

Land Business Update

Week commencing 27th January 2020

Environment

Revised Environment Bill published but questions over independence, 'teeth' and targets remain

The new Bill has been published after the previous one failed to complete its passage through parliament before dissolution. As before, much of it focuses on the further avoidance of decline in environmental quality and monitoring of climate change policies. It will introduce some new policies and ideas, including Local Nature Recovery Strategies, which will put spatial planning for nature on a statutory footing, and provide the legal framework for a series of Environmental Improvement Plans, the first of which is likely to be the 25 Year Environment Plan. It is full of positive words but, as ever, it will be judged, along with the government, on its impact. The Environmental Audit Committee criticised the previous Bill on three main points: the independence and 'teeth' of the new Office for Environmental Protection, as it will rely on Ministers to appoint its chair and board; more detail on how the environmental principles in the Bill will be used in practice; and the need for targets across all ten Environment Plan goals. An acid test will be whether it leads to rapid, positive action. The Committee on Climate Change criticised the previous government for inaction. In June 2018, it advised that 25 headline policy actions were needed for the year ahead - only one was delivered in full and 10 had not shown even partial progress. Its advice, which it repeats often, remains 'do it now'. We will produce a full review of the Bill shortly.

Farming

Key issues as the UK prepares to open trade talks around the world

For farmers, one of the key issues is food standards. The US continues to push for access to the UK markets for chlorine-washed chicken and hormone-treated beef. The US ambassador to the Britain, Woody Johnson, recently said that chlorine-washed chicken "should absolutely be included in a US-UK free trade agreement". It will be fascinating to see what happens. Boris Johnson has assured Ireland that Britain has no plans to dilute food safety standards. Theresa Villiers has said that British negotiators would "hold the line" and that Britain would "not be importing" chlorine-washed chicken or hormone-treated beef, which reaffirms the line taken by Michael Gove two years ago. The issue has also created an unlikely alliance, as the National Farmers' Union has joined with Friends of the Earth (and 58 other organisations) in calling for legislation on maintaining or improving current food standards before trade negotiations start. They argue in a joint letter that all farm produce should be protected by assurances that standards would not be weakened by future trade agreements. The US is also pushing for the same access in mainland Europe for its chicken and beef. The starting gun has been fired!

Agronomy update

The wet and cold weather has halted oilseed rape growth in many areas. More positively, it has also reduced phoma and light leaf spot but our agronomy team continues to see it when field walking. Most crops are patchy and will benefit greatly from some early spring nitrogen. Winter cereal crops continue to green up as seedbeds dry. Fields should be walked now to map weed areas and prepare an appropriate spring herbicide programme. Please speak to [Jock Willmott](#) about our agronomy and crop management services.

More than 500 organisations call for ban on the preventative use of antibiotics in groups of animals

The Alliance to Save our Antibiotics wants the voluntary code of practice produced by Responsible Use of Medicines in Agriculture (RUMA) to be made mandatory for all. Currently only six supermarkets insist their suppliers avoid routine group use. RUMA says that the claim by some producers that routine use is necessary, which was also made 5 – 10 years ago, is disproved by the fact that antibiotic use has dropped significantly. NB This will have implications for trade talks as antibiotic policy and use varies between countries. EU use is significantly lower than in the US and Asia, although there are exceptions such as Spain and Italy. The EU has agreed to end all routine farm treatments, including group preventative treatments, by January 2022 but it is unclear whether the UK will do the same.



Planning

Councils could lose planning powers in proposal to increase housebuilding

The proposals, which are being considered by the government, would remove the power of councils to stop buildings in their area or prevent shops being converted into housing. Instead developers would follow a set of standardised rules that would be scrutinised by planning officers.

Property

Electrical safety checks required for most new residential tenancies from 1st July in England

From 1 July, houses in the private rented sector let on a new tenancy must have their fixed electrical installations inspected and tested at least every five years by a qualified person in a bid to improve safety for tenants. The landlord must give a copy of the inspection report to the tenant within 28 days of the inspection. Although many landlords already do this type of testing as best practice, it will make electrical testing similar to the more stringent oil and gas regulations. Similar legislation is already in place in Scotland and Wales. Please contact [Jess Waddington](#) if you would like to discuss our regulatory and best practice checklist for landlords.

Rural economy

Defra reaffirms commitment to fully fund RDPE grants for their lifetime

Defra has said that, under the terms of the Withdrawal Agreement, it will continue to deliver the RDPE under the terms of the EU regulations. All projects where funding has been agreed before 31 December 2020 will be fully funded for their lifetime. For multi-year agri-environment and forestry agreements, domestic funding will be used to honour commitments once EU funding ceases. NB The Growth Programme, which provides up to 40% grants for business growth, tourism and food processing, is open for expressions of interest until 16th February. Please contact [Seb Murray](#) if you are considering submitting an expression of interest.

Government pledges £500m to start restoring closed railway lines

The fund will be used to reverse some of the 'Beeching' closures, named after the British Rail chief who started them in 1963. Communities can apply to a £300,000 'ideas fund' with proposals on how they would use funding to reinstate local rail services. The £500 million fund will help develop those proposals and also speed up the reopening of stations and lines that are already being considered for restoration. Two previous rounds of the scheme have already helped open 10 new stations in England and Wales.

Taxation

Entrepreneurs relief expected to be changed in the Budget

The government looks likely to scale back this relief according to a number of sources, including the Financial Times. The relief allows business owners to pay less capital gains tax when selling their businesses – at a rate of 10% compared with the usual 20% on gains of up to £10m. It has been criticised for not encouraging business investment, its original aim, and it costs around £2.4bn a year. It is not expected to be abolished but instead reduced to a lifetime allowance of £1m, which would bring it in line with the amount that can be accrued in a pension pot.

All Party Parliamentary Group suggests major reform of inheritance tax

The report from the Group on inheritance and intergenerational fairness goes further than the Office of Tax Simplification's proposals. It says that there is a 'strong sense of injustice' about the tax, with the perception that the rich avoid paying it and that it is an unfair penalty on hard working savers. Its proposals include reducing the standard rate to 10%, with a 20% tax on estates worth more than £2m. It also suggests scrapping all reliefs, including Agricultural Property Relief and the seven year rule on Potentially Exempt Transfers. They would be replaced with a new annual allowance of £30,000 pa for lifetime gifts, above which 10% tax is payable. Note that this report is not government policy but it is another in a series of reports from different organisations calling for significant reform to the tax and its reliefs.