

FARMING AND PROPERTY BULLETIN ISSUE 2 - 2024

NFU Conference 2024



The NFU conference held on the 20th of February saw the Prime Minister lay out his plans for the future of the agricultural industry in England. The key changes that look to affect us and our clients here at Adkin are the introduction of the Farming Equipment and Technology Fund (FETF) and the increase in the management payment under the new Sustainable Farming Incentive scheme.

Farming Equipment and Technology Fund



The FETF grant fund was launched at the conference, informing us of the largest grant package totaling £220m set out to boost productivity and innovation in the farming sector. The grants are introduced to help farmers invest in new technologies improving their farming systems and cutting costs. The three grants introduced are set out to improve productivity, manage slurry and improve animal health and welfare.

The successful applications will receive payments between the following sums:

- a minimum of £1,000 and a maximum of £50,000 towards productivity items of which there are 85 different items.
- a minimum of £1,000 and a maximum of £50,000 towards slurry items
- a minimum of £1,000 and a maximum of £25,000 towards animal health and welfare items.

With these grants in place, they offer an opportunity for farmers and contractors to invest in new equipment to allow them to adapt to on farm changes that schemes such as SFI bring. With buffer strips and margins becoming more important to improving farmland habitats and not just for game cover, equipment on offer such as Air drills and Cover crop rollers have been introduced to the grant so farmers can establish these areas improving their wildlife and in return improving crop yields.

We also note the grants on offer to improve forestry management will allow landowners and contractors to establish woodland with tools such as the automatic tree planter and manage their existing areas of woodland with equipment such as mulchers and harvesting heads. All items are listed under the Productivity items and specifications on the Rural Payment agency website.

Applications for the FETF are open from 6th March until 17th April 2024.

SFI and Permitted Development Updates



In the same government announcement, we were also informed of the new management fee update from £1000 to £2000 for SFI applicants who are either entering into an agreement or have already done so.

Permitted development rights are set to be extended by legislation said to be introduced this April making it easier for farms to diversify and develop their old agricultural property into commercial space supporting rural businesses further.

Introduction of BNG to Planning Consent

As of the 12th of February 2024, all major developments are now required to deliver a minimum of 10% Biodiversity Net Gain. With these conditions now an integral part of planning consent developers will seek several ways to demonstrate this by either reducing damage caused on site and introducing conservation habitats into their plans or entering into agreements with a third party off site. Developers may well look to purchasing their own land where they can ensure habitat rich environments to build their 'statutory biodiversity credits'.

Delinked Payments

The BPS delinked payments are set to begin this year with the first payment to be received in August. The payments are no longer associated with a parcel of land but to a farmer who has received BPS payments in the year 2023. Unlike the BPS entitlements, the payments cannot be transferred with land parcels, instead the RPA agrees to transfer some or all of a farmer's reference data to another party or business but only under certain circumstances. These circumstances are as follows:

- Change of Business Structure, where the SBI number has changed and issued between 2020-2022.
- Farm sales and tenancies where delinked payments are included in the agreement.
- Inheritance, where eligible land has been inherited and the delinked payments linked to the land is transferred to the beneficiary.

The window for transferring reference data for the above reasons is to be completed before the 10th May 2024, with the RPA stating that any queries regarding the transfers should have been settled by the 29th of February.

It must be noted that where a part transfer of a reference exceeds £30,000 the RPA will require evidence of the transfer taking place between the 15th May 2020 and the 16th May 2023, either by farm sale or end of tenancy.

Residential Property Update



The UK housing market is seen to have grown so far in 2024 as confidence continues to improve. A growth of 0.7% in January somewhat flat lines the annual growth since January 2023 even with monthly borrowing rates being much higher than the previous year. Although the market has had little fluctuation over the past 12 months, both supply and demand have both increased which the RICS survey reports has not happened since 2021. The confidence in the consumer market has mainly been driven by the downwards trend of inflation and the fear of a significant recession diminishing.

The Rental Sector

The private rented sector in the UK has also seen growth over the past year with the current annual rent sitting at £1,220 per month as published by Zoopla. This is a rise of 8.3% on average since February 2023 amounting to an average of £1100 per annum, this is however the lowest the inflation rate in the sector has been for some time. As affordability pressures begin to increase it is expected the growth rate will slow as many tenants reach their limits. Locally to South Oxfordshire the average monthly rent is at £1,325, being the second highest increase in the UK with a rise of 9.3% over the past 12 months.



SAVE THE DATE

THE 2024 ADKIN ANNUAL SPRING SEMINAR

WILL BE HELD ON

THURSDAY 18TH APRIL 2024

from 4pm to 6pm

at

**The Loyd Lindsay Rooms,
Ardington, Wantage OX12 8PS**

FURTHER DETAILS TO FOLLOW