

UPDATE

CLM
NEWSLETTER
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Anxious wait for new SFI – but will Defra again fail to deliver?



Farmers are still reeling after government pulled the rug on new Sustainable Farming Incentive (SFI) applications.

The shock announcement came on March 11 when Defra declared that, with more than 37,000 multi-year live SFI agreements in place, the moment had come for a “reset” and it was stopping accepting applications.

The move was widely criticised and understandably so. The government stressed “every penny in all existing agreements” would be paid and that applications already submitted by that point would be processed. However, that was of no consolation to those planning to apply.

Given many are facing big falls in BPS revenues, and there is no alternative scheme to immediately replace it, SFI was an especially important revenue stream, potentially worth tens of thousands

of £s to individual farms.

People coming towards the end of their second five years in Countryside Stewardship mid-tier, for example, will have received that income for a decade and won't be able to replace all or part of it until next year, so they're suddenly going to drop off a cliff. This comes in tandem with the huge fall in BPS revenue, as it's now limited to a maximum £7,200 for any one farmer.

We're led to believe there will be a revamped SFI which will open for applications in early 2026, but

Defra (under this government and previous ones) has repeatedly failed to hit its own deadlines. The whole process of rolling out the different components of ELMs has been plagued by delays, which is prompting doubts as to whether there will be a new iteration of SFI ready for 2026.

In a bid to control spending, it's also possible Defra will introduce limits – it might put an upper ceiling, for example, on the proportion of a farm that can be put into certain options. →



In the meantime, it's important for farmers to make the most of what's in their current agreements. At the end of each year, you can in theory reduce the area of rotational actions by up to 50% or increase them without any limit – so it's worth exploring whether planting more, say, winter bird food mix or legume fallow would be beneficial.

It's also worth making sure that, for the schemes you are in, you are doing everything you should be – and doing it properly – so that, if you do get an inspection, you don't lose any income.

There are mixed messages coming out of government and farmers are feeling particularly unloved at present. Coming on the back of changes to IHT in the budget, some are asking fundamental questions

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KEVIN JAY
Director

about their strategy and indeed, in a few instances, whether to even carry on farming.

The government has claimed SFI was “delivering sustainable food production and nature's recovery” while at the same time “putting money back into farmers' pockets”.

The way they pulled up the drawbridge on it is, therefore, perplexing. Farming is a long-term business and, if the government wants farmers to deliver for food and nature, it needs to give them the certainty they need to plan ahead – and provide sufficient financial support to make delivering those outcomes feasible.

Beware new pitfalls with service occupancy agreements

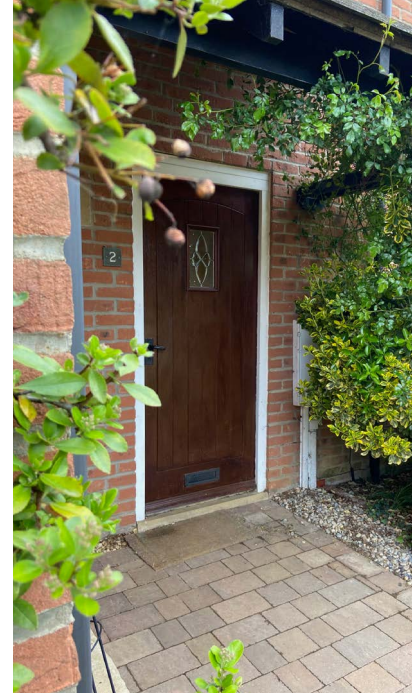
Landlords are being advised to take increasing care when issuing service occupancy agreements, with new residential tenancy legislation coming into force.

Service occupancy agreements are often used by landlords as they give employees such as farm managers, gamekeepers or housekeepers a ‘personal licence’ to occupy a property where it helps them perform – or is essential for the performance of – their duties.

They have traditionally been granted by landowners because they fall outside the scope of assured shorthold tenancies and, therefore, bring flexibility. If an occupant's employment ends, their right to occupy the property, if written correctly, should automatically end.

The new Renters' Rights Bill, which will bring huge changes to the private rented sector in England, will make it more complicated for landlords to regain possession of a property and therefore the pitfalls of inadvertently creating the wrong tenancy type, covered by the new legislation, are greater.

“The contract of employment will usually refer to the



arrangement, but if the wording in either the contract of employment or the service occupancy agreement isn't exactly correct, you could unknowingly be creating a housing agreement which falls under the scope of the new law,” says CLM property specialist Rachel Sly (pictured). “If that happens, all the new rules relating to notices, rents and how to regain possession of your property could take effect.

“Even the inclusion – or absence – of certain key words could lead to this happening,” says Rachel.

“The dangers of getting it wrong are greater than ever before, so it's important to get advice from a property lawyer and possibly an HR expert. At CLM, we can check agreements and draw on additional specialist advice where necessary.”

● **If you have any questions or concerns, please email:**
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Corry is trying to ‘reinvent the wheel’

The recently published Corry Review made recommendations in a bid to ensure environmental regulations are fit for purpose. CLM Director Anthony Weston reacts to some of its key points

BNG and nutrient neutrality

Recommendation 24 lumps together BNG and nutrient credits, but they are very different concepts. The former is a well-designed, standardised framework that is working as intended with a true private nature market emerging. The latter has been a piecemeal hotchpotch of local approaches, dead-ends and stifled growth.

Anything that speeds up and simplifies delivery is to be welcomed, but BNG is already bringing meaningful improvements to habitats and biodiversity – and in a way that is workable for developers.

The situation surrounding nutrient neutrality is less positive. Unlike BNG, which often involves a ‘one-site solution’, nutrient neutrality usually necessitates working simultaneously across many farms – perhaps a whole water catchment area – and the current system doesn’t lend itself to this sort of joined-up approach.

Whereas BNG has a national statutory framework, there is no national framework for nutrient neutrality so different Local Planning Authorities take different approaches which has led to uncertainty and a lack of progress.

Nature Market Accelerator

The Review recommended Defra should explore launching a Nature Market Accelerator to bring much-needed coherence to nature markets and accelerate investment.

It stressed it should be “small, focussed and industry funded” to provide independent assurance on the governance and standardised processes needed to guide and

protect the interests of:

- suppliers of nature-based projects
- investors in biodiversity and ecosystem services
- other intermediaries and third parties involved in trading

Further functions could include more hands-on intervention including identifying projects and matching of projects to investors.

This sounds logical in principle, but there’s an element of trying to reinvent the wheel which could undermine the ecosystem markets



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ANTHONY WESTON
CLM director



which have already emerged and are functioning well.

It also smacks slightly of a top-down, centralised approach and, as we’ve seen so many times in all sorts of industries, government doesn’t always know best! There’s a fear it could simply lead to more money being ploughed into bureaucracy and civil service salaries, pursuing projects that take insufficient account of developers’ and landowners’ local knowledge.

Trusted partners

The Review recommends allowing “trusted” conservation and environmental partners greater

autonomy in their work, by giving them more freedom to make decisions and streamline processes.

This is encouraging, but we should reconsider who can constitute a ‘trusted partner’. A farmer-cluster, which can make quick decisions based on extensive on-the-ground knowledge, can often be better placed to deliver meaningful outcomes for nature than a bureaucratic and sometimes ‘distant’ body such as the National Trust.

It’s worth government remembering that it’s the vision, commitment and experience of farmers and landowners that often actually delivers projects on the ground – so they should be involved in discussions from the start.

There are many examples of fantastic independent organisations – Wendling Beck in Norfolk and Weald to Waves in Sussex, to name just two – achieving great results by themselves. They’re responding to the biodiversity and climate crises and offering market-led, nature-based solutions. Shouldn’t those who really are delivering be trusted to do so?

How optimistic am I?

I believe we can have both economic growth and nature restoration, but unfortunately the Corry Review misses the mark. It lacks an understanding of the high integrity markets that organisations such as Green Finance Institute and on-the-ground pioneers such as Iford Biodiversity Project are helping build.

While Corry claims ‘a bonfire of regulations is not the way forward’, this report doesn’t resist the urge to try to re-invent the wheel.

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New environmental era could herald formation of more farmer-clusters

The increased focus on large-scale nature and biodiversity projects is prompting new interest in cooperation, says CLM Farm and Environment Consultant Kirstie Speed

Clusters have existed in many different iterations and for many reasons for decades, but are set to gain more traction as a mechanism for delivering targeted, joined-up actions across multiple farms simultaneously.

“Interest in them is definitely expanding and the power of clusters to deliver solutions at scale is a message that needs to reach the heart of Defra.

“Farmers are keen to engage in nature markets but, for this to happen effectively, government regulations must ensure both ‘buyers’ and ‘sellers’ have faith in the markets.

“The recently published Corry Review highlighted the role farmer-clusters could play as trusted partners to deliver meaningful outcomes for nature. The recent announcement of Nature Investment Standards led by the British Standards Institution (BSI) and funded by Defra will also be a welcome confidence boost, supporting the growth of high-integrity nature markets.”

At their simplest, clusters can be just a handful of individuals sharing knowledge and advice on an ad-hoc basis. But there’s also potential for them to become larger and more formally organised, taking joint action such as agreed land management practices in pursuit of objectives such as boosting



biodiversity, carbon sequestration or improving water quality.

“Members need to be positive about – and engaged with – the cluster. Although it’s a collective endeavour, it also needs one person to coordinate it and push it forward without being too autocratic. This can be an external facilitator or a member.

“Historically, farmers have struggled with co-operation, but

“**GETTING DIFFERENT PEOPLE AROUND A TABLE REFINES OUR UNDERSTANDING AND THOUGHT PROCESSES.”**

TIM MALPAS

cluster arrangements demonstrate it can work well.

“Members don’t necessarily have to be direct neighbours, but should align around local priorities and may share a common factor – such as all being in a specific landscape designation such as a National Park, water catchment or AONB.

“A particular project doesn’t need to involve everyone in the cluster, either, so subsets often emerge for specific projects. Clusters can focus on different challenges over time, too.

“A cluster’s priorities should reflect the members’ priorities. Successful initiatives tend to come from the ground up to resolve issues faced by multiple farmers, rather than being ‘imposed’ from an outside organisation. There should be regular, well-structured meetings with everyone encouraged to participate, but don’t have too many meetings as everyone is busy. Communication between members can be in whatever way works best for the group – be it by phone, email, WhatsApp or in person.”

One of the group’s Kirstie supports is Swale Farmers Cluster. Established in 2023, it has more than 30 members covering about 12,575ha across a mix of marsh, horticultural land, grassland, fruit ground, arable and woodland.

Members manage land throughout the Swale Estuary from the Isle of Sheppey, south past Sittingbourne and Faversham towards Challock.

According to member Tim Malpas, the “common denominator” among those involved is a passion for the local countryside and landscape.

“We share ideas and, in some cases, equipment, but in future the group could be a platform through which to access support payments and grant funding.

“Getting different people around a table refines our understanding and thought processes – and we have engaged with various local →

stakeholders including the Kent Bat Group, South East Rivers Trust, Kent Wildlife Trust, Drainage Board, NFU and Natural England,” says Tim.

“However extensive or intensive the system, there is a realisation on most farms that more can be done to benefit wildlife and that there is a lot to be gained through collaboration.”

The group started “over a pie and pint” evening in a local pub, listening to the experiences of farmers involved in other cluster groups, since which time it has gained momentum. “There’s always a large ‘over-the-hedge’ element to finding inspiration and learning so this is a really effective way of doing it,” says Tim. “We look at what great work our neighbours have done, then consider how we can replicate or support that.”

Bird species such as nightingale, barn owl, turtle dove, lapwing, redshank and shelduck have benefited from the work of members. But the group has a host of objectives including improving soil health, unlocking natural capital payments and even delivering community benefits.

One of the specific aspirations is to create a “map of maps” covering the whole area which collates multiple data sets of such information as land use, biodiversity and soils. This could help secure new sources of environmental funding as it comes available by demonstrating the land’s ‘baseline’ (ie, its present status), as well as quantifying and demonstrating improvements.

“As farmers, we have to be open to new sources of funding, public and private, given what’s happened with BPS support payments,” says Tim. “Much of our profit has just disappeared and we’re all asking how we can replace it.”

According to another Swale member, Arthur Leigh-Pemberton,

the group has a “loud, united voice” in discussions and negotiations with both public and private bodies.

“Being in a cluster might not make you more money immediately, but it could turn into a revenue-generating opportunity, with actions and outcomes monetisable at a later stage as the ecosystem services market becomes established.

“I’ve always had a sense there was scope for more cooperation among farmers,” says Arthur. “We had been sharing machinery with a neighbour and the success of that arrangement made me think: This really can work!

“Good clusters show patience – they take the time needed to develop a unified vision and then do the work. They should be there for the long term – they don’t have to do one thing then disappear. They will tend to align around local priorities, though, and there will

be different benefits for different members.

“They’re a great way of networking and can be sociable, which is important in an industry like farming which can be quite isolating.”

Meanwhile in Sussex, with the encouragement of her local Natural England and RSPB reps, Annie Brown was one of the founding members of the Eastern South Downs Cluster.

“It was a step into the unknown at the beginning,” recalls Annie, who farms just north of Brighton.

“Anthony Weston from CLM and I walked around Laughton Ploughing Match about a decade ago persuading people to sign up. We told them it wouldn’t cost them anything, but it would be a chance to share some learning. We got about 30 signatures straight away. Farmer sign-up enabled us to secure some money as part of the Countryside Stewardship Facilitation Fund to support positive environmental outcomes.”

Annie originally hoped the cluster would help ensure some of the work she had originally done under an HLS agreement would be replicated across a larger area.

“As I get older, the environment becomes ever-more important to me,” she says. ‘I love walking around the farm, seeing the ‘mosaic’ of habitat that we have created



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ANNIE BROWN



Conservation-grazing goats in Sussex.

and hearing birdsong – particularly skylarks.

“The information-sharing among our members has been good, but frustratingly the landscape-scale creation and enhancement of habitat across member farms remains elusive. It’s important not to underestimate the time involved in getting a cluster off the ground and keeping it going.

“The South Downs National Park Authority has been very supportive and we have used FiPL funding to create our ‘map of maps’ – now we need to make that work for us, identifying opportunities to create corridors of habitat, and securing the necessary funding, both private

and public.

“In our patch, getting farmers to work together is a slow burn, but the cluster approach can be very powerful,” concludes Annie.

• *Kirstie Speed is a registered facilitator for the ADOPT Fund, a government programme in England which has £20 million of funding to support the introduction of innovative technologies to improve productivity, resilience and sustainability in 2025/26. Farmers can initially apply for a £2,500 grant to engage a facilitator to support their submissions to the full ADOPT grant competition which could ultimately make an award of between £50,000 and £100,000.*

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Doubts surround Environmental Delivery Plans

The Planning and Infrastructure Bill has begun its journey through Parliament, with one of its key measures being the establishment of a Nature Restoration Fund.

This will allow developers to discharge their environmental obligations by making a payment, with the money then used by Natural England for nature restoration projects.

The government says it will “deliver better outcomes for nature, and to enable developers to get on with building the homes and infrastructure we need”.

This option will only be available if an Environmental Delivery Plan is in place, telling a developer how much they need to pay.

Such EDPs, created by Natural England, will set out a package of conservation measures to address one or more environmental impacts of the development and secure an environmental uplift for that feature.

Some EDPs will pool resources

from multiple developments and deliver conservation measures at scale, while others could be directed at a single, large development.

According to CLM Director Anthony Weston, there is a “growing groundswell” against this approach as it risks eroding nature protections and due process, and could amount to a “cash-to-trash” approach.

“The proposed EDPs are not well suited to address certain species and, indeed, expecting one EDP for a specific locality to address such diverse considerations as nutrient neutrality, irreplaceable habitats or dormice.

“The suitability of Natural England to oversee and actually invest the collected cash into nature remains to be seen. They have collected less money from BNG credits than it has cost them to run the scheme, meaning no money has actually yet been spent in this way on nature.”



CLM is a land, business and property management consultancy.

It helps clients protect and grow their income and assets, improve their quality of life and create sustainable legacies. The 20-strong team includes land agents, business consultants, planners, valuers, environmental experts, agriculturalists, ecologists and property experts. From its headquarters in East Sussex, it supports clients nationwide as varied as family farms, landed estates, property developers, international investors and viticulturists. It offers a range of services relating to BNG and natural capital. As experts on the ecosystem services market and environmental schemes, the knowledge and insight of its consultants is frequently sought by journals such as Farmers Weekly, the Financial Times, Property Week and Inside Housing.

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