

UPDATE

CLM
NEWSLETTER
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Start planning for SFI 2026, despite information void



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The announcement of dates for the next Sustainable Farming Incentive (SFI) application windows has been welcomed, but farmers remain in limbo with little else known about the scheme's 2026 iteration.

The first window, we are told, will open in June and prioritise 'smaller' farms and those without an existing ELMs agreement, while the second, beginning in September, will welcome a wider range of applicants.

It's good that the scheme is coming back, but farmers and landowners need more information before they can start making decisions.

It's also encouraging that the two windows will have separate budgets because, if there is a huge take-up of the first, there should still be funding available for those who have to apply later.

It's likely Defra will set clear budgets for each window and then provide updates, so people can see when a window is likely to close because it's fully subscribed. This means a 'close' date won't be specified in advance – it'll be dependent on when the budget is used. And while we're expecting a June and a September window, as with all-things Defra, there's a chance this timescale could slip!

We're also not yet sure what constitutes a "smaller" farm in

terms of the first window. I've heard talk that it could be smaller than 50ha – but if you're farming less than 50ha you probably need to have quite an intensive system so may not have any space for SFI actions anyway. And if a farm does not already have an SFI agreement in place, there is probably a good reason why this is the case. On this basis, the first application window may not actually generate that many applications so it will be interesting to see how Defra splits their budget between the two pots.

Under the most recent SFI, there were 10 'limited' actions, where the area of land that could be put into these was set at a maximum of 25% of the total agricultural area of a farm because they took land out of production. I suspect there will be additional limited actions under the new iteration of the scheme, and the limit could also be set at a smaller percentage of the farm's size.

The government is also reviewing payments rates for actions that take land out of production and where uptake has been →



particularly high. For example, the £593/ha payment for legume fallow (CNUM3), is an obvious candidate.

One big problem I can foresee is that people may not be ‘physically’ able to apply. If Defra sticks to these windows and the application process isn’t changed, it won’t be possible to submit an application to replace expiring management actions and options until existing agreements have expired. This is particularly relevant for those who went into SFI 2023 when it was first available as their agreements will start expiring at the end of this year and early next. There will also be many who want to replace expiring mid-tier agreements. If applications are delayed until



FARMERS SHOULD BE CONSIDERING SFI AGAIN BECAUSE IT REPRESENTS ‘GUARANTEED’ INCOME.”

KEVIN JAY
CLM Director

existing agreement have expired, the budget may have run out. I hope Defra is aware of this issue.

Despite question-marks over what the new SFI will look like and how it will be delivered, farmers and landowners should be considering it again because it represents ‘guaranteed’ income and revenue which is paid quarterly. As with all support payments, though, it’s best not to fit your system to the scheme. Instead, look at what you do well and tailor an application to suit that.

While we don’t know the details of the new offering, it’s worth thinking about it now and, if you decide it’s got merit, keeping an eye open for more details when they’re released and submitting your application soon after it opens so you don’t miss out.

Smaller sites to be exempted from BNG rules

The government has announced its intention to exempt developments on sites smaller than 0.2ha from Biodiversity Net Gain (BNG) requirements.

It has not, however, yet made it clear how and when this change will be implemented so, until it does, existing BNG rules remains unchanged and should continue to be factored into site appraisals and planning applications.

Government claims the proposed change will reduce costs for small- and medium-sized developers, save local planning authorities time and money, and help farmers and rural businesses “grow, diversify and thrive”.

It comes at a time when government has pledged a wider “commonsense switch in mindset” in relation to planning, declaring that development needed by the farming industry should be supported by local councils.

“This means boosting support for on-farm reservoirs, greenhouses, polytunnels and farm shops – infrastructure that’s essential for modern, productive farming,” a spokesperson said.

Government, keen to deliver 1.5 million homes in this Parliament, consulted on applying a BNG exemption to sites under 0.5ha but this was reduced as a result of the consultation.

“BNG plays a vital role in restoring nature while building the homes this country needs, but we’ve heard clearly from

developers, local authorities and ecologists that the system needs to work better for some of the smallest developments,” a government spokesperson said.

The move has been welcomed by many farmers and landowners because, for those considering smaller projects such as barn conversions and diversification enterprises, it could free them from the obligation to provide BNG as part of the planning process.

It has, however, met criticism from other quarters. A letter signed by developers, contractors, ecologists, engineers, financiers and planners suggested it could lead to “severe negative implications for private investment in nature, the burgeoning nature markets, businesses striving and succeeding in the creation of sustainable, healthy and resilient places and most of all the people that live in these places”.

Some farmers and landowners providing BNG have also expressed concerns, fearful it could “legislate away demand” for units which they have invested time, money and effort into providing habitats for this purpose.

A full consultation response is expected in the spring covering details of this BNG change and an implementation timeline, alongside other proposed measures such as more detail on how BNG could be implemented for Nationally Significant Infrastructure Projects (NSIPs). →

CLM at forefront of delivering BNG

CLM has been supporting a range of clients with BNG since the concept was first introduced.

We help landowners design, deliver, and manage projects, whether it's transforming a field corner or implementing a landscape-scale strategy generating thousands of 'units'.

We also help developers deliver mandatory and voluntary aspirations, onsite and offsite.

Our team includes in-house experts accredited with the Chartered Institute of Ecology and Environmental Management (CIEEM), planning specialists, RICS Chartered Surveyors, and farm and estate management consultants.

Here are just some of the BNG projects in which CLM has played a key role...

1. The Iford Estate Biodiversity Project

Set within a landscape-scale proposal to restore nature across part of the South Downs, and split across two contiguous, registered habitat banks, the Iford Biodiversity Projects registered sites include over 35ha of former arable land reverted to grassland, scrub and woodland, reinstating the historic habitats found in this downland location. In addition, over 10ha of semi-natural, downland woodland is being enhanced to maximise its value for biodiversity and expand this locally significant habitat type.

BGS-101024005 and BGS-290224001 (South Downs National Park LPA, South Downs NCA)



Newly planted roundels at Aspect Nature Reserve habitat bank, which will enhance the connectivity of the site with the wider landscape, providing stepping-stones through areas of grassland, connecting local woodland sites for invertebrates, mammals and birds.

2. Aspect Nature Reserve

Located either side of the Mans Brook, this habitat bank is looking to create a mosaic of habitats including scrub roundels, semi-natural grassland and traditional orchard. In addition, enhancement of the Mans Brook and adjacent riparian woodland will improve this wetland area, and enhancement of part of nearby Tilgate wood will benefit the adjacent Ancient Woodland habitat.

BGS-130225001 (Horsham LPA, Low Weald NCA)

3. Longbridge at Warren Farm

Aiming to create a more 'tree-ed' landscape within the Low Weald, this project will revert areas of arable land, and enhance existing grassland habitat, alongside tree planting, to create a wood pasture and parkland aesthetic across the site, and providing a corridor between areas of woodland locally.

BGS-280225001 (Wealden LPA, Low Weald NCA)



4. Stenbury Manor

Creation of more diverse habitats across the lower slopes of the Chalk Downs, including expanding isolated pockets of woodland with native broadleaved woodland and scrub, and enhancing areas of improved grassland to semi-natural grassland habitat with a calcareous character. Creation of an area of Traditional Orchard is a particular passion of the project manager.

BGS-150725004 (Isle of Wight LPA, Isle of Wight NCA)

5. Devil's Den

Named after the medieval moated site that overlooks much of this land, the project will revert the arable land onsite, within the floodplain of the River Eden, to semi-natural grassland, improve management of the young woodland onsite, and restore historic hedgerows lost through intensification of farming in the last century.

BGS-170725003 and BGS-021025002 (Sevenoaks LPA, Low Weald NC)

6. Charmwood

Located on the dip slope of the North Downs, the project will restore large areas of lowland calcareous grassland, from existing semi-natural grassland, and link linear parcels of woodland with new areas of tree planting, scrub roundels and hedgerows, retaining the downland character of the site, while also improving its value for wildlife.

BGS-021025002 (Bromley LPA, North Downs NCA)

7. Culver, Cowlease and Bridge Farms

Situated against the River Ouse, the site's position within the old floodplain makes it ideally suited for the establishment of wetland habitats. The project will focus on restoring many of the old features of the floodplain, including ditches, scrapes and ponds, and wet woodland, and establish semi-natural grassland which will be managed towards a floodplain wet grassland.

BGS-290725003 (Lewes LPA, Low Weald NCA)

8. Beeches Farm Habitat Banks

Nestled within the densely wooded High Weald National Landscape, the project is looking to enhance the ancient woodland surrounding it, which includes nationally important ghyll woodland, and enhance the existing permanent pasture to species-rich grassland, with areas of scrub and new hedgerows planted on existing field boundaries, providing more varied habitat.

BGS-311025002 and BGS-271025002 (Tandridge LPA and Sevenoaks LPA respectively, High Weald NCA)

9. Escrick Park Estate

A truly landscape-scale project, this nearly 160ha site is adjacent to the Statutory Designated Skipwith Common SSSI, NNR, SAC, and will restore the habitat at the top of the Riccall Dam Catchment, restoring the Southfield Drain watercourse to a more natural state, create expansive wetland habitat and reinstate historic field boundaries and heathland habitat.

BGS-261125001 (North Yorkshire LPA, Humberhead Levels NCA)



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 and international investors. 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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