

# Land Business Tracker | April 2019

Welcome to our quarterly tracker of key land management, farming, planning and energy regulation and legislation.

Please contact your local Strutt & Parker rural team for further information on anything you read here.

Implement now			
Regulation	Description	Key dates	Action
ENVIRONMENT  Hedgerows and Boundaries Grant (England)  Find out more	Grants of up to £10,000 per holding are available for hedgerow or boundary restoration works under this simplified, stand-alone scheme.  This is an opportunity for landlords to engage with tenants to fund boundary works that are often required within tenancies.	Application window closes 3 May 2019.	Review grant.  Read our <u>briefing paper</u>
RESIDENTIAL LETTINGS Homes (Fitness for Human Habitation) Act 2018 (England only) Find out more	Requires all rented homes to be 'fit for human habitation' at the start of the tenancy and to remain so throughout.  The Act uses the 29 hazards listed in the Housing Health and Safety Rating System (HHSRS) to determine whether a house is "fit for human habitation".  Applies to any dwelling let on or after 20 March 2019 for a term of less than 7 years, including renewed fixed term tenancies.  NB The HHSRS is being reviewed in 2019.	20 March 2019 for new tenancies and renewed fixed term tenancies. 20 March 2020 for periodic or secure tenancies in existence on 20 March 2019.	No action needed if let properties are reasonably maintained.  Read our briefing paper on how it affects dwellings on farms, which is complicated.
RESIDENTIAL LETTINGS Tenant Fees Act 2019 (England) Find out more  NB The Renting Homes (Fees etc) (Wales) Bill will do something similar.	This Act aims to prevent tenants being charged any fees or premiums when being granted with or renewing a tenancy.  The aim is to improve fairness, competition and affordability in the lettings sector.  The Act applies to assured shorthold tenancies and licences to occupy; it does not cover long leaseholds, tenancies of social housing and holiday lets.  Most fees charged by landlords and their agents to tenants will be banned, apart from a number of 'permitted payments'.	Effective from 1 June 2019 for new and renewal assured shorthold tenancies and licences to occupy. It will apply to pre-existing tenancies from 1 June 2020.	Landlords and their agents must ensure that their practises are compliant.  Tenancy agreements should be reviewed to ensure they do not charge or refer to any prohibited payments.  Read our briefing paper or contact Rob Malden for further details.
TAXATION  Making Tax Digital for Business – VAT  (UK)  Find out more	Businesses with a taxable turnover above the VAT registration threshold (currently £85,000) will be required to keep digital VAT business records and send returns using Making Tax Digital (MTD)-compatible software.  Business owners are responsible for submitting returns that are MTD compliant so ensure you, or your accountant, has software that is compliant.	1 April 2019.	For more details speak to <u>Alex Heffer</u> , our Head of Client Accounting Services.



TAXATION  Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018 (England)  Find out more	<ul> <li>Allows local authorities to charge higher rates of council tax on empty properties:</li> <li>Empty for less than five years – up to 100% council tax pa.</li> <li>5 – 10 years – up to 200%.</li> <li>10 years or more - up to 300%.</li> </ul>	The increases start to apply from 1 April 2019 and are in full effect from 1 April 2021.	Create plans for all empty properties.
ECONOMY  Increases in minimum contributions for automatic enrolment pensions  (UK)  Find out more	Minimum contributions to employees' pensions increase to 8%, compromised of at least 3% from employers and 5% from employees.  NB Employers must 're-enrol' certain staff back into a pension scheme every three years after the automatic enrolment staging date.	Effective from 6 April 2019.	Be aware of and budget for the changes.
ECONOMY  National Living Wage and National Minimum Wage rates (UK)  Find out more	<ul> <li>The hourly rates change on 1 April 2019 to:</li> <li>NLW – workers aged 25 and over – £8.21, up 4.9% from £7.83.</li> <li>NMW – 21 to 24 year olds – £7.70, up 4.3% from £7.38.</li> <li>NMW – 18 to 20 year olds – £6.15, up 4.2% from £5.90.</li> <li>NMW – 16 and 17 year olds – £4.35, up 3.6% from £4.20.</li> <li>NMW – apprentices – £3.90, up 5.4% from £3.70.</li> </ul>	Effective from 1 April 2019.	Implement changes. For more details speak to George Chichester.
PROPERTY Septic Tanks & Sewage Treatment Plants The Environmental Permitting (England and Wales) Regulations 2016 General Binding Rules for Small Sewage Discharges (England and Wales) Find out more	All private septic tanks or sewage treatment plants must comply with these regulations by 1 January 2020 (or sooner if pollution is already occurring or the dwelling is being sold).  It will not be permitted to discharge effluent from septic tanks (as opposed to sewage treatment plants) directly or indirectly into drains, ditches or other watercourses after 1st January 2020.	Comply from 1 January 2020 onwards, or before if pollution is already occurring.	Check all private systems are compliant and discharge less than the allowed amounts.  Make good any obvious leaks, overflows or broken parts.  Plan and budget for upgrades and replacements.  For more details speak to Alistair Cochrane.

# **Monitor now**

## **FARMING**

Clean Air Strategy 2019 (UK)

Find out more

The Clean Air Strategy, which was published in January 2019, sets out plans to meet ambitious legally-binding international targets to reduce emissions of the five most damaging air pollutants by 2020 and 2030. It will be followed imminently by a wider Environment Bill.

Defra has set a target of reducing ammonia emissions from farming and land use by 8% by 2020 and 16% by 2030. It is currently consulting

Unknown – awaiting results of Defra's consultation Understand the sources and amount of emissions from your farming activities.

Consider the effect of the Strategy on the provision of fixed equipment necessary to comply with statutory



	on 23 specific mitigation measures to do this and will then publish an ammonia reduction strategy.  Defra is yet to decide whether they are going to be able to achieve improved air quality through new regulation and guidance or whether they are to incentivise uptake of good practices by offering grant assistance; it is likely to be a combination of the two, if the recommendations of the Stacey Farm Inspection and Regulation Review are taken into account.		requirements on Agricultural Holdings Act tenancies (section 11).  Use grants under the Countryside Stewardship and Countryside Productivity schemes to buy equipment or implement changes to cut emissions.  Contact Ryan Lindley.
FARMING Agriculture Bill 2017 – 2019 (UK) Find out more	This draft legislation provides the Government with powers to set agricultural policy, spending and related issues once the UK leaves the EU.  The most significant element is that direct payments to farmers will be phased out from 2020 to 2028.	Bill published 12 September 2018. Expected to come into effect by 29 March 2019 but likely to be postponed.	Monitor.  Farm businesses should consider applying S&P's five principles to get ready for the future.  Use our calculator to see how Basic Payments will be cut from 2020 to 2028.
RESIDENTIAL LETTINGS  The Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 (England and Wales) Find out more	A landlord must carry out relevant energy efficiency improvements if a property does not meet the minimum standard.  A landlord cannot grant a lease to a new or existing tenant of private rented properties (domestic and non-domestic) in England and Wales with an EPC rating of F or G.  From 1st April 2020 a landlord must not continue letting a relevant domestic property if it has an EPC rating of F or G; or a non-domestic property from 1st April 2023.	Provisions effective in stages from: 1 April 2018 1 April 2020 1 April 2023.	Monitor carefully as the exemptions are being amended.  Contact Alice Robinson for our updated flowchart to plan how to implement MEES and register for exemptions.  Review energy costs – contact Alexander Creed for details of S&P's Energy Basket.
RESIDENTIAL LETTINGS  Electrical safety in the private rented sector (England)  Find out more  NB Similar regulations already apply in Scotland	Regulations requiring landlords to have electrical installations in privately rented homes checked every five years will be introduced as soon as parliamentary time allows.  Properties that already have a valid electrical installation condition report will not need to replace it until five years have passed since it was issued.	Proposals announced 29 January 2019.	Anyone commissioning a check must make sure that it is done by someone competent and with current qualifications.
FORESTRY Forestry Strategy (Scotland) Find out more	The Strategy presents the Scottish Government's 50-year vision for forests and woodlands, and provides a 10-year framework for action. The target for woodland planting has been increased to 15,000 hectares a year from 2024/5 onwards.  The Scottish Government is also stream lining the process for forestry grant applications and to enable more small landowners to apply.	-	Monitor as could create opportunities for new planting and carbon credits.  For more details speak to Jon Lambert.



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