

Land Business Update

Week commencing 03 April 2017

Farming

EFA area will not be increased from 5% but ban on pesticides on cover crops still possible

The European Commission has confirmed that area of land covered by Ecological Focus Areas will not be increased from the current 5% to 7%. The reason given is that around 10% of land is already covered by EFAs. However, the proposal to ban the use of pesticides on 'productive' EFAs, such as fallows, nitrogen-fixing, catch and green cover crops, may still happen due to concerns that they produce little environmental benefit. Policy makers seem to now be thinking about the quality of management of EFAs, which environmental bodies would say is at least as important as the area they cover.

European Commission proposes complete ban on neonicotinoid seed treatments

The extension of the current partial ban is due to the threat that the chemicals pose to pollinators, and is based on updated risk assessments from the European Food Standards Agency (EFSA). As could be expected, environmental organisations have welcomed the proposals while the Crop Protection Organisation says they are not based on evidence-based decision making.

Genetic traits of oilseed rape persist in wild populations years after sowing

This study looked at how the genetic makeup of oilseed rape plants changes over time (in this case over four years); the study included sown OSR as well as feral or unplanted cultivars. It demonstrated the link between the diversity of feral populations in one year and that of field plants in the previous — showing gene flow from the field, which is important when assessing if and how to use genetically modified plants.

Brexit

Government publishes White Paper on the Great Repeal Bill

The Paper says that the Bill will enable the UK Parliament, or devolved legislatures, to amend, repeal or improve any piece of EU law. Current EU law will continue to apply in the UK after Brexit until it has been amended or repealed. The White Paper mentions an Immigration Bill and a Customs Bill but not an Agriculture Bill, but that is not to say there won't be one.

Economy

Tax changes in new financial year could increase businesses' costs

A number of changes are likely to increase costs for many businesses: the National Living Wage rises from £7.20 to £7.50 per hour for workers aged 25 and over, from 1 April 2017; the Apprenticeship Levy will start on 6 April with businesses with annual wage bills of over £3m paying 0.5% of their wage costs towards approved apprenticeship training; finally, the business rates revaluation came into effect from 1 April and, although the Government has said that most smaller businesses will have lower rates bills, the effects are very variable with many facing significant increases. Please contact [Marcus Dorfman](#) if you have any questions about business rates.

Hundreds of chemists in rural and deprived areas at risk due to a cut in a government subsidy

The proposals to cut the subsidy, which is worth £208m in 2017/18, are being challenged in the High Court and there appear to be different positions being taken in the government, with the PM more supportive of the chemists while others, like Philip Hammond, see the change as part of the trend away from bricks-and-mortar business models to more on-demand, delivery based ways of supplying medicines.



Environment

Climate change is affecting species distribution, and should be taken into account more in policies

This interesting study demonstrates that climate change is leading to changes in the distribution of plants and animals across the world (i.e., where the plants and animals are), which has serious consequences for economies, food security, human health, and also feedback effects on climate itself. The authors argue that these types of changes should be included in policies, including on farming, land use and the environment but currently are not. This has obvious implications for the emerging UK agricultural and environmental policy.

Residential

Average house prices in the UK fell by 0.3% in March

This was the first fall in nearly two years and has cut annual growth to 3.5%, according to Nationwide building society. The slower growth is likely to be a symptom of the public's concern about real wage growth and inflation and job security in the near future, which has also lead to fewer houses being sold.

Telecoms

Broadband still not fit for purpose, says British Chambers of Commerce

30% of businesses in rural parts of the UK have unreliable broadband connections – double the rate in towns (15%). All companies surveyed (99%) say a reliable broadband connection is important to their business. The opportunity to increase the productivity of businesses is demonstrated by almost half of businesses saying that they would use more software and apps if they had more reliable connections, including cloud-based services and remote access for staff.

Final 5% may never get superfast broadband

Openreach has said that the final 5% of the population, most of whom live in rural areas, may never get better than a basic broadband connection. This would clearly not meet the Government's proposed Universal Service Obligation (USO), which would give people the legal right (so not non-statutory like the Universal Service Commitment) to request a broadband connection with speeds of 10 Mbps by the end of the Parliament.

Ofcom issues record fine to Openreach

The fine is for failing to properly compensate other broadband providers for delays in installing high-speed lines. The fine has been welcomed by business groups, which hope it will speed up the development of high-speed broadband and telecoms networks, which will help businesses work better. Ofcom is also planning to cut the fees that Openreach can charge telecommunications companies to access the network, which is hoped will cut broadband prices for consumers.