

Land Business Update

Week commencing 10 March 2025

Farming & food

Sustainable Farming Incentive (SFI) scheme closed with no notice and now being 'reset'



The government caused a lot of anger and consternation when it closed the scheme on Tuesday 11 March. It said that more farmers had applied than in previous years and so the budget limit had been reached. There are now 37,000 SFI agreements and the government has said that all existing agreement holders are guaranteed to be paid for the duration of their agreements. It also said that it is planning to open a 'new scheme', with more information on it available in the summer; when it opens depends on the spending review.

Speaking on the BBC's Farming Today programme, Daniel Zeichner, Minister for Food Security and Rural Affairs, set out some of the reasoning for the closure and plans for the scheme in the future.

- When asked why the notice was so short and that their website promises six weeks' notice, he did not directly answer the question but said 'it is a demand-led scheme, we don't have an infinite amount of money' so it 'would have been known for anyone who had looked at this that these schemes would come to an end. We closed the scheme in exactly the same way as SFI22 and 23 were closed – the difference, of course, is that those schemes were under-subscribed and this one is over-subscribed, which is a measure of our success.' **S&P comment: maybe but surely there is a better way to manage and communicate such a cut off.**
- He said that they had inherited a set of schemes which did not appear to have any proper capacity to manage them and to manage the budget sensibly [and] that's why we have had to take the decision to close it because it is full'.

On the future of SFI

- The government is planning to 'reset' the scheme prior to reopening it.
- It is working on a 'new scheme', with more information provided in the summer. The new scheme will be more targeted, and 'direct funding to where there is the greatest potential to do more on nature and the least ability [for farmers] to access decent returns from agricultural markets and other forms of investment'. He said that this does not mean that some farmers will be excluded.
- The government will discuss how to best allocate funds in the future with industry stakeholders. This is likely to mean a different type of approach, as he called the current scheme a 'first come, first served scheme' and said that he wants to 'make sure that we get the best environmental outcomes for the public money that we are spending and that it goes to those who need it most and it is allocated fairly'.

On longer-term plans for farming and schemes

- He said, 'we want food produced in a sustainable way and we want farmers to make more money out of the work that they do. We have got to get farming to a better place in the future and this is part of this, which is why we are setting out a 25-year road map because we have got to give people certainty, which is what a long-term industry like farming needs'.
- When questioned about low confidence in the sector and growers not investing, he pointed to backing British produce with new rules in government catering contracts which are worth £5bn a year, as well as other actions.

Farm profits forecast to rise in 2024/25 for all sectors apart from cereals



Profits, measured by Farm Business Income, are also expected to be above or close to the five-year average, which is a positive recovery from the challenging year of 2023/24. Cereal farms (and mixed ones) have been affected by a combination of challenging weather conditions and lower output prices, which reduced their output, particularly for wheat.



| £/farm | 2024/25 forecast | 2024/25 as a % of 23/24 | Five-year average (2020/21 - 24/25) | 2024/25 as a % of five-year average |
|-----------------------------|---------------------|----------------------------|--|--|
| Cereals | 27,000 | 69% | 80,920 | 33% |
| General cropping | 108,000 | 113% | 108,320 | 100% |
| Dairy | 176,000 | 248% | 140,800 | 125% |
| Grazing livestock (Lowland) | 28,000 | 162% | 24,100 | 116% |
| Grazing livestock (LFA) | 28,000 | 119% | 30,920 | 91% |
| Specialist pigs | 155,000 | 114% | 84,620 | 183% |
| Mixed | 30,000 | 132% | 47,160 | 64% |

Rural economy & property

Planning and Infrastructure Bill

The Bill, which was introduced to Parliament this week, covers England and Wales with some provisions relevant to Scotland. It is the next step in a turbo-charged programme of “transformative reforms to get Britain building, tackle blockers and unleash billions in economic growth”. It is wide ranging in focus and builds on proposals set out in the National Planning Policy Framework (NPPF) in December and commitments to planning regime reforms –trailed in a series of working papers published in December last year and January this year. Here are seven key takeaways from our initial reading:

- **Planning decision making** – it proposes to prevent councillors at planning committee meetings making decisions on smaller applications below a set threshold, to be set between 10 and 100 homes, or on Reserved Matters applications of any scale. Mandatory training for councillors is also proposed.
- **Spatial development strategies** – it introduces a new system of ‘strategic planning’, with similarities to the system in place in London for the past twenty years. The strategies would be prepared by councils.
- **Major housing delivery** – it provides additional powers for locally-led development corporations on infrastructure and transport, although the nature of their delivery powers for housing is not known.
- **Environmental matters** - the Bill proposes the preparation of Environmental Delivery Plans (EDPs) for specific areas in order to provide a solution to nitrate and water neutrality, as well as other conservation measures. These would be underpinned by the establishment of a Nature Restoration Fund, paid into by developers in the form of a levy (similar to the Community Infrastructure Levy (CIL)).
- **Streamlining major infrastructure projects** – to try to improve the current regime's often cumbersome nature.
- **Compulsory purchase** - further reforms are proposed to enable housebuilding and more effective land assembly. This will involve a balancing of public interest with the rights of landowners.
- **Grid connectivity** - the current ‘first come, first served’ approach will be replaced with a priority-based system, with the aim of providing greater certainty for developers and investors.

S&P comment: we think that a careful balance must be struck: between accelerating development and upholding environmental protections, between streamlining processes and ensuring fairness, and between central direction and local autonomy. A commitment to collaboration, transparency, and a long-term vision will be essential to realise the intended benefits of these proposed changes.

Please contact [Caroline McDade](#) or [Tom Stanley](#) or your local planning team if you would like to discuss the Bill.

Home approvals fall to 10 year low in England but there are signs of change

The number of homes granted planning permission in England fell to 243,000 in 2024, the lowest since 2014 and well below the 370,000 that is needed to hit the government’s target of 1.5 million new homes over five years. Predictably, many of the parties involved blame someone else. Critics of the large homebuilders say that they deliberately slow supply to increase demand and house prices. The developers say that building rates are affected by demand and have called for a similar scheme to Help to Buy to boost demand. More positively, it appears that local authorities have started to approve developments, in order to keep control of decision-making, rather than face appeals to central government.

Natural capital & environment

Take part in research on integrating climate change resilience into woodland management plans



Researchers from Forest Research are inviting private woodland and forest managers across Britain to take part in interviews on how they view climate risks and how they incorporate adaptation measures into their plans. This is a great opportunity to take part in some important practical research. You can [arrange an interview here](#).

Solar farms and birds

Solar farms with infrequent cutting or with management which encourages wildflowers, trees and hedgerows to grow hosted three times as much birdlife than intensively farmed land. Solar farms which are cut more often still host double the birdlife of farmed land. The survey was done by the RSPB and Cambridge University on solar farms in East Anglia.

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