

Land Business Update

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What a Labour Government could mean for the rural sector

After a six-week campaign, Labour has won the 2024 General Election. In this special edition of Land Business Update we address the question of what a Labour Government could mean for the farming and wider rural sector. We've reviewed its manifesto and analysed key statements from shadow ministers made before the election to highlight some of the party's key commitments.

An overview

Dr Jason Beedell, Rural Research Director, says: *"Sometimes the most important things are those that don't happen, and that is the case with the Labour Party's manifesto and proposals for farming and the countryside."*

"What isn't expected are large-scale changes to farm policy and agri-environment schemes. Labour representatives have also made public statements that they have no plans to change agricultural property relief on farmland. They also say they will not tell landowners what to grow and the public what to eat and while they do want to 'improve responsible access to nature' this will not be a right to roam over farmland."

"All of this is not surprising. Labour has been, quietly and not so quietly, courting the rural vote, including landowners. It wants to give the impression that it understands the sector and that it will be supportive of it. At every opportunity the Party has been at pains to reassure the audience and to not scare the horses."

"However, it has made commitments on planning and renewable energy generation which do have the potential to change how the countryside looks and works. These will bring both opportunities and challenges for landowners and rural communities."

Farm support and agri-environment schemes

Labour has said that there will be no significant change from current policies. The manifesto says that it, '...recognises that food security is national security. That is why we will champion British farming whilst protecting the environment.'

Jonty Armitage, Head of Farming, says: *"I think that this is the right approach as farmers need certainty. There has been considerable change in farm support and we are coming towards the end of a seven-year transition period. The sector has largely adapted to the changes and some, like the Sustainable Farming Incentive, are starting to be taken up by a significant proportion of farmers. Labour says that it will 'improve' the schemes. We don't know what this means but we hope that it means that there will be more focus on skills and training for land managers so that the schemes do actually improve productivity, decarbonise farming systems and deliver the expected environmental outcomes."*

Farming budget

One unknown is how much money Labour will commit to the farming budget. Many organisations have been calling for clarity and some for an increase in spending. Labour has committed to current spending levels this year and says it will decide future spending once it has carried out a spending review this autumn, so it knows how much money is available.

Land use framework

Labour plans to introduce a land use framework, which is something that the previous Government promised but has been repeatedly delayed.

Dr Jason Beedell, Rural Research Director, says: *"We support Labour's intention to produce a land use framework. We think it will give the sector much needed direction on how to balance the different things now expected from land, including food production, nature recovery and benefits to communities. We would also like to see the framework supported by a national food strategy, that includes consumers as well as food producers, and comprehensive strategies for horticulture, crop and livestock production."*



Public food procurement, bovine TB and border checks

Positively, Labour is also proposing that half of all food purchased by the public sector should be locally produced or certified to higher environmental standards.

It says it will work with farmers and scientists to eradicate bovine TB, although its commitment to 'end the ineffective badger cull' puts it at odds with the NFU and some other farming organisations.

It has also committed to negotiate a veterinary agreement with the EU to prevent unnecessary border checks to remove barriers to businesses.

Agricultural Property Relief and inheritance tax

Many long-term decisions about land are driven by inheritance tax.

Labour has said it has no plans to change Agricultural Property Relief (APR), which allows farmland to be transferred between generations without incurring inheritance tax. It is a long-standing relief which the NFU says is important for helping to keep small family businesses alive and for encouraging land to be available to rent.

Rhodri Thomas, Head of Rural, says having this continuity in policy is important for the sector. "Having this certainty means some landowners will consider letting land out, including to new entrants, and that the sector can focus on delivering its, and the new Government's, aims without the distraction of new capital tax planning."

APR on conservation land

We also hope that Labour maintains the recent decision to tax land used for conservation in the same way as land used for food production.

Access

Labour has said it will improve responsible access to nature by creating nine new National River Walks, one in each region of England, and establishing three new National Forests in England. However, it has said it will not introduce a Scottish-style right to roam across farmland. Steve Reed, who was previously Shadow Secretary of State for Environment, Food and Rural Affairs, said such a right could cause damage to valuable crops and stock.

What to eat

Labour has said it will not tell the public to eat less meat to help the climate, saying that it is up to people to take their own decisions about the kind of diet that they eat.

So what might Labour do that affects how the countryside works and looks?

Two of the biggest changes proposed are on planning and renewable energy generation.

Planning

Greenbelt, housebuilding and planning reform

Within the first weeks, the Party will publish a new draft national planning policy framework (NPPF), which will reimpose local housing targets based on the needs of areas. The Party has adopted a brownfield-first approach with a 'fast-track' route through the planning system for new homes on previously developed land. Whilst this will help prioritise the use of brownfield land and build on existing policy support, there is currently a lack of detail of what this means in practice. Ultimately, there will also be strategic consideration of the Green Belt in order to meet housing needs. Local authorities will be asked to review whether any green belt land which is not really greenbelt – they call it 'grey belt' – can be used for house building.

It has been estimated that reclassifying 1% of greenbelt in England could produce enough land for over 700,000 new homes, which is almost half of the target of 1.5 million over the five-year parliament. Angela Rayner, who is expected to be housing secretary, will announce a housebuilding programme to complement the target.

Increasing capacity and consistency



The Party also aims to recruit an additional 300 planning officers to try to speed up decision-making. We welcome this but await details on how they will be recruited and where they will be deployed before establishing the effectiveness of this ambition.

Hope value on development land

Less welcome for landowners with land suitable for development is the proposal to buy land at or near to its existing value, not at development or hope value, where there is a public interest in doing so. Labour will investigate how it can do this. How to 'capture' land value is not a new or solely a Labour idea – it was investigated in depth by the Conservative Government in 2017 and 2018 but not acted upon.

Caroline McDade, National Head of Planning, says: *"We welcome, particularly for planning and housebuilding, Labour's intention to appoint ministers for five years – the whole length of the parliament – so there is longer-term consistency (and accountability) in policy making. There have been 16 housing ministers in the last 13 years, and seven in the past two years alone. Unlocking infrastructure challenges, such as water scarcity and nutrient neutrality, to release land from constraints is also welcome. Uncertainty around hope value for development land, however, will be less welcome."*

Renewable energy

Labour has also pledged to speed up the transition to clean energy, to double energy efficiency spending and to develop a new green industrial strategy.

In terms of how the countryside looks, the most significant of these proposals is speeding up the clean energy transition. Key elements of it are to quadruple offshore wind generation by 2030, triple solar power and double onshore wind by 2030.

Donna Rourke, Head of ESG and Sustainability, says: *"We support Labour's intention to speed up the transition to clean energy, double energy efficiency spending and develop a new green industrial strategy. The focus on removing barriers to renewable energy projects should offer landowners the opportunity to develop income streams from the provision of solar, wind and hydro energy schemes and the hosting of infrastructure on their land, reduce their exposure to energy price volatility risk, and of course, it will play a significant part in the transition to a more liveable future. As ever, the devil is in the detail and the increase in infrastructure will also create land use challenges – this is where renewable energy needs to be part of a sensible long-term land use plan, along with food, nature and development."*

Contacts



Jason BEEDELL
Head of Rural
Research

*jason.beedell@
struttandparker.com*



Jeremy DAWSON
Head of Energy

*jeremy.dawson@
struttandparker.com*



Caroline MCDADE
Head of National
Planning

*caroline.mcdade@
realestate.bnpparibas*

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