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Dame Meg Hillier MP,
Chair, Public Accounts Committee
House of Commons
London, SW1A 0AA

Dear Chair,

I am writing in response to a letter dated 16 June 2023. Unfortunately, I understand that this letter was not received by my department due to a clerical issue. Subsequently, I have addressed this matter as promptly as it came to my attention, and you will find my responses to the concerns you raised below.

Tree planting

In summer 2021 we introduced the **Nature for Climate Tree Programme**, over the past two planting seasons (21/22 and 22/23) the initiatives within the Nature for Climate Tree Programme have shown a positive impact. Tree planting rates in England increased by 10% from 20/21 to 21/22. This was in line with our overall expectations for that year as we anticipated a steady increase in planting rates year-on-year, rather than a steep jump to 7,000 ha. Tree planting rates increased by a further 40% from 21/22 to over 3600 hectares in 22/23. This increase is directly related to the new initiatives that the Department has launched through the Nature for Climate Tree Programme, 24% of which was driven by the England Wood Creation Offer (EWCO). The factors holding back planting are complex but include uncertainty over future land offers and the speed of getting through the regulations process.

Future Tree Planting Progress

We know there is more work to do, but we have a strong pipeline of planting projects supported through the Nature for Climate Fund (NCF). Beyond the EWCO, we are working with a wide range of Woodland Creation Partners, establishing three new Community Forests, investing over £4.5 million in increasing sector capacity, as well as generating more private finance for trees.

These measures are driving a tree planting trajectory that is showing an upward trend through the remaining years of the programme, but there are key external enablers

required to stay on the planned trajectory over that period. These key enablers include landowner demand for the schemes offered through the NCF, and the ability of the wider sector to respond to that demand. These enablers are outside the direct control of government.

The Sustainable Farming Incentive

We remain committed to our target of 70% of farms and farmland being in schemes by 2028. In the first year of the scheme 3,309 Sustainable Farming Incentive (SFI) agreements started were offered of which 3,285 are live. This is at the lower end of our projections but follows the uptake pattern for agri-environment schemes where we see small groups of early adopters joining schemes and others then following.

We have listened to farmers and landowners and in responding to their feedback, and learning from the SFI pilot, have taken several actions to support further uptake.

On 21 June we issued full information of what we will pay for from 2023 and in the next few weeks we will start the controlled roll out of the SFI23 offer. 23 actions will be available, and we expect uptake to increase with this broader range of action. We have brought forward actions originally planned for 2024 to 2023 to support this. In response to feedback from farmers we are no longer bundling actions but enabling farmers to pick and choose the actions that they want to include in their agreement to best suit their farm business. We expect this flexibility to further support uptake.

Information on the scheme is available in one handbook and on 10 August we published voluntary How to Guidance which farmers can follow if helpful for them. We know that applicants to date have welcomed the simple, automated online application process which again will support uptake in the coming months.

Recently, we have run an extensive communications and engagement programme with farmers and farming organisations, including through webinars and our presence at agricultural shows. This has enabled us to promote the options available to farmers and feedback is of increased awareness and interest in what is on offer.

Farming Confidence

In July 2023 we published the most recent data from our Farmer Opinion Tracker, a survey administered every 6 months to take the pulse of farmers in response to policy changes. Overall, responses are in line with expectations and broadly similar to previous years, and there are both positive and negative opinions. In general, results suggest that farmers are adapting to changes (know what they must change and have a level of information needed to help plan) but there continue to be challenges regarding confidence in the future and the likely success of policies and schemes.

We ask several questions relating to different aspects of confidence, including confidence in the future of farming and confidence in the ability of government to deliver

effectively. Confidence is affected by many issues outside of Defra policy remit (i.e., input price rises) and it is still early days for the reforms (where BPS reductions are now beginning to be felt).

Similarly, to previous trackers, most frequently mentioned were Environmental Land Management (ELM) schemes, with concerns around payments rates and attractiveness of schemes or eligibility based on farm type. Many called for further details but there were also respondents that felt published information is too complex and hard to understand needing time to read guidance for new schemes. Again, food security was a growing issue in the comments, alongside a continued perception that food production is a lower priority than the environment for Defra. This was often linked to a concern over a reliance on imports which were viewed as both an unsecure food source and as undercutting English farmers. Also, business viability, particularly for small farms, continued to be a concern.

Since the survey was launched there have been several events and announcements addressing concerns such as food security, production, tenant farming and ELM schemes including: the Farm to Fork Summit, the publication of the response to the Rock Review, and the release of further details on improvements to the Sustainable Farming Incentive. Additionally, the government also committed to publish a Land Use Framework in 2023 to ensure food security is balanced alongside climate and environment outcomes.

Moreover, NFU's annual Back British Farming Day in September, and the months that follow, will provide good opportunities to update farmers and land managers on our progress against key commitments we made to the sector and demonstrate how Defra is delivering for farmers, food production and the environment.

National Communication Campaigns

We understand the importance of a strong national message to support local communications, such as our national Burn Better campaign focused on domestic burning. In some cases, such as Clean Air Zones, we believe that Local Authorities are best placed to make their own decisions. This allows better tailoring of communications to meet the needs of local audiences. Therefore, the Government is not persuaded that a national communications campaign is always the best approach to address the complexities and nuances of local problems.

We carefully assess the need for government-led campaigns and only invest public funds where there is a clear justification supported by evidence and data. Our priority is to achieve measurable outcomes and ensure value for money. In cases where we don't run paid-for marketing campaigns, we collaborate with other organisations and stakeholders to share messages or support existing campaigns on specific topics – for example, we actively support Water UK's Water's Worth Saving campaign and Waterwise's Dry July by sharing messages to the public through our social media channels and e-alerts.

Evaluation has shown high levels of awareness and understanding of Clean Air Zones across multiple local authorities following their locally led communication. We have also supported local authorities to act through the Local Air Quality Grant scheme. We awarded **£10.7 million** to **44 local authorities** in February 2023. £7 million of this funding went towards projects that included actions to improve public awareness.

In addition to this in April 2023 we published a revised **Air Quality Strategy** to support councils and to ensure they have the necessary tools to take local action.

Finally, we are undertaking a comprehensive review of how we communicate air quality information to ensure that members of the public, and vulnerable groups, have the information they need protect themselves and understand their impact on air quality. The final report from the review is due to be published in early 2024.

The role of regulation in delivering government policy

Regulation is only one of several levers that Defra uses to achieve our policy objectives. When developing policy and considering how best to achieve our objectives, we consider the whole range of interventions and their effectiveness and proportionality in addressing issues and delivering improved outcomes.

This includes interventions varying from stringent regulatory controls where appropriate to other measures such as providing leadership through financial incentives, encouraging investment and projects, and wider non-regulatory measures to influence behaviour and collaboration with key partners.

Examples of our Department strengthening our regulatory controls include Defra's publishing its Plan for Water (PfW) in April 2023. In our Plan for Water the Government outlined its Roadmap to Water Efficiency, which included a number of actions to support consumers and stakeholders to increase their water efficiency, including:

- strengthening the provision of information to consumers through a mandatory water efficiency label and smart metering.
- encouraging innovation through Ofwat's £100 million Innovation Fund; and
- improving designs of household appliances, such as dual flush buttons.

Our Plan for Water sets out increased investment, tougher enforcement and tighter regulation to tackle every source of river and sea pollution. We have been very clear to water companies that we expect them to deliver more, and regulators will be looking closely at their business plans to make sure they are meeting our targets without unduly impacting on customers' bills.

Water companies offer a range of affordability support measures for households that struggle to pay their bills, these include bill discount schemes such as WaterSure and social tariffs as well payment breaks, adjustable payment plans, water efficiency audits

and referrals to debt advice services. We are currently exploring options to improve existing social tariff arrangements.

Water and a National Strategy

The Plan for Water (PfW) is the Government's comprehensive strategy to deliver clean and plentiful water. The actions in the PfW meet the targets we committed to in the Environment Act, but goes further, bringing together action already taken with a suite of new policy actions we will deliver to meet our water goals.

As mentioned in my previous correspondence, the Government recognises the need for further action in the water industry to secure water supplies. This will involve investing in new water supply infrastructure, action to reduce water company leaks, and improving water efficiency.

The National Framework for water resources, published in 2020, already marked a move to strategic cross sector regional planning and sets out in detail how this joined up approach will strategically address the challenges. The draft water resources plans consulted on earlier this year, show how the water supply demand gap is addressed, which grows to about 4 billion litres per day by 2050. Addressing this gap will require a two-fold approach – half by reducing demand and leaks, and half from new supply and infrastructure.

To inform their plans, water companies are currently using £469 million to investigate and develop water supply infrastructure, like new reservoirs, water recycling and water transfer schemes. This work is supported by RAPID – the Regulators' Alliance for Progressing Infrastructure Development. RAPID brings together Ofwat, EA and the Drinking Water Inspectorate to help ensure a smooth regulatory path for strategic water resources infrastructure. The National Policy Statement for Water Resources Infrastructure, laid in Parliament on 17 April 2023, also helps to streamline the process of gaining development consent for this infrastructure.

In addition, the Environment Act sets out a legally binding target to reduce public water demand by 20% by 2038. We have set out a 10-action Water Efficiency Roadmap to address this. We will also commence and use new powers introduced by the Environment Act to direct water companies on regional plans to make sure they deliver the outcomes we need on collaboration, and we will be refreshing the National Framework for water resources for the next water planning round.

Defra's approach to Behaviour Change

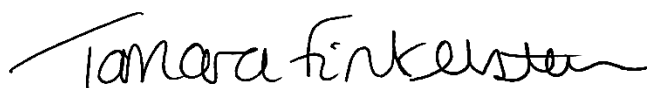
The Environmental Improvement Plan 2023 (EIP23) sets out our strategic approach to enabling green choices across society. The principles are supported by behavioural science and build on the six principles for enabling green choices published in the *Net Zero Strategy*, an example of our shared commitments. The principles are central to Defra's consideration and design of behavioural research.

Defra's behaviour change research programme is led by social and behavioural scientists across the Department, to explore and address the drivers and barriers to implementation and uptake of policies in each sector. For example:

- Our flagship schemes on air quality and the recently published *Plan for Water* are prime examples of Defra using behavioural science to achieve policy objectives. Defra is working closely with water companies, regulators and other industry stakeholders, such as the Consumer Council for Water and Waterwise, to learn from a range of behavioural research studies.
- Environmental Land Management schemes continue to be improved iteratively according to the principles of co-design, to address the behavioural barriers farmers face on the ground to contribute to our environmental targets, while maintaining food production. These improvements are informed by a comprehensive programme of behavioural research, including surveys and workshops identifying the factors that influence farmers' willingness to participate in schemes, and testing the impact of scheme choice architecture on farmer decision-making regarding land use.
- Research on [Encouraging consumers to choose green finance](#) highlighted that consumer interest in green finance is high, but there are practical and comprehension barriers.
- In collaboration with Environment Agency we explored the drivers of the burning and burying of agricultural plastics among farmers and developed interventions to test to increase agricultural plastic collection rates ([A behavioural approach to supporting farmers in the disposal of agricultural plastics](#)).
- The Defra-led cross-government published research on [The role of ecolabels on the path to net zero](#) reviewed evidence on the effectiveness of ecolabels for consumer and businesses in making green choices.

To support sharing of best practice learning Defra researchers work closely with our arm's length bodies, such as the Environment Agency, Natural England, and the Forestry Commission; across government (including the Behavioural Insights Cross-Government Group and Net Zero Societal Change Analytical Group) and with the Devolved Administrations. Defra run a behavioural science webinar series to increase knowledge of the application of behavioural science which is open across government.

Yours Sincerely,

A handwritten signature in black ink, reading 'Tamara Finkelstein' in a cursive, flowing script.

TAMARA FINKELSTEIN
Permanent Secretary