

# Land Business Update

Week commencing 7<sup>th</sup> June 2021

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## Farming

### UK Action Plan for Animal Welfare

Defra has announced plans for new animal welfare measures, including a ban on the export of live animals for fattening and slaughter and a pledge that it will examine the use of cages for laying hens and farrowing crates for pigs. The plan also includes a commitment to recognise the sentience of animals and to start building evidence on products, like foie gras, that are based on low-welfare systems. The RSPCA welcomed the plan which takes action on more than a dozen animal issues, including the ones above and banning keeping primates as pets and tackling puppy smuggling. It has also called on the Government to create an Animal Sentience Committee with real teeth to ensure animals are considered in relevant policy making. The NFU has said that it is concerned about raising standards in the UK but allowing imports produced to lower standards.

### S&P's farming department in the press

Our farming team has had articles in the national farming press on a range of issues in the last few weeks:

- [Our lump sum / exit scheme calculator](#)
- [Will Defra's exit scheme appeal to farmers?](#)
- [What to consider when taking out farm insurance](#)
- [Pros and cons of CSS mirror agreements](#)

Keep an eye open for an article on the Farming Investment Fund in the next week or so. Please contact [Jonathan Armitage](#) if you would like to talk about any of the above.

## Environment

### Carbon prices now apply to over 20% of global emissions

The World Bank has published an interesting report on the state of carbon pricing globally. While the above headline is encouraging and other news is too – such as the launch of China's National Emissions Trading System (ETS) in January 2021 and changes to the EU ETS and possible introduction of a carbon border adjustment mechanism – it is clear that it is not enough to meet the Paris Agreement goal of 'well below 2°C' temperature change. While carbon prices now cover over 20% of emissions, most carbon prices are well below the \$40-80/tCO<sub>2e</sub> range recommended for 2020 and only 5% of carbon prices are in the recommended range.

## Energy (and property)

### Heating's carbon footprint – and what to do with house refurbishments

The Financial Times has published some fascinating data on the greenhouse gas emissions of different ways of heating a property. Using oil, which a lot of rural properties do, produces @ 316 grammes of CO<sub>2</sub> equivalent per kilowatt-hour and using gas generates 220 grammes. Photovoltaic panels without a heat pump is 90 grammes (so a 72% reduction compared with oil) and PV panels with a heat pump is 30 grammes (so a 90% reduction). If you would like to discuss heating systems and what to do with house refurbishments, please contact [Lauren Gibson-Green](#), our head of energy.



## Property and rural economy

### COVID - residential notice periods shortening and ban on bailiff-enforced evictions ending

Residential notice periods, which are currently extended to six months as an emergency measure during the pandemic, will reduce to four months from 1<sup>st</sup> June and then return to pre-pandemic lengths from 1<sup>st</sup> October. This is all subject to control of the virus. The current ban on bailiff-enforced evictions ended on 31<sup>st</sup> May but bailiffs have been asked not to carry out an eviction if anyone living in the property has COVID-19 symptoms or is self-isolating.

### Changes to the operation of Agricultural Holding Act tenancies due to the Agriculture Act 2020

New tenancy regulations stemming from the Agriculture Act have been published. They affect successions and refusal of consent:

- For successions, the Commercial Unit test is removed but what tenants have to do to pass the Suitability test has been increased, so they now have to demonstrate high standards of efficient production and care for the environment to succeed to a tenancy. This change comes into effect on 1<sup>st</sup> September 2024.
- For consent, a tenant can now refer a landlord's refusal to grant consent or to vary a term in the agreement to arbitration, where the request for consent relates to new schemes under the Agriculture Act, like ELM, or if it is needed to meet a statutory duty. This change comes into effect from 21<sup>st</sup> June 2021.

Please contact your local S&P office if you would like to discuss or may be affected by these changes.

### Businesses in rural areas appear more strongly focused on environmental issues than urban ones

This encouraging new research from the National Innovation Centre for Rural Enterprise ([NICRE](#)) found that 45% of rural firms said that they always consider the environmental implications of business decisions, compared with only 37% of urban firms. In addition, a slightly higher proportion of rural businesses said that environmental impact should be part of a business's bottom line. These are positive findings and some good building blocks for businesses to take action personally to reduce climate change and biodiversity degradation. However, in common with other surveys, there was evidence that rural firms were less likely to plan than urban ones, with just over half saying that they have a business plan, compared with two-thirds of urban businesses. The Business Futures Survey of around 1,000 UK SMEs was conducted in autumn 2020 and was led by the Enterprise Research Centre (ERC), one of NICRE's founding university partners. Strutt & Parker is one of NICRE's founding commercial partners.

### Government's rural proofing in England needs vast improvement

Defra published its first annual rural proofing report in March and invited comments on it. It may wish it hadn't. Comments from the Rural Coalition, whose 13 members include ACRE, CLA, CPRE and the RICS, are damning:

- It not clear whether government departments have followed the government's own guidance on rural proofing.
- There is little evidence that the national policies cited in the report have been rural proofed or capitalise on rural opportunities.
- There is very little mention of policies from four key departments - HM Treasury, Home Office, Department of Work and Pensions and Ministry of Justice - all of which have a significant impact on the lives of rural people.
- Some of the rural proofing outcomes claimed in the report appear to be over-stated or over-simplified.

The Coalition also makes the sensible point that future reports should include evidence about the rural proofing of all Government legislation and all White Papers – i.e., that evidence of their expected impacts are published - which is when the rural proofing process should start. The Coalition's final point is also important – that the Government must develop and publish its strategic vision for rural areas, which should include a commitment to fair funding for rural areas; it promised to 'expand on its strategic vision [for rural areas]' in July 2019. We still have not seen it.

### EU smart villages

This fascinating concept started as a European Commission 'theme' of how to revitalise rural services through digital and social innovation. The concept has been running for four years and lots of information on what interesting places across Europe have done is available in the [Smart Villages Portal](#). There is also a [short useful summary](#), which has links to rural places that have improved communications, renewable energy, mobility, low impact living, health and social care and cultural heritage. There is something here for everyone and every place.