



SUMMER 2026

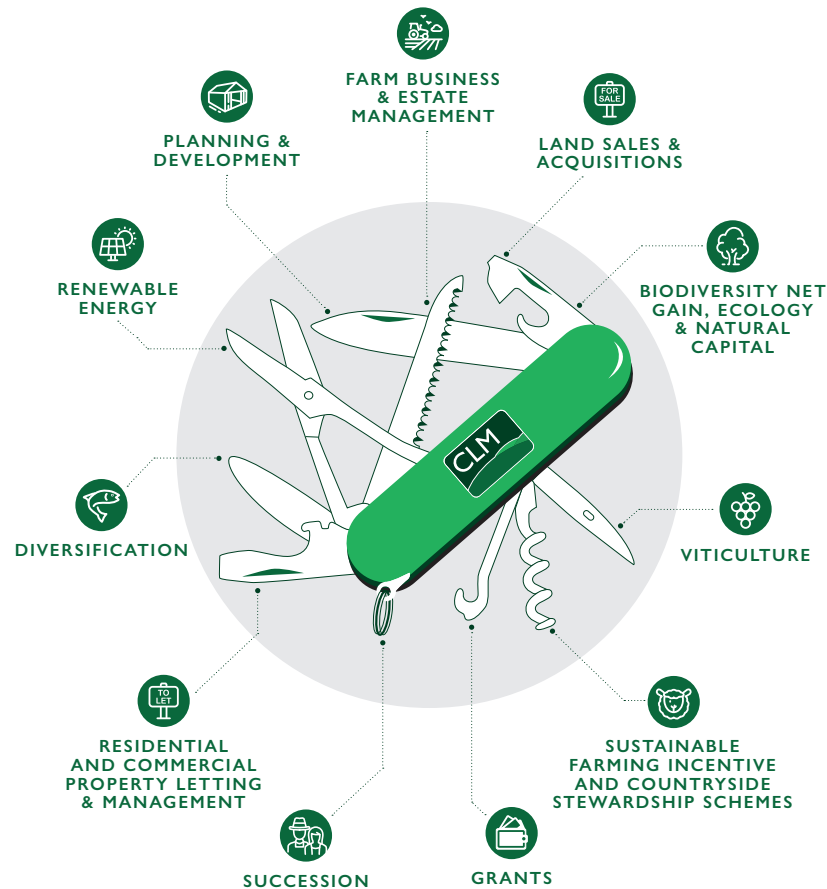
Summer 2026 Update

News, views and advice for farmers and landowners from our experts

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A time of change – and possibility

We live in unprecedented times. It's been said so many times it's almost become a cliché. But it's true. Input and commodity prices are changing. Support schemes are changing. The climate is changing.

In this volatile and worrying world, farmers and landowners are also changing. They're changing their enterprise mix, embracing new support schemes, trimming costs, using new technology and launching diversifications. They're asking fundamental questions of their businesses and of themselves that they may not have asked for years, possibly even decades.

I write this, just a few days ahead of The Heathfield Show. It's an event that CLM has

supported for more than two decades and one that encapsulates all that's best about farming families, rural communities and the countryside. It reminds me every year of the talent, resilience and forward-thinking nature of farmers and landowners. This year, more than ever, these will be traits that are needed, as we navigate this difficult period to a brighter future.

These are indeed unprecedented times, but opportunities still abound for those who are prepared to embrace change.

MARK WEAVER
CLM Managing Director



Start planning now for SFI26



KEVIN JAY
Director

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It's worth considering whether SFI26 could be beneficial for your business and, if so, starting planning immediately so you can submit your application as soon as you are able.

This will reduce the likelihood of you missing out, given there will be an element of 'first-come-first served' to this iteration of the scheme.

Application window 1 will open in June 2026 and will remain open for around two months – although it may close sooner if demand is high and the window 1 budget is fully allocated. It will be open to farms of up to 50ha, plus those without an existing environmental land management (ELM) revenue agreement.

Application window 2 will open in September 2026 for all farms. The end-date will depend on how many farmers apply.

SFI26 is a simplified offer, with fewer actions and less complexity – but there should still be enough actions to enable most farmers to find

options that suit their system.

Defra says this iteration of the scheme has been designed improve its fairness and accessibility, with actions removed which had a low uptake or weren't delivering for food production or the environment. By reducing some payment rates, introducing an area cap for the enhanced overwinter stubble action, and applying a new annual agreement cap, more farms will be able to participate and benefit, Defra suggests.

Having previously been very critical of the government's ELMs rollout, it's interesting to see that farming organisations have broadly welcomed SFI26. The NFU, for example, said it "appears to strike the right balance between simplifying the process and maintaining flexibility, while still retaining preferable actions for farmers and growers".

It's wise to look at what you do well and tailor your application to suit that, rather than trying to fit your system to the scheme, but SFI26 will present opportunities for many farmers. It also represents a 'guaranteed' revenue paid quarterly, which in today's agricultural and economic climate of volatility and uncertainty has a big value.



10 key takeaways:

1. The new offer includes 71 actions, down from 102 in the SFI24 offer.
2. Each farm business can have only one SFI26 agreement.
3. No agreement can be worth more than £100,000 per year.
4. Agreement holders will not be able to increase the area or value of rotational actions beyond what they included in Year 1. Farmers will still be able to move rotational actions between fields to match their crop rotation. They will also be able to increase or reduce the area from year to year, if they do not go above the Year 1 level.

5. It's worth noting payment rates have been reduced for:
 - CSAM3: Herbal leys from £382/ha to £224/ha
 - CAHL2: Winter bird food from £853/ha to £648/ha
 - CNUM3: Legume fallow from £593/ha to £532/ha

6. Enhanced overwinter stubble (AHW7) will be added to the 10 actions for which a 25% area limit cap already applies. These actions cannot be done (individually or in combination) on more than 25% of the total agricultural area of the farm to prevent too much land being taken out of production.

7. The timing of the application windows could be problematic for some farmers. Those who went

into SFI 2023 when it was first available, for example, will see those agreements begin to expire at the end of this year and early in 2027. There will also be many who want to replace expiring Countryside Stewardship mid-tier agreements at around that time. It won't be possible to submit an application to replace expiring management actions and options until existing agreements have expired.

8. The £100,000 cap sounds like a sizeable amount of money, but it bears no relation to the scale of a business, so this will disadvantage larger farmers. It's worth remembering the £100,000 cap only applies

to SFI26 (ie revenue from other schemes is not counted towards this).

9. The removal of action GRH6 (Manage Priority Habitat Species-rich Grassland) means some farmers may also find themselves dealing with Natural England as they will now look to Countryside Stewardship Higher-Tier to support this work financially. This is likely to put further pressure on an already-stretched and under-resourced Natural England.
10. The new 25% area cap on Enhanced Overwinter Stubble (AHW7) could present challenges to arable farmers who previously deployed this action across a large area.



Capital Grants offer is great opportunity but brings cashflow considerations



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July is the month when the 2026 Capital Grants offer should open for applications, according to Defra.

The money is available to help farmers, land managers and rural businesses make improvements that deliver wider environmental gains.

Funding limits will apply to four of the six groups in the offer: £25,000 for the water quality, air quality, and natural flood management groups; and

£35,000 for the boundaries, trees and orchards group.

Defra, which has allocated £225m to the scheme, expects interest to be “strong”, which suggests the available money could be allocated soon after the scheme opens. In such a ‘first-come-first-served’ situation – and with the likelihood of applications exceeding available funding – it’s worth submitting your paperwork as soon as possible after the go-live date, if you’re intending to apply.

According to Defra, many applications last year also required “follow-up” for missing evidence, which

slowed decisions and, in some cases, led to rejections where evidence was not provided in time.

Supporting evidence can include maps, proof you have sufficient funds (because you’ll need to pay for the work before you claim the money back) and, in some instances, you may need Catchment Sensitive Farming support already in place.

The Capital Grants offer represents a fantastic source of cash for a lot of farmers, but bear in mind you’ll have to bear the cost of the works up-front before the grant is paid and that the grant might well not cover the full cost.

If you’d got a contractor to erect 1,500m of sheep fencing last year, for example, the payment was £7.47/m, but the charge might have been £11.25/m, so you would have only got back just over £11,000 of the £16,875. And if the work involved cutting back and clearing in readiness for the fencing, the charge could have risen to £16/m. It’s important, therefore, to think

“**AS WITH ALL GRANTS, IT’S IMPORTANT TO IDENTIFY A CLEAR ‘BUSINESS NEED’**”

JONATHAN MORRIS

about cashflow, potentially softening the impact by buying some of the materials well ahead of the work to stagger the spending.

As with all grants, it’s also important to identify a clear “business need” before applying and avoid getting seduced solely by the headline payment.

Try to see it in the bigger revenue-cost picture of the business, as well as taking account of deliverability. All too often it is tempting to submit a large volume of proposed works within one claim – the rationale being that it gives you flexibility and, to a degree, some

certainty the funding is there. However, we know that there is a limited pot of money and, if you can’t physically deliver all the works, you are to a degree just using up funds which could be better deployed elsewhere, albeit perhaps on another holding. In a world where the receipt of farming grants is increasingly being scrutinised, considered submissions might hopefully result in more longevity for such schemes.

- To discuss whether the Capital Grant offer could benefit your business, please email Jonathan Morris on jonathan@c-l-m.co.uk



It's time for fresh thinking to make CFAs fit for purpose



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Taking a new approach to Contract Farming Agreements (CFAs) based on long-term thinking, more collaboration and transparency could benefit landowners and contractors.

Many existing agreements are being terminated or renegotiated, with low commodity prices often cited as the reason, but it is the disappearance of BPS rendering them unfit for

purpose.

Many agreements have been left to roll on annually since BPS reductions started in the hope that policy or prices might help fill the gap (perhaps 'crater' would be a better word) left by its disappearance. Whilst this seemed sensible at the time, it seems unlikely any changes are imminent. This, combined with the lack of certainty and confidence, means now is the time to proactively shape agreements for the longer-term, with both parties working in hand together to find a happy medium.

Contractors and landowners

have both been feeling the pain. Contractors' costs continue to rise with ever-increasing machinery prices, labour costs, and now extreme fuel price fluctuations.

Landowners have the pressure of providing working capital to run such agreements. Their first charges are also being questioned. These were typically similar to BPS levels, but landowners are now relating them to SFI income or looking for this within the CFA 'pot' which depletes already-under-pressure profits and can leave the agreement with no surplus – or even a negative one.

Ultimately, though, both parties want an agreement that works and gives them security. Now there isn't the same amount of money to be split, it calls for a new structure. Many agreements have traditionally been a 50-50 profit share after the landowner's 'retention' and the contractors' 'first charge' (the latter of which is typically set below the cost of production).

Now is the time to look at tiered structures, reducing the exposure to perilously low divisible surpluses. The contractor gets a proportion of the first tier to cover their costs and reduce their risk exposure. There is a middle tier from which the profits are shared appropriately. Then there is a third tier from which if wheat prices returned, for example, to the dizzy heights of £250/t, the landowner

would take a larger share of the benefit.

If you're in a CFA that isn't working for you, you should be having a conversation about whether you can renegotiate the terms. Don't be afraid of a significant restructure and, if you're a landowner, don't feel you necessarily need to go back to the market via a re-tendering exercise. With careful planning, transparency and a flexible mindset, well-structured agreements will share both profit and risk.

“**IF YOU'RE IN A CFA THAT ISN'T WORKING FOR YOU, YOU SHOULD BE HAVING A CONVERSATION ABOUT WHETHER YOU CAN RENEGOTIATE THE TERMS.”**

OLI PILBEAM

Both parties can 'get by' in the challenging years (albeit it merely as a cost-covering exercise) and, in the better years, both are rewarded.

I'm currently drawing up many agreements along these lines, which work now and will remain suitable if and when the economics of agriculture change. Having worked with as many contractors as landowners – and also providing agronomy services – I've represented both sides, and am determined to change

the 'us and them' narrative.

A common cause of friction between parties are the costs that sit within the CFA, such as the landowner's agent/professional fees. So why not have a consultant who understands the businesses on both sides of the fence, rather than one acting on behalf of one party? This will allow the middle ground to be found that's acceptable to both parties and ensures they enter an agreement that feels fair to both sides and is sustainable in the long term. True collaborative thinking avoids conflict and short-termism; it also requires transparency and ongoing monitoring.

For landowners, the answer is not always a review of the market, as there's usually someone who will do it for a penny less. Instead, try a review of the nuts and bolts of the agreement.

What's beneficial is a stronger landowner and contractor relationship, and making sure the right consultant is in the middle acting in the interest of both parties. Yes, there is of course a cost to this, but it's a cost both parties see the value of.

In this way, a real relationship of partnership and commitment can be established, and CFAs will continue to be the right vehicle for many, in good and bad times alike.

9 facts landlords should know about the new Renters' Rights Act

Part 1 of the Renters Rights Act (RRA) came into force on May 1, with far-reaching implications for landlords and tenants. Senior Property Manager Rachel Sly summarises the main changes it brings

Introduction of Assured Periodic Tenancies

1 All new tenancies and existing tenancies in the private rented sector become Assured Periodic Tenancies (APT). Tenants are able to stay in a property for as long as they want or until a landlord serves a valid Section 8 notice. Tenants are able to end their tenancy by giving two months' notice in writing to the landlord. If there are joint tenants, then notice by one will be effective for all tenants. Any attempt by a landlord to create a fixed term or use a break clause or serve the incorrect notice is an offence. A landlord may only terminate the tenancy by serving a Section 8 notice specifying one or more appropriate grounds for possession. Changes have been made with the notice

periods so care must be taken prior to serving any Notice. Negligently or wilfully telling a tenant that you intend to rely on a ground or service of a notice that is defective or relies on grounds without foundation is an offence.

Abolition of Section 21 notices

2 Landlords in the private rented sector are no longer be able to serve a Section 21 notice under the Housing Act 1988 to gain possession.

No more bidding wars or advance rent demands

3 Landlords and letting agents are not able to ask for, encourage, or accept an offer higher than the advertised rent. All rental

adverts must include a specific sum for rent. Landlords and agents are also not able to request rent in advance payments of more than one-month's rent.

Rent increases

4 Rent can only be increased by service of a statutory notice. Any rent increase clauses in previous agreements are of no effect. The notice must specify evidence of the new market rent, the landlord must give a two-month notice period, and the Section 13 procedure can only be carried out on the anniversary of the rent increase.

Stronger protections for families and pet owners

5 There is a requirement for landlords to consider tenant requests to rent with a pet. Landlords have an initial

28 days to consider and respond to this request. Properties may be advertised as being unavailable for pets but, in accordance with the Equality Act, service animals must be permitted. However, landlords may not unreasonably refuse a tenant request to keep a pet once the tenancy has begun. Tenants can complain to the

redress scheme and defend any attempt to evict them for having a pet on the basis that the refusal was unreasonable.

Tenancy terms completely changed

6 Landlords must provide to their existing tenants by May 31, 2026 a tenant Information Sheet which has been published by the government. Existing tenants will not need their tenancy agreements replaced. Entering new tenancy agreements, all tenants must be issued with the written statement of terms either separately or embodied with the new Assured Periodic Tenancy Template.

Real enforcement powers handed to councils

7 Through the strengthening of local council enforcement and

rent repayment orders, civil penalties will be expanded, and there is a new requirement for local councils to report on enforcement activity. Rent repayment orders have been extended to the person who owns the property (also known as a superior or head landlord), the maximum penalty for offenders will be doubled and repeat offenders required to pay the maximum amount.

Discrimination

8 A landlord and agent may not discriminate against (or withhold information from) prospective tenants on the basis that they might, or will, have children living at the property, or they are, or might, be in receipt of benefits.

Database and redress completely changed

9 During Phase 2, the government will introduce the Private Rented Sector Database and the landlord Ombudsman. This will be mandatory for all landlords to join. Details will be published at a later date.

- If you would like to know how the RRA will impact your rental property or portfolio, please email CLM's property team on **propertymanagement@clm.co.uk** or call 01892 770339.



Rachel Sly

BNG rules changing, but legislation

Sites smaller than 0.2ha are set to become exempt from Biodiversity Net Gain (BNG) requirements from July.

Defra plans to bring forward secondary legislation before summer recess 2026 to enact the change, but until then existing BNG rules remain unchanged and should continue to be factored into site appraisals and planning applications.

Government claims the 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 wasn’t met with universal

brings revenue-generating streams

will be covered by the above new <0.2ha exemption)

- Introduction of an exemption for temporary planning permissions granted for a maximum of 5 years
- Introduction of an exemption for certain developments improving parks, playing fields and public gardens (guidance yet to be published)
- Amendments to the biodiversity gain hierarchy for minor developments, placing off-site biodiversity gains on the same preference level as enhancement and creation of onsite habitat
- Amendments to the way the Spatial Risk Multiplier (SRM) is applied.



support, however, with some figures involved in the BNG sector suggesting it could lead to “severe negative implications” for private investment in nature and the burgeoning nature markets.

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.

The details of the new ‘small sites’ exemption framework (which won’t apply to priority habitats) was announced in April when the government responded to the May 2025 BNG consultation. It also put forward proposed changes including:

- Removal of the self and custom build exemption via secondary legislation (it is thought these developments

BNG for Nationally Significant Infrastructure Projects (NSIPs) is due to come into force from November this year. Between now and then, Defra plan to finalise and publish biodiversity gain statements for all NSIP types, publish an updated metric user guide with the updates for NSIPs, and publish NSIP specific guidance.

CLM at forefront of delivering BNG

CLM has been supporting a range of clients with BNG. Director Anthony Weston summarises some of the projects in which we have played a key role...

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.

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



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.

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)**

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)**



Succession planning still a priority, despite government u-turn



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The government may have u-turned on its original Inheritance Tax (IHT) proposal, but the new rules which came into force in April mean having an up-to-date succession plan is still vital.

The initial aim was to limit tax relief for business and agricultural property to £1m, with only 50% relief on any excess. But widespread protest at the unfairness of this – particularly on family farms – led the government to backtrack.

Spouses and civil partners can now pass up to £5m in qualifying assets between them IHT-free (assuming their wills are written in a way that

allows this) with effectively 20% IHT tax on the value of assets in excess of this.

Many farmers and landowners could still find themselves caught in this net, meaning the next generation would need to find cash to pay an inheritance tax liability.

Even if you are confident you're not in IHT territory, having a succession plan in place is vital to the viability of your business. It's useful to work out what you want your businesses to look like, now and in the future, in terms of its size and enterprise mix, as well as who's involved and doing what. Understand and deciding this takes time and should involve everyone.

All too often, erroneous

assumptions are made. People just assume, especially if they're working alongside family members, that everyone knows what everyone else wants. It's also impossible to think about the big-picture

properly during hectic periods, while you're exhausted. You simply can't do it on-the-hoof or over breakfast so, while there's probably never a completely quiet time, it's important to carve out the

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MARK WEAVER

space to give these issues the consideration they deserve. These, after all, will be among the most important decisions you take.

It makes sense to work out when is a less busy time and ringfence a couple of hours or a half-day to get all the people involved together. These can be difficult conversations – so diffuse a potential tense situation by acknowledging you're not there to make decisions at that moment.

Instead, you've come together to have a conversation, share some thoughts and ideas, then you're all going to go away, think about them and reconvene at a set time to discuss them further.

Some questions a succession strategy should address:

- How can I or we pass on a business that's viable, while being fair to all my children, even those who aren't involved in it?
- What role will each member of the family play now and in future?
- How will the assets of the farm be owned?
- What's the optimum time for me to take a step back?
- What do the next generation actually want to do?
- How can we give them enough responsibility initially to make a meaningful difference, without jeopardising the business if they make a wrong decision while they're on a steep learning curve?

Everyone should understand their own aspirations. Being motivated by wanting to grow bumper crops of wheat or build a quality sporting estate are equally legitimate. Ditto prioritising biodiversity or making sure you generate the funds to maintain your family home. What's important is that everyone understands all the pros and cons of the different options and appreciates how that fits within the jigsaw puzzle that is successful succession.

The sooner you start, the easier it is to do and the more effective the decisions that can be taken will be. Be honest and open and let all family members – and indeed anyone else affected – be heard and feel comfortable saying what they think. Try also to view this as an ongoing process, rather than as a one-off conversation.

The changes to IHT have sparked a lot of understandable worries, but ultimately, in the vast majority of cases, son or daughter will still be able to inherit a family farm, but it might be a more complicated and more expensive process.

The families I work with, however, always speak of the huge sense of relief they feel having grasped the nettle. They tell me beginning the process of succession planning feels like a weight's been lifted off their shoulders and it's never as hard as they feared.

The paperwork

People need a clear, deliverable Will in place. But in addition to a Will, a 'letter of wishes' is also recommended. A Will is a formal document which sets out who will inherit what. A letter of wishes is a less formal document saying what a person would like to happen with some of the things not necessarily connected to the business. It's the personal stuff – such as where they might want to be buried or which grandchild they want to get their favourite old Land Rover! A lot of farm businesses are family businesses so clarity on this is important – because everyone will be grieving and it takes away some of the burden of decision-making. Executors don't have to carry out the instructions in a letter of wishes if it's impractical or too expensive, but it will help guide them.

A will is a matter of public record, leading to the suggestion that it is a simple short document. A Letter of Wishes is private, and a much more powerful document when it comes to family matters.

It's also important to make sure your agent / consultant, your accountant and your solicitor are all aware of what you want to happen after you die and have been involved in writing (or certainly seen) your will. It can be beneficial to get all these people in a room together at the earliest opportunity. Ask them to confirm in writing they understand what you want to happen and that it is deliverable. If you've made a Will some time ago, it's worth checking with your solicitor again now it's still watertight. A bad Will is one that is drafted in such a way that, although it is legally coherent, it is impractical / impossible to deliver in terms of the business – or is nonsensical from a tax point of view.

Check your paperwork is also all up-to-date and easily accessible. The type of business will dictate which of these document(s) will be needed, but it's important a farm business has a partnership agreement / trustee agreement / shareholder agreement in place.

A lot of family farms will be partnerships, so it's worth remembering a partnership agreement needn't be hugely complicated. At its simplest, it can be a short set of rules, saying who's responsible for what in terms of decision-making and what happens to revenue / debt. But having one in place enables a business to carry on after someone dies.

Summer is the ideal window to complete CS work



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Undertaking surveys this summer to provide "supporting evidence" is a great way of boosting your chances of making a successful Countryside Stewardship Higher Tier scheme application later this year or in 2027.

June, July and August represent the perfect time to gather data to give your proposal the evidence-based credibility that should ensure it is convincing to – and processed quickly by – Natural England.

The North and South Downs represent some of the finest chalk grasslands in the country so, if you're managing one of these habitats – or indeed any species-rich grassland – evidence of its botanical diversity will go a long way to supporting a new CS HT application.

The more comprehensive

and authoritative your application is, the more likely you'll be towards the front of the pipeline at a sometimes-stretched and under-resourced Natural England.

The higher tier payments for managing priority habitat species-rich grassland (CGS22) is £646/ha – so these are significant, meaningful sums.

A survey completed by a respected firm of experts such as CLM that has strong local knowledge will help your case.

It's worth being aware there is also Defra funding available under its PA1: Implementation Plan to provide £1,200 to cover or support such survey work, so it would make sense to apply for this grant immediately, with a view to conducting the survey in the summer. On chalk grassland, such a survey would catalogue the frequency of iconic species, such as cowslip, devil's-bit scabious, harebell and orchids.

The new CS higher tier will potentially be of interest to five groups of farmers:

- Those in old ELSHLS agreements

- Those in old CS higher tier agreements
- Those in CS mid tier agreements
- Those in SFI agreements due to expire
- Those not currently in any schemes

Looking ahead, if you have a priority habitat such as chalk grassland, lowland meadow, grazing marsh, fen, reedbed or woodland, the higher tier will be the only vehicle for supporting and delivering that financially.

There are, of course, prescriptions on management practices but, given the farming climate, it's hard to say no to £600/ha-plus. And if you've got chalk grassland, the reality is it's not like you can convert it to another use – so this is a gift horse you don't want to look in the mouth.

It's also worth remembering that income from a new higher tier agreement would not count towards the recently announced £100,000 cap on SFI revenue. So think strategically about how you might run the two schemes in parallel – perhaps with priority grassland managed under CS, allowing you to build your SFI application around other actions.

- To hear more about how CLM can undertake a habitat survey for you, please contact alex@c-l-m.co.uk

Get more from your money by smart cashflow planning

Detailed figures facilitate strategic 'whole-farm' decision-making, says CLM Director Oli Pilbeam

Farmers should look at their businesses in a more joined-up way and not take spending and investment decisions in isolation.

There's still a temptation, for example, to buy a machine outright if the capital is available to avoid hire-purchase charges. However, the decision shouldn't solely be based on a comparison of the two – it should also consider the other uses to which that money could be put.

If it costs 20% more to buy a machine on hire-purchase across three years than to buy it outright, their instinct will probably be to opt for the latter, but spending the extra might release money from the bank account in the shorter term which could be put to an even better use. Could it pay off another debt? Or save you having to ask your bank if you can borrow more? Or kickstart another project?

Think more strategically and

laterally about what you want your money to do for you and view it in the context of the whole business.

This means thinking across a whole year, rather than 'in the moment'. Farming bank balances are constantly rising and falling, but cashflow has become increasingly critical as working capital requirement have risen.

Ten years ago, you could grow a crop of wheat for £120/t, whereas you're looking at £160/t-plus now, yet the price you're getting for it might be no higher, so the margins are tighter. A four-month-

old dairy calf might cost you twice what it did not so long ago and, even though the sale price might have gone up correspondingly, you need to invest more initially, which puts pressure on cashflow over the months that follow.

Farmers should have a detailed, accurate and well-managed cashflow budget so

they know exactly what the consequences of decisions will be in three, six and 12 months' time.

Most farmers have a sense of what they have in the bank and of any big bills or income due in the next few months, but that's not sufficient. Cashflow budgets give you a structure and you can revisit them as likely returns and costs vary, along with your evolving investment needs.

Such budgets also give you an opportunity to 'play' with risk through sensitivity analysis, adds Oli. "You can see what would happen, for example, if

you lost 20% of your beef price or wheat values dropped £30/t.

In this volatile world, there's a temptation to say there's no point in budgeting, but it's needed more than ever. Your financial plan at the start of the year identifies peaks and troughs in cashflow so you can work around these, rather than having to make knee-jerk reactions.

If you're crunching these figures for the first time, it's a good opportunity to ask the bigger questions about the enterprise mix and how you spend your time, too, which might turn the key on some

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OLI PILBEAM



more strategic changes.

Considering contract-hire options will be key to many. With new tractor registrations down, dealers are offering some competitive deals so, rather than buying a £150,000 tractor, you might be able to spend, for example, £15,000/year on contract hire and have that £135,000 to do something else with, not to mention you will be sheltered for unexpected repair costs. Converting and renting out a farm building, for instance, might yield a 15-20% return on investment.

In the current climate we will only get through by sweating assets. We need to be reducing the per hour charge on our tractors, and this can only be done by making them work harder. There's no point in having three tractors doing 300 hours/year sat on your balance sheet. You're far better rationalising and putting 900 hours on one tractor or hiring in one shorter term if needed.

In terms of debt repayments, look at whether you can renegotiate with your lender. Different banks will offer different deals. Maybe do a 'beauty parade' which may highlight more preferential terms and give you an opportunity to refinance, or even just to renegotiate better terms with your existing lender. Often people

stay with the same bank just because they've always been with that bank, but there are some new players and new deals (some, for example, with no early repayment fee and no arrangement fees).

It's also worth analysing your private / family drawings to assess if you are taking too much or too little out of the business. It depends what your end goal is. Many farmers aren't paying themselves enough and it might be a decision they've made, that the money is better off in the farm bank account, which is a perfectly legitimate choice. But, if the business can afford it, perhaps they should be taking more? And if the business can't, you have to ask why are you putting all that time into it?

Farmers have always been great negotiators, but in these days of tight and volatile cashflows, just negotiating hard may not be enough. You need to make decisions in the context of the whole business – and you can't do this with back-of-a-fag-packet figures. You need detailed cashflow plans and budgets. Only then will you be able to be more clever with your cash and be confident your money is making you the most money it can.

• Contact Oli at oli@c-l-m.co.uk

Water quality in focus

CLM is working with a group of landowners to develop a pioneering Landscape Recovery project focused on water management

Five estates in Shropshire hope to collaborate in a bid to access nature markets and drive investment in nature restoration, funding co-ordinated improvements to water quality and low flood resilience in the region.

Severn Trent has provided funding for an application to Defra's Landscape Recovery Scheme which supports large-scale, long-term projects that restore nature, improve biodiversity and deliver environmental benefits across landscapes in England.

"Water resilience is very important to the group, and it will become more important across the whole of the UK as the effects of climate change become more impactful," says CLM Farm and Environment Consultant Kirstie Speed (pictured), who will be helping them shape their proposal and application. "Managing water



quality, scarcity and flooding can be a huge challenge in agriculture these days."

Some of the project's potential options include:

- Building irrigation reservoirs which can slow the flow of rivers during wet periods and discharge water during periods of water scarcity
- Floodplain restoration
- Creation of wet woodlands
- Creation of riparian buffers
- The potential for regenerative agriculture – particularly how such methods might fit within horticultural units.



"Heatwaves during recent years have made people think more about drought, but water management in all its guises is critical. We're pleased to be able to help this group of market-focused and environment-conscious landowners develop a project that will benefit their agricultural operations and provide solutions to the environmental challenge affecting local businesses, communities and wildlife," says Kirstie.

"It's great to be able to play my part fostering and facilitating collaboration among a group of such progressive and innovative landowners. We hope the group's shared aims will be supported by Landscape Recovery, but we also have the option of looking to other emerging funding streams."

During 2025, Defra announced the first two Landscape Recovery projects

had secured funding and were beginning on-the-ground delivery, following two years of development work. They were:

- Boothby Wildland – a nature recovery project near Grantham in Lincolnshire, spanning about 620ha of former Grade 3 arable farmland.
- Upper Duddon – a project bringing together farmers, environmental organisations and the local community to manage 2,800ha of uplands in West Cumbria.

The Landscape Recovery team is currently working to assess the deliverables submitted by other Round 1 projects, guiding them through the assurance process. And with the government having reaffirmed its commitment to Landscape Recovery in the Spending Review, a new round of applications is expected to be opened soon.



CLM is a land, business and property management consultancy. We help clients protect and grow their income and assets, improve their quality of life and create sustainable legacies.

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