



THINKING OUTSIDE THE BOX

As we all move forward and settle into new routines, it is worth reflecting on the changes we have all had to make over the last 18 months but also looking at the opportunities available.

Many of the changes may have been imposed upon us by way of Brexit deals and pandemic restrictions but we do have choices about the options we now pursue.

As Naomi Puliston and Lucy Pierce explore in their articles on the new reforms in the planning for the future Whitepaper and the client case study, there are constant changes to the planning regime, some of which improve the permitted development opportunities available.

In further articles, we look at what a full business review can achieve if all aspects are considered, particularly to help with the loss of BPS income many are facing. This includes considering diversification opportunities, some of which may not be the obvious options that initially spring to mind but could prove interesting alternatives.

Lucy Back

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STAFF UPDATE



DIVERSIFICATION - what is available for YOU?

Various opportunities are available for farm diversifications. Most people will now be aware of the options to reuse existing agricultural buildings, whether for offices, storage, venues, holiday lets or residential use – including many permitted development rights that support several of these.

However, there are many other possibilities to diversify income on farms. Often this will be guided by the location and position of the holding as well as owner preference. The last year has seen an enormous increase in pop up camp sites, where many farms have been able to take advantage of the extended permitted development allowed. Car boot sales and fairs are simple to set up but can provide useful summer income if the land is in a suitable location with good access points.



Areas where there are opportunities for landowners to explore, may be Biodiversity Net Gain (BNG) where a landowner provides off site land that a developer needs to meet the environmental obligations on a development site. The landowner would retain ownership and control of the land but be paid to manage it in a certain way. See page 6 which refers to BNG in more detail.

Electric vehicle charging stations are increasing in numbers with further sites sought. These often go hand in hand with food and drink outlets, generally located near main roads or settlements.

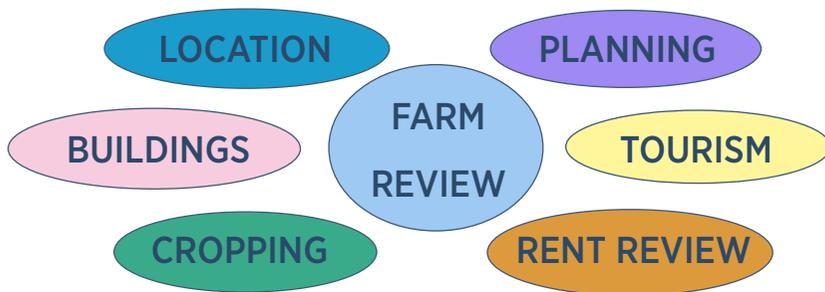
Opportunities for solar and battery storage remain, with the obvious constraint being the grid connection to the site.

Lucy Back

BUSINESS REVIEW

Farmers and landowners are facing numerous changes to their businesses but with these changes can come opportunity. Over the past 18 months we have seen shifts in public demand surrounding food, holidays and rural properties as well as further emphasis on environmental matters.

In terms of the abolition of BPS, the Central Association of Agricultural Valuers (CAAV) has suggested that “For the average broadacre cropping or grazing farmer, a 10 per cent change in yields is equivalent to a 50 per cent change in Basic Payment. Good farming practice and cost control can be worth much more.” This shows how important it is to look at every aspect of the business to ensure all areas are being utilised in the most efficient manner.



Farming

Is your land use/cropping rotation the most appropriate for your farm? This includes location of the farm, soil type, labour and machinery available.

Farm buildings

Are these still fit for purpose? Should they be repurposed for storage, offices, holiday lets, venues. Are new buildings needed to help efficiency?

Cottages

Have rents been reviewed recently? There has been an enormous increase in demand and therefore rental levels over the past year. Former workers may also be able to pay rent without it costing them anything.

Location

Does the location of your farm present opportunities? Is it close to a main road or settlement/located in an area of high tourism/close to good grid connections?

Future planning

Have you considered your succession plan? Do you have an up to date Will in place? Is your business structured in the most tax efficient way?

Overall, the opportunities available may be dependent on the location and type of farm you have but also what you as the farmer are interested in. Each farm is unique so will present different opportunities but with the numerous drivers for change at present, now may be the time to consider what is right for you.

Lucy Back

ENVIRONMENTAL LAND MANAGEMENT SCHEMES



With the Basic Payment Scheme (BPS) due to end in 2027, farmers are looking at different ways to supplement this much needed additional support. The Government announced the introduction of Environmental Land Management Schemes (ELMS) as a way for farmers to transition away from BPS to this new scheme which will be focused on rewarding farmers for environmental land management practices.

Through the adaption of certain farm management techniques, the overriding goal of these schemes is to promote clean and plentiful farm water and air in the countryside whilst creating environmentally rich farms with thriving plants and wildlife. These techniques will look to increase protection from environmental hazards and help with the reduction of and adaptation to climate change. The Government are keen to promote the beauty and heritage of the UK's agricultural landscape by increasing the engagement with the environment.



These schemes will be split into three key areas to include:

- **Sustainable Farming Incentive (SFI)** – there is currently a pilot scheme running with further rollout in 2022. This scheme will launch fully in 2024 and will be focused on promoting environmentally sustainable farming standards. These standards will include the management of hedgerows, arable and pastureland, farm woodlands and farm water bodies. Each standard will have an ambition level of introductory, intermediate, and advance. The payment increases in line with the ambition level with each level requiring more in-depth management techniques.
- **Local Nature Recovery (LNR)** – This scheme will start a piloting phase in 2022 with the main rollout in 2024. The focus of this scheme is to bring farmers and landowners together to improve their local environment.
- **Landscape Recovery (LR)** – this is the largest scale scheme looking to create new wetlands, large scale tree planting and peatland and saltmarsh restoration. Again, there will be a pilot phase of around 10 projects with the main scheme starting in 2024.

Looking forward the ELMS may be an attractive way for farmers and landowners to supplement their BPS payment and Swords would be happy to provide further information including the proposed payments and potential options available to claimants.

James Morton

HYDROGEN REVOLUTION

The Government has set out a hydrogen strategy in the Prime Minister's ambitious 10 point plan for a green industrial revolution. It is set to support over 9000 jobs and unlock £4 billion investments by 2030. The Government hopes for 5GW of low carbon hydrogen production by 2030 – equivalent of replacing natural gas in powering around 3 million homes each year.

Hydrogen could play a vital role in decarbonising polluting energy intensive industries such as oil refineries and heavy transport by helping these sectors move away from fossil fuels. It has been suggested that 20 - 35% of UK energy by 2050 could be hydrogen based. This could be critical to meet our target of net zero emissions by 2050 and cutting emissions by 78% by 2035.

Worcester Bosch has played a huge part in the 'ground-breaking' opening of the UK's first ever hydrogen homes earlier this summer.



BIODIVERSITY NET GAIN UPDATE

The Environment Bill, which includes a requirement for all new development to achieve a 10% Biodiversity Net Gain (BNG), is the subject of further delays. The Bill is in its third reading and this is the final chance for the Lords to amend the bill. It is likely to be a 2 year transition period post achieving Royal Assent.

Natural England published the biodiversity metric 3.0 in July as an update on the previous 2018 version. The metric is designed for use by developers and Planning Authorities as the means to quantify the 10% BNG requirement on new developments and nationally significant infrastructure projects.

Under the National Planning Policy Framework, Local Planning Authorities are free to set their own Local Plan Biodiversity Net Gain requirements, and could specify the use of metric 3.0. Understanding the baseline position and environmental value of a site at the offset of a project continues to be critical to avoid costly mistakes and to achieve maximum values.

Naomi Puliston



PLANNING FOR THE FUTURE WHITE PAPER: A YEAR ON

It has now been over a year since the Ministry of Housing, Community & Local Government (MHCLG) published their proposal for ‘radical reforms’ to the UK planning system outlined in the ‘Planning for the Future’ Whitepaper. Proposals put forward in the Whitepaper included reforms to the role of Local Plans with a shift in focus to the identification of ‘Growth’, ‘Renewal’ and ‘Protected’ areas. Other changes proposed in the Whitepaper included shorter, visually based Local Plans supported by a new standard template and the abolition of the Section 106 for securing contributions from developers which would be replaced by a nationally set, value-based flat rate charge – the ‘Infrastructure Levy’.

A year on, and a cabinet reshuffle seeing former housing secretary Robert Jenrick replaced by Michael Gove, has seemingly put plans for the planning reforms on hold.



Various media outlets are now reporting that Michael Gove is in talks with backbencher Conservative MPs to discuss changes to the reforms which could see the 'zonal' system dropped in favour of local planning authorities simply designating 'growth' areas to increase housing development.

For now, the future of the planning reforms remains unclear, so we will have to wait and see what the Planning Bill looks like when it's finally put before parliament.

Ross Mayger

CLASS MA PERMITTED DEVELOPMENT

As of 1st of August, new Permitted Development Rights have come into force in England responding to the reclassification of use classes in September 2020. Class MA which allows for the change of use from commercial, business and service use (Class E) to residential use (Class C3) presents a new development opportunity for landowners.

Class MA replaces the previous commercial to residential permitted development rights, Class O (change of use from an office to residential) and Class M (change of use from shops (A1) and financial and professional services (A2) to residential) that went out of effect on 31st of July 2021. Class MA, in principle, enables more buildings to qualify for permitted development than the previous Class M and Class O rights.

As with other permitted development rights, those wanting to peruse a Class MA change of use will be required to provide evidence of the impact of development. Development under Class MA would also only be permitted if the building has been vacant for at least 3 months prior to the date of application and has been in commercial, business or service use for 2 years continuously prior to the application. In addition to this, the building must be less than 1,500 square metres to qualify.

Furthermore, development under Class MA would not be permitted if the site is located within a SSSI, AONB, safety hazard area, military explosives storage area, the Broads, a National Park, a World Heritage Site nor if the site is occupied under an agricultural tenancy. Development under Class MA is, however, permitted within Conservation Areas, Green Belt and the countryside presenting a shift in planning policy toward the delivery of more rural housing and thus an opportunity for rural landowners.

If you would like to seek advice on Class MA permitted development rights for your land, please contact one of the members of our experienced planning team who would be happy to help.

Ross Mayger

NAVIGATING A COMPLEX PLANNING SYSTEM

In May, Sworders and the CLA presented an online event discussing the challenges of planning across residential, commercial and leisure sectors and how to plan for success. This can be found via our webinar on our website.

Planning is the key to many new ventures, including business expansion, diversification and making the best use of built assets. Sworders' staff from across our 4 offices discussed recent projects, including obtaining planning permission for some holiday cabins at a lake, the conversion of a mix agricultural buildings to three dwellings via planning permission and Class Q permitted development rights and the conversion of some agricultural buildings to high quality office units.



Manor Farm, Draycote: Case Study

Diversification can be a key consideration for many traditional farming businesses. For those with a captive tourist market there is the opportunity to explore camping, glamping and holiday lets as a potential new income stream.

Mr and Mrs Morton, clients of Sworders, are currently in the process of taking this route having recently received planning permission for three holiday cabins around a fishing lake at their farm local to our Warwickshire office. The site is located close to a 240-hectare reservoir and country park with good road, cycle and walking access to a number of other attractions in the local area. Both Sworders' Planning and Architectural Design teams provided their services to secure this success.

Mr and Mrs Morton have always been interested in conservation and creating wildlife habitats and have enhanced these aspects through their involvement in various schemes over the years they have owned the farm. The location of the cabins was therefore important and Sworders was able to advise on the perfect siting for the cabins which would minimise any impact on the site's abundant biodiversity whilst avoiding any tree loss and areas at risk of flooding. The design team have created cabins which will fit perfectly in the site's rural setting. Positive early engagement with the Local Planning Authority on the principle of tourism development on the site ensured a smooth planning application process and reassured Mr and Mrs Morton due to their investment in this project.

Naomi Puliston

CONSTRUCTION (DESIGN MANAGEMENT) REGULATIONS 2015

Sworders are delighted to be able to offer the role as Principal Designer as part of our Architectural Services.

All construction projects are controlled by the Construction (Design Management) Regulations 2015 which concern Health and Safety. The Regulations apply from the outset of a project and place an onus on the client to ensure that they are implemented correctly.

At the start of any project which will lead to construction (either undertaken by yourself or by another party), one of the client's initial CDM actions is to appoint a 'Principal Designer' to plan, manage and monitor health & safety during the project. The Principal Designer must be a designer on the project with control

over the pre-construction phase.

Sworders can undertake this role as part of our architectural services, initially during the pre-construction phase of the project, until planning consent is secured (known as 'RIBA Stage 3'), and then further during the construction phase, as part of the Building Regulations Full Plans application, followed with Construction drawings and on-site queries.

If you have a project in mind and would like to discuss with our experienced architectural team, please contact us.

Katherine Morton



BASIC PAYMENTS LUMP SUM EXIT SCHEME

In 2022, farmers who live in England will be given the option of taking a one-off lump sum to leave the industry in place of further annual direct payments due to end in 2027. The scheme will be available for applicants in 2022 only. It aims to incentivise some farmers to retire and pave the way for the next generation.

Payments received will be 2.35 times the average of 2018, 2019, 2020 Basic Payment Scheme (BPS) received, up to a maximum of £100,000. This cap will affect those who receive yearly payments greater than £40,000. The tax treatment of the payments is yet to be set out.

If the lump sum is claimed:

- Owners must sell, gift or lease their land (on a 5-year minimum Farm Business Tenancy)
- Directors/ partners of the business will not be able to claim BPS elsewhere.
- Claimants must have been claiming BPS prior to 2015.
- Tenants will be required to end their tenancies.
- Stewardships may not be entered.

Those who choose to receive the lump sum may retain their farmhouses and 5% of their land or 5 hectares whichever is the smallest. Claimants will be permitted to work as a contractor or as part of another farming business. Any land given up under the scheme may still be used by new occupiers to claim BPS until it is phased out.

James Morton



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We would like to thank all our clients, colleagues and professional teams for their patience and understanding during the difficult time we all experienced with the pandemic. Whilst all staff were working from home at one point, we are gradually returning to the offices and getting back to some normality. The offices are now manned on a daily basis and clients are welcome to visit. We just ask that everyone is conscious of the risks and take all necessary precautions.

CHARITY WORK By Christine Heap

James Dennis & Lucy Back completed the North Devon AONB Half Marathon in July.



Michael Sills did the Royal Parks Half Marathon in April.



James Morton, Michael Hudson, Becca Cox and Hester Dalton completed the JLL Property Triathlon.



Lois Partridge running the Norfolk Marathon from Little Dunham to Wells-next-the-Sea in March.



James Morton running the London Half Marathon in August.

Overall Sworders have raised **£2345.66** from participating in numerous charity walks, quizzes, auctions and several pavements have been run for our nominated charities! Well done to everyone involved.

As rural property professionals, we advise across the agricultural, commercial and residential sectors on all aspects of rural property. We provide advice that seeks to maximise the value of clients' properties, often on a shared risk basis.

To be sure you are maximising the value of your asset, please contact us to discuss your opportunities.

Sworders recognises its impact on the environment throughout its business and is passionate about the need to reduce and manage waste wherever practicably possible. Please recycle or give me to a friend.



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Please note, the articles featured in this publication have been selected and prepared with a view to disseminating key information available at the time of publication and are not intended to be comprehensive nor to provide advice. It should not be acted upon or relied upon, and is not a substitute for seeking professional advice that is specific to your individual circumstances.

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