

RDPE Schemes

Update



Introduction

Farm support is entering what is arguably one of the most complex phases experienced by the industry. The only thing that is certain is the phasing out of Basic Payments, the rest is still up in the air. We now know that Higher Level Stewardship schemes will not be offered further extensions, and so the very latest will expire during 2028. As most of us become familiar with Countryside Stewardship (CS) it looks like its days are numbered. Our interpretation of the evolving picture is that Sustainable Farming Incentive (SFI) will develop over the next couple of years to overlap with and then replace CS. This should see the land-based schemes reducing from the current offering of BPS, HLS, CS, FiPL and SFI to a much-enhanced version of SFI. In the meantime, continual review and appraisal is going to be necessary to make sure no opportunities are missed.

At the Oxford Farming Conference our most recent Secretary of State Environment, Food & Rural Affairs, Steve Barclay, announced an increase in the payment rates for environmental measures and promised a much broader suite of options for farmers. Despite much industry lobbying there is, as yet little emphasis on food production in the emerging policy. The only funding available that relates to production are the various rounds of capital grants for livestock technologies (Farming Equipment and Technology Fund (FETF)) and improvements to housing (Calf Housing for Health and Welfare Grant). We anticipate more rounds in 2024, and the focus to remain on welfare and efficiency rather than production per se. Our concern remains that farmers will need continuing revenue payments to provide the match funding required to avail themselves of capital grants.



Sustainable Farming Incentive (SFI)

The SFI, whilst still in its infancy, is starting to take shape now. The relationship this scheme has with CS means that its application on each farm is different. The RPA has so far focused the offer on improved grassland, and as yet there is very little for the hill farmer. Early intelligence suggests that this will evolve over the coming year, and we remain focused on interpreting how this can be applied to the advantage of our clients. The RPA's phased roll-out of the options has caused industry confusion. We are actively contacting those clients who can benefit from the current offering and will continue to do this as the scheme evolves. As a firm we have been proactive in gaining our clients access to CS funding which has meant that a lot of our farmers are already signed up to the options currently also available through SFI. However, the rules and implementation under SFI appear to be slightly more flexible, so we are looking to transition some clients over onto new agreements where appropriate.



Capital Grant (CG)

Over the past year this has been one of the most popular RPA schemes. Funding a diverse range of farm infrastructure projects with a relatively straight forward application and claim process this is a scheme that works well. There is no cap on expenditure, and a broad range of works including walling, hedging, fencing, gates, concrete yards and roofing dirty areas are all supported. Some items do require prior approval and we can assist with obtaining this in advance of making an application.

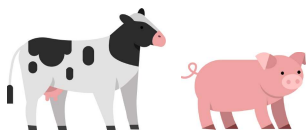


Slurry Infrastructure

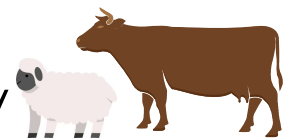
On 21st November 2023 the RPA announced a second round, providing grants for up to 50% towards new and replacement slurry infrastructure, including, new for round 2, slurry separator systems. Priority areas have been mapped in four categories and can be seen on Magic Maps (<https://magic.defra.gov.uk/MagicMap.aspx>) and unlike with Round 1, many more farmers in our area will be eligible. Funding has also been doubled from Round 1 with the expectation that over 700 projects will be supported. Expressions of interest requiring basic details of the project must be submitted by 17th January 2024.

Countryside Stewardship (CS)

CS continues to deliver valuable income for many of our clients. Once set up, and except for an annual claim, the agreements are pretty much running themselves. To achieve continuity of income we are only encouraging swapping onto SFI where there is either potential for greater revenue, or opportunity to access more flexible options for the same payment rates. Anyone who took out a new CS in the last two years with capital works is reminded that these must be completed by 31st December in the second year of your agreement, with a final claim submitted by 31st March following. If require any assistance with the claim process, we can hopefully save you significant time. An upward review of payment rates for 2024 has benefitted many new and existing agreements.



Animal Health & Welfare Pathway



With a farm veterinary inspection now necessary for both Farm Assured and non-assured farmers who sell primestock, we have had a spike in clients contacting us to access the grant available under this fund (£522 for a beef cattle review, £372 for a dairy cattle review, £436 for a sheep review, £684 for a pig review). In conjunction with your vets, we can quickly log into your online account and make the application for you which enables the funding to be released.



As a firm we have struggled to make this scheme work for our clients. It has been both administratively difficult and has uncertain outcomes. Only in circumstances where CS or Capital Grants have been practically unavailable have we attempted to access funding through this scheme.



The RPA have now published the reference data that determines the delinked payments for 2024. However, they have not yet announced how these payments will be split over the years 2025, 2026 & 2027. There will be no longer a requirement to make an application and the monies will be paid irrespective of land occupation or trading status. There will also be a one-off ability to transfer the benefit of the payments before 10th May 2024. For our clients we will be checking the reference data and dealing with discrepancies now.



FRF is a pot of money that the RPA has allocated to a few business advisors nationwide to get out on farm and assist farming businesses to navigate the changes in agricultural support. This is designed to identify opportunities for businesses to access new support schemes but does not extend to covering the cost of making the applications. For those availing themselves of this free service it is important to check how this might impact on any existing schemes you have.



Natural Capital

Corporate entities are showing increasing interest in securing partnerships with landowners to improve their 'green credentials'. These arrangements are often a form of offsetting, for example peatland restoration to sequester carbon to set against emissions elsewhere in a supply chain. They can also be very specific projects such as natural flood management to protect a settlement or infrastructure. Private businesses and investment funds are prepared to invest substantial sums in the 'green economy'. WBW is looking at developing ways to connect our farming clients with private corporate partners to deliver these projects and unlock valuable capital payments and revenue streams.



Bio-Diversity Net Gain (BNG)

The Environment Act 2021 requires new developments to provide an increase in biodiversity of at least 10% - this is called Biodiversity Net Gain (BNG). Whilst the legal implementation of some of the BNG rules has been delayed until 2024 many planning authorities are implementing policies which require BNG. These policies require developers to assess the level of biodiversity pre-development then confirm how BNG will be achieved post development. In some cases a developer may be able to increase biodiversity on their own site but in the case of house builders or large commercial units this will not be possible. If BNG cannot be achieved on site the developer has to purchase 'BNG units' from off site. However, the developer purchasing the off-site units must do so within the same Local Authority boundary or the same National Character Area. WBW has become involved both through our planning division when securing consents for development, and our land team negotiating terms for the sale of BNG units.

There are number of ways to actively sell BNG units on land including advertising the sale through an agent or engaging with a 'Habitat Bank' (the name given to companies acting as intermediaries). The process of selling BNG units is very complex and involves specialist ecological surveys, legal agreements and engagement with the Local Authority and developer. There are a number of Habitat Banks offering different operational models such as leases or joint venture agreements. WBW are actively working with landowners to navigate this emerging market and negotiating terms with a number of Habitat Banks.

Roundup

Navigating the current offering of schemes available is challenging, but we are here to guide you to provide the best possible support for your business. If you have any questions of the above schemes, please give us a call. We will continue to get information out to our clients as the picture unfolds. At WBW our focus remains on getting our clients schemes that are best suited for their farming practices and deliver the maximum financial advantage.