

# Land Business Update

Week commencing 26 January 2026

## Farming & food

### Agricultural water rules to be simplified

The existing rules will be combined into one set of England-wide rules which Defra hopes will be easier to understand. The government is also consulting on changing the rules on sewage sludge spreading on farmland and possibly bringing it under the Environmental Permitting Regulations. The measures are linked to the Environmental Improvement Plan and the Water white paper (see below), and they also follow the recommendations of the Corry Review to reform regulation so that it is easier to understand and more clearly linked to desired outcomes. They also build on a ministerial roundtable last summer where the government established the *Addressing Pollution from Agriculture* programme, to work with stakeholders to reform agricultural regulations.

## Natural capital & environment

### A New Vision for Water white paper

The government has published a white paper on how it will reform the water sector. It includes five of the 88 recommendations made by the independent Cunliffe review last year. Major proposals include:

- Replacing Ofwat with a new 'super regulator' formed from four existing ones. It will be able to put failing water companies into a performance improvement regime and move away from the mark your own homework system known as operator self-monitoring.
- Stronger inspection powers, enabling the regulator to conduct 'no notice' inspections of water companies, and the introduction of water-company-specific supervisory teams.
- The new regulator will have a chief engineer to bolster its technical knowledge. Ofwat's last chief engineer left in 2005.
- Reforms to focus on long-term priorities. For example, water companies will have to carry out "MoT-style" checks of pipes and other infrastructure, as part of a more prevention-first approach to regulation.
- Measures on addressing pollution from farming (also see article above). The Rivers Trust has said that "major gaps" remain on addressing agricultural pollution.
- Water resource planning will be streamlined, synthesising multiple plans and processes into two core frameworks (one focused on water supply, and a second on water environment).
- A new Water Ombudsman will be created to support water customers, with legally binding powers to resolve customer complaints.

### Nature's decline threatens UK security

The nation's security and prosperity are at risk due to global ecosystem degradation, according to a Defra report. The report highlights "cascading risks" from ecosystem collapse, including to food insecurity, due to imports, and rising prices, including from rising fertiliser prices (which have been experienced in the recent past). It identifies critical ecosystems, including the Amazon rainforest, the Congo basin, forests in Russia and Canada, coral reefs and mangroves, that are on a "pathway to collapse." The report draws on research and expert judgement to assess a reasonable worst-case scenario for the impacts of nature loss. The Energy and Climate Intelligence Unit noted, again, that climate change is already impacting food production, both globally and domestically. The thinktank highlighted, in October, that climate impacted products added almost 2% to the 5% rise in the price of a food and drink basket, roughly four times the inflationary impact of the rest.

### Record year for wind and solar electricity in Great Britain in 2025

Wind remained the largest source of renewable energy but solar power increased by nearly a third on 2024 levels due to a sunny year and more panels around the country, according to the National Energy System Operator (Neso). While positive, it is not the rate of growth needed to get to GB's 2030's clean power target of not using much gas to produce electricity. It was a record year



for solar panel installations on rooftops, with about 250,000 new installations reported to the Microgeneration Certification Scheme. According to BBC analysis of the Neso data, at least half of Britain's electricity came from renewables on about a third of days in 2025.

### England largely out of drought status following recent wet weather



The last part of the country in drought status, which was Sussex, has moved into recovery status, and only a few areas remain in prolonged dry weather status. This is the first time since May 2025 that England has been drought free. River flows have increased and most are classed as normal or higher for the time of year. Soils are now saturated across England, and this is helping recharge groundwater levels. Reservoir storage for England is 2% below average.

### Rewilding at Knepp - twenty-year review shows nature 'roaring back'



The review of how wildlife has changed on the 3,500-acre estate in Sussex includes some astonishing increases:

- A 916% increase in breeding bird abundance in the southern block and a +132% increase in species richness. Some species have increased by over 1,000%, including common whitethroat, lesser whitethroat and chiffchaff.
- A 107% increase in butterfly species richness in two areas, and the estate now has one of the largest populations of purple emperor butterflies in the UK.
- A 871% increase in the abundance of dragonflies and damselflies and 53% increase in species richness along the Adur river restoration project.
- A ~31% increase in invertebrates of conservation status over five years.

## Rural economy & property

### Warm Homes Plan to cut energy bills and increase energy security mainly



but also



and



The government has published a suite of plans and documents on energy policy, through the Warm Homes Plan, minimum energy efficiency standards (MEEs) and Energy Performance Certificates (EPCs). Long awaited, the documents provide a wide and detailed picture of the government's thinking on energy. The Warm Homes Plan is backed by up to £15bn of spending over five years, so over double the amount committed in the previous government's plan. It includes five major schemes for England:

- £2.7bn for the Boiler Upgrade Scheme. This includes grants of £7,500 for new heat pumps and now includes air-to-air heat pumps for heating and cooling. The national target is for 450,000 heat pumps to be installed pa by 2030, down from the previous target of 600,000. The government has not introduced a ban on new gas boilers being fitted after 2035.
- £2.7bn towards innovative finance through the Warm Homes Fund. This could include green mortgages offering lower interest rates to homes with upgraded energy efficiency.
- £1.1bn for heat networks, which distribute heat from a central source, which could be a large heat pump or geothermal or other low-carbon source.
- £5bn for upgrades for the homes of people on low incomes, including for insulation, solar panels, batteries and heat pumps. Plus £2bn towards low-cost loans.
- £1.5bn in other funding and for Scotland, Wales and Northern Ireland.

Nesta, a research and innovation charity, says that a typical household could save as much as £1,000 pa on its energy bill by investing in home upgrades under the plan, so around 60%.

Reaction to the Plan has been broadly positive. It has been welcomed by the energy and finance industry although the Conservatives said it would saddle households with high ongoing running costs (which appears to relate to the Plan's focus on electrification).

### Changes to energy efficiency plans for let property announced



The Government has revised its timetable for improving the energy efficiency of residential rented property and confirmed a lower improvement cost cap than originally proposed (£10,000, rather than £15,000). Landlords will be expected to ensure their property achieves a minimum EPC equivalent to Band C by 1<sup>st</sup> October 2030, and this will apply to both new and existing tenancies. Previously, new tenancies had been expected to reach this standard from 2028.

There is also a significant change in how EPCs are calculated. Currently, they are based largely on estimated running costs, which can produce counter-intuitive results. The Government intends to introduce a new methodology, known as the Home Energy Model (HEM), under which EPCs will be based on four headline metrics: fabric performance; heating system performance; smart readiness; and energy cost. New EPC certificates using this methodology are expected to begin appearing from around 2026 onwards as the system is phased in.



There will be greater flexibility under the new MEES regime linked to these new EPC metrics, with landlords not required to follow a single prescribed list of improvements. Instead, they will be required to achieve a satisfactory fabric performance metric, and either the heating system metric or the smart readiness metric. This is important as it means landlords will be able to choose the most appropriate and cost-effective compliance pathway for their property. Exemptions from the EPC C requirement will focus on 'demonstrable negative impacts', which is highly relevant for older and listed buildings. Positively, spending on improvements from October 2025 will count toward the £10,000 cap so early, well-planned work now can be aligned with the most suitable future compliance pathway. If you would like to talk about MEES regulations and how they impact your business, please contact [Alexander Macfarlane](#).

## Decent Homes Standard revised



The new DHS will apply to privately rented homes for the first time. It applies minimum standards to improve the quality of let homes, including the condition of roofs, doors and windows (including child-resistant window restrictors), and a more robust response to tackle damp and mould – building on phase one of Awaab's Law to fix these hazards within strict timeframes. It is not clear when the new standard will apply.

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