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FARMING AND PROPERTY BULLETIN – NOVEMBER 2019

Agricultural Bill Update

- With the end of the Parliamentary session on 8 October, the Agricultural Bill failed to be passed. A 'new' Agricultural Bill was therefore included within the Queen's Speech on 14 October, which the Government intend to introduce for the next Parliamentary Session. The expectation is that this 'new' Bill will mirror that from the previous Session.
- Plans for future farm support which are centered on the new Environmental Land Management Scheme (ELMS) and the phasing out of direct payments are understood to be remaining the same as before. Pressure has been applied however, particularly from the NFU, to delay the implementation of the Transition period by a year so that direct payments will begin to be phased out and the ELMS introduced from 2022; this is intended to reflect the lack of progress of the Bill to date.
- A new Environmental Bill was also included within the Queen's Speech. The aim of this Bill is to put in place a framework that will replace that previously undertaken by the EU. It will also ensure that environmental principles are established within UK law for the first time. The Bill will focus on setting longer term environmental targets and will aim to ensure that natural resources, biodiversity, and air and water quality are maintained and enhanced.
- The Environmental Bill also looks to establish a new public body: the Office for Environmental Protection (OEP). This body will be responsible for monitoring progress in improving the natural environment, and will effectively replace the role of the European Commission in managing compliance issues relating to environmental law by introducing a complaints and enforcement system.

BPS Payments

- The BPS conversion rate for 2019 payments has been set at a rate of €1 = £0.89092. The 2019 Entitlement value for Non-Severely Disadvantaged Area (Non-SDA) is €182.70, and the 2019 Greening payment rate for Non-SDA is €78.69.
- The RPA have now begun the process of reimbursing all those applicants who made a BPS claim in 2018 in excess of €2,000 via the Financial Discipline Mechanism (FDM). FDM is the mechanism whereby a crisis reserve is created and made available to the farming industry in the event that an incident, such as a disease outbreak, occurs. Each year, a percentage is held back from BPS claimants' payments, and any amount of FDM funds leftover are then returned to all those with an eligible claim in the following year. The RPA calculates the reimbursement by deducting the first €2,000 and any other reductions from a claimant's 2018 payment, multiplying the figure by 1.346%, and then deducting any cross-compliance penalties to give the final amount. Claimants can expect to receive a remittance advice slip marked 'FDM Reimbursement' once payment to them has been made.



Residential Lettings

- A Government consultation titled 'A new Deal for Renting', which has sought to obtain views on its decision to remove Section 21 of the Housing Act 1988, closed on 12 October and the feedback received is currently being analysed.
- A Section 21 'no fault' notice is the current means by which Landlords can end an Assured Shorthold Tenancy (AST) and regain possession following the expiry of the initial fixed term. Should the new proposals be implemented, it would only be possible to evict a Tenant through serving a Section 8 notice if there is 'good reason'. The objective is to provide increased stability and security for Tenants. There are, however, proposals to strengthen the Section 8 eviction process for the benefit of Landlords.
- There has already been considerable feedback from various groups and bodies, both in support of and in opposition to the proposals. One main concern is that the implementation of these changes could dampen the stock of private rented dwellings available due to there being an anticipated reduction in the level of investment in the sector; critics have therefore argued that in order to alleviate this possible impact, the revised Section 8 eviction process must be robust, quick, cost-effective and consistent enough so that Landlords are not dissuaded from continuing to let their property. It is expected that further information will be released by the Government shortly.

HLS Agreements

- Those with existing Higher Level Stewardship (HLS) Agreements due to expire in 2020 may be offered the opportunity to roll them over for an additional year. It is estimated that there are some 1,750 existing agreements that currently fall within this category.
- In order to determine whether the current agreement is deemed suitable to roll over, Natural England (NE) will make an initial assessment, with a visit from an advisor possibly taking place. If NE deem the current agreement to be suitable, a recommendation will be made to DEFRA that a one-year extension should be granted.
- NE is expected to have completed its assessments by December 2019, with DEFRA making their final decision and sending out amended offers to agreement holders following this. Those who do not wish to roll over their existing agreement, or who are not offered an extension, may apply to the Countryside Stewardship Scheme for a new agreement.