

# Land Business Update

Week commencing 24 March 2025

## Rural economy & property

### Spring statement – watch the June spending review for changes to Defra's budget

There were, as far as we can see, no new or unexpected changes that affect farming or rural businesses. There were some (anticipated) changes to welfare and defence spending but not many tax changes. The main event for the farming budget, which will affect all home countries, will be the spending review in June, which will set departmental spending plans for the three years beyond 2025/26. The Office for Budget Responsibility's forecast for these years implies significant pressures on 'unprotected' departments, which include Defra, whose day-to-day budgets may need to be cut by 0.8% a year in real terms from 2026-27 to accommodate other spending commitments.

The Chancellor's statement did include a lot of references to the boost to England's economy from the changes being made to the planning system. The OBR estimates that the reforms – which include changes to the National Planning Policy Framework and the Planning and Infrastructure Bill – will permanently increase the size of the economy by 0.2% in 2029/30, so a significant amount. The estimates are based on 1.3 million homes being built, so lower than the government's manifesto target of 1.5m. One of the few, new spending commitments was on training for construction workers.

### Rural England Prosperity Fund likely to start reopening from April

The REPF provides grants (a total of £33m in 2025, through local authorities) that support new and existing rural businesses to develop new products and facilities that will benefit the local economy, including farm businesses looking to diversify. It is also available to communities for providing essential community services and for assets for local people and businesses to benefit the local economy. It will only be [available in the places it was previously available](#); previously between £200,000 and £2m was available in the different authorities, so not very large amounts. The proportion of the costs of a project that the grant can cover appears to vary, with some authorities previously offering up to 75%. The government has issued a [revised prospectus](#); while mainly for local authorities, it is worth applicants reading it as it gives a guide to what the funding is available for, and as publicising the grant was previously highly variable between authorities. NB The grants are not for farming equipment or infrastructure or to diversify within agriculture but it will support on-farm businesses like glamping.

### Council tax on second homes – 75% of local authorities planning to double it

The changes will take effect from 1 April in many places, following a change introduced by the Levelling-up and Regeneration Act. The policy was designed to reduce pressure on local house prices but will have the side effect of supporting local authorities' budgets. Estate agents are reporting a rise in sales of second homes.

### Heat pumps hit 40,000 of government-supported installations for the first time

The 40,000 installed in 2024 is a record and up more than 50% on the previous year, mainly due to a large increase in the grant available (to £7,500 under the Boiler Upgrade Scheme). An additional 60,000 were installed without government support. However, the heat pump industry warned that pump running costs need to fall – which means cutting tax on electricity - to hit the target of installing hundreds of thousands of pumps each year. You can see an installed heat pump and talk to the home owner through the [Visit a heat pump website](#).

### Heat in Buildings Bill paused

The Scottish Government has delayed the Heat in Buildings Bill. It was going to ban fossil-based heating for buildings by 2045 and introduce new mandatory, minimum energy efficiency standards for homes (for rented property by the end of 2028, and for owner-occupied homes by the end of 2033). The government said it would reintroduce it only when satisfied it would both decarbonise houses and decrease fuel poverty. The UK Green Building Council has criticised the move as it decreases the policy certainty it says is needed to increase investment in energy efficiency and decarbonisation.

## Farming & food

### UK Pesticides National Action Plan published – finally

The Plan sets out the UK's strategy for managing pesticide use and minimising risk. It includes a target of reducing the environmental risks posed by pesticides by 10% over the next five years, monitored using a Pesticide Load Indicator, so assessment of impact rather than just volume, which is sensible. It includes:

- Encouraging integrated pest management (IPM) and alternative approaches to reduce dependency on pesticides.
- Establishing targets for reducing risks and impacts of pesticide use.
- Ensuring safe storage, handling, cleaning and disposal.

It has been cautiously welcomed by Bug Life as a positive step forward (remember, the previous government failed to produce an update for seven years); however, the charity reminded the government of the UK's international commitment to a 50% reduction by 2030. The Wildlife Trusts said the widespread and unnecessary use of pesticides, across both farmland and city streets, is a key driver behind the catastrophic decline of insect populations. It also said that many nature-friendly farmers are pioneering ways to reduce chemical use across farmland.

## Natural capital & environment

### Scottish Government publishes its *Investing in Nature Plan*

The plan outlines the practical actions that will direct public and private money towards the delivery of biodiversity priorities. It does not appear to contain anything new and feels more like a roadmap, mapping out what is being and is planned to do. It is a handy reference document of how the many different schemes, plans and funds feed into the country's Biodiversity Strategy and National Adaptation Plan.

### Overarching Principles Standard for green investments

This is good news. The Standard, published by BSI, is one of the key building blocks of the green economy. It sets out the principles that green projects, investments and finance are expected to meet and is the first standard for collective nature markets of its kind in the UK (remember we have had codes for single nature markets, like the Woodland Carbon Code), and one of the first in the world. S&P comment: the Standard should reduce (accusations of) green washing and help green markets grow. The lead author is Ian Dickie of eftec, who we are delighted to have and to continue to work with.

### River Ouse given legal rights by Lewes District Council

The Council endorsed a charter for the Sussex river which stipulates that it has the right to biodiversity, to be free from pollution and to have a say in decisions which affect it. It is the first local authority in England to do this but similar rights have been granted to rivers in New Zealand, Canada and Colombia.

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