

BACK PAGE NEWS

EFA GREENING

The highly anticipated changes to the rules on greening options and the application of Plant Protection Products (PPPs) (including most conventional sprays) for nitrogen fixing crops and other crops grown on EFA land. A complete ban on the use of PPPs applies for the entire growing cycle of the crop, which will make most farmers rethink their crop rotations.

The same ban also affects fallow land, with a period of 6 months without PPPs. With these changes coming in for the autumn sowing period, farmers should carefully consider alternatives in order to meet their 5% requirement.

FARM RENTS

The recent upswing in commodity prices has led some to consider rental levels (after recent years of standstill / downwards reviews). Whilst the demand for short term arable land let on FBTs and contract farming agreements remains strong, we would advise caution when considering rent reviews for longer term arrangements.

Attention must be given to rent review cycles in tandem with the confirmation that the current BPS payment will remain in situ until 2022, but delivered through greater environmental stipulations. It would be beneficial to both tenant **and** landlord to ensure the next review is carefully considered to include these alterations.

NATURAL CAPITAL

“Natural Capital” is a relatively recent buzz word in the wider economy. It is driven by various targets in terms of biodiversity and wider sustainability.

The government has set up a natural capital committee and in the rural world it is felt likely to lead to payments for tailored natural capital measures designed to deliver specific, quantifiable benefits. Those benefits can be paid for by government bodies but also wider users such as utility companies and other organisations seeking to “harvest” environmental benefits. These measures in our area would include woodland creation, field margins and trees, wildflower meadows, and pond or wetland habitats. There may well be linkage here with current and future support measures.

WHOLE FARM PLANS

For many years, landowners have used whole farm plans showing environmental, economic and future landscape considerations as an aid to overall planning aspirations.

However, some planning authorities are insisting upon such an information resource. We believe these will be taking an ever-increasing role in future planning, not only in helping form the future built environment but also by informing wider considerations such as sustainable energy use and farming practices, natural capital considerations, and employment and leisure provision.

SECTION 31(6) STATEMENTS & PREVENTING ESTABLISHMENT OF ACCESS RIGHTS

Whilst these statements to register public rights of way have been in existence for many years, the process has now been considerably streamlined. They act as a first line of defence in rebutting claims by the public of new access rights accrued by long uncontested use. We are also seeing some of the statements reach their 10 year life from inception, at which stage they need to be renewed.

Physical boundaries are also important to prevent encroachment and encroachers need to be made aware of their misdemeanour to protect the landowner's position. Licences can be used to grant users a personal right to use an access.

Landowners should also refresh themselves of the Village Green rules and take the necessary steps to prevent land being claimed as a Village Green as this can have hugely damaging consequences to land value.

VAT & COTTAGES RENTED ON ASTS

The VAT treatment of cottages rented on Assured Shorthold Tenancies is largely understood insofar that it falls within the scope of this tax and cannot be reclaimed. However, some confusion exists where cottages are occupied by employees of the farm or estate business. In many cases, such “tied” cottages have been regarded as part of the farm business with VAT therefore reclaimable. However, the preferred method of tenure for such cottages often involves using a minimum rent AST in conjunction with the employment contract. HMRC hold that if there is any such AST involved, then VAT is not reclaimable, regardless of the duties or occupation of the occupant.

RDPE GRANTS

In a big push to improve water security and forestry productivity, the Rural Development Programme for England (RDPE) have allocated funding support of up to 40% with a minimum grant of £35,000 for projects in agriculture or horticulture to improve irrigation and water storage infrastructure; together with enhancing the resilience to growing water scarcity.

The forestry funding supports the purchase of machinery necessary for landowners or forestry enterprises to create employment, expand rural businesses and improve the management of UK woodlands.

Both grants are attempting to bring farmers, landowners and rural businesses closer together to work collaboratively to overcome the current issues facing the industry.

WOODLAND GRANTS

The creation and maintenance of woodland to boost biodiversity has been a hot topic recently with the government offering £13 million in grants for landowners to consider woodland as both an agricultural tool and an asset. The grant aims for a sustainable long term increase in the quality of our British woodlands through the planting of both native and honorary species.

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