

Welcome to the Team



Matilde Spyvee joined us in October 2023 as a Graduate Surveyor. Matilde comes from a farming background and studied Chemistry as an undergraduate degree before completing her Masters in Rural Land Management at the Royal Agricultural University earlier this year. She is now working with the team across all areas of work whilst pursuing her RICS and CAAV accreditations.

Welcome to the team, Matilde!



Sam Carter joined us in November 2023 as a Senior Land Agent. Sam joins us on a part time basis having worked for large national firm previously. Sam is fully qualified with plenty of professional experience and living on a Gloucestershire farm with her husband and two young children has plenty of agricultural experience too.

Welcome to the team, Sam!

An easy way to diversify?

Farmers looking for an easy way to diversify their income are increasingly taking advantage of Class R permitted development rights which provide a low cost and straightforward route to re-purpose redundant agricultural buildings.

'Class R' is a form of permitted development which allows owners to change the use of an agricultural building to a flexible commercial use. Examples which fall under this category include an office space, storage facilities, etc. There are certain restrictions, as with all planning, such as the exclusion of listed buildings, but broadly speaking for most agricultural buildings that were in an agricultural use in July 2012 (or agriculture was its last use), it is a quick and cost-effective process.

For all applications, the total cumulative area of the building must be below 500 sq. m. For proposals changing the use of less than 150 sq. m. the Local Planning Authority are notified with the correct information and they cannot comment or object.

For buildings with a floorspace over 150 sq. m., there is a requirement to submit an application for Prior Approval. The cost is currently £96 plus an admin charge. There are limited reasons why prior approval may not be given but these can be assessed with a degree of certainty before submitting. Any external changes to the building would still require a planning application but this can be dealt with after the change of use has been granted.

If you would like advice on how to approach a change of use of your buildings, please get in touch with a member of the team.

Grant funding for fencing becomes available to many more farmers

The Countryside Stewardship Capital Only grants have always been popular with farmers but their popularity has risen once again, as rules are widened allowing more farmers to benefit from fencing. Until changes earlier this year, fencing was only permitted to be grant funded along ditches or watercourses but now fencing can be applied for along "existing environmental features". We have had a number of successful grant applications made since this change, where fencing is now being offered grant funding along existing hedges – a change welcomed by a lot of farmers.

The scheme remains popular, with plenty of options and now increased payment rates (compared to last year) available. Fencing, tree pollarding and new hedge planting are amongst the most popular options, alongside wider schemes for yard improvements (concreting, roofing over, etc) that require Catchment Sensitive Farming Officer approval.



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Welcome

As autumn changes rapidly to winter, I would like to welcome you to this edition of Landmark. We have focused on the Sustainable Farming Incentive (SFI) as well as other topical issues we are dealing with.

The Sustainable Farming Incentive will not be for everyone, and it is certainly not a direct BPS replacement, but for many there will be options that can be taken up with minimal effect on the business. The scheme is now fully open for applications.

I am pleased to welcome Matilde Spyvee who has joined us as a Graduate and Sam Carter who has joined us as a Senior Land Agent.

Andrew Troughton

More infrastructure means more disruption for farmers

Both this government and the possible future government seem determined to push on with significant infrastructure projects whether road, rail or services such as water and electricity. The cheapest option for the development of these is normally to cross farmland, which is relatively free from other obstructions.

However, whilst being cheap to the developer and government, the cost to the farm is often forgotten and misunderstood. When schemes are undertaken, they often fail to realise that the grass they drive on is a vital feed or the soil they bulldoze has a fragile structure and can be damaged.

Whilst the individual asking for permission may well be friendly it is critical to prevent access until written terms are agreed or notices served. The time before entry is taken is invaluable to establish ground rules and areas of concern. The initial response should always be, 'No you can't just come on my land, please go and talk to my land agent' or words to that effect!

In terms of nationally important infrastructure and development projects, the Labour party are also proposing wider use of compulsory purchase and a speeding up of land acquisition. Whilst this aim is purely aspirational and may not happen, it is important to be aware of potential changes.

Utility Infrastructure Changes

Electric

As we seek to reduce greenhouse gas emissions and transition towards cleaner renewable energy sources, there is an increasing need for robust and reliable energy infrastructure. This is to cope with both the increased amount of electric needing to be transported as well as directing it from multiple generation sites (rather than just the old power stations) to where it is needed. This may be in the form of new transmission and distribution apparatus run by the network operators, such as National Grid, or through private opportunities such as solar farms or battery storage schemes.

Putting this into perspective, it is estimated that there are currently around 820,000 km of onshore electricity cables in Britain but that an additional 460,000 km will be needed by 2050. Inevitably this will require network upgrades and significantly more electricity apparatus laid across farmland. Much of this will be works carried out by the operators under the Electricity Act 1989 but some is also likely to be via private schemes.

Water

There has been a lot of recent press about our nationally creaking sewage system causing regular sewage outfalls and water pollution. To start to tackle these issues, the Government now requires the licenced water companies to invest £55bn over the next 25 years to reduce the use of storm overflows to help clean up rivers. In our area, Severn Trent have recently stated that they would invest almost £7bn in sorting out outfalls, 5 years ahead of target. Coupled with ongoing water pipe repairs and network expansion as water demand expands, there is very likely to be a lot of activity in our area for new works.

The electric and water networks are run by the licenced operators who have statutory powers to do works in the public interest. Schemes such as solar, battery or private cable easements are developer led so do not have a statutory fallback position. Therefore, there are distinct differences with how each scheme can be treated.

At Carver Knowles we have a great deal of experience dealing with various schemes and can provide specialist advice on how to protect your position if you are affected by one.



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Sustainable Farming Incentive

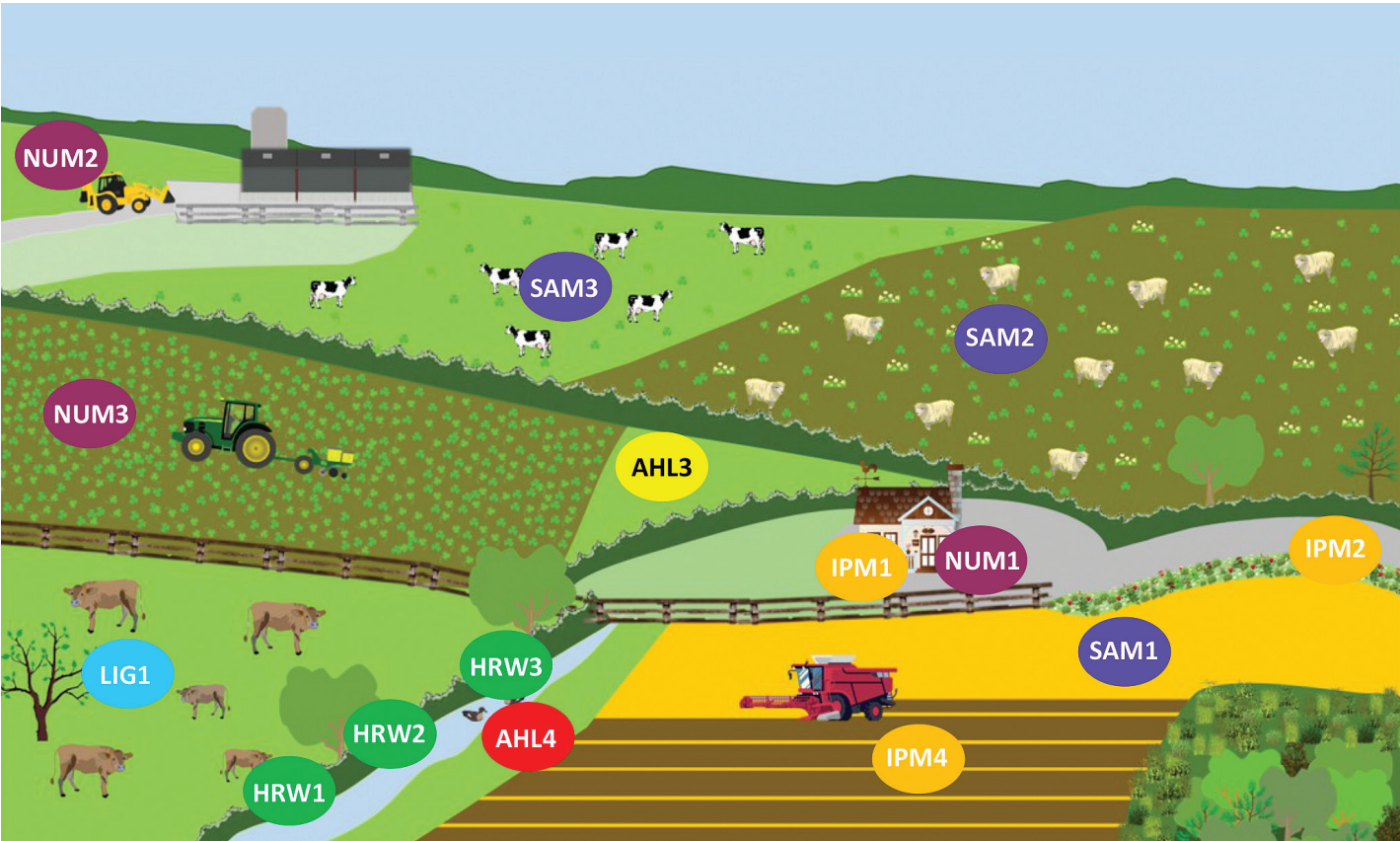
The long awaited Sustainable Farming Incentive (SFI) is now fully open for all BPS claimants. Ellen Freeman and Josh Balsdon report on our experiences so far.

‘We have seen a high level of early interest in applying for the scheme, and several applications have already been made, especially from those we have previously completed farm specific SFI reviews for. The type of interest in the scheme is broad; ranging from those looking to get paid for options they are already doing through to those making more significant changes to their farm business to accommodate an SFI scheme. Those making significant changes tend to have other motives behind those changes. For example farmers looking to scale back day to day farming in the lead up to retirement or to take on off-farm work through to those that have taken on reasonably large loans and are looking for a reliable and secure income stream to help make repayments. The SFI is proving to be more flexible than what we have been used to, and whilst we have experienced some technical issues (unsurprisingly) with the RPA’s system, on the whole the RPA have been reasonably proactive in trying to resolve these issues. Some farmers are managing to bring their proposed scheme income back to around BPS levels and even those that have been sceptical of these environmental schemes in the past seem to be considering it more seriously. It isn’t money for nothing but the general feedback so far, is positive.’

Ellen Freeman, Carver Knowles.

‘The early signs of the SFI are positive. Whilst there have been teething problems, the RPA are addressing these quickly. Applications are being assessed and offers received within weeks, as opposed to the months which we have become accustomed to under the former Countryside Stewardship application process. We now have a number of live agreements varying in complexity, from a one field permanent pasture agreement, to large complex arable agreements with multiple actions and £50,000 of annual revenue. The turnaround time and flexibility is what we’ve been looking for, for multiple years now, and the initial feedback is that we’re moving in the right direction. The system seems a huge step forward and will enable farmers to benefit from the recent announcement that those in a live scheme by the end of the year, will get their first quarterly payment within the first month of their agreement, which can only be a good thing for cash flow. There are still factors we don’t know, such as the logistics of transferring from existing schemes into the SFI but for now, there is enough of an SFI offering on the table to put in an application that can amount to something worth having. In some cases, this can run alongside existing agreements. The SFI scheme appears to be one that is here to stay, with an expanded range of actions expected next year and applicants having the opportunity to add to their agreement on the anniversary date, if they so wish. The SFI is certainly keeping us busy and we expect this to continue with an increasing appetite from farmers for the scheme.’

Josh Balsdon, Carver Knowles.



Code	SFI Action	Annual Payment
Actions for soils		
SAM1	Assess soil, test soil organic matter and produce a soil management plan (plus £95 per agreement)	£5.80/ha
SAM2	Multi-species winter cover crops	£129.00/ha
SAM3	Herbal Leys	£382.00/ha
Actions for hedgerows		
HRW1	Assess and record hedgerow condition	£3.00/100m (one side)
HRW2	Manage hedgerows	£10.00/100m (one side)
HRW3	Maintain or establish hedgerow trees	£10.00/100m (both sides)
Actions for integrated pest management		
IPM1	Assess integrated pest management and produce a plan (agreement level)	£989.00/year
IPM2	Flower-rich grass margins, blocks, or in-field strips	£673.00/ha
IPM3	Companion crop on arable and horticultural land	£55.00/ha
IPM4	No use of insecticide on arable crops and permanent crops	£45.00/ha
Actions for nutrient management		
NUM1	Assess nutrient management and produce a review report (agreement level)	£589.00/year
NUM2	Legumes on improved grassland	£102.00/ha
NUM3	Legume fallow	£593.00/ha
Actions for farmland wildlife on arable/horticultural land		
AHL1	Pollen and nectar flower mix	£614.00/ha
AHL2	Winter bird food on arable and horticultural land	£732.00/ha
AHL3	Grassy field corners and blocks	£590.00/ha
Actions for farmland wildlife on improved grass		
IGL1	Take improved grassland field corners or blocks out of management	£333.00/ha
IGL2	Winter bird food on improved grassland	£474.00/ha
Actions for buffer strips		
AHL4	4m - 12m grass buffer strip on arable and horticultural land	£451.00/ha
IGL3	4m - 12m grass buffer strip on improved grassland	£235.00/ha
Actions for low input grassland		
LIG1	Manage grassland with very low nutrient inputs	£151.00/ha
Additional payment		
Management Payment (up to the first 50ha)		£20.00/ha

How much does it cost?

It is easy to see the appeal of the highest paying options but unlike BPS, SFI actions have associated costs of establishment or management. We would strongly advise doing your own research into the options before applying asking questions such as:

- What is this seed going to cost me?
- Do I have the capacity and machinery to establish and maintain the action myself, or do I need to employ contractors?
- What if it fails, do I need to re-establish it?

All of these considerations have implications on the inputs for each action and the return. To provide some idea, Josh Balsdon has taken a look at some of the more popular options, and gives indicative budgets for each action over the duration of the 3 year agreement.

After reviewing the actions available, its key to look at each action over the 3 year agreement, as opposed to annually. Within the first year, many actions will have establishment costs, however the second and third year (assuming the outcomes are being achieved) will be providing an income with limited or no management in some cases. Moreover, it is worth considering that many arable SFI actions only need to be established within the first 12 months and its perfectly feasible to get a final arable crop prior to establishing the action alongside the SFI payment.

The final consideration is alternative income streams, some actions will lend themselves to livestock grazing or mowing which can provide a further income stream and make the action even more viable. Whilst there may be requirements for fencing fields, there are capital only grants available which can assist with this capital outlay.

	SAM3 £/acre	NUM3 £/acre	AHL2 £/acre
SFI Payment over agreement duration (3yrs)	463.77	719.94	888.72
Projected Establishment and management costs over the agreement length (3yrs)	116.05	213.51	136.25
Gross Margin	527.72	506.43	752.47
Average Gross Margin/year	175.91	168.81	250.82

By comparison, benchmarking by ABC shows an average feed wheat will have a gross margin of £405/ac assuming a yield of 3.7t/acre. However, more marginal fields, which may have high inputs and low outputs would have substantially lower return and it may be beneficial for both workload and return to consider an SFI agreement in these areas.

If you would like to discuss how an SFI could work for your farm business please get in touch with one of the team:



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