

Land Business Tracker | October 2020

Welcome to our quarterly tracker of key land management, farming, planning and energy regulation and legislation.

Please contact your local Strutt & Parker rural team for further information on anything you read here.

Implement now			
Regulation	Description	Key dates	Action
<p>FARMING</p> <p>Agriculture Bill 2019-20 (UK, but some devolved powers to Scotland, Wales and Northern Ireland)</p> <p>Find out more</p>	<p>The Bill provides the government with powers to set agricultural policy on spending and related issues once the UK leaves the EU.</p> <p>The most significant element is that direct payments to farmers will be phased out over a seven-year transition period starting in 2021 in England.</p> <p>It will be replaced by the Environmental Land Management System (ELMS), which will pay land managers for producing 'public goods', such as environmental improvements.</p>	<p>Ping pong between Commons and Lords in mid October.</p> <p>Passing the Bill is still high priority.</p> <p>Further detail on ELMS is expected in November.</p>	<p>Read our summary of the Bill.</p> <p>Speak to Will Gemmill to run your farm or estate through our model to assess how the transition to new farm support policies will affect farm profits.</p>
<p>PROPERTY</p> <p>Green Homes Grant Scheme (England)</p> <p>Find out more</p>	<p>Vouchers cover up to two thirds of the cost of specified energy-saving home improvements up to a maximum of £5,000 for both primary and secondary measures, including wall and loft insulation, draught proofing and double glazing. A voucher for 100% of the cost up to £10,000 is available for people on low incomes.</p>	<p>Opened September 2020.</p> <p>Work must be done by 31st March.</p>	<p>Plan now as we expect there will be high demand on accredited suppliers (TrustMark or MCS certified).</p>
<p>PROPERTY</p> <p>Stamp Duty Land tax increase in zero rate band (England)</p> <p>NB Scotland and Wales have applied similar policies on transactions up to £250,000.</p>	<p>Reduced rates of SDLT will apply to residential properties purchased from 8th July 2020 until 31st March 2021 inclusive, in the form of an increase in the zero rate, which is now for transactions up to £500,000.</p> <p>The 3% surcharge will continue to apply where purchasers already own residential property.</p> <p>NB A new SDLT surcharge of 2% will be applied on purchases of residential property by non-UK residents in England and Northern Ireland.</p>	<p>From 8th July 2020.</p> <p>Non-UK SDLT surcharge applies from 1st April 2021.</p>	<p>Effective immediately.</p>
<p>PROPERTY</p> <p>Septic Tanks & Sewage Treatment Plants</p> <p>The Environmental Permitting (England and Wales) Regulations 2016</p>	<p>All private septic tanks or sewage treatment plants must comply with these regulations.</p> <p>It will not be permitted to discharge effluent from septic tanks (as opposed to sewage treatment plants) directly or indirectly into drains, ditches or other watercourses after 1st January 2020 (although widely interpreted as meaning October 2020).</p>	<p>Comply within a reasonable period after October 2019 (widely interpreted as meaning October 2020), or before if pollution is</p>	<p>Check all private systems are compliant and discharge less than the allowed amounts (and ideally not at all).</p> <p>Make good any obvious leaks, overflows or broken parts.</p>

<p>General Binding Rules for Small Sewage Discharges (England) Find out more</p>		<p>already occurring or the dwelling is being sold.</p>	<p>Plan and budget for upgrades and replacements. For more details speak to Alistair Cochrane.</p>
<p>RESIDENTIAL LETTINGS The Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 (aka MEES) (England and Wales) Find out more</p>	<p>Under the new rules landlords will be expected to contribute up to £3,500 per property to raise the EPC rating of a property to a minimum level of E.</p> <p>The 'no cost to the landlord' exemption will no longer be available and will no longer appear on the PRS Exemptions Register after 31st March 2020 (instead of after five years).</p> <p>The 'consent exemption' will also no longer be available where a sitting tenant has refused a Green Deal finance plan.</p> <p>NB Both the English and Welsh governments are consulting on further improving the energy efficiency requirements for new homes (see below).</p>	<p>Existing exemptions expire 31st March 2020.</p>	<p>Re-assess property previously exempt on 'no cost to landlord' grounds, although affected landlords will be contacted directly by the government.</p> <p>Contact Alice Robinson for our updated flowchart to plan how to implement MEES and register for exemptions.</p>
<p>RESIDENTIAL LETTINGS Improving the energy performance of privately rented homes in England and Wales NB Scotland wants similar improvements in energy efficiency Find out more</p>	<p>Linked to the above, the key proposals being consulted upon are:</p> <ol style="list-style-type: none"> 1. Raising the minimum EPC Band to C – including for new lettings from 2025 and existing ones from 2028. 2. To increase the cost cap on a landlord's investment to £10,000 (inc VAT) from £3,500. 3. Introduce a 'fabric first' approach to energy improvements. 	<p>Consultation closes 30th December 2020.</p>	<p>Start planning how to meet the requirements which are highly likely to be introduced.</p>
<p>RESIDENTIAL LETTINGS The Energy Efficiency (Private Rented Property) (Scotland) Regulations 2019 (Scotland) Find out more</p>	<p>From 1st April 2020 all new lettings of residential property will be required to have a minimum EPC rating of E, subject to prescribed exceptions below:</p> <ul style="list-style-type: none"> • Consent (where a tenant does not allow access to the property). • Negative impact on fabric or structure of the property. • Cost cap (if work to reach the minimum EPC rating exceeds the stated cost caps of £5,000 until 31 March 2022 and then £10,000). • Temporary exemption (for six months when a landlord purchases a property). 	<p>Effective from 1st October 2020 for new tenancies. Effective from 31st March 2022 for all tenancies.</p>	<p>Review property compliance and prepare for implementation of minimum standards. EPC rating D for all new tenancies from 1 April 2022. EPC rating D for all rental properties from 1 April 2025.</p>
<p>RESIDENTIAL LETTINGS Homes (Fitness for Human Habitation) Act 2018 (England only) Find out more</p>	<p>The Act requires all rented homes to be 'fit for human habitation' at the start of the tenancy and to remain so throughout.</p> <p>It uses the 29 hazards listed in the Housing Health and Safety Rating System (HHSRS) to determine whether a house is "fit for human habitation".</p> <p>Applies to any dwelling let on or after 20th March 2019 for a term of less than 7 years, including renewed fixed term tenancies.</p> <p>NB The government intends to update the HHSRS and make it easier to understand.</p>	<p>20th March 2019 for new tenancies and renewed fixed term tenancies. 20th March 2020 for periodic or secure tenancies in existence on 20th March 2019.</p>	<p>No action needed if let properties are reasonably maintained. Read our briefing paper on how it affects dwellings on farms, which is complicated. For more details speak to Jess Waddington.</p>



<p>RESIDENTIAL LETTINGS</p> <p>Renters' Reform Bill 2019-20</p> <p>(England)</p> <p>Find out more</p>	<p>The Bill will end a landlord's ability to serve section 21 notices to end an Assured Shorthold Tenancy without a good, specified reason. These are often called 'no-fault evictions'. Instead the government says landlords should use a revised and strengthened court process.</p> <p><i>NB In response to COVID-19, notice periods have been extended to six months (until at least 31st March 2021) with some specific exceptions.</i></p>	<p>Announced in Queen's Speech on 19th December 2019 but no date is available yet for presentation of the Bill.</p>	<p>Landlords should consider the potential impact of the proposed changes on their properties.</p> <p>For more details speak to Jess Waddington.</p>
<p>RESIDENTIAL LETTINGS</p> <p>Electrical safety in the private rented sector</p> <p>(England)</p> <p>Find out more</p> <p>NB Similar regulations already apply in Scotland.</p>	<p>The regulations require landlords to have electrical installations in privately rented homes checked every five years.</p> <p>Properties that already have a report will not need to replace it until five years have passed since it was issued if <u>no changes have been made to the electrical system</u>.</p>	<p>1st July 2020 for new tenancies.</p> <p>1st April 2021 for existing tenancies.</p>	<p>Anyone commissioning a check must make sure that it is done by someone competent and with current qualifications.</p> <p>Download our checklist.</p> <p>For more details speak to Jess Waddington.</p>

Monitor now

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<p>ENVIRONMENT</p> <p>Environment Bill 2019 – 20</p> <p>(UK)</p> <p>Find out more</p>	<p>The Bill sets out proposals for environmental policy after the UK leaves the EU, and the structure for long-term environmental governance and accountability, including provision for the Office for Environmental Protection and measures for:</p> <ul style="list-style-type: none"> • Waste and resource efficiency • Air quality • Water management • Nature and biodiversity • Conservation covenants • Regulation of chemicals 	<p>Stalled for six months but may start parliamentary process again in November 2020.</p>	<p>Monitor.</p> <p>Consider whether development could be 'enabled' by offering Biodiversity Net Gain, by providing / selling it to developers. Contact Jeremy Dawson.</p>
<p>ENVIRONMENT</p> <p>Energy Efficient Scotland: Improving energy efficiency in owner occupied homes</p> <p>(Scotland)</p> <p>Find out more</p>	<p>The Scottish Government is consulting on setting the energy efficient standards for owner occupied homes.</p> <p>The standards will help reduce both greenhouse gas emissions and fuel poverty.</p>	<p>Consultation closed on 26th March 2020.</p>	<p>Monitor and plan for improving energy efficiency in advance of the legislation.</p>
<p>RESIDENTIAL LETTINGS</p> <p>Agents' fees on tenants' repairs to let residential property</p> <p>Tenant Fees Act 2019</p>	<p>Legal opinion sought by ARLA suggests that landlords will not be able to recover from tenants the costs incurred by agents in arranging repairs to residential property arising from tenants' acts or omissions, unless there is a clause to this effect in</p>	<p>Legal opinion is dated 10th July 2019 and 2nd September 2019.</p>	<p>Residential property managers to check tenancy agreements and advise landlords.</p>



<p>(England) Find out more</p>	<p>the tenancy agreement – and even this may be unenforceable.</p>		
<p>RESIDENTIAL LETTINGS Renting Homes (Amendment) (Wales) Bill (Wales) Find out more</p>	<p>The Bill will extend the minimum notice period for tenancies to six months. The Welsh Assembly is also consulting on restricting the options for a landlord to regain possession of a let property.</p>	<p>Bill expected to be effective from autumn 2021. Changes to permitted payments from 28th April 2020.</p>	<p>Monitor.</p>
<p>MANAGEMENT Parental Bereavement Leave (England, Scotland or Wales) Find out more</p>	<p>This right will apply to all employed parents who lose a child under the age of 18 or suffer a stillbirth (from 24 weeks of pregnancy). Statutory Parental Bereavement Pay is also available.</p>	<p>From 6th April 2020.</p>	<p>Note in relation to employment policies.</p>
<p>RESIDENTIAL LETTINGS Fair Rents (Scotland) Bill (Scotland) Find out more</p>	<p>Proposals to control rent levels for private residential tenancies. The Bill was introduced on 1st June 2020 but is not proceeding in 2020 due to the lack of time before the Scottish Parliament elections in 2021.</p>	<p>None.</p>	<p>Monitor.</p>



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