

UPDATE

CLM
NEWSLETTER
AUTUMN 2022OUR SERVICES FARM BUSINESS & ESTATE MANAGEMENT • PLANNING & DEVELOPMENT
• SUBSIDIES & GRANTS • LAND SALES & ACQUISITION • NATURAL CAPITAL AND ECOLOGY

Making decisions amid ELMs review chatter

Autumn kicked off with a battery of contradictory headlines, some suggesting aspects of the Environmental Land Management schemes (ELMs) could be scrapped.

There was even speculation about a return to an area-based payments system, amid talk of a wholesale government review of farming and environmental support policy.

The conjecture resulted partly from comments by some environmentalists who saw a bit of scaremongering as an opportunity to grab the headlines and push their agenda.

Defra's response was unequivocal, though. "We're not scrapping the schemes," a spokesperson said, adding: "Claims we intend to go back on our commitment to the environment are simply not right."

So, crucially, what does this all mean for farmers and landowners?

The arrival of new faces in Downing Street and at Defra is inevitably going to lead to some changes, but the broad framework of what's been agreed is here to stay. Defra has said it will look at "how best to deliver the Environmental Land Management schemes to see where and how improvements can be made", but

has stressed it certainly won't be ripping up the rulebook.

With what looks like just some "tweaking" of ELMs in prospect, we're advising clients they certainly don't need to go back to the drawing board.

However, we weren't overly excited by the Sustainable Farming Incentive (SFI) before all these stories started circulating and, frankly, we're still not. If it fits with what you're already doing, it might make a useful bolt-on, but for many the payments on offer simply aren't enough to justify making big changes to their businesses.

Remember too, as things stand, 2023 will be the last year to apply for Countryside Stewardship (CS) which is a known quantity and has decent payment rates. So it's worth considering getting a CS agreement in place, then seeing if you can work SFI around that.

There is a lot of information we still don't have about future support schemes, but there has never been a time of perfect information and, ultimately, you have to make decisions based on the facts you do have. To use a cricketing analogy: You have to play the ball you're bowled.



Be proactive in growing BNG market

The 'market' for biodiversity net gain is rapidly emerging, heralding a potentially lucrative opportunity for farmers and landowners.

Estimates of the total annual BNG requirement vary widely – some reports are suggesting 7,000 'units', while others put it at 7,000ha, an area that has the potential of generating between 20,000 and 40,000 'units'.

We're already seeing demand growing and deals being done, even though BNG is not set to become mandatory under the Environment Act until November 2023.

For some farmers, it might be a case of providing, say, 3-6 'units' of BNG as a way of supplementing their income. But it's perfectly conceivable that medium-sized farms could devise schemes



that delivered, say, 40 units; while the largest farms and estates who pursue it as a central plank of their strategy could provide 100s or even 1,000s of units.

Whatever the scale, it's important to be proactive so you don't end up as a price-taker if a developer is interested in you providing the 'offset'.

If you know what is deliverable, you stand a better chance of driving a better deal and are less likely to undervalue the opportunity.

The big question, of course, is how much are developers paying. Our experience is that the payments are potentially far greater than what's available under Countryside Stewardship.

CLM was selected to be involved with Natural England's pilot project, so have been close to the market from the start. Just as one recent example: an agreement we've been involved with will see a landowner providing three units of BNG per ha, with a payment of about £25,000/unit. Other deals we've helped shape are for even larger sums.

BNG won't be for everyone, of course – not least because it's committing land to a 30-year agreement (stewardship is for 5 or 10 years), but if you have experience, for example, of creating wildflower meadows, managing flood plain grazing marsh, restoring ponds or planting hedges it could be an important revenue stream

and means of supporting nature recovery projects on your land.

So what can you do? Initially there's the 'baselining' which is establishing what biodiversity you currently have and modelling what you could enhance or create. You should also look at local planning policies. Some local authorities are already earmarking potential areas for 'offsetting' and it's worth looking at the local Nature Recovery Strategy which informs this.

It's worth viewing BNG as a 'commodity'. Don't just think about it in terms of area – think about 'yield'. If someone asked you to grow an alternative crop for them, the deal probably wouldn't be based simply on an acreage. You'd ask how many tonnes they are needing / expecting. You'd negotiate a price based, not on the area grown, but partly on what margin you sought, partly on the market price and partly on the t/ha yield.

Equally you'd want to work out the fit with the rest of the rotation and which land would yield the best. Then you'd want to think about establishment and management of the crop to give yourself the best chance of success, all in a way, of course, that fits with the rest of the business including tax and inheritance planning.

The BNG market is starting to come alive and being proactive will ensure you can drive the price, rather than end up as a price-taker.

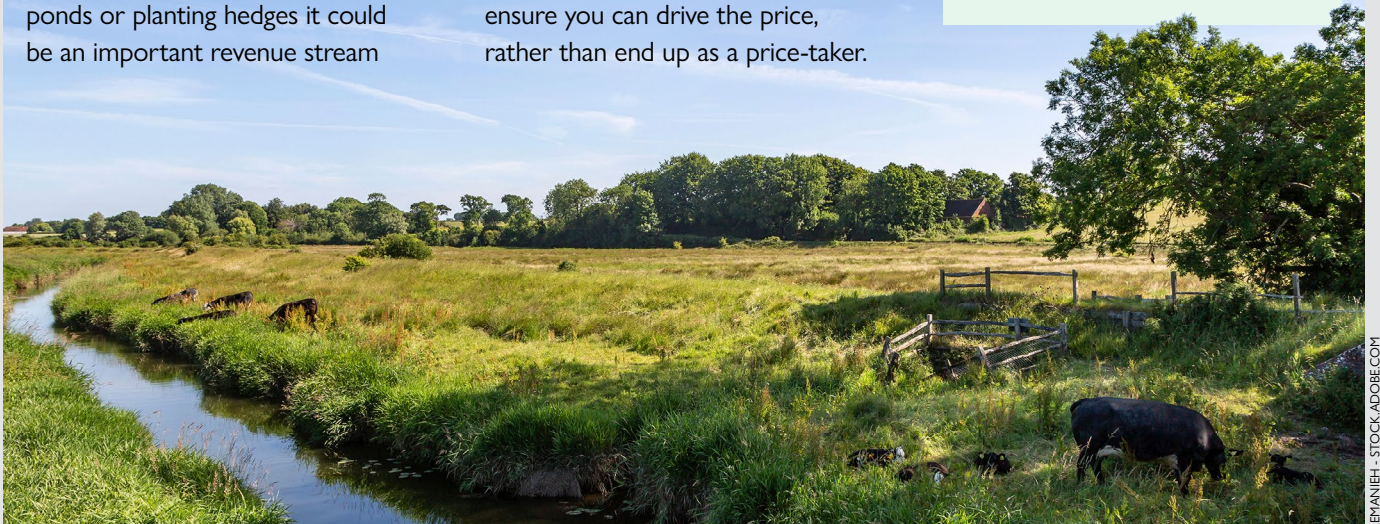
What is BNG?

Already enshrined in law and due to be implemented from November 2023, BNG is a planning concept that requires developers to provide a minimum of 10% more biodiversity than that lost at a development site. It can be provided 'offsite', ie on farms a distance from the site. The amount of biodiversity lost as a result of the development and the required additional provision is calculated through a system of 'units' using a recognised metric.

How we can help

We have in-house experts accredited with the Chartered Institute of Ecology and Environmental Management (CIEEM), planning specialists and farm and estate management consultants, so can do everything from habitat surveys and metric calculations to modelling and creating habitats – all in way that is fully integrated with your farming business.

- **Contact CLM director Anthony Weston on anthony@c-l-m.co.uk**



Taking construction soil could bring ‘material’ benefits

Providing a home for soil from development sites could offer farmers the chance to generate revenue and help the environment



MATTHEW BERRYMAN

With ever-more residential and commercial development under way, significant amounts of soil will need to be shifted from such sites – and farmers could be ideally placed to take it.

“Construction projects often generate big quantities of soil and, although many licensed tips take such commercial waste, this can involve moving it large distances. It cuts diesel use and reduces road congestion if it’s able to head to a more local farm.”

As well as benefiting the environment, it can represent a ‘win-win’ for the farmer, providing a much-needed source of income, along with a material that can potentially be used in a host of landscaping and building projects.

“Dairy producers – and indeed the whole livestock sector – is under pressure to stop nutrients in manure and slurry getting into watercourses, so a lot of farmers will need to upgrade their storage facilities. Soil can be useful, for example, when building a slurry lagoon.”

Another on-farm use could be making a bund to shield residential property from the noise of a

road, railway track or even a busy yard. Bunds can also be used to reduce the visual impact of battery storage and other energy-related developments which are set to become more common.

“I’ve seen it used for a fishing diversification where a particular type of soil was needed to create the lakes. It could also be used in landscaping projects designed to provide habitats for biodiversity or recreational spaces for visitors, I’ve even seen it considered as a way of relandscaping a vineyard to prevent

“**THE WHOLE LIVESTOCK SECTOR IS UNDER PRESSURE TO STOP NUTRIENTS IN MANURE AND SLURRY GETTING INTO WATERCOURSES.**”

a frost pocket.”

Farmers could receive between £40 and £70 per lorry load, depending on the size of the load, the distance it has to be transported and the exact access arrangements.

If you’re in a suitable location, both landraising (ie mounding soil above ground-level) and landfill can offer fantastic opportunities, he says.

“Obviously it depends on where you are and how much material you can responsibly take, but some farmers have been able to add hundreds of thousands of pounds to their bottom line in this way.

“Getting planning need not always be a lengthy process. Indeed, some small-scale projects can be done under the permitted development rights process, which is quick and low-cost compared to submitting a full planning application.

“The whole landfill sector has →



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come a long way compared with a couple of decades ago when some operators occasionally acted irresponsibly. Now it is – quite rightly – heavily regulated.

“Farmers are no strangers to navigating the planning system, but it’s vital to make sure you have all the right permissions and paperwork in place before you bring a single bucketful of new soil onto your land.”

Whether you’re dealing with a developer or a haulier (or both), it’s also important that farmers and landowners agree all the terms of an agreement ahead of any work beginning.

“That means everything from payment rates and access details to the exact timescale and the precise nature of the soil being deposited.

“You certainly don’t want to risk taking what you think is ‘inert, uncontaminated’ soil only to later discover it’s not, and to be faced with a bill for moving it to licenced landfill that could be many times greater than the sum you received.

“Local residents may, understandably, also have questions so it’s important to keep your neighbours informed. But carefully planned and site-sensitive projects can bring benefits for all involved.”

New faces join CLM team

CLM has hired two additional recruits to further bolster its environment team.

Kirstie Speed (pictured, far right) joins from PepsiCo where she worked in the Agricultural Sciences division. Kirstie, who grew up on a mixed farm in Somerset, has a degree in Biological Science from the University of Reading.

Neve Clatworthy (also pictured) joins having spent three months over the summer on placement with CLM as part of her MSc in Environmental Consultancy at the University of the West of England. Previously, she’d studied a degree in Wildlife Conservation and Countryside Management at the Royal Agricultural University.

CLM managing director Mark Weaver says: “This latest round

of recruiting reflects the way land use is changing. In an era when natural capital, environmental-based support payments and biodiversity net gain are becoming more important, expertise is increasingly needed in areas such as ecology and



conservation, field trials and data capture and analysis.

“CLM’s consultants with backgrounds in the sciences and the environment work with our agricultural and business specialists to deliver a holistic package of advice to clients,” adds Mark.

● Graduate Rural Surveyor **Jack Sadler** was among the prizewinners at the British Farming Awards, netting a runner-up spot in the ‘Agricultural Student of the Year’ category.

Jack, who joined CLM in 2020, has recently successfully completed a Rural Estate and Land

Management postgraduate course at Harper Adams University.

The judges of the national awards, run by Farmers Guardian, were impressed by the talent and achievements of Jack who has been studying part-time in tandem with his busy job and starting a small farm with his girlfriend.

CONTACT US

We are a 20-strong team including land agents, business consultants, planners, valuers, environmental experts, agriculturalists, ecologists and property experts. For more information about the topics in this issue, please get in touch with your existing CLM adviser or, for new enquiries, contact one of our directors.



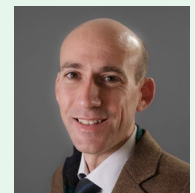
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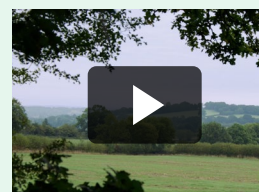
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See a two-minute video about CLM and how we can help you.