

Land Business Update

Week commencing 9th January 2023

Farming and land use

Countryside Stewardship and SFI 2023 changes in payment rates

Defra has announced an increase in the payments under the Countryside Stewardship Scheme (CSS) and Sustainable Farming Incentive (SFI) to encourage more farmers to sign up. CSS revenue payments will increase by an average of 10% and capital payments will increase by an average of 48%. The dates from which the increases become effective are different. There is also a new top up payment for the SFI of up to £1,000 per agreement per year. For more information, please read our [blog post here](#).

2023 is the last year of the current cross compliance regime

Defra has published its [cross compliance guidance](#) for 2023 and has confirmed that this year will be the last of the current regime. In 2023, cross compliance will apply to BPS and most agri-environment schemes. From 2024, when payments are de-linked from land, cross compliance per se will cease to apply almost most of its rules will still apply as they are written down in legislation.

New funding for robotics and innovation now open

The competition opened on 9th January and is part of the UK Research and Innovation Farming Innovation Programme. Business can apply for a share of the £12.5m funding available for increasing productivity and sustainability in the farming sector. Two types of projects can be funded:

- [Industry-led research projects](#) with project costs between £500,000 and £1 million over 36-48 months
- [Experimental development projects](#) with project costs between £750,000-£1.5 million over 24-36 months

Projects must be collaborative and applications must be submitted by 15th March 2023.

Funding to tackle water pollution available to farmers in Severn Trent catchments

Farmers within priority catchments in the Severn Trent region can apply for funding under STEPS to tackle diffuse water pollution until 31st January. The grant is capped at £10,000 per applicant and it is a competitive scheme. Items available for funding include biobeds, rainwater harvesting and arable grass margins. Additional special packages are available with greater funding caps, such as the pesticide washdown area offer, with up to £30,000 funding available. For more information, please read the [guidance handbook](#) or contact [Marie Charles](#) if you would like help to apply.

Energy

Grant of up to £7,500 to install heat pumps in Scotland

This is a revised [Home Energy Scotland Grant](#) from the government, which provides up to £7,500 for installation of heat pumps in private houses and a further 75% grant, up to £7,500, for installing other energy efficiency measures. There is an extra £1,500 (on both grants) for homeowners in rural areas due to increased costs for home improvements. The previous requirement to take an interest-free loan alongside the grant has been removed to make it more attractive. The Grant is part of the government's £1.8bn Heat in Buildings Strategy, which includes a doubling of funding for the Home Energy Scotland scheme this year. For more details, contact Home Energy Scotland. Tenants may be eligible for grants but landlords are not (although there are other grants for landlords, such as the Private Rented Sector Landlord Loan.)

Environment

Draft biodiversity strategy for Scotland published



The strategy sets out a long-term vision for 'what good looks like for biodiversity in Scotland in 2045'. It is designed to deliver landscape-scale, transformative change, backed by evidence, with a delivery plan and a new investment plan. The priority actions it includes are accelerating nature restoration, expanding and improving protected areas, supporting nature-friendly farming, fishing and forestry and recovering vulnerable species. The government says it is based on the principle of tackling the nature and climate emergencies together. It has been welcomed by a number of environmental organisations. A final version will be published in 2023, with a delivery plan.

Environmental Targets finally published

The UK government has published a suite of 13 Environmental Targets as required under the Environment Act 2021:

Biodiversity on land

- To halt the decline in species abundance by 2030.
- To ensure that species abundance in 2042 is greater than in 2022, and at least 10% greater than 2030.
- Improve the Red List Index for England for species extinction risk by 2042, compared to 2022 levels.
- To restore or create in excess of 500,000 hectares of a range of wildlife-rich habitat outside protected sites by 2042.

Biodiversity in the sea

- 70% of the designated features in Marine Protection Areas to be in favourable condition by 2042, with the remainder in recovering condition.

Water quality and availability

- Abandoned metal mines target: Halve the length of rivers polluted by harmful metals from abandoned mines by 2038.
- Agriculture target: Reduce nitrogen (N), phosphorus (P) and sediment pollution from agriculture into the water environment by at least 40% by 2038, compared to a 2018 baseline.
- Wastewater target: Reduce phosphorus loadings from treated wastewater by 80% by 2038 against a 2020 baseline.
- Water demand target: Reduce the use of public water supply in England per head of population by 20% from the 2019/20 baseline reporting year figures, by 2037/38.

Woodland cover

- Increase total tree and woodland cover from 14.5% of land area now to 16.5% by 2050. NB 16.5% is lower than previously announced (17.5%).

Resource efficiency and waste reduction

- Reduce residual waste (excluding major mineral wastes) kg per capita by 50% by 2042 from 2019 levels.

Air quality

- Annual Mean Concentration Target for PM2.5 levels in England to be 10 µg m⁻³ or below by 2040.
- Population Exposure Reduction Target for a reduction in PM2.5 population exposure of 35% compared to 2018 by 2040.

The targets and whether they are met will be very closely scrutinised. The Wildlife Trusts have already said that the target for biodiversity is not ambitious enough and Wildlife and Countryside Link want firm government targets to improve water health. The government was widely criticised for delays in publishing the targets, despite having had over three years to develop them.

Property

Government asks for review of efficiency of the house building sector

In his letter to the Competition Markets Authority asking for the review, the Levelling Up secretary Michael Gove says that changes to the structure of the market following the financial crisis, changing demographic trends and net zero have all affected the housing sector. The CMA is expected to respond in January. Gove made the request in the same week as announcing new measures that sit next to the Levelling Up and Regeneration Bill; they include strengthening house building targets, giving local communities a greater say on new developments, the possible introduction of penalties for developers which fail to build approved homes, and a consultation on whether planning permission should be needed for new short-term lets.

Rural economy

New funding for creative businesses in six regions



Micro, small and medium sized enterprises in the creative sector can apply for funding of between £10,000 and £30,000 for innovation projects to grow their business. The £3m funding is from the Department for Digital, Culture, Media & Sport Create Growth Programme. The six regions are: Greater Manchester; the West of England with Cornwall and the Isles of Scilly; Norfolk, Suffolk and Cambridgeshire; Leicestershire, Derbyshire and Lincolnshire; Kent, Essex, East and West Sussex; and the North East of England. See [here](#) for details. Applications close on 8th February.