



## FARMING AND PROPERTY BULLETIN – NOVEMBER 2021

### Nitrate Vulnerable Zone designations and appeals 2021-2024



Many of you that have land designated as being in a Nitrate Vulnerable Zone will have, or will be receiving, a letter from DEFRA informing you that a review has taken place and broadly nothing has changed. However, you do have the ability to appeal against this decision. Letters are planned to be issued until January 2022 and you can appeal the decision within 28 days of the date on the letter.

You have grounds to appeal if your land (or part of it):

- does not drain into water that has been identified as polluted
- drains into water that should not be identified as polluted.

Guidance on how to appeal has been provided in the letter and you must complete the notice of appeal form and send it to the first-tier tribunal. Plans can be found on-line showing what land is designated as an NVZ.

### Basic Payment Scheme 2021 - payment rates published

The Rural Payments Agency (RPA) has published the [Basic Payment Scheme \(BPS\) 2021 entitlement values](#) for England. They are:

- Non-SDA - £233.30
- SDA other - £231.60
- Moorland SDA - £64.00

The BPS 2021 payment window opens on 1 December 2021.

This will be the first year that payments will be reduced as part of phasing out direct payments over the 'agricultural transition' period in England, with the final payments to be made in 2027. There is an [online calculator on GOV.UK](#) that can be used to see how these 'progressive reductions' may affect BPS payments.

### England, Wales and Scotland: Flood Risk Management Plans & River Basin Management Plans Consultations

The Environment Agency has launched a consultation on the draft Flood Risk Management Plans, providing strategic plans that set out how to manage flood risk in nationally identified flood risk areas (FRAs) for the period 2021-2027. The consultation closes on 21st January 2022.

The Environment Agency has also launched a consultation the draft River Basin Management Plans. A paper has been published on how the plans have been drafted including a summary of the programme of measures as well as guidance on the draft plans. This consultation closes on 22<sup>nd</sup> April 2022.



### Budget and Spending Review - Autumn 2021

The Chancellor, Rishi Sunak, has recently presented his second Budget this year together with the Comprehensive Spending Review to the House of Commons. The key headlines were:

- **Policies for Businesses Annual Investment Allowance (UK)** This is now confirmed as remaining at £1 million until March 2023 giving more foresight for investment and on the same timetable as the Super Deduction for companies.
- **Business Rates (England)** The business rates multiplier (poundage) is frozen. Retail, hospitality and leisure sector to have 50 per cent relief on rateable values up to £110,000 until the next revaluation takes effect in April 2023.
- **Renewable Energy and Heat** - "From 2023, the government will introduce exemptions for eligible plant and machinery used in onsite renewable energy generation and storage, and a new 100% relief for eligible heat networks, to support the decarbonisation of buildings." Wider reform of business rates has not been brought forward.
- **Temporary Relief for Improvements to Business Property**- This is a new relief, available from 2023, designed to support investment to improve properties. Such investment will need to be in the form of 'qualifying improvements', which is understood to include adaptations to meet net zero targets, as well as enhancing productivity of employees returning to the workplace. The relief will be in the form of capping business rates bills 12 months after the improvements have been made.
- **Dividend Tax** Taxation of dividends is to be increased by 1.25% from April 2022.

## Budget and Spending Review - Autumn 2021 (cont.)

- **Covid Loans (UK)** “The Recovery Loan Scheme will also be extended until 30 June 2022 to ensure that lenders continue to have the confidence to lend to small and medium-sized businesses. Finance will be available up to a maximum of £2 million per business, supporting them to recover from the impact of the pandemic and to grow. The government guarantee will be reduced from 80% to 70% to encourage the lending market to move towards normality as the economy continues to recover.”
- **National Living Wage (UK)** This is to be increased by 6.6 per cent to £9.50 per hour for over 23-year-olds (previously £8.91/hour) from 1st April 2022. For employees aged 21-22, it will rise from £8.36 to £9.18 an hour and the Apprentice Rate will increase from £4.30 to £4.81 an hour.

## Future Farming Resilience Fund

Phase two of the Future Farming Resilience Fund will be available until Spring 2022 for existing Basic Payment Scheme payment recipients to get free business advice and resilience support to help them prepare for the agricultural transition which is due to be scaled up nationally by DEFRA in autumn 2022 (rather than April 2022 as originally planned).

There are 19 organisations providing this free advice under the second phase and so far, more than 1,200 farming businesses have taken up this opportunity.

## Sustainable Farming Incentive 2022 - Annual Health and Welfare Review

As part of the early rollout of the Sustainable Farming Incentive in 2022 there will be an Annual Health and Welfare Review (in addition to the Soils Standards and the Shared Grazing/ Moorland Standard).

This annual review will provide funding for a visit by a farmer's own vet to carry out diagnostic testing and provide bespoke advice on management to improve the health and welfare of their animals. The fund will initially be available to all commercial English cattle, pig and sheep farmers who are eligible for the Basic Payment Scheme.



## FARMING INNOVATION PROGRAMME: ROUND 1

On 20th October, applications opened for the first round of funding made available through the Farming Innovation Programme. This grant programme – which was announced as part of the Agricultural Transition Plan, as a key part of post-Brexit agricultural policy – is intended to support innovation, transform productivity and enhance environmental sustainability in the agricultural and horticultural sectors.

The first round of grants is to come from the £17.5 million industry-led R&D Partnerships Fund. Farmers, growers, foresters and businesses are invited to bid for funding to develop new technologies and practices to address challenges and exploit new opportunities. To secure funding, applicants must work in collaboration with a team.

The fund is split between 3 competitions:

- **Feasibility Projects:** UK businesses can apply for a share of £5.5 million to investigate early stage solutions that have the potential to improve productivity, sustainability and resilience of farming and move agriculture toward net zero.
- **Research starter pilot:** Expression of Interest: This competition is open to farmers, growers and forestry businesses only, and is intended to widen the pool of applicants for the grants to include those who have not previously received Innovate UK funding.
- **Small R&D partnership projects:** Applicants must collaborate with other UK organisations, including at least one SME.

Each competition has differing closing dates. More detail on eligibility and how to make an application can be found on the UKRI website.

In 2022 DEFRA will launch the second and third rounds of funding:

### The Farming Futures R&D Fund

- for strategic projects aimed at tackling climate change by reducing the environmental impact of farming;

### The Projects to Accelerate Adoption Fund

- to support farmer-led projects to trial the viability of new innovations on farms.