

Land Business Update

Week commencing 3rd April 2023

Farming

New Scottish fund to support small-scale farmers

The Small Producers Pilot Fund, to be launched later this year, will aim to help small-scale food producers to become more resilient, whilst improving their access to adequate training, skills development and more localised food supply chains (i.e. local abattoirs). Small-scale farms are an important part of the Scottish rural economy and with the right support, they will have the opportunity to make an even greater contribution to it. This Pilot Fund will replace the Small Farms Grants Scheme. Please contact Mary Munro, Head of Farming for Scotland, if you have any questions.

Forestry

Forest Market Review 2022

John Clegg & Co, our specialist forestry arm, has published a report on the commercial forestry market in Great Britain in 2022. A record £219m of commercial forestry plantations traded in the 2022 calendar year, although there are signs that global events have started to introduce more caution into the marketplace. The average price per stocked hectare sold fell back on 2021 levels to £20,800 / stocked hectare. However, 2021 was an extraordinary year for the sector when supply was low and a small number of exceptional properties sold for very high values, pushing the average sold price up by 83%. Read the full report here and please speak to Simon Hart, our head of forestry in Scotland, if you would like to discuss buying or selling forests or planting land.

Environment

Powering Up Britain day (or what was previously called Green Day)

The government published around 2,800 pages of documents on its Powering Up Britain day (30th March). The aim was to show how it 'plans to scale up affordable, clean, home-grown power and build thriving green industries'. The suite of documents included:

- An energy security plan
- A net zero growth plan
- A nature markets framework, which sets out how the government will support the development of nature markets
- A commitment to develop a harmonised way of measuring farm carbon emissions, by 2024
- An online toolkit to help land managers identify and access private payments for environmental benefits
- A response to the Climate Change Committee progress report
- A response to the net zero review chaired by Chris Skidmore MP

Despite the number of pages published, reaction has been very muted. Most of the announcements in the documents had been made previously. Commentators have pointed to the lack of ambition; the failure to deliver of existing measures, on for example energy efficiency and heat pumps; and that the UK continues to fall further behind the targets that the government set itself. The documents should be set in the context of the latest report from the Intergovernmental Panel on Climate Change (IPPC) (see below) and also the article on government targets for restoring habitats (see below).

Intergovernmental Panel on Climate Change (IPPC) Sixth Assessment Report

This sobering report by many of the world's leading environmental scientists summarises the state of knowledge of climate change, its impacts and risks, and climate change mitigation (how to reduce it) and adaptation (how to live with it). It restates the need for urgent action to reduce greenhouse gas emissions by all of us – as individuals and organisations. It is not a long report (36 pages) and worth reading. Some of the headlines are:

Climate change is a threat to human well-being and planetary health (very high confidence in this assessment).



- There is a rapidly closing window of opportunity to secure a liveable and sustainable future for all (very high confidence).
- The choices and actions implemented in this decade will have impacts now and for thousands of years (high confidence).
- Many options are available for reducing emission-intensive consumption, including through behavioural and lifestyle changes, with co-benefits for societal well-being (high confidence).

UK government weakened targets for area of restored habitats

The Guardian has reported that Natural England recommended setting a target of restoring 1.5m hectares of habitats, with a minimum of 750,000 ha, in order to meet the government's recent commitment to protect 30% of land and sea; instead, the government set the target at 500,000 ha. Separately, but related, Defra has admitted that its ambitious target of planting 30,000 miles of new hedgerows a year by 2037 and 45,000 a year by 2050 was a typo and the figures are not 'per year' but 'in total'. To put this into context, the target set by the government is well below the Climate Change Committee's recommendation of 40% more hedgerows by 2050.

Government publishes framework to support private investment in nature recovery and sustainable farming in England

The Government's target is to achieve a growth of at least £500 million every year by 2027 in England for private investments in ecosystem services. To create an enabling environment for this level of investment to happen, Defra has developed the Nature Markets Framework. It aims to support the development and operation of 'high-integrity markets that enable firms to finance the provision of ecosystem services' (i.e. carbon sequestration, natural flood management, biodiversity). Although a lot of the content of the framework has been announced before, there are some new elements, including:

- Development of a Woodland Water Code by the Forestry Commission, to enable investment in water-related benefits i.e. flood mitigation and water quality.
- An approach to harmonise carbon audits on farms, with government support for farmers to undertake them from 2024
- Development of investment standards across nature markets by the British Standards Institution.
- A toolkit to be launched this summer by the Green Finance Institute to help farmers identify, navigate and access private sector investment to pay for nature positive outcomes.

BSI and Defra launch Nature Investment Standards Programme

Following on from the Nature Markets Framework, this programme will develop a new standards framework to support the development of nature markets and prevent greenwashing. This UK wide framework should provide a strong and high-integrity benchmark basis for industry codes, enabling an increase in private investment in nature markets. This will ultimately help in reaching wider nature recovery and environmental targets.

Welsh peatland restoration delivery grant

Grants of £50-250,000 are available to fund 100% of eligible peatland restoration project costs. This is a competitive grant with a total of £500,000 available this year and £2.5m over the next two years. It follows two rounds of development grants in 2022-2023 to plan projects. The closing date for applications is 1^{st} July.

Property and rural economy

Wildlife Management and Muirburn Bill introduced to Scottish Parliament

This wide-ranging Bill has a number of aims and is likely to be highly debated and contested. They include:

- Regulating the use of muirburn, which is controlled burning of vegetation, on peatland. It is proposed that licenses for burning on peat will only be granted in exceptional circumstances, such as for wildfire prevention.
- Ensuring grouse moors are managed sustainably.
- Ending raptor persecution, which the Scottish Government says is carried out by a 'destructive minority'.
- Banning the use of glue traps for rodents and changing regulations for the use of other types of animal traps.

Renters' Reform Bill in England

The government has reaffirmed that it intends to pass key elements of the Bill that affect landlords. Tenants will be protected from 'no fault evictions' as section 21 notices will be banned and from rent rises more than once a year; however, all new private tenancy agreements will include clauses that specifically ban antisocial behaviour. Landlords will be able to evict tenants who are disruptive, behave in a way that is <u>capable</u> of causing nuisance or annoyance or fall behind on their rent within two weeks, rather than four. The government has stated that eviction cases will be prioritised by courts; how this will work in practice, with record court back logs, will be watched with interest.

Warning over septic tanks regulation requirements for rural properties



Homeowners were given until January 2020 to update their sceptic tanks to meet new regulation requirements introduced in 2015. However, it is believed that many are unaware of the new requirements and have not yet done them. Failing to update systems can be quite costly, as it can reduce property values and expose homeowners to a potential fine from the Environment Agency of up to £100k. With a strong increase of buyer demand and house price growth in rural areas in recent years, we urge house sellers selling their rural properties with sceptic tanks to check whether these have been updated as per the new regulation, to avoid any unexpected upgrade costs.

£250,000 available for community projects in rural UK

Grants of up to £25,000 are available from The Prince's Countryside Fund towards projects that will make a difference in rural communities and meet a need within a community. Applications must be made by 11th April.

Right to rent checks in England

The checks that landlords are required to carry out on tenants have been amended and a new How to Rent Guide has been published. Please speak to <u>Sarah Roberts</u>, in our Residential Lettings and Property Management team, for more details.