

# Land Business Update

Week commencing 15<sup>th</sup> February 2021

## Farming

### Latest on Environmental Land Management (ELM) tests and trials

Defra has published its latest quarterly review of the early findings from the 60 tests and trials that it is funding to help design the new ELM. Many are still in their early stages but there are some interesting findings already. The findings are organised by what are called priority themes:

- Under the Land Management Plan theme, Defra reports that all of the templates that have been designed for Land Management Plans include as a minimum an environmental baseline and a potential public goods delivery assessment. So understanding the environmental condition of the land and its potential is going to be important.
- Under the advice and guidance theme, it is becoming clear that a lack of knowledge of public goods was a major barrier to making successful agri-environment applications. Many tests and trials have continued to state that there is a role for advice throughout all ELM schemes, although the amount and type of advice required will vary between individual farmers, sectors and geographies.
- Under the spatial prioritisation theme, while some tests and trials are finding support for spatial targeting at regional scale, others prefer local administration and prioritisation, which would tailor priorities to specific landscapes. They also support nesting spatial priorities at different scales, allowing for priorities that are appropriate in a sub-catchment to be identified from larger national and sub-regional priorities.

We will include an update on the remaining three themes (collaboration, payments and innovative delivery mechanisms) in the next edition of Land Business Update.

### Countryside Stewardship – key changes for 2022 agreements

The Countryside Stewardship Scheme (CSS) is now open for applications for agreements with a 1<sup>st</sup> January 2022 start date. There are a number of changes that have been introduced this year to try to improve and simplify the scheme:

- 67 options are now available for **capital grants** for boundaries, trees and orchards, water quality and air quality. There is a limit of £20,000 within each option grouping so up to £60,000 can be applied for. The application window is now open and closes on 30<sup>th</sup> April.
- **Mid-Tier** capital-only applications will no longer be accepted – they must be a mix of capital and management options with a spending cap of £120,000 for air and water quality items, and £50,000 for boundaries, trees and orchards items. Changes to Mid-Tier options include some new wood pasture options for the uplands and the upland management of rough grazing for birds option has also been widened to encourage greater uptake.
- The **educational access** option is now available as part of a Mid-Tier agreement, as well as in Higher-Tier agreements. This option lets school pupils visit farms for educational experiences and allows for care farming visits. The application window is now open and closes on 30<sup>th</sup> July. Application packs must be requested by 28<sup>th</sup> May (on paper) and 30<sup>th</sup> June (online).
- The updated **Woodland Creation and Maintenance Grant** is also open. The payment rates for the grants have not changed, but the application process for the maintenance element of this grant is different this year. There are also some new additions and changes to capital options.
- Initial applications for the **Higher-Tier** scheme are open from 9<sup>th</sup> February and close on 30<sup>th</sup> April.

Basic Payments will start to reduce from this year, so applying for CSS is a route to make up some of that financial shortfall. Anyone who enters a new CSS agreement will be able to leave to join the replacement Environmental Land Management Scheme once it has been fully rolled out in 2024, so there is no reason not to apply at this stage. Please contact our farming team if you would like any help in putting together a Countryside Stewardship application.

### Farming Innovation Pathways funding competition

This is a UK-wide [funding competition](#) which aims to support early-stage farm-focused solutions to challenges of productivity, sustainability, and net zero emissions. It is split into two pots: for feasibility projects (with total funding of £5m) to evaluate the potential of early-stage ideas or innovations that tackle on-farm challenges; and a second pot for industrial research (with total funding of £7m) to develop high-potential solutions and assess how they can be integrated into production systems to achieve widespread adoption. The funding will cover four farming sectors – livestock, plants, novel food production systems and bioeconomy and agroforestry.



## Total Income from Farming (TIFF) forecast to fall 21% for 2020

Defra has forecast that TIFF, which is the total profit from all UK farming businesses on a calendar year basis, is expected to fall by 21% to £4.1bn, compared with 2019. The reduction is due to challenging weather conditions during crop establishment and harvest, and impacts on the supply chain due to COVID-19. The value of crops produced was more greatly affected (-13%) than the value of stock (+2%).

## Environment

### Natural Environment Investment Readiness Fund opens in England

The [Fund](#) provides grants of up to £100,000 to environmental groups, local authorities, businesses and other organisations to help them develop nature projects in England to a point where they can attract private investment. The idea is to create a pipeline of projects for the private sector to invest in and develop new funding models.

Examples of the types of projects that could be eligible for the fund are given as the creation of new woodlands and the restoration of peatlands and coastal wetlands, which will benefit wildlife and also generate carbon and biodiversity credits. The restoration of river catchments to improve water quality and reduce flood risk is also provided as an example. The fund is being managed by the Environment Agency on behalf of Defra. Funding can be used to pay for specialist advice, to engage investors and build capacity to develop projects to the stage when they are investment ready. Key findings must be made public. It is open for applications until 26<sup>th</sup> March.

## Forestry

### Basic Payments available for most land planted with trees in England, says Defra

Defra has issued [guidance](#) on types of tree planting that will still receive Basic Payments. They include silvoarable (trees and crops); silvopasture (trees and livestock); trees planted between agricultural land and watercourses to protect water quality; and windbreaks / shelterbelts. NB Land taken out of production and planted with trees is also likely to be eligible for BPS.

### Survey open now to help shape tree health policy in England

The [survey](#) focusses on four 'host' tree species at grave risk of attack by pests or pathogens: ash, larch, spruce, and sweet chestnut. For each of the species, Defra and its partners want to know what blend of regulation, financial support, and advice would deliver the best outcomes. The survey is open until 1<sup>st</sup> March and responses are asked for from anyone involved in large woodlands through to individual trees. The results will feed into the development of a Tree Health scheme, as part of the government's Agricultural Transition Plan.

## Property

### Scottish ministers consider stringent land ownership tests

The Scottish Land Commission has recommended that all large (over 10,000 ha) or important (such as an island) land sales in Scotland should be subject to a public interest test to assess whether it has significant social or environmental implications. The proposal is being studied by the Scottish Government.

### Government lacks clear flood-resilience targets according to EFRA Committee

A report from the House of Commons Environment, Food and Rural Affairs Select Committee says that the lack of targets is leaving England 'playing catch-up' with climate change. The Committee calls for national standards on flood defences – which the National Infrastructure Commission previously recommended - and long-term budgets to meet clearly defined objectives for a level of flood resilience, which will protect homes and businesses in line with climate change projections.