

Land Business Update

Week commencing 7 May 2018

Farming

CAP post-2020: direct payments to farmers likely to fall 4% under proposed CAP budget

The EC has proposed that EU spending on the CAP is cut by 5% in the financial budget for 2021-2027 (at current prices). Farm Europe claims the EU's use of current prices could mislead people and says that assuming 2% inflation, the CAP budget is actually cut by 12% pa in constant terms (on average across the 2021-2017 period). The proposals have not been well received by many! See [our blog](#) for more details.

Future farming policy: Nature Recovery Maps should be central to farming and planning policy, say Wildlife Trusts

The Wildlife Trusts say that a 'Nature Recovery Network' could be established by mapping out important places for wildlife which need to be protected, as well as key areas where habitats should be restored. The proposal is a response to the two consultations currently under way – on planning policy and on the Health and Harmony paper on future farming and environmental policy.

UK farm income rose 41% in 2017, mainly due to higher commodity prices post-Referendum

The Total Income From Farming, or TIFF, which is a measure of the profits from the farming sector, rose significantly in 2017 as the value of crops and stock produced rose more (+10%) than costs (+1%). BPS payments rose by just over 2%.

Ban on neonicotinoids on all outdoor crops likely to come into effect by end of 2018

EU Member States, including the UK, have voted to extend the partial ban that was first implemented in 2013, following an updated risk assessment on neonicotinoid pesticides by the European Food Safety Authority. The ban will prevent the pesticides' use on all outdoor crops, including non-flowering crops, such as sugar beet seed dressings. Their only legal use now will be in permanent greenhouses where exposure to bees is not expected, although controls are likely to be increased.

Deere and Co signs deal to aggregate smallholder demand in Nigeria

John Deere's parent company has signed a deal with Alluvial, a Nigerian company that works with smallholders, that will aggregate demand from thousands of smallholders to put them on a commercial footing. Deere will supply them with inputs, including tractors, to raise the productivity of rice production. Farmers will be able to rent tractors for small amounts of time, even 20 minutes, so they don't have to invest. As well as being commercially attractive to Deere, it is seen as an innovative solution to food security.

Claim deadline for Countryside Stewardship extended by one month to 15 June

The extension only applies to Countryside Stewardship - not Environmental Stewardship or Basic Payment Scheme claims, which must still be submitted by 15 May to avoid penalties.

Farm rents continue to rise but at slower rate

Defra has published its latest data on farm rents for England, which is for 2016. For both Agricultural Holdings Act tenancies and Farm Business Tenancies, care should be taken in interpreting the headline figure of rents increasing by 1% and 4% respectively (across all types of tenancy), as these figures include tenancies that did not have a rent review. On tenancies that were reviewed, rents were increased by an average of 4% for AHAs and 8% for FBTs (across all types of tenancy).



Economy

Office of Tax Simplification consultation on Inheritance Tax

IHT receipts were a record £5.2bn in 2017-18, despite only 22,600 estates being liable to IHT, which is only 3.8% of estates. The consultation covers three areas: practical issues, including the process of submission; the complexity of the current rules, including reliefs, and how they are perceived by tax payers, professionals and industry bodies; and finally, the scale and impact of distortions to taxpayers' decisions, investments, and asset prices. There is expected to be particular focus on business property relief (and its use with AIM shares) and agricultural property relief (with it possibly being limited to certain types of tenure). The consultation runs until 8 June, with final report due in the autumn. Please contact [Jonathan Smith](#) in our in-house tax team for further details.

Planning

Legal ruling that clarifies 'isolated' in regard to paragraph 55 of the National Planning Policy Framework

A recent Court of Appeal judgment has clarified when a new home should be seen as too remote. In challenging an appeal decision, Braintree Borough Council asked the Planning Court and then the Court of Appeal to consider the meaning of the word "isolated" in the expression "new isolated homes in the countryside" within paragraph 55 of the National Planning Policy Framework. The court supported the dictionary definition of "isolated" as meaning "far away from other places, buildings or people" and it did not mean, as argued by the council, isolation from services. The court also clarified that paragraph 55 is worded to be an advisory policy and there was no reason why new housing could not be of benefit to a nearby rural settlement even if it had no or few community or transport services. For more information, please contact [Simon Joyce](#).

Energy

Minimum Energy Efficiency Standards and listed buildings

There has been a lot of confusion about the MEES, listed buildings and Energy Performance Certificates. Current guidance on EPCs for listed buildings states that 'an EPC is not currently required for a listed property or building within a conservation area when it is sold or rented in so far as compliance with minimum energy performance requirements would unacceptably alter its character or appearance'. In our view it is necessary to produce a draft EPC to understand if the efficiency measures recommended in it would alter the character and therefore determine if an EPC is legally required. If an EPC is legally required, then the listed property must meet the MEES. We have produced [a practical guide for property owners on how to deal with this](#) and, for more information, contact [Kieran Crowe](#).