

Land Business Update

Week commencing 20 February 2017

Farming

Greening rules likely to change in mid-2017

The European Commission is seeking to ban the use of pesticides on land lying fallow, nitrogen-fixing crops, catch crops and green cover as Ecological Focus Areas (EFAs). The change is to improve their environmental performance. The ban would last for the full retention period for the crops. A number of other changes have been proposed, including sowing times and seed mixes. We will provide more detail when we know it.

EU-Canada trade deal approved by MEPs

The deal could be applied from 1 April 2017 if it is ratified by national governments, but this is a big IF; remember the opposition in Belgium before Christmas. While generally welcomed by farming organisations (subject to trade being fair), it has been heavily criticised by consumer and environment groups concerned that it hands power to large businesses to sue governments and weaken environmental, health and social rights.

Water availability remains below normal, says Environment Agency

January rainfall was below the long-term average and modest soil moisture deficits remain across east and south-east England. Both groundwater and river flows remain below normal. Reservoir stocks are now normal at most sites.

Economy

Business rates revaluation rises threaten pubs and restaurants

Some of the biggest pub and restaurant chain operators, who jointly employ over a million staff, have asked the Government for transitional relief provisions and / or a new hospitality retail relief, saying that the rises in business rates will add £300-500m of costs to the sector, which is already under pressure. The Government has said that three-quarters (of pubs, we think) will have no change or lower rates than before.

Council tax rises in 2017/18 will not be enough to prevent further local services cuts

The Local Government Association claims that social care services are at breaking point and that any increases in local government revenue from raising council tax will be exceeded by higher wage costs due to the introduction of the National Living Wage. The Rural Services Network claims that in just over 20 years' time around a third of people living in rural areas will be over 65; it has called on the UK government to introduce a new system to ensure adequate (or fair) rural social care funding.

Energy

Waitrose runs 10 lorries on biomethane gas from food waste

The gas is around 35% cheaper than diesel, produces 70% less CO₂ and the latest models have a range of 350-500 miles, much more than before. How soon will tractors be running on it?



Environment

Two reports are critical of European environmental protection

In an interesting report that has clear implications for a post-Brexit UK agricultural and environmental policy, the EU has said that biodiversity will continue to decline as environmental rules are not being fully applied. The report restated the fact that the condition of protected species and places had not improved over the past six years. The assessment for the UK highlights challenges on water quality due to agricultural pollution from nitrates, air quality in urban areas and completing the marine protection process. However, the UK is praised for being at the forefront of natural capital accounting, having a specialist bank for investment in the green economy (although the Green Investment Bank is about to be sold) and green public procurement. Separately, the World Wide Fund for Nature has said that biodiversity will continue to decline unless more is spent on protecting habitats and species.

Planning

Housing White Paper increases threat to green belt says CPRE

The Campaign to Protect Rural England has said that the Government's proposals will increase the frequency that local plans are reviewed, which is likely to increase the frequency that green belt is considered for development, and how often green belt boundaries are altered. Currently, over 300,000 homes are proposed to be built on the green belt, despite this only supposed to happen in 'exceptional circumstances'.

Property

Changes to the Alcohol Wholesaler Registration Scheme

The rules are changing so that from the 1st April 2017, retailers buying wholesale alcohol must have obtained the AWRS details of the seller prior to purchase. Anyone producing alcohol must have been registered under the Alcohol Wholesaler Registration Scheme since 1st April 2016; anyone selling it, must be registered from 1st April 2017.

Residential

Rents continue to rise as demand continues to exceed supply

Tenant demand continued to rise in the three months to January 2017, apart from in London. Combined with a constrained supply of houses to rent, rents are expected to continue to rise, according to the latest RICS market survey. Surveyors also expect more landlords to scale back their portfolios as changes to Stamp Duty and scheduled cuts to mortgage interest tax relief reduce the attractiveness of buy-to-let as an investment. This will partly contribute to rents rising over the next five years by 25%, which is slightly more than house prices are expected to rise by.

Ends