

# Land Business Tracker | May 2021

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><b>FARMING</b></p> <p><b>Agricultural support schemes</b></p> <p><b>(England)</b></p> <p><a href="#">Find out more</a></p> <p>NB Similar schemes will be separately developed for Scotland and Wales.</p>	<p>The seven-year transition period to move from EU-based rules to a new UK system started in January 2021. It includes:</p> <ul style="list-style-type: none"> <li>• Reductions in Direct Payments under the Basic Payment Scheme (BPS) over a seven-year transition period starting in 2021:</li> </ul> <table border="1"> <thead> <tr> <th rowspan="2">Band £000</th> <th colspan="4">%</th> </tr> <tr> <th>2021</th> <th>2022</th> <th>2023</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>&lt; £30</td> <td>-5%</td> <td>-20%</td> <td>-35%</td> <td>-50%</td> </tr> <tr> <td>£30 - 50</td> <td>-10%</td> <td>-25%</td> <td>-40%</td> <td>-55%</td> </tr> <tr> <td>£50 – 150</td> <td>-20%</td> <td>-35%</td> <td>-50%</td> <td>-65%</td> </tr> <tr> <td>&gt;£150</td> <td>-25%</td> <td>-40%</td> <td>-55%</td> <td>-70%</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>• Removal of greening rules from 2021 onwards.</li> <li>• Relaxation of some cross-compliance rules.</li> <li>• Potentially de-linking BPS payments so there is no requirement to farm the land.</li> <li>• A new Environmental Land Management (ELM) scheme comprising three levels: <ul style="list-style-type: none"> <li>- Sustainable Farming Incentive (SFI) (previously known as tier 1)</li> <li>- Local Nature Recovery (tier 2)</li> <li>- Landscape Recovery (tier 3)</li> </ul> </li> <li>• Closing of Countryside Stewardship to new applicants from 2023.</li> <li>• A slurry investment scheme from 2022 to help reduce pollution.</li> <li>• A replacement for the capital grant scheme for machinery and equipment.</li> </ul>	Band £000	%				2021	2022	2023	2024	< £30	-5%	-20%	-35%	-50%	£30 - 50	-10%	-25%	-40%	-55%	£50 – 150	-20%	-35%	-50%	-65%	>£150	-25%	-40%	-55%	-70%	<p>Various.</p>	<p>Read our <a href="#">Basic Payments 2021 guide</a> for key dates for the main schemes.</p> <p>Speak to our farming and land management team to confirm any actions required.</p> <p>Speak to <a href="#">Jonathan Armitage</a> to run your farm or estate through our model to assess how the transition to new farm support policies will affect farm profits.</p>
Band £000	%																															
	2021	2022	2023	2024																												
< £30	-5%	-20%	-35%	-50%																												
£30 - 50	-10%	-25%	-40%	-55%																												
£50 – 150	-20%	-35%	-50%	-65%																												
>£150	-25%	-40%	-55%	-70%																												
<p><b>RESIDENTIAL LETTINGS</b></p> <p><b>Electrical safety in the private rented sector</b></p> <p><b>(England)</b></p> <p><a href="#">Find out more</a></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 <u>if no changes have been made to the electrical system</u>.</p>	<p>With effect from 1<sup>st</sup> July 2020 for new tenancies.</p> <p>With effect from 1<sup>st</sup> 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 <a href="#">checklist</a>.</p> <p>For more details speak to <a href="#">Jess Waddington</a>.</p>																													

<p><b>RESIDENTIAL LETTINGS</b></p> <p><b>Digital Right to Rent checks</b></p> <p>(UK)</p> <p><a href="#">Find out more</a></p>	<p>Landlords and agents can conduct Right to Rent checks digitally, using a video call or the Government's online service, with no need to review documents.</p> <p>NB where the applicant does not have a status that can be checked online, checks will need to be carried out using the previous methods.</p>	<p>Effective from 25<sup>th</sup> November 2020.</p>	<p>Check the updated guidance.</p>
<p><b>ECONOMY</b></p> <p><b>National Living Wage and National Minimum Wage rates</b></p> <p>(UK)</p> <p><a href="#">Find out more</a></p> <p>NB This is separate to the voluntary 'real living wage' campaign, which increased its UK hourly rate by 20p to £9.50 from 9<sup>th</sup> May 2021.</p>	<p>The rates for the National Living Wage (NLW) and the National Minimum Wage (NMW) have been increased to:</p> <ul style="list-style-type: none"> <li>NLW – workers aged 23 and over – £8.91, up 2.2% from £8.72. NB the lower age limit was previously 25 years old.</li> <li>NMW – 21 to 22 year olds – £8.36, up 2.0% from £8.20.</li> <li>NMW – 18 to 20 year olds – £6.56, up 1.7% from £6.45.</li> <li>NMW – 16 and 17 year olds – £4.62, up 1.5% from £4.55.</li> <li>NMW – apprentices – £4.30, up 3.6% from £4.15.</li> </ul>	<p>With effect from 1<sup>st</sup> April 2021.</p>	<p>Consider what changes in wage rates your business will apply.</p> <p>For more details or to speak about recommendations for wage reviews, speak to <a href="#">George Chichester</a>.</p>
<p><b>TAXATION</b></p> <p><b>Annual Investment Allowance temporary cap</b></p> <p>(UK)</p> <p><a href="#">Find out more</a></p>	<p>The Annual Investment Allowance (AIA), which provides tax relief on expenditure on plant and machinery assets of up to £1 million, has been extended until 1<sup>st</sup> January 2022. The government also announced a 130% 'super-deduction' first year allowance on qualifying plant and machinery investments in the Budget.</p>	<p>Announced 12<sup>th</sup> November 2020.</p>	<p>Review expenditure programmes.</p> <p>The rules on which assets qualify are complicated. For more details speak to our director of tax, <a href="#">Jonathan Smith</a>.</p>
<p><b>ECONOMY</b></p> <p><b>UK Conformity Assessed (UKCA) mark</b></p> <p>(UK)</p> <p><a href="#">Find out more</a></p>	<p>The new UKCA mark will replace the European CE (Conformité Européene) mark as a requirement for goods entering the Great Britain market with effect from 1<sup>st</sup> January 2021. CE marking will be accepted during a transition period until 1<sup>st</sup> January 2022.</p>	<p>With effect from 1<sup>st</sup> January 2021</p>	<p>Note changes for purchasing policies.</p>
<p><b>PROPERTY</b></p> <p><b>Stamp Duty Land tax increase in zero rate band</b></p> <p>(England)</p> <p><a href="#">Find out more</a></p> <p>NB Scotland and Wales applied similar policies but the reduced rates in Scotland ended on 1<sup>st</sup> April 2021.</p>	<p>Reduced rates of SDLT will apply to residential properties purchased from 8<sup>th</sup> July 2020 until 30<sup>th</sup> June 2021 inclusive, in the form of an increase in the zero rate, which is now for transactions up to £500,000.</p> <p>From 1<sup>st</sup> July 2021 to 30<sup>th</sup> September 2021, the nil rate band will be £250,000, after which it will return to the standard amount of £125,000.</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 in England and Northern Ireland by non-UK residents.</p>	<p>From 8<sup>th</sup> July 2020.</p> <p>The non-UK SDLT surcharge applies from 1<sup>st</sup> April 2021.</p>	<p>Effective immediately.</p>
<p><b>TAXATION</b></p> <p><b>VAT: reverse charge for building and construction services</b></p> <p>(UK)</p>	<p>Sub contractors working for a main contractor will not to have charge or account for VAT on supplies to the main contractor. Instead, the main contractor will have to account for VAT as a 'reverse charge' on their onward supply to the final customer.</p>	<p>With effect from 1<sup>st</sup> March 2021</p>	<p>Sub contractors should review their VAT position as they could have much lower input VAT and may need to deregister from the Flat</p>

[Find out more](#)

NB The reverse charge excludes businesses that supply specified services to connected parties within a corporate group structure or with a common interest in land.

Rate Scheme to avoid paying additional VAT sums to HMRC.

**Monitor now**

Regulation	Description	Key dates	Action
<b>ENVIRONMENT</b> <b>Environment Bill 2019 – 21</b> (UK) <a href="#">Find out more</a>	<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"> <li>• Waste and resource efficiency</li> <li>• Air quality</li> <li>• Water management</li> <li>• Nature and biodiversity</li> <li>• Conservation covenants</li> <li>• Regulation of chemicals</li> </ul>	Now at House of Commons - Report stage.	Track. Consider whether development could be 'enabled' by offering Biodiversity Net Gain, by providing / selling it to developers. Contact <a href="#">Jeremy Dawson</a> .
<b>ENVIRONMENT</b> <b>Determining areas of water stress in England</b> (England) <a href="#">Find out more</a>	<p>The consultation is on whether water companies can introduce compulsory metering for all customers in areas of serious water stress.</p> <p>NB Compulsory metering would be one of the options they can consider in their water resources management plans to manage water supplies.</p>	Consultation ended 11 <sup>th</sup> March 2021.	Track.
<b>FARMING</b> <b>Sustainable Use of Pesticides: Draft National Action Plan</b> (UK) <a href="#">Find out more</a>	Defra has consulted on this for their draft National Action Plan.	Consultation ended 26 <sup>th</sup> February 2021.	Track.
<b>FORESTRY</b> <b>UK Woodland Assurance Standard Initial Revision Draft</b> (UK) <a href="#">Find out more</a>	UKWAS is a certification standard for UK woodland, required by the UK Forestry Standard. It is revised periodically. This revision includes amendments to reflect the global challenges of climate change, biodiversity loss and forest resilience.	Consultation closed 30 <sup>th</sup> April 2021.	The aim is for a new fifth edition of the UKWAS standard to be effective from April 2023.
<b>RESIDENTIAL LETTINGS</b> <b>Renting Homes (Amendment) (Wales) Act</b> (Wales) <a href="#">Find out more</a>	<p>The Act will extend the minimum notice period for tenancies to six months.</p> <p>The Welsh Assembly is also consulting on restricting the options for a landlord to regain possession of a let property.</p> <p>NB Changes to what payments a landlord is permitted to charge came into effect from 28<sup>th</sup> April 2020.</p>	Expected to be effective from June 2021.	Track.

<p><b>RESIDENTIAL LETTINGS</b></p> <p><b>Energy Efficiency (Domestic Private Rented Property) (Scotland) Regulations (Scotland)</b></p> <p><a href="#">Find out more</a></p>	<p>Following the postponement of earlier proposals, the new regulations will require a let residential property to meet the minimum level of energy efficiency of:</p> <p>a) EPC rating D for all <u>new</u> tenancies from 1<sup>st</sup> April 2022, and</p> <p>b) EPC rating D for all rental properties from 1<sup>st</sup> April 2025.</p> <p>Where it is not possible to meet the proposed minimum standard, properties can be registered on an exemption register. Funding may be available for improvements.</p>	<p>Effective from 1<sup>st</sup> April 2022.</p>	<p>Review property compliance and prepare for implementation of minimum standards.</p>
<p><b>RESIDENTIAL LETTINGS</b></p> <p><b>Improving the energy performance of privately rented homes in England and Wales</b></p> <p>NB Scotland wants similar improvements in energy efficiency.</p> <p><a href="#">Find out more</a></p>	<p>The key proposals being consulted upon are:</p> <ol style="list-style-type: none"> <li>1. Raising the minimum EPC rating to C – for new lettings from 2025 and existing ones from 2028.</li> <li>2. To increase the cost cap on a landlord’s investment to £10,000 (inc VAT) from £3,500.</li> <li>3. Introduce a ‘fabric first’ approach to energy improvements.</li> <li>4. The private rented sector to support the uptake of smart meters.</li> </ol>	<p>Consultation closed 30<sup>th</sup> December 2020.</p>	<p>Start planning how to meet the requirements, which are highly likely to be introduced and be more rigorously enforced.</p>
<p><b>RESIDENTIAL LETTINGS</b></p> <p><b>Consultation on implementing reforms to the leasehold system in England (England)</b></p> <p><a href="#">Find out more</a></p>	<p>Proposals for new legislation to:</p> <ul style="list-style-type: none"> <li>• Give leaseholders the right to extend their leases to a maximum term of 990 years at zero ground rent.</li> <li>• Abolition of additional costs, including marriage value payments.</li> <li>• An online calculator for leaseholders to find out how much it will cost them to buy their freehold or extend their lease.</li> <li>• Establishment of a Commonhold Council to prepare homeowners and the market for the widespread take-up of commonhold.</li> </ul>	<p>Proposals published 7<sup>th</sup> January 2021.</p>	<p>Track.</p> <p>A Leasehold Reform Bill was included in the Queen’s Speech.</p>



## Contact us

### **Banchory**

Larry Irwin  
larry.irwin@struttandparker.com | 01330 826828  
St Nicholas House, 68 Station Road, Banchory AB31 5YJ

### **Cambridge**

Lauren Gibson-Green  
lauren.gibson.green@struttandparker.com | 01223 459492  
66-68 Hills Road, Cambridge CB2 1LA

### **Canterbury**

Bryony Heaven  
Bryony.Heaven@struttandparker.com | 01227 473739  
St Margaret's Street, Canterbury CT1 2SL

### **Chelmsford**

Michael Anderson  
michael.anderson@struttandparker.com | 01245 254689  
Coval Hall, Rainsford Road, Chelmsford CM1 2QF

### **Chester**

Frank Brereton  
frank.brereton@struttandparker.com | 01244 354886  
Park House, 37 Lower Bridge Street, Chester CH1 1RS

### **Cirencester**

Matthew Hague  
matthew.hague@struttandparker.com | 01285 627672  
15 Dyer Street, Cirencester GL7 2PP

### **Exeter**

Peter Thomas  
Peter.Thomas@struttandparker.com | 01392 229419  
24 Southernhay West, Exeter EX1 1PR

### **Guildford**

Rachel Patch  
rachel.patch@struttandparker.com | 01483 400771  
Meridian House, 9-11 Chertsey Street, Guildford GU1 4HD

### **Harrogate**

Nick Bramley  
nick.bramley@struttandparker.com | 01423 706784  
Princes House, 13 Princes Square, Harrogate HG1 1LW

### **Inverness**

Ralph Smith  
ralph.smith@struttandparker.com | 01463 723598  
The Courier Building, 9-11 Bank Lane, Inverness IV1 1WA

### **Ipswich**

Charles Loyd  
charles.loyd@struttandparker.com | 01473 220435  
11 Museum Street, Ipswich IP1 1HH

### **Lewes**

Jamie Evans-Freke  
jamie.evans-freke@struttandparker.com | 01273 407019  
201 High Street, Lewes BN7 2NR

### **Morpeth**

Alistair Cochrane  
Alistair.Cochrane@StruttAndParker.com | 01670 500870  
1-3 Oldgate, Morpeth NE61 1PY

### **Newbury**

George Chichester  
george.chichester@struttandparker.com | 01609 788452  
55 Northbrook Street, Newbury RG14 1AN

### **Northallerton**

Richard Taylor  
richard.taylor@struttandparker.com | 01609 788457  
Thornfield Business Park, Northallerton DL6 2XQ

### **Norwich**

Russell de Beer  
russell.debeer@struttandparker.com | 01603 883620  
Compass House, 4 Upper King Street, Norwich NR3 1HA

### **Oxford**

Matthew Hague  
matthew.hague@struttandparker.com | 01865 366701  
269 Banbury Road, Oxford OX2 7LL

### **Perth**

Andrew Aitchison  
andrew.aitchison@struttandparker.com | 01738 783351  
5 St John Street, Perth PH1 5SP

### **Salisbury**

Laura Ollif Lee  
laura.olliff.lee@struttandparker.com | 01722 344006  
41 Milford Street, Salisbury SP1 2BP

### **Shrewsbury**

Michael Verity  
michael.vertiy@struttandparker.com | 01743 284205  
14-16 Shoplatch, Shrewsbury SY1 1HR

### **St Albans**

Jessica Waddington  
jessica.waddington@struttandparker.com | 01727 790485  
15 London Road, St Albans AL1 1LA

### **Stamford**

Jeremy Dawson  
jeremy.dawson@struttandparker.com | 01780 484044  
5 South View, Tinwell Road, Stamford PE9 2JL