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# Sustainability Horizon Scanner

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Key updates for UK businesses when it comes to what's on the horizon for sustainability related regulation

June 2026

# Contents

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<b>03</b>	Letter from the Editors	<b>10</b>	Products and waste
<b>04</b>	Featured Opinion: Embedding sustainability benchmarking into contracts	<b>12</b>	Greenwashing
<b>05</b>	Our Sustainability Training Menu	<b>13</b>	Energy
<b>06</b>	ESG reporting	<b>15</b>	Employment
<b>07</b>	Environment	<b>16</b>	Featured Insight: Landscape Recovery Projects explained: Opportunities, obligations and oversight
<b>09</b>	Tax		



# Letter from the Editors

Welcome to our summer edition of the Freeths sustainability horizon scanner. This is our recently launched six-monthly update, focusing on what you need to know about what's coming down the track when it comes to sustainability related regulation. So we've not looked to summarise existing law, rather think about what's next.

We also have a featured opinion section with this edition's opinion reflecting on the increasing popularity of sustainability benchmarks in contractual arrangements. And then there is our featured article which examines the opportunities and challenges arising from landscape recovery projects.

Before we dive in, it would be remiss of us not to acknowledge the recent rollbacks and delays in ESG and wider sustainability regulation across the globe. Our view will always be that integrating sustainability and ethical decision-making into the core of business practices, is responsible business planning and sensible risk management.

And so to practice what we preach, we are proud to be one of the first law firms to publish our [Net Zero Transition Plan](#), setting out our pathway to achieving net zero across our value chain by 2040, underpinned by our newly validated near and long-term SBTi targets. As well as the legal training we offer across a range of sustainability related topics (see our 'Sustainability Training Menu' below), we are always keen to share insights and learnings from our own net zero journey.

With that in mind, we trust that you will enjoy this June 2026 edition of the horizon scanner and find it useful. If you have any questions, feedback or would like information on how we can support your business in its sustainability aspirations, please get in touch with the editors below.

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# Featured Opinion: Embedding sustainability benchmarking into contracts

We are seeing a noticeable shift in how sustainability is approached in contracts, gradually moving from a “nice to have” to a standard metric. One example is where we are currently advising a client entering into a long-term lease and project agreement, the output of which is directly linked to a reduction in our client’s carbon footprint in line with its net zero commitments and wider ESG policy.

This reflects a broader trend where clients are moving beyond traditional cost benchmarking methods and instead viewing sustainability as an important and definable metric to include in their standard contracting arrangements. Sustainability benchmarking can track, test and continuously improve environmental performance of either or both parties over the term of the contract. In practice this can mean considering provisions around carbon reduction KPIs and targets aligned to net zero pathways, ongoing sustainability reporting and data-sharing obligations, green performance benchmarks with periodic review mechanisms, step-in or remediation rights where sustainability targets are not met, and incentive or gain-share structures linked to environmental outperformance.

We are working with clients to design and implement these provisions, so they are robust, measurable and commercially meaningful, whilst at the same time not alienating the supply chain. With the finalisation of the UK SRS, the introduction of the UK CBAM from January

2027 and continuing EU supply chain due diligence obligations under CSRD and CS3D, the regulatory landscape is increasingly demanding that businesses evidence sustainability performance across their value chains. Clients who proactively embed sustainability benchmarking into their contracts will be better equipped to meet these obligations, manage supply chain risk and demonstrate credible progress to investors, regulators and stakeholders. The early adoption by larger players has helped shape the market, and benchmarking provisions are no longer unexpected to counterparties. This means that smaller to mid-sized entities are also now able to be more insistent about their sustainability linked requirements and move beyond their suppliers’ “non-negotiable” default positions.

Going forward, we expect to see a significant acceleration in the implementation of net zero commitments through contracting arrangements, both on the supply chain and procurement side and in project agreements. Businesses that act now to review and strengthen their contractual frameworks will be best placed to manage risk and future-proof their supply chains. Freeths cross-disciplinary Sustainability team has deep experience in drafting and negotiating sustainability benchmarking provisions across a range of sectors and contract types – if you would like to discuss how these mechanisms could work for your business, please get in touch.

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# Our Sustainability Training Menu

FREETHS

At Freeths we offer external sustainability training and workshops, both in person and online to a range of businesses. Previous topics have included:

- Greenwashing
- Natural Capital
- Legal solutions for sustainability challenges
- ESG risk management
- Waste management and reduction

If you would like to explore training on any of the above or related topics, please contact [Kirstin Roberts](#) for further information.

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*“ A practical rather than theoretical approach which is practiced by all team members with consistent and visible leadership from partners and senior team members, assisting clients with a direct and clear approach. ”*

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The Legal 500, 2026

# ESG reporting

## Final versions of UK Sustainability Reporting Standards (“UK SRS”)

**Recap:** On 25 February 2026, the Department for Business and Trade published the final versions of the UK SRS. UK SRS S1 includes the general framework for applying UK SRS, as well as requirements on general sustainability-related risks and opportunities. UK SRS S2 sets out requirements on climate-related risks and opportunities with requirements aligning closely with the International Sustainability Standards Board standards albeit with some amendments for the UK.

**Impacted entities:** The standards are available for any entity to use on a voluntary basis. The government is due to consult on changes to the Companies Act 2006 (“CA 2006”) as part of its forthcoming Modernising Corporate Reporting programme, which will include consulting on mandatory reporting against UK SRS.

The FCA is already consulting on updating its UK Listing Rules to make elements of UK SRS mandatory for listed companies.

**On the horizon:** The government’s consultation on changes to the CA 2006 will be key to determining the extent to which private companies will need to report using UK SRS. As part of the Modernising Corporate Reporting programme, the government will also consider how existing reporting requirements, including current climate-related disclosure frameworks under the CA 2006, should evolve.

## Omnibus I comes into force

**Recap:** On 18 March 2026, Directive (EU) 2026/470 otherwise known Omnibus I came into force, making significant changes to the Corporate Sustainability Reporting Directive (“CSRD”) and the Corporate Sustainability Due Diligence Directive (“CS3D”) aimed at simplifying and reducing the scope of the EU’s sustainability framework to only capture larger companies.

**Impacted entities:** From a UK perspective, CSRD reporting obligations will apply to non-EU parent companies that have both a net turnover in the EU of more than EUR 450 million and an EU subsidiary with a net turnover of more than EUR 200 million, where previously the parent-level EU turnover threshold was EUR 150 million and the EU branch threshold was EUR 40 million.

For CS3D, the in-scope threshold for non-EU companies has increased from companies with a net turnover in the EU of more than EUR 450 million to a net turnover of more than EUR 1.5 billion. For CS3D there are also separate thresholds for companies entering into franchising or licensing agreements in the EU.

**On the horizon:** Impacted entities should begin to prepare their reporting for CSRD and CS3D but should also be cognisant of overlaps with the UK SRS reporting and diligence standards. Contractual requirements to gather supply chain data in particular will be important to assess impacts and report correctly. The EU is due to publish guidance on contractual clauses and sector-specific guidance.

# Environment

## Mandatory Biodiversity Net Gain (“BNG”) confirmed for nationally significant infrastructure projects (“NSIPs”)

**Recap:** On 15 April 2026, the Department for Environment Food and Rural Affairs (“DEFRA”) published its consultation responses on BNG, including confirmation that it will introduce mandatory 10% BNG requirement for Development Consent Order applications submitted on or after 2 November 2026. NSIP developers will be able to deliver BNG either on site or off site in the first instance (rather than there being a priority of on-site BNG), reflecting DEFRA’s view that the scale of NSIPs may “produce better ecological outcomes through strategic delivery that may involve off-site gains”. Statutory credits will remain a last resort.

**Impacted entities:** NSIP developers – DEFRA has concluded it will not introduce sector specific exemptions or allow for voluntary approaches.

**On the horizon:** Secondary legislation is expected before the summer recess of Parliament, with changes intended to come into force before 31 July 2026.

## Amendments to BNG for minor, medium and brownfield developments

**Recap:** On 15 April 2026, DEFRA published its response on potential changes to BNG regulations, small sites metric and guidance to improve implementation of BNG for minor, medium and brownfield developments.

**Impacted entities:** All development on sites of 0.2 hectare or less will be exempt from BNG, unless priority habitats are affected. This is expected to remove around 50% of residential permissions from mandatory BNG. New exemptions will also be introduced for biodiversity-led development, temporary planning permissions and development enhancing parks, public gardens, or playing fields.

**On the horizon:** DEFRA will introduce secondary legislation later this year to implement these changes however pending legislative amendment, BNG requirements remain in place and developers should continue to follow existing guidance and legislation when delivering BNG. DEFRA has also recently closed a further consultation on an additional targeted BNG exemption for certain brownfield residential developments. If implemented, DEFRA’s modelling suggests that alongside the 0.2 hectare exemption, this further exemption could exempt up to 64% of currently non-exempt residential planning applications.

# Environment

## King's speech confirms new Clean Water Bill

**Recap:** Following the Cunliffe review and the government's white paper on a "New vision for water" (January 2026), the [King's Speech](#) on 13 May 2026 confirmed that government will introduce a new Clean Water Bill to strengthen and centralise regulation of and restore public confidence in the water sector.

**Impacted entities:** Potentially all entities in the water industry, including water companies, regulators and both household and commercial consumers as well as the agricultural sector and industrial businesses. The bill will apply to England and Wales, with some measures expected to apply in Scotland.

**On the horizon:** Timings for the Bill are unknown but we can expect the following key measures to be included which align broadly with the white paper's recommendations: the creation of a single, "super" water regulator; legislative tools aimed at delivering cleaner rivers, lakes and seas; a revised supervisory model and Performance Improvement Regime; statutory resilience standards, enhanced asset mapping, and strengthened regulatory powers; the establishment of a new Water Ombudsman; and the Reform of the New Appointments and Variations framework to support housing delivery and facilitate greater competition in water and wastewater infrastructure.

## UK Carbon Border Adjustment Mechanism (“UK CBAM”) technical consultation

**Recap:** The UK CBAM will impose a levy on the greenhouse gas emissions embodied in certain highly traded, carbon-intensive products imported into the UK. On 9 April 2026, HMRC published a now closed technical consultation on draft secondary legislation in respect of requirements associated with the administration of the tax, including embodied emissions, and the monitoring and verification of emissions data.

**Impacted entities:** The UK CBAM will directly impact importers of specific goods in the aluminium, cement, fertiliser, hydrogen, and iron and steel sectors with indirect impacts felt by industries which use these goods such as the automotive industry.

**On the horizon:** The draft secondary legislation that will come into effect, alongside the introduction of the UK CBAM on 1 January 2027. The UK and the EU have also recently agreed to work towards linking emissions trading systems which should mean that mutual CBAM exemptions become available for relevant businesses in both jurisdictions. For more information on navigating the UK CBAM, please see our article [here](#).

# Products and waste

## EU publishes guidance on Packaging and Packaging Waste Regulation 2025/40 (“PPWR”)

**Recap:** On 11 February 2025, the PPWR came into force with application from 12 August 2026 with the aim to reduce packaging waste and make all packaging on the EU market recyclable in an economically viable way by 2030. The regulation sets requirements for the manufacturing, composition, and reusable or recoverable nature of packaging as well as packaging waste management. On 30 March 2026, the European Commission published guidance and accompanying FAQs on PPWR, including guidance on definitions (manufacturer, producer and importer), recycled content obligations, packaging minimisation and empty space ratios and enforcement of PFAS restrictions in food contact packaging.

**Impacted entities:** PPWR applies to all packaging placed on the EU market, regardless of material or origin.

**On the horizon:** UK businesses placing packaging on the EU market will need to comply with the forthcoming implementation of PPWR as well national Extended Producer Responsibility schemes in relevant EU member states to avoid goods being rejected at EU borders. The UK government has recommended businesses conduct packaging audits to identify any excessive packaging or non-recyclable materials.

## Mandatory digital waste tracking goes live

**Recap:** On 28 April 2026, DEFRA announced the release of the public beta version of its digital waste tracking service. All permitted and licensed waste receiving sites are encouraged to sign up and start uploading data. Digital waste tracking seeks to record information on waste from the point it is produced to the point it is disposed of.

**Impacted entities:** The planned timeline indicates that mandatory requirements will initially apply to receiving site operators in England, Wales and Northern Ireland from October 2026 and site operators in Scotland from January 2027 before expanding to all waste collectors (carriers, brokers and dealers) from October 2027.

**On the horizon:** Whilst digital tracking is a UK-wide initiative, waste policy is a devolved matter. Timelines for all nations to introduce secondary legislation to mandate the use of the service have slipped from April 2026 to summer 2026. Impacted entities will need to factor in data management practices, comprehensive training and operational costs ahead of implementation.

# Products and waste

## Consultation on Packaging Waste Recycling Note (“PRN”) system

**Recap:** On 24 March 2026, DEFRA published a now closed consultation on further potential reforms to the PRN and packaging export recycling note (“**PERN**”) system. Producers are required to recycle an amount of packaging waste each year based on the quantity of packaging they supply. To do so, producers must obtain evidence of recycling in the form of PRNs and PERNs from accredited reprocessors and exporters. This latest consultation aims to level the playing field between UK domestic reprocessors and exporters and reduce the risk of fraud and error.

**Impacted entities:** Packaging producers, product

manufacturers, retailers, online marketplaces, importers, packaging compliance schemes, reprocessors and exporters as well as the wider waste management chain.

**On the horizon:** Impacted entities should familiarise themselves with the proposals in the consultation, particularly around increased due diligence, compliance and evidence requirements. Reforms may potentially be implemented for the 2027 compliance year. DEFRA also plan to run a further consultation on future changes to the regulatory framework around recycling obligations, including wider changes to the PRN system.

## Consultation on Plastic Packaging Tax (“PPT”) for mechanically recycled plastic packaging

**Recap:** On 19 March 2026, HMRC published a consultation on the potential introduction of a new certification requirement for mechanically recycled plastic packaging, namely whether mandating certification would be a proportionate and effective way for businesses to evidence recycled content when claiming relief from PPT. Entities currently need to pay PPT if they manufacture or import plastic packaging components which contain less than 30% recycled plastic.

**Impacted entities:** Plastic packaging manufacturers and importers, the recycling industry, trade bodies, waste management companies and local authorities.

**On the horizon:** The consultation closes on 10 August 2026. Implementation timelines are unclear but wider PPT changes will take effect from 1 April 2027 (including mandatory certification for chemically recycled plastic) and therefore HMRC is seeking stakeholders views on potential alignment with 2027 timeframes.

# Greenwashing

## CMA issues first fines for breaches of consumer law

**Recap:** On 6 April 2025, the Competition and Markets Authority's ("CMA") new fining powers came into force in accordance with the Digital Markets, Competition and Consumers Act 2024. Notably under this new consumer regime, if a company breaches consumer protection law (which can include greenwashing), the CMA can issue a fine of up to 10% of global turnover. On 15 April 2026, the CMA issued a £4.2m penalty to the AA and BSM driving schools under its new direct enforcement regime for failing to clearly show total fees until checkout, otherwise known as "drip pricing".

**Impacted entities:** Any business in the UK with consumer facing communications.

**On the horizon:** We expect the CMA will not hesitate to use its new fining powers when it comes to greenwashing in due course, in line with heightened greenwashing scrutiny from the Advertising Standards Authority ("ASA"). We also expect continuing alignment between various UK regulators e.g. the ASA, CMA and the Financial Conduct Authority as well as regulators in the EU on greenwashing standards and enforcement.



# Energy

## Prioritising “strategic” energy users in the grid connection process

**Recap:** In response to unprecedented growth in applications for electricity import otherwise known as demand connections, on 11 March 2026 the Department for Energy Security and Net Zero (“**DESNZ**”) published a now closed consultation on measures to address speculative applications and prioritise certain types of demand, with a particular focus on data centres. In addition to potentially enhanced connection queue entry requirements including financial requirements, DESNZ is also looking at prioritising demand that government considers strategically important.

**Impacted entities:** Large electricity demand users including data centres but also manufacturing facilities, hospitals and large commercial developments.

**On the horizon:** The DESNZ consultation follows an earlier call for input from Ofgem on demand side connections reform. Given the scale of the issue and the legislative powers already available to both the government and the regulator, it is likely that at least some measures will be implemented later this year.

## Consultation on the British Industrial Competitiveness Scheme (“BICS”)

**Recap:** On 16 April 2026, the Department for Business and Trade published a now closed consultation on regulatory changes to give effect to the new BICS, including how the scheme will be delivered. BICS is designed to support eligible manufacturing sectors by removing select policy costs from electricity bills. The government is proposing to expand the scheme by 40% to over 10,000 manufacturers and provide an additional payment for eligible firms upon the launch of the scheme in April 2027 that will backdate the support to April 2026.

**Impacted entities:** Manufacturing frontier industries within “IS-8” manufacturing sectors and manufacturing foundational industries which provide key inputs to the frontier industries, who meet a certain threshold of electricity intensity. This includes but is not limited to sectors such as defence, aerospace and life sciences as “frontier” and chemicals and critical minerals as “foundational”.

**On the horizon:** The scheme operates in conjunction with other recently announced electricity bill discount scheme such as the Energy Intensive Industries Compensation Scheme and British Industry Supercharger which are aimed at driving industrial growth in a climate of increasingly volatile energy prices. If you would like to discuss clean energy alternative options for long-term price certainty such as power purchase agreements, please get in touch with [Clare King](#) and [Deborah Harvey](#).

# Energy

## Heat network registration goes live

**Recap:** On 28 April 2026, Ofgem launched the heat networks digital service in a private beta version. Under new heat network regulations, existing heat network operators and suppliers will be required to register their heat network by 26 January 2027. Entities who register with Ofgem during the private beta phase of the digital service will be able to both shape the service and have more time to comply with regulatory registration requirements ahead of deadlines.

**Impacted entities:** Entities which are deemed “network operators” and “heat (or cooling) suppliers” which will include a number of residential and commercial property developers and landlords as well as local authorities which own or manage buildings containing a heat network or are connected to one.

**On the horizon:** We are expecting the final versions of the applicable technical standards for heat networks this year (Heat Network Technical Assurance Scheme (or HNTAS)) as well as the government’s final response on heat network Zones, geographical areas within which connection into a heat network will become the default for new build development and potentially existing buildings too. For more information, please see the [heat network regulation and zoning section](#) of our website.

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“ *The projects, energy and natural resources team at Freeths show great market acumen.* ”

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The Legal 500, 2025

# Employment

## Second wave of Employment Rights Act

**Recap:** The second wave of the Employment Rights Act (“ERA”) came into force on 6 April 2026, with key changes including paternity leave, unpaid parental leave and statutory sick pay becoming “day one” rights, extending whistleblowing protections for sexual harassment reports and establishing the Fair Work Agency to strengthen enforcement of employment rights.

**Impacted entities:** Given the nature of the proposals, all employers will need to invest time adapting to the new regulations albeit to varying degrees.

**On the horizon:** Further ERA reforms will take effect in phases throughout 2026 and 2027. Employers will need to pay close attention to ongoing and upcoming consultations in respect of the reforms and prepare to review their employee management and recruitment practices. For more information on the upcoming reforms, please see our timeline [here](#).

# Landscape Recovery Projects explained: Opportunities, obligations and oversight

Published on 30 April 2026

Authors: Mohammad Sajjad and Richard Broadbent

## Legal expertise in DEFRA Landscape Recovery schemes

Our Natural Capital legal team has significant and deep expertise advising on DEFRA's Landscape Recovery schemes and related land recovery initiatives, supporting councils, farmers, landowners, investors and project delivery bodies through the full lifecycle of land restoration projects. We advise on project structuring, implementation agreements, land participation arrangements, governance and risk management, helping ensure that schemes are legally robust, deliverable and capable of adapting over time.

By combining environmental, public law, commercial and real estate expertise, we help clients navigate the legal and practical challenges of Landscape Recovery and similar land restoration initiatives, while maintaining focus on long term outcomes and investment confidence.

Drawing on that significant experience, we have written this article to explain the key issues that any person involved in a Landscape Recovery project should consider.

## Introduction

Landscape Recovery represents one of the most ambitious environmental programmes currently being delivered in England. Through ambitious long term projects, DEFRA is seeking to support nature recovery, climate resilience and rural economic opportunity in a way that goes far beyond traditional schemes.

For councils, farmers, landowners, investors and advisers, Landscape Recovery offers the potential to deliver transformational outcomes and unlock new environmental and private finance markets. At the same time, as projects move from development into delivery, there is a growing recognition that these initiatives bring with them significant legal, governance and operational obligations which need to be clearly understood and carefully managed.

The Implementation Agreement is the core delivery contract between DEFRA (or the relevant Managing Authority such as Natural England) and the single legal entity, setting out the funded activities, outcomes and milestones the project must achieve. It also establishes the governance, payment, reporting and assurance framework, and sets the principal remedies available to DEFRA, including step in, suspension and termination rights where delivery or compliance requirements are not met.

Having advised on a large number of these projects it has been our experience that much of the current focus has centred on how the project Implementation Agreement allocates responsibility and risk over a 20 year plus project lifespan, and what that means in practice for the organisations leading delivery.

## Overview of Landscape Recovery projects

Landscape Recovery forms part of DEFRA’s wider Environmental Land Management framework and is designed to support bespoke, large-scale projects that deliver measurable environmental outcomes over extended periods. By their nature, these projects involve multiple stakeholders, complex ecological delivery pathways and long-term public investment.

The single legal entity (“SLE”) is the project delivery vehicle set up (or nominated) to receive and manage DEFRA payments, coordinate delivery across multiple landowners/tenants, and take primary responsibility for compliance, reporting, governance and risk at project level. The SLE then typically contracts “back-to-back” with participating land managers (via land management/participation agreements) so the on-the-ground obligations needed to meet the Implementation Agreement requirements are flowed down to the parties who control the land.

The SLE enters into the Implementation Agreement with DEFRA and acts as the coordinating body for delivery across participating landholdings. This structure reflects DEFRA’s need for a clear contractual counterparty while allowing flexibility in how individual landowners and farmers participate on the ground.

As DEFRA’s own communications make clear, entry into the delivery phase brings with it increased focus on accountability, monitoring and assurance, reflecting both the scale of funding involved and the importance of securing long term outcomes.

## Key issues commonly arising in delivery discussions

### 1. Allocation of risk and decision making responsibility

Our clients have noted that the Template Implementation Agreement places a significant degree of responsibility on the SLE. This is consistent with DEFRA’s need to ensure that public funding is protected and that projects remain capable of delivery across their full lifespan.

Individually, many of the relevant provisions reflect familiar public sector funding protections.

When considered collectively, however, they underline the importance for SLEs of having robust governance, clear internal controls and well structured participation agreements with land managers and partners ensuring back-to-back obligations where necessary.

### 2. Termination rights and financial consequences

Landscape Recovery projects are designed to safeguard public value over the long term, and DEFRA’s termination rights need to be seen in that wider context. Our clients have nevertheless focused on understanding how those rights might operate in practice, particularly where termination could lead to recovery of funding already paid.

There has been particular interest in how issues such as sunk costs, third party commitments and long term land management arrangements are taken into account. From a planning perspective, this has encouraged SLEs and funders to model downside scenarios carefully and to build appropriate contingencies into their delivery approach.

### 3. Default and remedy mechanisms

Given the scale and complexity of Landscape Recovery projects, defaults may sometimes arise from factors such as regulatory delay, landowner decisions or third party constraints. Our clients have therefore examined how default and cure provisions interact with ecological and land management timescales.

These discussions have tended to focus on practical risk management: ensuring that reporting systems, escalation processes and engagement with DEFRA are sufficiently robust to identify and address issues early, before they crystallise into more serious delivery problems.

### 4. Dependencies on third party cooperation

By design, Landscape Recovery relies on collaboration across multiple landholdings and stakeholders. The Implementation Agreement reflects this by placing delivery responsibility on the SLE, even where outcomes depend on the actions of others.

In response, many projects are focusing on strengthening participation agreements, communication protocols and incentive structures with landowners and tenants, recognising that effective coordination is central to long term success.

### **5. Managing change over a long project term**

Landscape Recovery projects operate over extended periods during which science, policy and markets will inevitably evolve. While the Implementation Agreement includes formal change mechanisms, their operation has been a key area of discussion with clients.

Rather than viewing this as an obstacle, many are approaching change control as an ongoing relationship issue one that requires proactive engagement, clear evidence based proposals and early dialogue with DEFRA as projects mature.

### **6. Monitoring, reporting and assurance**

The monitoring, evaluation and reporting requirements placed on SLEs are significant, reflecting the scale of public investment and the need for transparency. Our clients have increasingly recognised that these obligations must be adequately resourced and factored into long term financial and organisational planning. Boards and investors are therefore paying closer attention to operational capacity, data systems and audit readiness from the outset.

### **7. Dispute resolution and decision making processes**

DEFRA's role as funder and counterparty naturally creates a particular dynamic in dispute scenarios. While formal challenge mechanisms exist, many clients see the primary emphasis as being on early issue resolution, structured engagement and maintaining momentum in delivery.

This has reinforced the importance of clear governance structures and documented decision making processes within the SLE.

### **8. VAT and tax considerations**

VAT treatment remains an important area of due diligence. Over long project timescales, irrecoverable VAT can have a material impact on financial viability. Our clients are therefore increasingly seeking early specialist advice to ensure that funding structures, contracts and land arrangements are aligned as far as possible with VAT efficiency.

### **9. Data, intellectual property and transparency**

Landscape Recovery projects generate valuable data and learning. The Implementation Agreement reflects DEFRA's policy objective of transparency and knowledge sharing, while clients are also considering how data and intellectual property rights interact with potential future commercialisation of natural capital outcomes. Balancing openness with investor and partner expectations is therefore an important early consideration.

### **Implications for project lead organisations**

For organisations acting through a single legal entity, Landscape Recovery requires a shift in mindset. The SLE is not merely administering grant funding but is assuming long term responsibility for delivery, governance and compliance under English law. This places a premium on strong boards, well defined decision making frameworks and clear alignment between the SLE, landowners, delivery partners and funders. When those foundations are in place, the structure can support both policy objectives and long term project resilience.

### **Actions for project lead organisations to consider**

Project lead organisations should consider:

- undertaking a holistic review of the Implementation Agreement to understand cumulative obligations;
- embedding risk, termination and change scenarios into long term financial planning;
- ensuring land and partner agreements are aligned with delivery obligations;
- investing early in governance, reporting and assurance capability;
- engaging constructively with DEFRA on delivery and change discussions; and
- obtaining specialist tax and VAT advice at an early stage.

### **Conclusion**

Landscape Recovery offers a rare opportunity to deliver long term environmental improvement at scale in England. Its ambition and duration inevitably bring complexity, and project success depends on having clear governance, appropriate risk allocation and a well structured legal framework from the outset.

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## Testimonials

*“ Freeths made an effort to understand our business and our team, which allowed them to cut through complex situations and tailor advice to reach a solution which suited us.*

Chambers & Partners

*“ The breadth of service has always stood out for us. As a legal team they always have someone that can solve almost every legal problem as a business you might face.*

Chambers & Partners

## Awards and accreditations

