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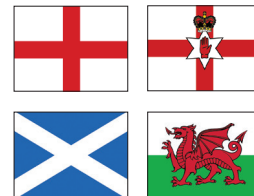
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**farm & estate management** day-to-day management & consultancy for farms, forestry, land & estates. **property agency** sale and purchase of houses & country houses, farms, land, estates, cottages, barns, smallholdings, equestrian property; lettings & management; grass & land lets; development land. **professional services** farm & rural business consultancy; Basic Payment Scheme; Stewardship & ELM schemes; landlord/tenant negotiations; diversification; rent reviews; ASTs & FBTs; partnership insurance; dispute resolution, mediation, arbitration, expert witness & advocacy; telecoms, compulsory purchase, pipeline and easement claims, & wayleaves. **renewables** anaerobic digestion; energy crops; biomass/estate heating; hydropower; income from renewables; on-shore wind & solar. **planning & development** advice & applications; agricultural need assessments; appeals; design & drawings; development & development land advice. **valuations** surveys and valuations for property, IHT, CGT & probate. **sporting** sporting agency & licences. **TCS Brokerage** entitlements; water abstraction licences; carbon credits & emissions allowances, nitrate & biodiversity offsets.

# farm facts 2021



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**AGRICULTURAL SUPPORT POST-BREXIT** Having exited the EU, the UK can now set its own agricultural subsidy policy. This is through UK-wide legislation with the devolved regions each introducing their own Bill(s). This has led to regional variations in BPS implementation, greening requirements & replacement schemes.



**ENGLAND AGRICULTURE ACT 2020** Enabling act to authorise expenditure for agricultural & other purposes ("public money for public goods") & provision for BPS payments to continue (although reducing) during a 7-year transition period ending in 2027. Part 1 covers the New Financial Assistance Powers - paying for environmental management of land, water, protecting/improving health & welfare of livestock or plants, protecting & improving soil quality, improving productivity, etc. & also covers financial support after 2021 and direct payments during the transition period. Parts 2 to 6 include food security, intervention proposals in exceptional market conditions, collection & sharing of data, marketing standards, producer organisations & fairness in supply chain, agricultural tenancies, & the WTO Agreement on Agriculture

- **1986 Act changes and AHA tenancies from 11.1.21 Rent Reviews** Third parties can now be appointed up to the review date, rather than 12 months before. Landlords cannot charge rental for improvements where a tenant is still making payments for them.
- **Succession on retirement or death** The minimum age requirement for retirement (was 65) is abolished in England and Wales, as is the Commercial Unit Test (together with the whole of Schedule 6 of AHA 1986) and the Suitability Test is simplified, however these provisions will be subject to the content of further regulations, which DEFRA has said may be issued during Summer 2021. Attendance at a full-time college course will still count towards the period required for the principal source of livelihood test.
- **Case A notices to quit** As retirement age of 65 is abolished the date Case A Notices to Quit can be served is replaced by the tenant's pensionable age
- **1995 Act changes and FBTs** CAAV and ALA can now appoint arbitrators as well as RICS.

**ENGLAND - BPS/DIRECT PAYMENTS** BPS Eligible Land Agricultural area suitable for an agricultural activity (i.e. producing, rearing or growing agricultural products etc., or keeping land clear of dense scrub)

- **Entitlement Transfers** BPS entitlements (that have met usage rules) can be transferred or leased to businesses registered with the RPA
- **Entitlement Usage** Entitlement expiry usage rules do not apply from 2021 onwards, i.e. you no longer need to activate the entitlements every two years to avoid losing them. This does not apply retrospectively to 2019/20
- **Minimum Claim** 5 ha
- **2020 English Entitlement Payment Values** Non-SDA £233.22/ha; SDA £231.46/ha; SDA Moorland £63.95/ha. Financial Discipline Mechanism (FDM) no longer applied from 2020
- **Direct payments reducing during transition period (2021-2027):** 2021 ≤£30k 5% reduction; £30k-≤£50k 10% reduction; £50k-≤£150k 20% reduction; >£150k 25% reduction
- **2022** ≤£30k 20% reduction; £30k-≤£50k 25% reduction; £50k-≤£150k 35% reduction;
- **>£150k 40% reduction**
- **2023** ≤£30k 35% reduction; £30k-≤£50k 40% reduction; £50k-≤£150k 50% reduction;
- **>£150k 55%**
- **2024** ≤£30k 50% reduction; £30k-≤£50k 55% reduction; £50k-≤£150k 65% reduction;
- **>£150k 70% reduction**
- **Delinkage** DEFRA intends to delink the payment from the land in 2024, subject to consultation
- **Lump sum exit scheme** From 2022, DEFRA intends (subject to consultation) to assist farmers who wish to retire, by paying them a lump sum based on what they would have received for the remainder of the transition period
- **Young/New Farmer Application** RPA allocate new entitlements to match 'naked' eligible area on a successful Young/New Farmer application from National Reserve. *Young Farmer* ≤40 years old in application year, in control (i.e. >50% of the shares/votes) of farm business & took control in previous 5 years. *New Farmer* must be in control of >50% of business which started an agricultural activity in 2016 or later & was not in control of any farming activity in previous 5 years
- **Young Farmer Payment** Annual top-up payment on ≤90 entitlements for up to 5 years after taking control of business. Previously 25% exclusive of greening; changed to 17.5% of total as greening requirements now abolished
- **Dual Use** One party claiming BPS & another claiming under an agri-environment scheme on the same land allowed if BPS claimant has the land 'at their disposal', agri-environment scheme claimant has 'management control' of the land & these arrangements are set out in writing
- **Greening** Abolished from 2021. This includes the three-crop rule, EFAs & BPS Permanent Pasture rule to reinstate if ploughed
- **Cross Compliance 2021** Cross Compliance Guidance - no change from 2020
- **Simplification** Claims penalties for small breaches reduced, less paperwork for Young Farmers & FDM no longer applied from 2020.

**ENGLAND - ENTITLEMENT TRADING 2021 BPS Entitlement Sale Price at 3.3.21** English Non-SDA £135-180/ha; SDA £170/ha; SDA-Moorland £45-65/ha (predicted)

- **2020 English BPS Entitlement Average Sale Price** Non-SDA £119/ha; SDA £171/ha; SDA-Moorland £34.70/ha
- **2021 Transfer deadline** 17.5.21.

**ENGLAND - BPS REPLACEMENT SCHEME** Environmental Land Management Scheme (ELMS) BPS/Direct Payments replaced with ELMS from 2024. Countryside Stewardship Scheme (CSS) continues with final applications in 2024. ELMS trials have been running since 2019 & pilot schemes are due to run from 2021-2024. **ELMS three tiers:** Tier 1 "Sustainable Farming Incentive" Meant to be accessible for all farmers. Might include field margins, cover crops, good soil management.

Set to be available in limited form from 2022, subject to consultation, and to extend as the BPS is reduced, becoming fully operational in 2024. **Tier 2 "Local Nature Recovery"** More carefully targeted payments based on local objectives such as habitat restoration and flood risk management. May resemble CS in delivery. **Tier 3** Payments for large-scale projects, such as restoring peatland or mass reforestation, which can be delivered collaboratively. **Other funding areas** Payments will also be available for improving farm productivity, animal & plant health. Expressions of interest are now being taken for the pilot scheme, which will launch in April 2021, with the first tranche of 1,000 agreements starting in September 2021.

**RURAL DEVELOPMENT PROGRAMME FOR ENGLAND (RDPE) SCHEMES** The UK continues to fund RDPE projects approved by 30.12.20

- **Environmental Stewardship (ES)** Existing agreement holders to submit a claim by 15.5.21 to receive payment. Late claims accepted up to 10.6.21 but 1% penalty applies for each day late
- **Countryside Stewardship Scheme (CSS)** incorporates elements of past ES schemes plus English Woodland Grants & Catchment Sensitive Farming Grants. New round of CSS agreements available for 2022 & 2023. New capital items will be added in 2021. Four tiers in CS scheme: Higher Tier, Mid-Tier, Wildlife Offers & Capital Grants
- **Capital Grants** Stand-alone grants for (max £20k per category, so max £60k per agreement): *Boundaries, Trees and Orchards* Restoration & improvement of hedges, stone walls & orchards; *Water quality* Funding for re-concreting yards, new livestock troughs, fencing off watercourses for land in priority areas, etc.; *Air quality* Grants for automated slurry scrapers, covers for slurry stores and planting belts of woodland to capture ammonia emissions
- **Higher Tier (HT)** Suitable for environmentally significant sites; awarded on competitive basis; widest range of options (some only available in HT), e.g. habitat restoration. *Feasibility Studies* Grants to assess potential success of a project to aid HT application
- **Mid-Tier (MT)** Focuses on reducing diffuse water pollution & improving farmed environments for farmland birds & pollinators; awarded on competitive basis. Variety of options & capital items as per "Capital Grants" above, but up to £50k per category, so up to £150k in total. *Take small areas out of management* £365/ha; *Hedgerow management* One side £8/100m, both sides £16/100m; *Buffer strip on cultivated land* 4-6m £300-400/ha; *Hedgerow laying* £9.40/m
- **Wildlife Offers** Four non-competitive schemes – Arable Offer, Lowland Grazing Offer, Upland Offer & Mixed Farming **Offer Application window for 2022:** *Mid-Tier* 9.2.21-30.7.21, *Higher Tier* 9.2.21-30.4.21. *Capital Grants* 9.2.21-30.4.21; *Woodland Creation* open all year; *Woodland Management Plan & Woodland Tree Health* open all year. *Woodland Creation (WCG)* Funding for woodland creation is open all year & offers: grant of £1.28/tree (max £6,800/ha) to supply, plant, weed & protect; *Woodland Creation Maintenance (WCM)* £200/ha/yr over 10-year agreement - claimable with WCG. New options will be added to maintenance grant for 2021. Some CS options require the support of a Catchment Sensitive Farming Officer. Need to request six weeks before submission deadline
- **HS2 Woodland Fund** Like CS WCG but with higher payment rates & £8,500/ha funding cap for land within 25 miles of HS2. Eligible for WCM
- **Woodland Carbon Fund** Forestry Commission-administered alternative to CS WCG. Same standard payment rates, but payments & cap increase for planting near urban areas. More focus on commercial planting, & WCM replaced with £1,000/ha flat rate payment in year 5.



**SCOTLAND - AGRICULTURE (RETAINED EU LAW & DATA) (SCOTLAND) ACT** 1 October 2020. Enabling Act which allows Scottish ministers to retain EU law continuing payment of subsidies. Simplification of system a priority. Ministers can also modify & make new provisions regarding agricultural activities. Agricultural Holdings (Scotland) Act not amended.

**BPS/DIRECT PAYMENTS** Act empowers Scotland to decide own support policy. Scottish Government suggests minimal change until at least 2024

- **Entitlement Transfers** BPS entitlements (that have met usage rules) can be transferred or leased by a paper application.
- **Entitlement Usage** All of a claimants' entitlements must be activated in a single year, once every 2 years
- **Minimum Claim** 3 ha
- **2020 Scottish Entitlement Payment Values** Region 1 £221, Region 2 £44.75, Region 3 £13.51. Financial Discipline Mechanism (FDM) no longer applied from 2020
- **Young/New Farmer Application** Same as England
- **Young Farmer Payment** 25% top-up (ex. Greening) of ≤90 entitlements up to 5 years after taking control of business
- **Greening** Three-crop rule no longer applies. Other Greening requirements remain
- **Permanent Grassland (PG)** If PG falls below 95% of set level, it may have to be reinstated
- **Ecological Focus Area (EFA)** >15ha of arable land must have equivalent of 5% of area as EFA. Possible options are: *Fallow* No crop production or grazing 1.1.21-30.6.21, min width 2m, grass & wild bird seed & nectar mixes can be sown, herbicides & cultivation to control weeds not permitted, 1m<sup>2</sup> = 1m<sup>2</sup> of EFA. *Hedges* One side must be adjacent to, or within 5m of, arable land, both sides to be at claimant's disposal (if only one side ½ hedge counts), any width or height, ≥20m, can include gaps if <20m. 1 linear metre = 10m<sup>2</sup> of EFA (5m<sup>2</sup> if half). Trees in a line defined as a hedge. *Buffer strips* ≥1m: Must be within 5m of arable land, or next to a watercourse. No production permitted but grazing & cutting is allowed if buffer strip 'distinguishable from adjacent agricultural land'. 1 linear metre = 9m<sup>2</sup> of EFA. Buffer strips also include field margins. *Nitrogen fixing crops* ≥0.01ha: Must be present from 1.5.21-30.6.21. 1m<sup>2</sup>

= 1m<sup>2</sup> of EFA. **Catch crops/cover crops** Catch crops must be established by 20.8.21 & retained until 14.10.21. Cover crops must be established by 1.10.21 & retained until 15.1.22 & must be mix of species including one cereal & one non-cereal (i.e. barley, oats, rye, mustard, vetch, phacelia, lucerne & oilseed radish). Grass/leguminous crops can be used if under sown in previous crop, 1m<sup>2</sup> = 0.3m<sup>2</sup> of EFA. **Plant Protection Products** banned on EFA fallow land, catch & cover crops.

- **Exemptions Greening exemption** Land certified organic or in conversion by an accredited body.

**EFA exemption** If >75% arable area is temporary grass &/or fallow &/or leguminous crops, if >75% of eligible land is permanent &/or temporary grassland &/or used for growing crops in water ● **Cross Compliance** 2021 no change from 2020.

**ENTITLEMENT TRADING 2021 BPS Entitlement Sale Price at 3.3.21** Region 1 £155/ha; Region 2 £35/ha (predicted); Region 3 £15/ha. **2020 BPS Entitlement Average Sale Price** Region 1 £172.50/ha; Region 2 £42/ha; Region 3 £12-15/ha. ● **2021 Transfer deadline** 6.4.21.

**BPS REPLACEMENT SCHEME** The Agriculture Act allows the Scottish Government to keep a BPS style support system in place. They have stated there will be little change before 2024.

**SCOTLAND RURAL DEVELOPMENT PROGRAMME (SRDP) SCHEMES Agri-environment Climate Scheme** Grants for eligible projects which protect and enhance Scotland's natural heritage, improve water quality, manage flood risk and mitigate and adapt to climate change. A restricted round of new applications is available between 25.1.21 & 30.6.21 ● **Forestry Grant Scheme** Offers support under eight categories: two for woodland creation & six for managing existing woodland. Woodland Creation Budget 2020: additional funding has been made available for projects that can be completed by 31.3.21 ● **Less Favoured Area (LFA) Support Scheme** Open to livestock farmers & crofters actively farming land designated as a LFA. Must be >16 years of age, declare at least 3 ha of eligible land in Single Application Form (SAF), actively farm eligible land and claim for LFSS, and for the majority of the calendar year claimed in, meet Cross Compliance conditions on all the land ● **Small Farms Agricultural Grant Scheme** Funding can be used for capital projects, e.g. construction or improvement of agricultural buildings. Total amount of grant aid in any 2-year period per individual up to £25k & groups up to £125k.



**WALES (AGRICULTURE) BILL** Agriculture Act 2020 contains Welsh provisions which are intended to be temporary. Welsh Assembly intends to introduce Wales (Agriculture) Bill in 2022 to be enacted in 2023 ● **1986 Act changes and AHA tenancies** from Until new bill is enacted follows Agriculture Act 2020.

**BPS/DIRECT PAYMENTS** Payments for 2021 & 2022 will be made in full with no reductions ● **Entitlement Transfers** BPS entitlements (that have met usage rules) can be transferred or leased

- **Entitlement Usage** All of a claimants' entitlements must be activated in a single year, once every 2 years ● **Minimum Claim** 5 ha ● **2020 Welsh Entitlement Payment Values** £87.31 plus £91.97 redistributive payment (approx.). Financial Discipline Mechanism (FDM) no longer applied from 2020 ● **Young/New Farmer Application** Same as England ● **Young Farmer Payment** Same as Scotland but maximum 25 ha ● **Greening** 'Crop Diversification' rules abolished. EFA & BPS Permanent Pasture rules continue ● **Permanent Grassland (PG)** If PG falls below 95% set level, may have to be reinstated ● **Ecological Focus Area (EFA)** same as Scotland ● **Cross Compliance** 2021 no change from 2020

**ENTITLEMENT TRADING 2021 BPS Entitlement Sale Price at 3.3.21** £65/ha plus VAT ● **2020 BPS Entitlement Average Sale Price** £65/ha plus VAT ● **2021 Transfer deadline** 15.5.21

**BPS REPLACEMENT SCHEME Sustainable Farming Scheme (SFS)** Proposed eventual BPS replacement. SFS similar to ELMS 'public money for public goods'. Payments also provided for investment in infrastructure, training, advice on accessing new markets & diversification opportunities. At white paper review stage.

**RURAL DEVELOPMENT – GLASTIR** All Glastir Advanced, Commons & Organics extended throughout 2021 ● **Glastir Woodland Creation** 16.11.20-15.1.21 ● **Small Grants Carbon** 11.1.21-19.2.21 ● **Glastir Woodland Restoration** 18.5.21-25.6.21 ● **Glastir Small Grants Landscape & Pollinators** 18.5.21-25.6.21.



**NORTHERN IRELAND - AGRICULTURE ACT 2020** Part 7 allows Northern Ireland to prepare its own replacement schemes (unannounced). No further amendment to existing legislation.

**BPS/DIRECT PAYMENTS ● Entitlement Transfers** BPS entitlements (that have met usage rules) can be transferred or leased ● **Entitlement Usage** All of a claimants' entitlements must be activated in a single year, once every 2 years ● **Minimum Claim** 3 ha ● **2020 Northern Ireland Entitlement Payment Values** £291.42 (average subject to historic value). Financial Discipline Mechanism (FDM) no longer applied from 2020. ● **Young/New Farmer Application** Same as England ● **Young**

**Farmer Payment** Same as Scotland. ● **Greening** 'Crop Diversification' rules & EFA abolished. Permanent Pasture rule to reinstate if ploughed continues ● **Permanent Grassland (PG)** If PG falls below 95% of set level, may have to be reinstated ● **Cross Compliance** 2021 no change from 2020

**ENTITLEMENT TRADING 2021 BPS Entitlement Sale Price at 3.3.21** 0.8-1 x face value (inc. historic & greening) (predicted) ● **2020 BPS Entitlement Average Sale Price** Multipliers varied between 0.8-1 x face value depending on whether high or low historic value (high value entitlements achieving lower multipliers) ● **2021 Transfer deadline** 4.5.21

**BPS REPLACEMENT SCHEME** May prepare its own replacement schemes (unannounced).

**RURAL DEVELOPMENT PROGRAMME (RDP)** The UK element of funding will continue for lifetime of project. The EU element only up to 31.12.23 or until EU funds are exhausted.



**UK ENVIRONMENT BILL** Re-introduced 30.1.20 and as at 3.3.21 still at Report stage in the House of Commons. Bill will in part replace EU functions. Sets out the legal & practical long-term environmental targets & plans. Includes environmental governance (via a new regulator, the Office for Environmental Protection), air quality protections, changes to water abstraction licencing, chemical regulation (REACH), & planning policy, which will require developments to produce a "biodiversity net gain" and LPAs to produce an "Environment Strategy" as part of the Local Plan.

**NVZs** England's 2021 designation zone for NVZs has been updated, superseding 2017 designations.

- **Limits within NVZ** **Livestock manure** 170kg N/ha/yr (Derogation: Farms with grazing livestock [not veal calves, pigs or poultry] where ≥80% of area is grass may work to 250kg N/ha with certain conditions, including a successful annual application. Provisional 2022 derogation application window 1.10.21-31.12.21).
- **Manufactured fertiliser limits** Vary from 120-370kg N/ha depending on crop/expected yield/season/soil type. Other regions no changes for 2021.

**FORESTRY COSTS 5-Year Total Establishment Cost** **Broadleaves** £5,988/ha; **Conifers** £5,060/ha (i.e. before any Woodland Creation Grants & CSS management grants) ● **Guards Spirals & canes** (750mm) £40-45/100. **Plastic tubes** (1,200mm) £140-190/100. **Stakes** £75-100/100 ● **New Planting Grants** see RDPE above.

**FARM PRICES & RENTS – ENGLAND & WALES** **Sales** *Including residential component* £10,200/acre; *English bare arable land* £8,245/acre; *English bare pasture land* £6,162/acre ● **Average AHA Rent Bare Land** *Arable* £80/acre; *Pasture* £60/acre ● **Average FBT Rent Bare Land Without Entitlements** *Arable* £149/acre; *Pasture* £104/acre.

**SPORTING RATES Annual Rents** *Wildfowling & rough shooting with limited sporting potential* £0.50-2/acre; *With good topography & woodlands* £5-10/acre (excl. cover crop payments). Exceptional sites may achieve double these figures. *Coarse fishing lakes* £300-1,000/acre; *Trout fishing lakes let to an angling club* £200-600/acre ● **General shooting Licence** Three general licences for the control of certain pest bird species in England from 1.1.21: crow species, woodpigeon & Canada goose ● **Daily Rates (ex. VAT)** *Driven pheasants* £20-28/bird; *Driven partridge* £22-30/brace; *Duck* £18-22/bird; *Driven grouse* £120-180/brace; *Walked-up grouse* £80-120/brace; *Coarse fishing (lake)* £5-13/day; *Trout (lake)* £20-50/day; *Carp fishing* £20/day ● **Poult to Shot Cost Pheasant** £20-25/bird shot ● **Annual Fishing Licence** **England, Wales & parts of Scotland** *Trout & coarse* 2-rod £30; *Trout & coarse* 3-rod £45; *Salmon & sea trout* £82.

**LABOUR National Minimum Wage (NMW) from Apr 2020** *Apprentice* £4.15/hr; <18yrs £4.55/hr; 18-20yrs £6.45 per/hr; 21-24yrs £8.20/hr; *National Living Wage* >25yrs £8.72/hr ● **NMW from Apr 2021** *Apprentice* £4.30/hr; <18yrs £4.62/hr; 18-20yrs £6.56 per/hr; 21-22yrs £8.36/hr; *National Living Wage* >23yrs £8.91/hr ● **Agricultural Wage Order** Workers employed before rules changed on 1.10.13 still have right to Agricultural Minimum Wage (AMW) if in their contract. Agricultural workers in Wales must be paid at least AMW, or NMW if higher. AMW depends on worker's job grade & category as listed on www.gov.uk ● **Arable Standard Man Days (SMDs) per ha** *Wheat & Barley* 1.15 (straw ploughed in) & 1.75 (with straw harvested); *OSR* 1.00 (Spring) & 1.10 (Winter); *Field beans* 0.95 (Spring) & 0.90 (Winter); *Potatoes* early 5.50 (exc. casual harvest labour) & maincrop 9.25 (exc. casual harvest labour); *Silage* 1 cut 1.60, & 2 cuts 2.80 (reseeding + 0.60/ha) ● **Livestock SMDs per head** *Dairy cows* 4.00; *Bulls* 3.50; *18-month beef* 1.60; *Rams* 0.50; *Ewes (lowland)* 0.50; *Ewes (upland)* 0.45; *Winter finishing store lambs* 0.30 ● **SMDs per person per annum** 275.

**FARM BUILDINGS & DRAINAGE Dutch Barn** Timber frame, roofed, hard-core floor £75-90/m<sup>2</sup> ● **General Purpose Portal Frame Building** Steel or concrete frame, roofed & clad on gable ends, rainwater goods, electrics, no walls, hard-core floor, 4.8m-6m eaves £115-130/m<sup>2</sup>. Total for complete enclosed building £210-250m<sup>2</sup> ● **Cattle Cubicle Housing** Portal frame, including cubicles & all internal services with feed stances & slats £1,660-1,910/head (suckler cows) or £2,520-3,000/head (dairy cows) ● **On-floor Grain Store** Portal-framed building, walling to 3m & no drying facilities £110-130/m<sup>2</sup>; with drying facilities, ducts & below ground laterals £240-270/m<sup>2</sup>; Thrust walling panels 2.5-3m £225-275/m ● **Field Drainage** £1.5k-2.5k/ha or £2.5k-3.5k/ha with permeable backfill.

**FARM MAINTENANCE Fencing** Post & 4-rail fence (post every 1.8m) £15-21/m; Deer fencing (round posts every 5m, 1.9m high) £9-13/m; Stock fencing (round posts every 3m, medium gauge pig netting, 2 strands barbed wire) £6.50-9/m; Rabbit fencing (lightweight post every 8m, 1m high) £5-7.50/m; Permanent electric fencing £5-7/m • **Fencing Materials** Traditional wooden gate 3.3-4.2m £85-100 & wooden posts £75-90; Galvanised tubular steel gate 3m £110-160 & posts £110-165; Strainer posts £10-15; Strainer struts £7-10 • **Stone Walling** 1.25m high £75-110/m<sup>2</sup> (excl. materials) • **Ditch Excavation** Cleaning out £38-48/hour • **JCB Hire** including operator, fuel & transport to site £26/hr • **Flail Hedge Cutting** £35-45/hour • **Hedge Laying** £14-18/m.

**RECENT NOTABLE CASES IN THE AGRICULTURE & PROPERTY INDUSTRIES** **Telecoms EE Ltd/Hutchinson 3G Ltd v Duncan & Others 2020** • **Inheritance Tax Wills & another v Sowray [2020] EWHC 939 (Ch)** • **Planning Kirby & Ors v N Baker & Melson Ltd** • **Landlord's Right of Entry Rees v Earl of Plymouth [2020] EWCA Civ 816.**

**TAX Income Tax Standard Personal Allowance** £12,500 until April 2021, then frozen at £12,570 until April 2026 (reduced by £1 for every £2 of net income >£100k) [Scotland has different thresholds & allowances]; **Tax rates & levels** 0% on ≤£12.5k, 20% on >£12.5k-£50k (basic), 40% on >£50k [£50,270 for 2022-26] <£150k (higher), 45% on >£150k (additional rate). **Tax on Dividends** 0% on first £2k in tax year, 7.5% on dividends (<£50k) over allowance if basic rate tax payer, 32.5% for higher rate tax payer (£50,001-150k), & 38.1% for additional rate tax payer (>£150k). **Landlords Relief Tax** relief on landlord's finance costs (i.e. mortgage payments) is reduced to the basic rate for Income Tax from 5 April 2020. Relief remains on capital expenditure on permanent fixtures • **Capital Gains Tax Individuals** 10% (on unused part of individual's basic rate band) & 18% on residential property; or 20% (if any part of income is chargeable to higher rate income tax) & 28% on residential property. **Trustees** 20% (and 28% on residential property) • **CGT Personal Allowances** (6.4.20-5.4.21 & 6.4.21- 5.4.22) **Individuals** £12,300 **Trusts** £6,150 • **CGT Reliefs** **Private Residence Relief** Gains on sole or main residence (with grounds up to a max of 0.5ha) are exempt. **Roll-over Relief** Defers tax on disposal of certain business assets where receipts are reinvested in other qualifying assets 1 year before to 3 years after disposal. **Business Asset Disposal Relief (Entrepreneurs' Relief)** Business owners pay CGT at 10% on all gains on qualifying assets (Sole trader or business partner & must have owned for 2 years). **Gift Hold-over Relief** Exempts a business from paying tax if giving away business assets, however the person receiving them may have to pay CGT when they dispose of them. You might need to pay tax if you sell an asset for less than it's worth to help the buyer, but still make a gain on what you paid for it

• **Inheritance Tax 2020/21 & 2021/22** 40% above threshold of £325k. Spouse/civil partners can combine allowance if estate is initially under the threshold, up to £950k. **Main Residence Nil-Rate Band** Additional IHT relief of £175k on top of £325k threshold for dwelling passed on death to direct descendants of deceased. IHT thresholds have been frozen until April 2026. Reduced rate of 36% applied on some assets if 10% of net value is left to charity. **Exempted Gifts** No IHT on: Spouse/civil partner transfer of any size; £3k "annual exemption" plus wedding or civil ceremony gifts of up to £1k per person (£2.5k for a grandchild or great-grandchild, £5k for a child); normal gifts out of income e.g. Christmas or birthday presents (but must be able to maintain standard of living after making gift); payments to help with another person's living costs e.g. elderly relative or child under 18; gifts to charities & political parties; small annual gifts (max £250) out of normal income. **Taper Relief** Reduction of IHT payable on gifts on sliding scale from 40% chargeable <3 yrs to 0% >7 yrs between the gift & death. **Agricultural Property Relief (APR)** 100% relief on agricultural land & property for >2 year's ownership if owner occupied, or >7 year's ownership (& agricultural occupation) if let out; 50% of agricultural value for agreements pre-1.9.95. **Business Property Relief (BPR)** Business assets of a farming enterprise which do not qualify for APR may qualify for BPR, which is 50% or 100% dependent on asset. Business must have been owned ≥2 years. BPS entitlements qualify for BPR • **Stamp Duty Land Tax (SDLT)** Rates & thresholds payable in UK (not Scotland) by purchaser: 8.7.20 to 30.6.21 First-time buyers pay no SDLT on the first £500k for properties worth ≤£500k; 1.7.21 to 31.9.21 First time buyers pay no SDLT on first £250k; 1.10.21 onwards the threshold reverts to £125k; **Sole residential (charged in bands)** 0% <£125k; 2% >£125k-250k; 5% >£250k-925k; 10% >£925k-1.5m; 12% >£1.5m. An additional 3% is due on 2nd (or more) house; **Non-residential (charged in bands)** 0% <£150k; 2%£150k-250k; 5% >£250k; **Leasehold residential** (calculated on total rent over life of lease i.e. 'Net Present Value' [NPV] for new leases) 0% <£150k; 1% >£150k-£5m; 2% >£5m; **Leasehold non-residential (new leases)** 0% ≤£150k & 1% >£150k-£5m; **Leasehold non-residential (existing leases)** 0% ≤£150k of purchase price/lease premium; 2% >£150k-£250k, 5% >£250k • **Capital Allowances** In 2018 businesses received temporary 2-year increase in Annual Investment Allowance (AIA) of £1m of eligible expenditure per year (reduced pro rata for a part-year). This was extended to 31.12.21. Thereafter AIA should revert to £200k per year. Temporary "super deduction" of up to 130% available to companies for investments in qualifying plant and machinery from Apr 2021-Mar 2023. • **VAT** 20% on most goods and services. Reduced for hospitality, accommodation and attraction businesses to 5% until 30.9.21, then to 12.5% until 31.3.22 • **Pensions** Lifetime Allowance for value which can be drawn from a pension before tax is applied is frozen at £1,073,100 until April 2026.



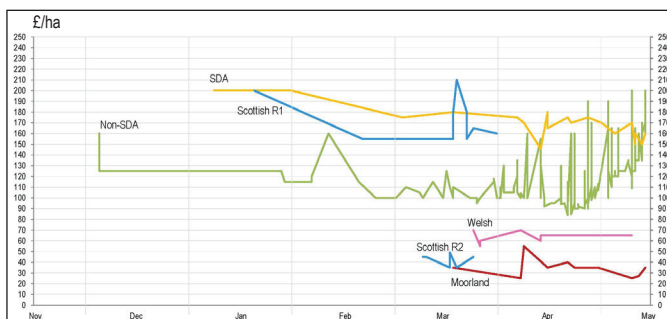
## UK CARBON & WATER TRADING

**CARBON TRADING Woodland Carbon Guarantee Scheme** Trees/woodland managed under rules set out in Woodland Carbon Code (WCC) continually generate Woodland Carbon Units (WCUs). Can be sold on open market, or to UK Government every 5/10 years until 2055. Pending Issuance Units (PIUs), once validated, become WCUs, currently worth up to £19/Unit with 1 ha woodland typically generating 6-12 WCUs/yr. WCC applies from planting or up to 2 years after if rules followed at planting; existing woodlands cannot be made compliant. Planting costs can be grant funded up to 100% • **Peatland** restored under Peatland Code also generates credits.

**WATER ABSTRACTION LICENCE TRADING Requirements** An Abstraction Licence is required for anyone drawing more than 20m<sup>3</sup> of water per day, except niche cases e.g. firefighting, drinking water for boats, dredging operations etc. Anyone abstracting under exemption to old rules (e.g. trickle irrigation or exempt areas) must have applied for a licence by June 2020 to guarantee continued use. Diverting rivers, e.g. with a dam, requires an Impoundment Licence • **Cost of Licence** Abstraction £135/£1,500 depending on use of water. **Impoundment** £1,500. Additional £100 advertising admin fee. **Annual charge** £11.63-£27.51/1,000m<sup>3</sup>, £25 min • **Trading** Abstraction Licences can be wholly or partially transferred, but only within a catchment. Prices range £1.50-£10/m<sup>3</sup> • **Changes to English & Welsh Licences** Many licences reduced in volume with others awaiting assessment. Environment Bill suggests no compensation for reductions • **Further Upcoming Changes Spring 2021** Consultation for moving water abstraction licencing (previously under the Water Resources Act 1991) into Environmental Permitting (England & Wales) Regulations 2016. Licencing strategies published for four trial catchments majority of exemptions will be removed, & previously exempt abstraction will require permits. All abstraction licences become "Environmental Permits". Expected implementation date of 2023.



## UK BPS ENTITLEMENT SALES 2020



All lot sizes - VAT Non-SDA & VAT & non-VAT SDA, Moorland, Scottish and Welsh. For historic entitlement and naked acre price graphs please see [www.townsendcharteredsurveyors.co.uk/entitlements](http://www.townsendcharteredurveyors.co.uk/entitlements). Formal written entitlement valuations are available.



## SALES, LETTINGS & VALUATIONS



5.3.2021 Whilst care has been taken to ensure that Farm Facts 2021 is as up-to-date and accurate as possible, Townsend Chartered Surveyors cannot be held responsible for any errors or omissions contained herein. It is published as a broad guidance only & should not be relied upon without further professional advice &/or checking with the appropriate authority.

