

AGRICULTURE AND RURAL ESTATES

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Foreword

At a time of significant geopolitical uncertainty, coupled with forecasts of challenging weather patterns in the year ahead, attention is increasingly turning to UK agriculture and landowners as part of the solution to a growing range of challenges. From strengthening food security and supply chains to supporting climate change mitigation and renewable energy generation, the role of landowners has never been more important.

This presents a genuine opportunity. With the right approach, land and agriculture can sit at the heart of a more resilient and sustainable future.

Our focus is on supporting you – whether farmer, landowner or advisor – to understand and make the most of these opportunities. As you will know, the legislative, policy and funding landscape is ever evolving. Our role is to help you navigate that complexity with confidence and identify a clear path forward.

We hope that the articles in this newsletter provide useful insight and practical guidance as part of that journey.



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Could your land be used for battery storage?

When the wind doesn't blow or the sun disappears behind clouds, renewable energy supply can drop off. But at other times the weather delivers an ample supply of input – so much so, that it makes sense to capture that energy in batteries. Landowners have a great opportunity to earn income by housing such facilities on their property.

What are battery energy storage systems?

Battery storage energy systems enable excess energy generated from renewable sources, such as solar and wind, to be stored in rechargeable batteries and released into the grid when demand for energy outstrips supply.

Growth of battery storage

The battery storage sector has shown signs of significant growth. Recently, the UK's largest battery site in Tilbury, capable of powering 680,000 homes, was connected to the grid. Currently, it is estimated that the UK currently has 6 GW of operational capacity from battery sites, but between April and June 2025, 100 planning applications for battery sites were submitted with approximately 8.4 GW of capacity. As this is more than double the number of planning applications submitted in the same quarter the previous year, there is clearly appetite amongst developers for battery storage projects.

It is likely that this trend is set to continue. The Government estimates in its Clean Power Action Plan 2030 that Britain will need between 23 to 27 GW of capacity from battery storage to reach its goal of obtaining a "Clean Power" electricity system by 2030. Therefore, further development of battery sites will be required to meet the Government's target. In addition, the falling cost of batteries and advancements in technology has created favourable market conditions for developers of battery sites.

Opportunities for landowners

By leasing land for battery storage, landowners may be able to secure a long-term, index-linked rent. Battery storage projects are also capable of being delivered on a smaller scale than other renewable energy projects and can be as small as two acres.

Developers tend to favour sites which are:

- relatively flat;
- situated near existing substations;
- away from residential areas;
- not in national parks or environmentally sensitive areas; and
- on lower-quality agricultural land.

At the outset of a battery storage project, the landowner and developer typically agree heads of terms outlining the basis of the agreement reached between the parties and serve as the starting point for the negotiation of subsequent legal agreements, such as:

- exclusivity agreements: placing restrictions on the landowner's ability to explore opportunities with other developers;
- option agreements: allowing developers a set period of time to carry out feasibility surveys and seek the necessary planning consents and grid connection agreements before committing to the lease of the battery site; and
- leases: setting out the legal basis on which the developer will occupy the battery storage site.

Landowners should pay particular attention to the extent of rights to be granted to developers, access arrangements for the site, any break clauses, the impact of the agreements on biodiversity obligations as well as reinstatement provisions which come into effect at the end of the term.

It is usual for the professional costs associated with the negotiation of the legal agreements to be covered by developers and will not normally come at a cost to landowners.

Trowers & Hamblins has a dedicated team of agriculture and renewable energy specialists who can advise at all stages of a battery site project and farm diversification. For further information, please contact Tom Craig or Alex McNie.



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Inheritance Tax – avoiding the common pitfalls

Over the last two years, inheritance tax and Agricultural Property Relief (APR) have been under the spotlight, and you'd be forgiven for being a bit confused about the current situation.

Today's position is that, as of April 2026, each taxpayer is entitled to up to £2.5 million of combined APR and Business Property Relief at 100% relief (with any unused allowance transferable between spouses or civil partners). Assets above this threshold receive 50% relief, resulting in an effective inheritance tax rate of 20% on the excess.

As a consequence of the new limitations on APR and BPR, a large number of 'panic' transfers of farms and agricultural assets were made, in some cases prematurely transferring the farm to the next generation in a bid to avoid IHT.

Transferring or gifting farming assets without proper advice can cause a number of issues to arise in the future, in some cases resulting in costly disputes that exceed the IHT that would have been payable.

Where problems arise

Sadly, disputes between farming families, either on the death of a family member or during their lifetime, are increasing in number.

The changes to IHT reliefs have seen land-owners opting to immediately gift away or transfer their assets to family members to avoid the assets being subject to IHT on death (providing the transferor survives seven years).

Unfortunately, failure to properly consider and obtain advice on any lifetime or succession planning can result in disputes arising. This is often as a result of gifted assets not being protected for their intended beneficiary, or gifted without proper consideration as to the loss of control over those assets.

Pitfall: gifts passing to an unintended recipient

Lifetime gifting may be an effective tax mitigation strategy (when specialist advice is obtained beforehand). However, there are a number of circumstances in which your gift could fall into the legal ownership of an unintended person.

If, for example, you gift assets to your adult child and this gift is used to purchase a property held in the joint names of your child and their unmarried partner, your gift may inadvertently have been transferred into the joint names of both your child and their partner, resulting in the partner being entitled to half of it if their relationship breaks down.

This risk is even higher when gifting assets to a child who is married. Without a proper pre-nuptial or post-nuptial agreement, the assets you gift to your child may fall into the 'matrimonial pot' during any subsequent divorce.

How to avoid this

The above scenarios can be avoided by seeking specialist asset protection advice, and if necessary, putting in place either a Declaration of Trust, Cohabitation Agreement, or Pre/Post-Nuptial Agreement (the appropriate document will vary depending on circumstances).

Pitfall: broken promises (proprietary estoppel)

Many farming families are familiar with the term 'proprietary estoppel'. Essentially, if a person believes that they have acted to their detriment in reliance on promises made to them (e.g by working on the family farm for little/no salary, on the assurance the farm would pass to them), it is possible they could seek to enforce that promise if it is rescinded at a later date.

Proprietary estoppel claims are not only available on death, but also if the promise is rescinded during the lifetime of the 'promissor'. This means that if a farmer opts to gift away an asset or land to their daughter, having previously promised that asset to their son (and their son had acted to their detriment in reliance on that promise), the son could seek to either enforce the promise (i.e. have the asset transferred to them) or be compensated financially for their loss.

Proprietary estoppel claims are complex, costly and lengthy for all involved. Sadly, the costs involved in disputes like these can result in a large asset such as a farm being sold to meet the legal fees.

How to avoid this

- Have open and honest conversations with your family about your succession plans and intentions from an early date.
- Involve your trusted advisors. A specialist lawyer (with the input of your family accountant, if required) can discuss how to achieve your goals.
- Put in place proper employment contracts and/or partnership agreements to ensure there is absolute clarity.

The two pitfalls above are just a brief example of the numerous disputes and issues that can arise as a consequence of steps being taken to tax and succession plan without proper advice.

Trowers' Private Wealth and Private Wealth Disputes Team can assist you in achieving your objectives, whilst avoiding the pitfalls above.



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Considering Liquidity: How Life Insurance Can Help

Farms and estates can be asset rich but cash poor, making it difficult for families to pay inheritance tax without selling parts of the business.

Specialist life insurance, written in trust can help in the following ways:

- Provide immediate funds to pay inheritance tax.
- Protect family ownership of the business.
- Prevent forced sales.
- Remove the payout from the taxable estate.

As an example, a Whole of Life policy can create certainty for families with large estates ensuring heirs have the cash needed at the right time.

If you own a business or agricultural land you should review whether life insurance would provide cost effective protection.

With thanks to James Jones of Knight Frank – Finance, for his specialist input.

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**Knight Frank
Finance.**



Can the agricultural industry future-proof for water shortages?

Water is the lifeblood of most agricultural enterprises. Whether it is for traditional arable irrigation, livestock usage or diversified land uses such as glamping or golf courses, a reliable and substantial water source is a non-negotiable requirement.

In the UK, it is often the fertilisers and feeds that receive the greatest share of public and government focus – especially given the recent concerns surrounding nitrate-induced environmental damage. But this is generally the result of water being seen as such a ubiquitous resource that its availability is taken for granted. However, stable water abstraction or even rainfall both look set to become relics of the past.

Increasing disruption by climate change

Following another prolonged wet winter, it is easy to forget that 2025 saw an official drought declared across parts of England as the third lowest rate of spring rainfall since 1871 had led to greatly depleted reservoir levels. Another accompanying headline is the government's attempt to fast-track the construction of new large-scale reservoirs; the first to be built in Britain since 1992.

Climate change is expected to make these oscillations between floods and droughts more common to the UK, which forces us to consider the changes they might force within the agricultural industry as water becomes a more erratic resource. It could be that in the years to come, farmers come under pressure to abandon traditional crops and switch to more drought-tolerant types altogether or else invest in climate-controlled greenhouses to replicate the temperate conditions which are, by this time, no longer found in southern England.

On the grapevine

We are already seeing the genesis of this transformation with the historic vineyards of Europe. Increasing temperatures and reduced rainfall is making regions such as Bordeaux less hospitable for their famous traditional crops with reports indicating that Mediterranean conditions are shifting northward. In response, we are seeing excitement at the viability of new exotic crops in previously cooler regions. However, other British farmers and climate experts are exhibiting trepidation at the notion that our weather will become similarly inimical to our own traditional crops.

Drought resistance

We could see pressure to breed new cultivars or even genetically modify our existing crop strains to produce more drought resistant variations. However, there remains the need to consider methods of enhancing the ability of farmers to cope with the predicted droughts. In Europe, we are seeing the emergence of "agrivoltaics" (a dual form of land use which combines agricultural activities (crops or livestock grazing) with adjacent solar panels) not only as a means to extract the maximum income per hectare but also to provide an adjustable barrier against moisture loss from the soil. If this is of interest to you, **Trowers & Hamblins** have a specialism in advising on all stages of a solar farm project, from the drafting of exclusivity agreements for initial investigations to the decommissioning at the end of the operation period/lease expiration.

Increasing legal and geographical challenges to sourcing water

Many farmers seem to be appreciating the value of on-site water storage particularly given the potentially increasing (geographical and legal) challenges of acquiring water by other means. In February 2026, the Country Land and Business Association expressed wariness about the Environment Agency's new water resources proposals which include a "reservation" mechanism for water companies to facilitate nebulous "future projects". These, if implemented, could restrict the issuing or renewal of abstraction licences across the country in the name of reserving much-needed water for projects which may never progress beyond conceptualisation. Furthermore, under the Environment Act 2021, from 1 January 2028, in the interests of environmental protection, the Secretary of State will be able to revoke or vary abstraction licences without needing to pay compensation.

Groundwater abstraction

In some instances, the use of groundwater is not physically viable. This is an issue that poses an increasing challenge to the agricultural use of low-lying coastal areas particularly in the east of England bordering the North Sea. These areas are at risk of inundation from flooding but also from saltwater seeping into and contaminating local groundwater. Some farmers in East Anglia have drawn attention to the uncertainty surrounding abstraction licences which are now under review and in at least one instance, have already responded with the creation of private irrigation reservoirs. Although a significant capital expenditure, this potentially represents a move towards greater self-sufficiency as well as adding value to land.



How to build a reservoir

- **Reservoir type and site selection:** Engage a geotechnical engineer to assist with determining the most suitable location and type of reservoir (i.e. whether it will be fed by runoff or by the more strictly regulated blocking of a natural watercourse). As well as assessing underlying geology and potential flood risks, you would need to take into account the proximity of other elements capable of delaying the works (including trees and infrastructure).

Trowers can advise on and prepare the formal appointment documentation in respect of this and the remaining professional team potentially consisting of the project manager, other engineers and quantity surveyor.
- **Registration:** Due to the health & safety risk posed by the failure or breach of a reservoir, the Environment Agency requires the registration of intention to build any large, raised reservoirs although there is an exception for those with a capacity of under 25,000 cubic metres of water above ground level. Following registration, the EA may also impose additional requirements if they deem the proposed reservoir to be "high-risk".
- **Planning:** The excavation of the land and related engineering operations for the reservoir would likely require planning permission and other environmental permits (depending on the proposed method of disposal of waste material). Therefore, a planning and environmental consultant should be engaged early on in the project.
- **Construction:** In terms of the contractual basis for the construction of the reservoir itself and related infrastructure, where these are larger scale, historically, the standard civil engineering forms have been used up until 2009. These have now been replaced by the more collaborative new engineering contract (NEC) which can lead to significant delivery savings (on time and to budget). One of the factors to consider is the environmental acceptability in the eyes of the Local Planning Authority (as is reflected in the mandatory Biodiversity Net Gain requirements that permeate so much of the nation's projects) especially if the site is located in a protected area. The newer collaborative contracts (many of which were developed for industry by Trowers) specifically allow flexibility in delivery to bring such added value during a procurement to obtain the best outcome.

- **Operation and maintenance:** Under the Reservoirs Act 1975, the larger and/or high-risk reservoirs described earlier are subject to mandatory inspections by the Environment Agency but even the smaller exempt reservoirs will require regular inspections since liability for damage caused by failure will attach to the landowner.
- **Surrounding land use:** It is important to be wary of how the land immediately surrounding the reservoir is used following its construction and throughout the reservoir's lifespan. This is due to the fact that excessive weight (including structures and even the stockpiling of materials) has the potential to over pressurise the groundwater causing the surrounding soil to lift and thus causing leakage from the reservoir embankments.

For assistance with such projects, please contact one of our Construction or Planning specialists at Trowers & Hamblins.



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From Pasture to product: a conversation with the owners of Hayes Meadow, Devon

At Hayes Meadow, a small organic farm nestled in the Devon countryside, traditional livestock farming meets thoughtful innovation. Following their success in winning the Farm Diversification category at the Devon Farm Business Awards 2025, we caught up with owners Graham and Jocelyn to talk about organic beef production, sustainability, and how an interest in whole-animal use led them to create a thriving range of tallow-based skincare products.

Q: For those who may not be familiar with Hayes Meadow, could you introduce yourselves and your farming business?

Graham & Jocelyn:

Hayes Meadow is our family-run farm based in rural Devon. We are organic beef farmers first and foremost, raising 100% grass-fed and finished cattle on species-rich pasture. Over time, the farm has grown into something broader than food production alone, but the heart of everything we do still starts with the land and the animals.

Our approach is deliberately small-scale, regenerative, and rooted in respect for natural systems. We don't farm with the aim of maximising output at any cost; instead, our focus is on soil health, animal welfare, and producing food and products that are genuinely traceable back to this place.

Q: Organic and regenerative principles appear central to your work. What does sustainability mean to you in practice?

Graham & Jocelyn:

For us, sustainability isn't a badge or a marketing term—it's a responsibility. It means managing the land in a way that builds long-term resilience rather than depleting it. Practically, that involves rotational grazing, avoiding artificial inputs, and working with natural cycles rather than against them.

Healthy soil supports healthy pasture, which supports healthy animals. That chain matters. We see our role as stewards of the land, not owners in the traditional sense. Everything we do is guided by the principle of giving back more than we take, whether that's through biodiversity, soil regeneration, or contributing positively to our local community.

Q: You produce organic beef, but you've also built a successful skincare business using tallow. How did that diversification come about?

Graham & Jocelyn:

The skincare side of the business grew very naturally from the farm. When you raise livestock ethically, you become acutely aware of the responsibility to honour the whole animal. Historically, tallow was valued and widely used on farms, in kitchens, and for skincare. Somewhere along the way, that knowledge was lost.

We were already producing exceptional quality fat because of how we farm, and it made sense to use it rather than waste it. What began as a curiosity turned into careful experimentation, learning how to render and formulate tallow properly. Over time, that evolved into a full range of skincare products made right here on the farm.

Q: What sets your tallow skincare apart from other products on the market?

Graham & Jocelyn:

The key difference is control and traceability. We raise the cattle, render the tallow ourselves, and formulate the products on-site. That means we know exactly what goes into every jar, and just as importantly, what doesn't.

We avoid over-processing. Our tallow isn't aggressively refined, bleached, or deodorised because we want to retain its natural fatty acid profile. The result is a stable, nutrient-dense fat that works in harmony with the skin. We then combine it with carefully chosen botanical oils, not for trends or label appeal, but because they serve a purpose.

Q: Some people may be surprised to hear about beef fat being used for skincare. How do you address that reaction?

Graham & Jocelyn:

It's understandable. Modern consumers are quite disconnected from how things were traditionally made. But when people learn about tallow's compatibility with human skin, and its long history of use, the hesitation often turns into curiosity.

We're open about our process and try to educate rather than persuade. Tallow closely mirrors the lipids found in our own skin, which is why it performs so well. Once people understand that it comes from high-welfare, organic farming and is used out of respect for the animal, it often reframes the conversation entirely.

Q: Has diversification changed the way the farm operates day to day?

Graham & Jocelyn:

Absolutely. Diversification brings complexity, but it also brings resilience. We're still farmers, but we're also manufacturers, product developers, and educators in a sense. Running a skincare business alongside livestock farming requires careful planning, strict certification, and a lot of hands-on work.

However, the two sides of the business support each other. The farm produces the raw material, and the skincare business allows us to add value in a way that aligns with our ethics.

Q: How important is transparency and certification in building trust with your customers?

Graham & Jocelyn:

It's fundamental. We are independently certified organic, high-welfare, and 100% grass-fed and finished. Those standards hold us accountable, but they also give customers confidence that what we are saying is backed up in practice.

Beyond certification, transparency is about storytelling, showing where things come from, how they're made, and why choices are taken. Customers increasingly want that connection, especially when it comes to food and skincare.

Q: Looking ahead, how do you see Hayes Meadow evolving?

Graham & Jocelyn:

Growth for us isn't about scale; it's about depth. We want to continue refining what we do, improving biodiversity on the land, and developing products that remain true to our values. If diversification happens, it will only ever be because it strengthens the farm rather than distracting from it.

Trowers & Hamlins continue to support UK farming and farm diversification, and will have again sponsored the Devon Farm Business Awards in May 2026. We will introduce you to this year's winners soon.





Team sheet



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