ALDERSGATE GROUP
LEADERS FOR A SUSTAINABLE ECONOMY

BRIEFING

SHARED GROUND:
A VISION FOR THE LAND USE FRAMEWORK

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Introduction

Making the best use of land is essential for meeting societal, economic, climate, and environmental goals. With limited land available, it is crucial to ensure that land is used efficiently, and that trade-offs are well managed to deliver positive outcomes.

The government first announced plans for a Land Use Framework (LUF) in 2022, with the long-awaited consultation published in 2025.[1] This marked a significant step forward, initiating formal discussions on national land management. The consultation, which closed in April 2025, proposed initial principles and outlined land use change. The document shared analysis and proposals for 19% of land in England to change use, to varying degrees. This includes 9% of land changing away from agriculture towards uses dedicated to environmental and climate benefits.

As land policy affects a wide range of stakeholders, from environmental groups to land-based industries, this dialogue is timely and necessary. A well-designed LUF can enable a more holistic approach to land use decisions across Whitehall and devolved authorities. It has the potential to underpin future environmental and economic policies. The Aldersgate Group has explored what this means for business and for climate and nature action. Through research, interviews, and a workshop, we have identified barriers and opportunities that merit further government attention.

1. Defra (2025), Land Use Consultation.

Key points for the upcoming Land Use Framework

- **Evolving land use:** Land use must change in order to restore nature, mitigate and adapt to climate change, bolster food security, and support housing and infrastructure. Clarity and robust evidence are needed on what land use is appropriate where, the scale of change required, and how spatial decisions will be made.
- **Effective tool for decision-making:** The LUF must support national and local decisions. This will require alignment and interoperability with existing and upcoming strategies, including the Environmental Improvement Plan, 30x30, the Farming Roadmap, Food Strategy, and Strategic Spatial Energy Plan.
- **Supportive policy frameworks**: Achieving a land use transition will require enabling policies and regulations, support for skills, and the development of nature markets. Interventions must identify and mitigate the risk of perverse incentives and negative unintended consequences.

Strategic and spatial coordination

It is a notable and positive development that the UK government currently has a range of spatial policies under consideration (see Box 1). The move toward more strategic national planning coincides with greater local devolution, including the newly announced Mayoral Strategic Authorities. With national targets for change set out in the LUF, implementation will require join-up with local initiatives including Spatial Development Strategies (SDS) and Local Nature Recovery Strategies (LNRS), identifying regional opportunities and enabling coherent local delivery within a national framework.

To achieve this and avoid inconsistency, alignment with planning reform is critical. Policy goals which appear to compete, such as nature recovery and development, can create confusion and uncertainty. A clear, practical framework for navigating trade-offs and decision-making is essential for local authorities and businesses.

BOX 1

Spatial policies in UK

- **Land Use Framework** sets out objectives for land use change and principles for decision-making, with the aim of balancing competing needs across agriculture, housing, energy, and environmental restoration.
- **Strategic Spatial Energy Plan, Centralised Strategic Network Plan and Regional Energy System Plans:** These plans will set out what energy infrastructure is needed for the transition to a clean energy system, with a spatial lens.
- **English Devolution Bill** aims to transfer powers over transport, housing, and planning to regional authorities and elected mayors.
- **Local Nature Recovery Strategies** are locally-led plans that identify priorities and areas for habitat restoration and biodiversity improvement.
- **New Towns Taskforce** will make recommendations to government on the location and delivery of new towns.

Data, decision-making and business needs

Shared frameworks for decision-making will be essential to ensure land use decisions are coherent, evidence-based, and aligned with national goals. Alongside these frameworks will need to be effective coordination mechanisms, both locally and between local and national levels. Access to shared data and mechanisms for knowledge sharing between the local and national levels of government will also be vital.

For businesses, the LUF in its current form would not support practical decision-making. Clarity on how the LUF will inform government decision-making and policies which businesses interface with, such as the planning system, will be important to avoid real or perceived uncertainty. Incoherence could undermine business confidence and investment planning. Whether developing infrastructure, engaging in carbon markets, or pursuing construction projects, the LUF should inform early-stage assessments of project viability and site selection, through access to relevant information and data.

It will also be critical for government, businesses and rural interest groups to understand the broader economic impacts of proposed land use changes, which will shape the future of rural economies, agriculture, ecology, and the production of non-food crops.

Making best use of land through multifunctionality

Multifunctionality refers to the ability of land to support a combination of uses, such as production, conservation and recreation, that collectively enhance its value. Combining land uses has the potential to increase land productivity while delivering environmental and social benefits. Successful multifunctionality depends on balancing two or more land uses to achieve both economic returns and broader public goods.

Typical trade-offs include those between short-term income and long-term productivity, biodiversity and food production, or development and ecosystem services. Balancing these demands requires thoughtful decision-making tailored to local contexts. Agrovoltaics[2], regenerative agriculture[3] and River Basin Management Plans[4] are a promising examples of this balance being met.

For multifunctionality to be viable, it must offer practical mechanisms to diversify income streams, improve land profitability, and build resilience for landowners and tenants, while also delivering clear societal and/or environmental value. A transition toward multifunctional land use can come with short term financial risks to landowners, such as the length of time before the new land use returns revenue; support to bridge revenue gaps and to reduce risk is essential.

Market forces alone will not drive this transition. Realising multifunctional land use will require enabling policy and regulatory frameworks, backed by high-quality data, culturally sensitive approaches, and effective communication strategies. Government intervention should act as a catalyst, providing training and incentives which highlight the benefits of multifunctionality to individual landowners and land managers.

However, in some cases, such as areas critical for the conservation of sensitive species, single-use management delivers better outcomes. Similarly, highly productive agricultural land or culturally significant landscapes may be best managed for a primary use. In these instances, adding multiple uses could dilute or undermine their core value.

Potential solutions to support multifunctionality include:

- Support for multifunctional and regenerative farming models, via Environmental Land Management Schemes (ELMs) or equivalent mechanisms;

2. Savills (2023) In Plain English: Agrovoltaics
3. The Wildlife Trusts (2023) What is regenerative farming?
4. Environment Agency (2022) River basin management plans

- Targeted advice and guidance for farmers and landowners, delivered in accessible and context-specific ways or through support for peer-to-peer networks (the Nature Friendly Farming Network[5] is a good example to learn from);
- Support for the growth of robust nature markets that reward multifunctional outcomes.

Unlocking investment for land use change

Investment and government expenditure are recurring themes in discussions around land use change, with a key focus on how to channel more private investment into nature. Nature markets offer a starting point. The central question is: how can investor confidence be strengthened to grow nature markets and other forms of private investment in nature?

To support this, the government should prioritise:

- Robust reporting on nature and carbon risks;
- Accreditation and certification to build trust;
- Effective monitoring, reporting, and verification (MRV);
- Strong demand signals, including through compliance markets such as Biodiversity Net Gain which can support demand and market certainty to unlock investment;
- Aggregation of small projects into investable portfolios.

The UK's carbon markets, including the Woodland and Peatland Carbon Codes, demonstrate the characteristics of high-integrity systems. Accreditation, MRV, and independent oversight are essential to attract private finance. So too is predictable demand, as land use changes take time to yield ecosystem benefits. Strengthening confidence and scaling investment in natural capital markets must be a government priority.

Public funding also plays a vital role. Farming subsidies can support landowners through transition and help align land use practices with national nature and climate goals. While current rural payments and Environmental Land Management Schemes (ELMS) have potential, they are not yet structured to attract wider private investment. Reforms could unlock a "crowding-in" effect, leveraging public spending to stimulate private finance.

5. NFFN (2025) Website

Independently, agricultural policy remains a critical lever. Current subsidies support a level of environmentally-friendly behaviours but are not enough to drive the scale of change needed on climate, water quality, and biodiversity. The forthcoming Spending Review, Farming Roadmap and Food Strategy offer key moments to reframe policy and build a profitable, environmentally resilient farming sector.

There is strong cross-sector goodwill to achieve land use change that benefits farmers, communities, and the environment. Multifunctional land use and nature market development offer pathways to delivering this vision.

Futureproofing and resilience

The LUF must inform long-term policy amid rapidly changing conditions. Climate change, food security, carbon sequestration, and emerging industries must all be considered. Future iterations of the framework should address adaptation to extreme weather, changing diets, and new nature-based products (such as natural fibres).

Looking ahead to the LUF's publication

The LUF is expected in summer 2025. Collaboration, evidence-based policymaking, and alignment across governance levels will be critical. Recognising land as a strategic asset is a crucial step toward addressing today's intertwined environmental, economic, and social challenges.

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