

Land Business Update

Week commencing 9 December 2024

Environment & natural capital

Scottish Government publishes Natural Capital Markets Framework

The aim of the Framework is to create the conditions needed to encourage flows of private capital into Scotland's natural environment. It is based on six principles that investments should adhere to, many of which echo the Government's principles on land reform and use. It also identifies seven key interventions by 2026 to increase high-integrity investment:

1. Coordinate a 'peatland pilot' to explore how to integrate public and private funding for peatland restoration.
2. Use policies in the National Planning Framework 4 (NPF4) to secure positive effects for biodiversity from development. This includes NatureScot developing a biodiversity metric, which will be based on the English one.
3. Continue to develop the Woodland Carbon Code and Peatland Codes so that they increase investment in biodiversity as well as carbon.
4. Develop an ecosystem restoration code to support developing voluntary nature and biodiversity markets.
5. Decide whether to integrate nature-based solutions for greenhouse gas removal into the UK emissions trading scheme (ETS).
6. Support investment through the Private Investment in Natural Capital (PINC) programme.
7. Use the PINC programme to promote large-scale investment opportunities.

The Framework comes into immediate effect as a guide for the next steps for supporting this market.

National map of real-time sewage spills in rivers and seas in England

The [National Storm Overflows Hub](#) is the first time such data, mapped in a consistent way, has been publicly available. It is likely to be used for water sports but can be used by anyone, including landowners, to assess the impact of sewage discharges into water courses. While campaigners have welcomed the availability of the data, they have said that water companies were forced by law to provide it. NB The map is limited to England. Some data for Scotland, Wales and Northern Ireland is available through Surfers Against Sewage's pollution alert.

Farming

Scottish farming budget set

The budget gives some security in the short-term but only for the year ahead with £680m allocated to farming and crofting for 2025/26. That secures Basic Payments, LFASS and voluntary coupled support (beef calf and breeding ewe hogg payments) at the current payment rates. The £46m that was previously withheld will be added back to the farming budget, with £20m in the next year and the balancing £26m the year after.

Industry stakeholders are disappointed that there is not a multi-year commitment that they say would provide some certainty and allow for meaningful forward planning. In addition, AECS funding looks to have been reduced slightly (although full details not available yet) and it looks like forestry grant schemes have received increased funding (details not available yet). If you would like to discuss Scottish rural funding, please contact [Stephen Whiteford](#).

Agri-environment capital grant applications temporarily closed in England

Defra has temporarily closed the main capital grant offers to most new applications in England as it says that demand has increased significantly – by almost 50% compared with 2023/24 and by over 100% compared with 2022/23. It says it will provide an update in early 2025 and that applications it had received for capital grants have been placed on hold. The Woodland Tree Health grants, Countryside Stewardship Higher Tier capital grants and Protection and Infrastructure grants are unaffected and will continue to be made. NB Payments under existing agreements will continue as usual as this change only impacts new applications.



Signs that agri-environment schemes are having a positive effect on the condition of England's hedgerows

The proportion of hedgerows in good structural condition has increased (to 64% on farms in agri-environment schemes (AESs) and 47% on farms not in schemes) and the height of hedges has generally increased (with them slightly taller in AESs), according to data from a national hedgerow survey conducted for Natural England by UKCEH. However, the data, which compares 2023 with a base line of 2007, showed that the overall length of managed hedgerows has not increased and that many hedges continue to deteriorate due a lack of maintenance, resulting in gaps or lines of trees. S&P comment: managing hedges well for nature is one of the simplest and most visible things that can be done on a farm. Combined with field margins and buffer strips (which can be paid for under an AES), they reduce soil erosion and insecticide spray costs, reduce pollution run off and also create a network for wildlife.

Methane reducing cow feed additive criticised

Arla is running a small UK trial of the additive Bovaer, which it is claimed can reduce methane emissions from a cow by 10-30%. A teaspoon of the additive is added to the about two wheelbarrows' volume of food a cow eats each day. The additive has been approved by regulators in over 100 countries but critics say that it is potentially toxic, carcinogenic and affects fertility. The criticism may also stem from a supposed link to Bill Gates. It works by affecting an enzyme in a cow's stomach to prevent hydrogen and carbon dioxide combining during digestion to produce methane. Arla and independent academics in the UK say there is no evidence that the additive is passed on in milk.

Wales's Sustainable Farming Scheme proposed to change following feedback

The Welsh Government has made a number of proposed changes to the Scheme following critical feedback from the farming sector on the original design. The structure of the Scheme remains the same – with a Universal layer for all land managers and Optional and Collaborative Actions for farmers who choose to do more – but the following changes are proposed:

- 10% tree cover requirement on individual farms dropped – instead there will be a tree cover target for the Scheme nationally. Individual farms will be required to produce a tree planting and hedgerow creation opportunity plan and show progress towards implementing it by 2030. NB Farms will still be asked to manage 10% of their land as habitat.
- The number of Universal options has been reduced from 17 to 12. Some of the modified peatland and ponds / scrapes options have been made Optional. Actions covering animal health, welfare and biosecurity have been combined into a single Universal Action.

The next step is for a new impact assessment to be produced before decisions on the design of the Scheme are finalised in 2025.

Tree Species Guide for UK Agroforestry Systems

A [new guide](#) has been produced by Forest Research and The University of Reading, on the characteristics, environmental tolerances and silvicultural characteristics of 33 species of trees and shrubs that could be planted in UK agroforestry systems.

Property & Rural Economy

Class Q permitted development - conversion vs rebuilding

A case in Oxfordshire has confirmed the position that a proposal will only qualify for Class Q Permitted Development Rights if it is truly a conversion, rather than a re-build. In this case, where the roof and walls would be completely replaced, the inspector said the proposal would be 'in all practical terms, starting afresh with only a modest amount of help from the original building'. Please contact [Yasmin Bell](#) if you would like to discuss Permitted Development Rights.

Planning reform announcements

The Government is proposing to give local planning officers the power to approve planning proposals that comply with existing development plans without them being approved (or scrutinised) by planning committees. The logic is that the proposals will have already been subject to democratic scrutiny through the local plan process. It is part of the Government's strategy to reduce delays on development. It has already called in some projects so that it, rather than local councils, decide whether they are approved, including housing and data centre proposals. Proposed reforms to the National Planning Policy Framework are expected to be published this week.

Major changes to domestic Energy Performance Certificates being proposed

The Government [consultation paper](#) proposes replacing energy efficiency ratings for domestic buildings with four new headline metrics. The paper says that the current single metric used in EPCs - the environmental energy rating - is not sufficient for user's needs or policy objectives. The four proposed metrics are fabric performance, heating system, smart readiness and energy costs. It is not clear how these metrics will be combined and relate to the updated Minimum Energy Efficiency Standards (MEES) or the



future Decent Homes Standard. The consultation paper also proposes shortening the period for which EPCs are valid from 10 years and that an EPC should be valid throughout the period of a tenancy. Currently, a landlord is not required to get a new EPC if a tenancy continues after an EPC expires. The consultation closes on 26 February. The changes to EPCs are expected to be introduced in 2026, with a transition period to follow. The Government is also working on the development of a Home Energy Model for domestic buildings, which will inform the new EPC methodology and will be consulted upon in 2025. NB The Government is not proposing to change the metric used for non-domestic buildings - the Environmental Impact Rating - but is asking for feedback.

Contacts

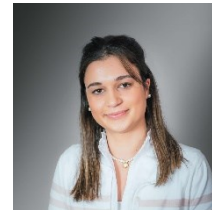


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