

# Land Business Tracker | September 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>• 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>Or <a href="#">download our one page chart</a> on when each scheme is likely to open.</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 your profits.</p>
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<p><b>PROPERTY</b></p> <p><b>Stamp Duty Land Tax increase in zero rate band</b></p> <p><b>(England)</b></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 applied 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 was for transactions up to £500,000.</p> <p>From 1<sup>st</sup> July 2021 to 30<sup>th</sup> September 2021, the zero 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>Cuts to the zero rate band end 30<sup>th</sup> September 2021.</p> <p>The non-UK SDLT surcharge applies from 1<sup>st</sup> April 2021.</p>	<p>Effective immediately.</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.		
<b>PROPERTY</b> <b>Changes to permitted development rights allowing commercial premises to be converted into homes (England)</b> <a href="#">Find out more</a>	These new permitted development rights allow for the change of use from commercial, business use and service use (Class E) to residential use (Class C3), opening up new opportunities for farmers and landowners.  The new class MA allows a wider range of buildings to be converted than under the Class E designation introduced in 2020.	Class MA rights take effect from 1st August 2021.	Review conversion opportunities.  Contact <a href="#">Fraser McKenna</a> or <a href="#">Alice Robinson</a> for further details.
<b>PROPERTY</b> <b>Agricultural Holdings Act 1986 successions – changes to the suitability test (England)</b> <a href="#">Find out more</a>	The Regulations abolish the commercial unit test in England and set out the new business competency test.	With effect from 1st September 2024.	Review how the changes affect long-term succession planning – for both landlord and tenant.
<b>RESIDENTIAL LETTINGS</b> <b>Electrical safety in the private rented sector (England)</b> <a href="#">Find out more</a>  NB Similar regulations already apply in Scotland.	The Regulations require landlords to have electrical installations in privately rented homes checked every five years.  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> .	With effect from 1st July 2020 for new tenancies.  With effect from 1st April 2021 for existing tenancies.	Anyone commissioning a check must make sure that it is done by someone competent and with current qualifications.  Download our <a href="#">checklist</a> .  For more details speak to <a href="#">Jess Waddington</a> .
<b>SHOOTING</b> <b>Licensing regime for releasing gamebirds on and around protected sites (England)</b> <a href="#">Find out more</a>	Introduces a requirement to comply with the terms of a new general licence for the release of pheasants and red-legged partridges on or within 500 metres of Special Areas of Conservation and Special Protection Areas.	With effect from 31st May 2021.	Effective immediately.  Note licence conditions when planning shoot activities.
<b>TAXATION</b> <b>Annual Investment Allowance temporary cap and 130% ‘super-deduction’ (UK)</b> <a href="#">Find out more</a>	The Annual Investment Allowance, which provides tax relief on expenditure on plant and machinery assets of up to £1 million, has been extended until 1st January 2022. The government also announced a 130% ‘super-deduction’ first year allowance on qualifying plant and machinery investments in the Budget.	Effective until 31st March 2023.	Review expenditure programmes.  The rules on which assets qualify are complicated. For more detail, speak to our director of tax, <a href="#">Jonathan Smith</a> .
<b>TAXATION</b>	Sub contractors working for a main contractor will not have to charge or account for VAT on supplies to the main contractor. Instead, the main contractor will have to account for VAT as a	With effect from 1st March 2021.	Sub contractors should review their VAT position as they could have much lower input



<p><b>VAT: reverse charge for building and construction services</b> (UK) <a href="#">Find out more</a></p>	<p>'reverse charge' on their onward supply to the final customer.</p> <p>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.</p>	<p>VAT and may need to deregister from the Flat Rate Scheme to avoid paying additional VAT to HMRC.</p>
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## Monitor now

Regulation	Description	Key dates	Action
<p><b>ENVIRONMENT</b></p> <p><b>Environment Bill 2021 – 22</b> (UK) <a href="#">Find out more</a></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"> <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>	<p>Now at House of Lords - Report stage.</p> <p>The Bill is expected to become law during 2021.</p>	<p>Track.</p> <p>Consider whether development could be 'enabled' by offering Biodiversity Net Gain, by providing / selling it to developers. Contact <a href="#">Jeremy Dawson</a>.</p>
<p><b>ENVIRONMENT</b></p> <p><b>Local Nature Recovery Strategies: how to prepare and what to include</b> (England) <a href="#">Find out more</a></p>	<p>Defra has opened a consultation on Local Nature Recovery Strategies.</p> <p>This is important as the Strategies are likely to affect how Environmental Land Management (ELM) schemes operate and also Biodiversity Net Gain (BNG).</p>	<p>Consultation closes on 2nd November 2021.</p>	<p>Monitor.</p> <p>Consider whether development could be 'enabled' by offering Biodiversity Net Gain, by providing / selling it to developers. Contact <a href="#">Jeremy Dawson</a>.</p>
<p><b>ECONOMY</b></p> <p><b>Employment Rights Act 1996 (Protection from Detriment in Health and Safety Cases) (Amendment) Order 2021</b> (UK) <a href="#">Find out more</a></p>	<p>The Order gives workers the same rights as employees not be subjected to a detriment for leaving, or refusing to return to, their workplace in health and safety cases.</p>	<p>Effective from 31st May 2021.</p>	<p>Monitor.</p>
<p><b>FARMING</b></p> <p><b>UK Action Plan for Animal Welfare</b> (UK probably, but animal welfare is a devolved issue) <a href="#">Find out more</a></p>	<p>Proposals include:</p> <ul style="list-style-type: none"> <li>• A ban on export of live animals for fattening or slaughter. It is expected to start in 2022.</li> <li>• A review of the use of farrowing crates and laying hen cages.</li> <li>• Increased penalties for animal welfare offences.</li> <li>• Further restrictions on the sale and use of lead ammunition.</li> <li>• A call for evidence on the use of snares.</li> </ul>	<p>The action plan was published on 12<sup>th</sup> May 2021.</p>	<p>Monitor.</p>

<p><b>FARMING</b></p> <p><b>The Dogs (Protection of Livestock) (Amendment) (Scotland) Bill</b> (Scotland) <a href="#">Find out more</a></p>	<p>The Act increases the penalties for worrying of livestock by dogs and gives the police greater powers to investigate and enforce livestock worrying offences.</p>	<p>The Act received Royal Assent on 5th May 2021.</p>	<p>Most provisions are effective from 6th November 2021.</p>
<p><b>FARMING</b></p> <p><b>Local food for everyone</b> (Scotland) <a href="#">Find out more</a></p>	<p>The Scottish Government has opened a consultation on its local food strategy, which focuses on connecting people with food; connecting Scottish producers with buyers; and increasing public sector procurement. The consultation also covers vertical farming.</p>	<p>Consultation closes on 26<sup>th</sup> November 2021.</p>	<p>Monitor.</p>
<p><b>GENERAL</b></p> <p><b>Charities Bill 2021 - 22</b> (England and Wales) <a href="#">Find out more</a></p>	<p>The Bill includes:</p> <ul style="list-style-type: none"> <li>• Giving charities more flexibility to obtain tailored advice when they sell land.</li> <li>• Increasing flexibility for charities to use their permanent endowment (assets or investments where the capital value must be preserved).</li> <li>• Changing the law to help charities amend their governing documents more easily.</li> </ul>	<p>Now at House of Lords – 2<sup>nd</sup> reading.</p>	<p>Monitor.</p>
<p><b>GENERAL</b></p> <p><b>Building Safety Bill 2021 - 22</b> (England and Wales) <a href="#">Find out more</a></p>	<p>Proposals include:</p> <ul style="list-style-type: none"> <li>• A national Building Safety Regulator to be established via the HSE.</li> <li>• Extending rights to compensation for substandard workmanship and unacceptable defects from 6 to 15 years after construction.</li> </ul>	<p>Now at House of Commons – committee stage.</p>	<p>Monitor.</p>
<p><b>PLANNING</b></p> <p><b>Planning Bill 2021 – 22</b> (England and Wales) <a href="#">Find out more</a></p>	<p>Proposals to modernise the planning system, including:</p> <ul style="list-style-type: none"> <li>• Changing local plans so that they provide more certainty over the development allowed on different categories of land.</li> <li>• Reducing the time taken for proposals to go through the planning process.</li> <li>• Introducing a new levy to replace affordable housing and infrastructure levies.</li> </ul>	<p>Announced in the Queen’s Speech on 11<sup>th</sup> May 2021.  Draft Bill expected in 2021.</p>	<p>Monitor.</p>
<p><b>PROPERTY</b></p> <p><b>Domestic smoke and carbon monoxide alarms</b> (England) <a href="#">Find out more</a></p>	<p>Proposals include requiring landlords to fit a carbon monoxide alarm:</p> <ul style="list-style-type: none"> <li>• In any room used as living accommodation where there is a fixed combustion appliance.</li> <li>• Next to all fixed combustion appliances of any fuel type (excluding gas cookers).</li> <li>• Each storey which has living accommodation.</li> </ul>	<p>Consultation closed on 11<sup>th</sup> January 2021.</p>	<p>Monitor.  Fitting alarms in the situations covered by the consultation is best practice and should be considered by all landlords now.</p>
<p><b>PROPERTY</b></p> <p><b>Business rates review</b> (UK) <a href="#">Find out more</a></p>	<p>Proposals on how the business rates system could be reviewed, issues to be addressed, ideas for change and a number of alternative taxes.</p>	<p>Interim report published in March 2021.  Final report due in autumn 2021.</p>	<p>Monitor.</p>
<p><b>PROPERTY</b></p>	<p>The Regulations’ aim is to increase transparency in relation to who has control over decision-making in relation to land. They create the</p>	<p>The register will become</p>	<p>Monitor.</p>

<p><b>Increased transparency in land ownership</b> (Scotland) <a href="#">Find out more</a></p>	<p>framework for a new register, which will be maintained by The Registers of Scotland.</p>	<p>operational on 1st April 2022.</p>	
<p><b>RESIDENTIAL LETTINGS</b> <b>Renting Homes (Amendment) (Wales) Act</b> (Wales) <a href="#">Find out more</a></p>	<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>	<p>Expected to be effective from Spring 2022 (was previously June 2021).</p>	<p>Track.</p>
<p><b>RESIDENTIAL LETTINGS</b> <b>Energy Efficiency (Domestic Private Rented Property) (Scotland) Regulations</b> (Scotland) <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> <b>Improving the energy performance of privately rented homes in England and Wales</b> NB Scotland wants similar improvements in energy efficiency. <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. Requiring the private rented sector to support the uptake of smart meters.</li> </ol>	<p>Consultation closed 8<sup>th</sup> January 2021.</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> <b>Renters' Reform Bill</b> (England) <a href="#">Find out more</a></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 changed several times. Currently, a s21 notice served on or after 1<sup>st</sup> June 2021 must give a minimum four month notice period (with some specific exceptions).</i></p>	<p>Announced in the Queen's Speech on 11<sup>th</sup> May 2021.</p> <p>A White Paper is due in autumn 2021.</p>	<p>Landlords should consider the potential impact of the proposed changes on their properties.</p> <p>For more details speak to <a href="#">Jess Waddington</a>.</p>
<p><b>SHOOTING</b> <b>Grouse Moor Management Group recommendations</b> (Scotland) <a href="#">Find out more</a></p>	<p>Following the Werrity Report, the Scottish Government has proposed:</p> <ul style="list-style-type: none"> <li>• To introduce a Code of Practice on grouse shooting.</li> <li>• An accreditation scheme on grouse moor management.</li> <li>• A licensing scheme for grouse shooting if the ecological sustainability of grouse moor</li> </ul>	<p>Government response to the Werrity Report published 26<sup>th</sup> November 2020.</p>	<p>Monitor.</p>



	management (which means bird of prey populations) do not increase within five years.		
<b>TELECOMS</b> <b>Changes to permitted development rights for telecoms infrastructure (England)</b> <a href="#">Find out more</a>	Consultation on whether to allow existing masts to be increased to up to 30 metres height (and 25m in protected areas) under permitted development rights.	Consultation closed on 14 <sup>th</sup> June 2021. Feedback is being analysed.	Monitor.



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