

Land Business Update

Week commencing 14 November 2016

Farming

Debate starts on CAP post-2020

The CAP is likely to influence UK agricultural policy once the UK has left the EU if the government wants our farmers to be on a level (or similar) playing field with European ones. EU farm ministers are meeting in November to start discussing what the CAP post-2020 could include, with subjects likely to include: research, innovation, tools to reduce risk and volatility, stronger greening, climate change mitigation and farmers' bargaining power in the food supply chain.



Investigations start into agri-supply consolidation

The EU has launched an investigation into the effect on competition of the proposed acquisition of Syngenta by ChemChina. A similar investigation is being carried out into the Dow and DuPont merger. This is important as some commentators fear that the consolidation will increase seed, pesticide and machinery costs.

Property

Letting proposals offer hope to squashed house tenants

The government is consulting on new rules on minimum room sizes, to prevent landlords cramming tenants into unsafe and overcrowded housing in multiple occupation. The minimum sizes for sleeping accommodation are 70sq ft for a single person and 110sq ft for couples. Also any landlord who rents to five or more people from two or more families must register and pay a fee. Councils will use the licence fees to enforce the new standards, with fines up to £30,000 chargeable. Councils are warning that the fines need to be appropriate and supported by sentencing guidelines for magistrates, otherwise rogue landlords consider them as a business expense. The average fine in 2015 for unsafe or illegal accommodation was £1,500, according to a Times investigation.

House name issues affect Flood Re scheme

A number of properties that were expected to be covered by the Flood Re insurance scheme have been excluded due to the way their addresses are recorded. The scheme offers lower cost household insurance to properties at risk of flooding which insurers would refuse to cover or where premiums would be extremely high; it is paid for by a £10.50 levy on all buildings insurance policies. 53,000 of the 350,000 households that could be covered by Flood Re have used the scheme. We hope this administrative problem will be resolved and also that an easier way to contact / appeal to Flood Re is developed.

Shooting

MPs have no intention to ban driven grouse shooting

The government has said, as a result of the debate, that it has no intention of introducing a ban, but every intention of persecuting those who break the law. The debate was triggered by a petition signed by over 123,000 signatories, saying that it damages the environment and other species; an opposing petition by a trainee gamekeeper has also been debated. A Countryside Alliance survey of 2,000 people carried out for the debate found that grouse shooting is a subject of little importance to the general public.



Telecoms

A third of people have poor or no mobile coverage at home

The British Infrastructure Group of MPs (BIG) has found that the number of 'not spots' in Britain, which are areas which have coverage from at least one but not all four mobile operators, remains high. BIG has called on mobile operators to make better progress towards meeting a government target to provide 90% geographic voice coverage across the UK by next year. Connectivity is one of the themes of the CLA's Rural Business 2030 Conference on 6 December, which S&P is sponsoring. To discuss connectivity, please contact [Robert Paul](#).

Economy

Impact of US election on the UK's trade negotiations

The US is an important export market for the UK, worth around £30bn a year, which is around 17% of our exported goods and nearly a quarter of exported services. Many commentators expect Donald Trump's more protectionist trade approach to signal the end of large free trade deals, including the US-EU deal and the Trans-Pacific Pact. However, the UK may have moved from the 'back' of Obama's queue to nearer the front as smaller deals may be more palatable! His stance on the environment will be keenly observed, particularly on the Paris climate change agreement which he has said he would like to 'cancel'.

Business borrowing and mortgage lending rises

Lending to small businesses in September reached its highest levels since 2012, a sign that the Brexit vote has not dampened businesses investment intentions. There are also signs that the housing market is recovering from a dip after the vote, as mortgage approvals rose in September, the first rise since May.

Better UK growth expected in 2017

The Bank of England has raised its projections for UK economic growth to 1.4% in 2017, up from the 0.8% forecast it made in August, as consumer spending has been more resilient than expected. However, it has cut the forecast for 2018 to 1.5%, from 1.8%, as higher inflation, lower wages and lower employment hit the economy. Inflation is expected to rise to 2.7% in 2017 and remain above the Bank's 2% target into 2020. This assessment is largely echoed by National Institute of Economic and Social Research's forecasts of prices rising faster than wages, which will reduce real wages and consumer spending.

EU-Canada trade deal signed but...

The Comprehensive Economic and Trade Agreement has finally been signed, after opposition by French-speaking Belgium, but that is not the end of the story. Although the deal's terms will provisionally apply from February 2017, it could take years to be fully implemented as it needs to be ratified by all national parliaments. It also suggests that future trade deals, for the EU and for the UK alone, may be smaller, less ambitious and less comprehensive than deals in the past. The EU-US deal, called TTIP, looks likely to be suspended; if talks restart, the deal is expected to cover a narrower range of issues.

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