

# Land Business Update

Week commencing 27 January 2025

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## Farming & food

### Farm Rents in England in 2023/24

The average rent for a Farm Business Tenancy (FBT), across all farm types, rose by 3% in the year to 28 February 2024, according to the latest data from Defra. The data comes from the Farm Business Survey sample of 1,373 farms but the sample for some categories is very small so it should be treated carefully and as a general indicator only. FBT rents are recorded as rising for most farm types, apart from general cropping farms and both lowland and hill grazing. They also rose in most regions apart from North East / Yorkshire & Humber, and the South West. There are broadly similar trends for Full Agricultural Tenancies, which include Agricultural Holdings Act lettings.

### Red Tractor Assurance review calls for change in leadership and culture

The review was requested in early 2024 due to concern by farmers and their unions about a proposal to add an additional (voluntary) module to assess environmental actions on farms, called the Greener Farms Commitment. The review says that farmers have lost confidence in the Red Tractor scheme and that, although it is widely supported by some sectors, many farmers feel it is imposed on them but not 'owned by them'. Given this, it calls for a change in the scheme's leadership, governance and culture, with lessons learned from schemes in Scotland and Wales, which are considered to have worked more effectively. The review also concluded that farm assurance schemes are providing assurances to consumers about the way their food is produced.

### Early EU thinking on the next Common Agricultural Policy

The EU is starting to consider how CAP funding might be allocated after 2028, when the next multi-annual budget starts. It is interesting to listen to what the new EU farm commissioner, Christophe Hansen, who took office on December 1, is saying:

- His thoughts are that the CAP would not move 'entirely' away from hectare-based payments but that there would be significant changes in allocation.
- As well as crops, farmers could grow crops for biofuels, use their land for renewable energy sources and plant trees that could be monetised as carbon credits – so a greater steer towards different uses and diversification.
- Greater transparency in retail pricing.

## Energy

### Workplace Charging Scheme grant ending 31 March (UK)

The [scheme](#) covers up to 75% of the total costs of the purchase and installation of EV chargepoints (including VAT), capped at a maximum of £350 per socket and 40 sockets across all sites per applicant. It is open to eligible businesses, charities, public sector organisations and small accommodation businesses.

### Record breaking number of rooftop solar panels and heat pumps installed in 2024 (UK)

More than 260,000 installations were made by Microgeneration Certification Scheme (MCS) certified contractors to UK homes and small businesses in 2024. This is 7% more than in 2023, which was the previous record. This takes the total number of certified installations to over two million. Over 180,000 solar PV installations were made and 20,000 batteries installed. Almost 60,000 heat pumps were installed (up 43% on 2023); this was boosted by grants of up to £7,500 under the Boiler Upgrade Scheme in England and Wales, and up to £9,000 (including the rural uplift) under the Home Energy Scotland Grant and Loan.

Thinking about retrofitting more widely, there are a number of initiatives on taking a place-based approach to retrofitting homes and communities, including the UK Green Building Council's new [Regenerative Places Programme](#) and the [Local Area Retrofit Accelerator](#) (LARA) which supports localities to develop local retrofit strategies to scale-up and accelerate home retrofit; current pilot projects are in Derbyshire and Nottinghamshire, Hertfordshire, Liverpool and Surrey.



## Natural capital & environment

### Lack of planning to reverse nature decline in Wales

The government is lacking a 'plan, action and investment' to reverse the decline, according to a critical report by the Senedd's environment committee. One in six species - such as water voles and curlews - are currently at risk of vanishing from Wales. The reports cites numerous examples of 'delays, undelivered commitments, and missed deadlines' and the committee chairman said that rhetoric on nature loss "isn't followed up with action".

### Government is falling short on most targets to improve the environment in England

On a similar theme to Wales, the Office for Environmental Protection's annual review said that the window of opportunity to redress environmental harms is closing, while the effort needed and cost to do so increases. It called on the government to catch up not just by developing plans, but then by fully and effectively implementing them. Areas of concern related to land use include achieving the 'thriving plants and wildlife' target and general biodiversity trends. The report says that nature-friendly farming schemes need to be boosted, including building networks of farmers to drive nature recovery at scale.

### Labour's approach to the environment

The government is giving mixed messages as it tries to balance its policies on the environment with its growth programme. Labour MPs were ordered to block the Climate and Nature Bill which would have strengthened the UK's climate targets and established a national group to increase consultation and scrutiny on net zero and nature restoration. It is also likely that the government will approve plans for airport expansion, including a third runway at Heathrow, contrary to the advice of its own Climate Change Committee. It is also proposing to change rules on nutrient neutrality (see below). However, at the same time, it is likely to ban neonicotinoid use on sugar beet to fulfil a manifesto commitment, update the Environmental Improvement Plan and consult and then publish a Farming Roadmap, Food Strategy and Land Use Framework, all of which are likely to include policies on nature and climate. Environmental groups have reacted with concern and demanded long-term consistency in approach.

## Rural economy & property

### Greater risk that interest rates will remain higher for longer

Yields on both 10- and 30-year gilts have risen in recent weeks due to financial markets expecting the UK economy to grow less than expected and for inflation to remain above the 2% target. S&P comment from Karl McConville, head of our financial brokerage team: Even though interest rates are forecast to fall in 2025, we continue to advise clients that interest rates will remain higher for longer and the recent spike in long-term gilt yields supports this view. If your business is suffering under the pressure of current interest rates, you can talk to us about how to reduce these costs. We have a dedicated team with access to banks across the market that are innovative and supportive in this currently difficult time.

### Planning reform – changes to nutrient neutrality rules expected later in 2025

The government is proposing to change rules so that regulators can no longer require developers to mitigate any environmental impacts of development before construction can start, such as under nutrient neutrality rules. Instead, developers will be required to make a payment into a national 'nature restoration fund', which will be used to fund larger strategic nature projects. The amount of the payment is likely to be calculated by Natural England and be based on the costs of offsetting the pollution created. The government claims it will speed up development but not reduce environmental protection. The changes are expected to be in the new Planning and Infrastructure Bill, which will be published later this year.

### 2031 deadline to register missing rights of way removed (England)

The government took the decision as it said that many local authorities have struggled to record the historic rights of way on the definitive map, which are estimated to stretch over 40,000 miles. The Ramblers says that there is a backlog of over 8,000 path applications, which is growing. The Country Land and Business Association condemned the change, saying that campaigners have already had decades to record the rights of way. The government also recommitted to plant three new National Forests and create nine new National Rivers Walks.



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