

Response ID ANON-M96U-2PGU-F

Submitted to Direct Payments to farmers: Lump sum exit scheme and delinked payments in England
Submitted on 2021-08-11 22:19:02

About you

1 What is your name?

Name:
Oliver Cook

2 What is your email address?

Email:
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3 If you are responding on behalf of an organisation, what is its name?

Organisation:
Forest Farming Group

4 Would you like your consultation response to be confidential? If you select 'yes', please give your reason.

No

If you answered Yes to this question please give your reason::

5 Are you responding as:

Other stakeholder representative organisation

Other please specify:

6 If you answered 'a farmer and/or landowner' to the previous question, are you (tick all that apply)

7 If you farm, what size is the farm?

Not Answered

8 What is your age?

Not Answered

Lump sum conditions and eligibility rules

9 To qualify for the lump sum, an owner-occupier who chooses to rent out their land must do so on a Farm Business Tenancy with a minimum term of five years. Do you agree?

Yes

Please give reasons for your answer. If you've answered 'No' please explain what rules you would prefer to see instead:

- We believe five years should be the minimum term required and would add that the longer the term the better chances the new occupier has to establish them selves.
- We propose that the value of the lump sum offered could be increased if a longer term was granted. For example if a 10 years term was granted then the payment could be doubled and if a 15 year term was granted the payment could be tripled.

10 Where a tenant passes on an Agricultural Holdings Act tenancy to a successor, this should be treated as them having met the requirement to have surrendered their tenancy. Do you agree?

Yes

Please give reasons for your answer.:

- We believe that encouraging a succession will help provide the next generation with opportunities.
- Where there is a succession, the applicant should only be eligible if he is not remaining as a named tenant on the succession tenancy.

11 Should a successful applicant be allowed to keep their residential or commercial property, non-agricultural land, and up to 5% or 5 hectares, whichever is the smallest, of their agricultural land in England?

No

Please give reasons for your answer.:

- “No” to keeping 5 hectares. In the New Forest this constitutes a lot of “back up” grazing land which would be very valuable to a new entrant.
- “Yes” to keeping the house, as having to surrender the house as well will deter people from taking the scheme up.

12 Should it be a requirement to have first claimed Direct Payments in 2015 or earlier to qualify for the lump sum?

Yes

Please give reasons for your answer.:

13 If you answered ‘yes’ to the previous question, should there be an exemption from this requirement for farmers who have inherited a farm, or succeeded to an Agricultural Holdings Act tenancy, after 2015?

Yes

Please give reasons for your answer.:

- Yes, such an exemption will help encourage those that inherit land to rent it to those wishing to establish themselves as a farmer/commoners.
- Landowners face the temptation to rent land to higher paying equestrian occupiers, which puts greater pressure on the limited land available to support the commoning system. An incentive to continue an agricultural use can therefore only have a positive influence.

14 How long, from the publication of the scheme rules, should an applicant be given to transfer their land?

18 months

Other time period (Please state):

Please give reasons for your answer.:

Sales and succession negotiations can easily take more than 12 months. We feel that most should be concluded after 18 months. Should there be genuine extenuating circumstances, then there should be a mechanism for applying for an extension if it's out of the applicant's control.

15 To claim the lump sum, should farmers who use common land to claim BPS have to give up their rights of common as proposed?

No

Please give reasons for your answer. If you selected 'No' please explain what rules you would prefer to see instead:

- In the New Forest it is the grazing land that is valuable, not the rights (as the rights are unlimited). Also Many commoners that are retiring would almost certainly wish to continue commoning on a small scale post retirement. If they could not do this, they would not take up the scheme. Furthermore, we do not think it will be possible to detach the rights from the land in the New Forest.

16 Are there any circumstances in which lump sum recipients should be allowed to retain their agricultural land (above the small amount that may be allowed – see question 11), such as if they enter the land into a scheme for woodland creation or landscape restoration?

No

Please give reasons for your answer and if you selected 'yes', please provide details. :

- Grazing land is of huge value in the New Forest and incentivising applicants to plant woodland on it would have a detrimental impact on the commoning system and the benefits it provides to the common land.

17 Do you have any other comments on the proposed conditions and eligibility rules for the lump sum exit scheme?

Please insert any other comments below:

We are concerned that if New Forest Commoners and farmers are incentivised to sell land then it is very unlikely that the land would be purchased by a commoner. It is much more likely that the land will be used for an equestrian use which would add further pressure on the severe lack of land available in the New Forest for back up grazing.

Lump sum reference period & payment cap

18 What reference period should the lump sum payment be based on?

The average of the 2018 to 2020 BPS scheme years

Other, please state your preferred reference period:

Please give reasons for your answer.:

19 What cap should be applied to the recipient's lump sum payment?

No cap

Other, please state your preferred cap level:

Please give reasons for your answer.:

Having a cap will deter larger claimants (refence amount over £47k) from taking the scheme up. These larger claimants are going to free up larger acreages of land for new entrants.

Lump sum additional questions

20 Based on the information you've read on the lump sum exit scheme, do you think this would encourage farmers to take a payment and exit the industry? Please give reasons for your answer and any supporting evidence you have.

Yes, a small number of farmers

Please give reasons for your answer and any supporting evidence you have.:

21 Is extra professional advice and guidance needed to help a farmer decide whether to participate in the scheme?

Yes

Please give reasons for your answer.:

• Yes, applicants are going to need a considerable amount of support and advice in relation to taxation, business and succession planning. Taking a lump sum will potentially trigger a large income tax bill and the possible loss of Agricultural Property Relief for Inheritance Tax.

22 Which groups do you think are likely to benefit from the lump sum exit scheme? Please tick all that apply.

Farmer exiting the industry, New entrant entering the industry, Existing farmer expanding business onto vacated land

Other - Groups likely to Benefit:

Please give reasons for your answer.:

Delinked payments

23 What reference period should the delinked payment be based on?

The average of the 2018 to 2020 BPS scheme years

Other, please state your preferred reference period:

Please give reasons for your answer.:

We feel that this will ensure that mechanism for calculating payment in the forest as a result of the recent consultation and changes concerning the way BPS payments are calculated in the New Forest.

24 Do you have any other comments on the proposed eligibility rules for delinked payments?

Please insert any other comments below:

We are concerned that the combination of senior commoners being incentivised to 'give up' their commoning activity under the Lum Sum exit, the next generation are being locked out of the Basic Payment Scheme/De-linked Payments. This combination could have disastrous long-term impacts on the Commoning System.