would impact any SSSI features. It can also determine if the application requires advice from Natural England. The introduction of SSSI IRZs aims to enable Natural England to focus its resources on development proposals with the highest risks and opportunities for nature recovery.

Ruling on woodland and stamp duty

The UK First-Tier Tribunal Tax Chamber (FTT) has ruled that a separate woodland was not part of a dwelling for stamp duty land tax (SDLT) purposes. A house backing onto a 12-acre wood was purchased in 2021 and subject to SDLT of £372,750. This was paid; however, the agent later sent HMRC an amended return, requesting a £225,250 refund based on the lower SDLT rate for a mixed-use property. HMRC rejected the claim, and the FTT upheld its position by deciding that the woodland had little connection to the dwelling, being managed by a third-party company as part of a more extensive woodland used as an amenity for walkers and neighbours.

Business & Economy

Berry-growing sector struggles

40% of berry growers in Britain are at risk of going out of business by 2026. A British Berry Growers (BBG) survey found nearly half of growers (47%) were not making a profit, despite consumers spending a record £847.5 million on strawberries alone in the past 12 months. Labour, packaging, transport and fertiliser costs have increased by £836 per tonne for British strawberries in the last four years. Cost increases have been even more pronounced for other berries, with blueberry costs increasing by £2,326 per tonne. A lack of support from supermarkets is also being blamed, but BBG chairman Nick Marston says supermarkets are starting to listen. Even so, 39% of growers say their relationship with retailers has never been worse. The difficulties ultimately mean 37% are considering reducing production or moving out of the sector.

Economic contribution of the Scottish forestry industry

A report commissioned by Scottish Forestry says the Scottish forestry industry contributes £1.1 billion to the economy each year and sustains over 34,000 jobs. The study outlines that 10,380 individuals are directly employed in forestry, with an additional 5,630 involved in wood processing and forest activities and 18,130 contributing to forestry-related tourism. This represents a 30% increase in jobs between 2015 and 2019, the year the recent figures are for. To find out more about the UK Forestry Market see Savills latest [Spotlight report](#).

Other Rural News

And finally... Trees are even better than we first thought

Trees are the gifts that keep on giving. In addition to capturing carbon through photosynthesis, a recent study by academics from the University of Birmingham has shown that microbes living in tree bark remove atmospheric methane on a scale equal to or above that of soil. This enhances trees' climate benefit by an estimated 10%. Preliminary estimates indicate that trees globally absorb 24.6–49.9 million tons of methane annually and are especially effective with trees in warm, wet tropical forests. Previously, bacteria in the soil were thought to be the only terrestrial methane sink, being able to absorb and use the gas as an energy source.

If you have queries about any of the articles, please contact us.

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

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