

## Written evidence submitted by the RSPB (ELM0010)

### Introduction

1. Farming is uniquely placed as both one of the primary drivers of our environmental challenges, but also one of the primary solutions. The evidence is clear, to deliver the relevant objectives of the Governments 25 Year Environment Plan and tackle the nature and climate crises will require very significant and widespread changes in farming and land management practices, including a shift to agro-ecological systems as quickly as possible. E.L.M., supported by a robust package of transitional support for farmers and landowners could ensure this shift, which is also critical to the future of farming.

### Headline Comments

2. The reforms Defra set out in Health and Harmony<sup>1</sup> in 2018, remain vital. Supporting a just transition to a system based on public money for public goods, is not just vital to efforts to tackle the nature and climate crises, but also to ensure the future resilience of the farming and land management sector. It is increasingly clear that business as usual is not a viable option as climate instability, soil loss and loss of biodiversity threaten the viability of many farming and land management enterprises. E.L.M. provides the opportunity to put nature at the heart of every farming and land management business and ensure significantly more space for wildlife and nature-based solutions to tackle climate change.
3. Key to the success of E.L.M. and Defra's wider future farming and countryside programme is a safe and just transition. Defra's Agricultural Transition Plan provides the skeleton; however, Defra urgently need to put the flesh on the bones to enable farmers and land managers to plan and adapt their businesses. The next few months will be critical to build confidence and avoid perverse consequences for people and the environment. We urge Defra to ensure a robust package of advice and support, including targeted business advice for those most vulnerable businesses.
4. Since 2018 Defra has worked hard to fulfil its ambition of co-design. Despite bumps along the road, there are increasing signs that stakeholder engagement is improving. We urge Defra to build upon this progress and continue to work closely with a range of stakeholders.
5. Defra has set out world leading reforms, to make this a reality, we urge Defra to build on the existing robust evidence base and thirty years' experience of agri-environment scheme design and delivery in England. This evidence clearly marks the need for a step change in action, moving from a parcel based to a whole farm or holding approach. Anything less will fail to deliver for the natural environment and those that depend on it.
6. We urgently ask Defra to address key gaps:
  - SMART Environmental Objectives – Defra has yet to articulate the objectives of E.L.M. beyond it contributing to the delivery of the 25 Year Environment Plan and net zero emissions target. However, greater clarity on the level of ambition in the strategic objectives is vital to inform design, delivery, and budgetary allocation. We urge Defra to

---

<sup>1</sup>[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/684003/future-farming-environment-consult-document.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/684003/future-farming-environment-consult-document.pdf)

use existing robust data and modelling of the scale of uptake of activities needed to achieve these stretching targets.

- Governance and accountability - Defra has yet to provide clarity on the arrangements for the future governance and accountability for E.L.M. or the wider agricultural policies. We urge Defra to develop a robust framework to ensure clear governance and accountability, with requirements for establishing scheme targets, monitoring, and reporting, and stakeholder engagement. Excellent governance, accountability and independent oversight are critical for the effective delivery of public goods.
- Regulation and enforcement – Clarity on the future of farming regulation is long overdue. Regulation is a critical issue, we believe that Government needs to establish a new regulatory system to fill the gaps in environmental standards that are left post-EU-exit, address the significant and evolving challenges facing biodiversity and climate as well as transforming the delivery system into one that improves environmental compliance and engages farmers more deeply in the journey to sustainability.

## RSPB Detailed Response

### Question 1: Is the Government's timeframe for the national pilot, full roll-out of E.L.M. and phasing out direct payments by 2027 feasible?

7. Yes. The RSPB strongly believes that the timeframe set by Defra for the Agricultural Transition remains deliverable. Meeting this timeline is fundamental to achieve the Government's environmental ambitions set out in the 25 Year Environment Plan and the Net Zero emissions target. Nonetheless, we urge Defra to use the coming months to provide greater clarity and detail to the farming and land management community. Urgent action is required to tackle the nature and climate crises and to ensure a safe and just transition for the farming and land management sector. A lack of clarity or progress on key elements such as the E.L.M. National Pilot and available funding streams, risks undermining confidence. The poor, albeit improving performance of the Countryside Stewardship Scheme equally risks undermining confidence and urgent action for the environment. Further investment is needed to improve the administration and advisory provision for that scheme to build confidence that such schemes present a viable business proposition.
8. Defra has now provided clarity in its Agricultural Transition Plan on the range of financial assistance schemes that they will make available from 2021. Nonetheless, they have not provided sufficient detail in the Multi-annual Financial Assistance Plan<sup>2</sup> required under clause 4 of the Agriculture Act, regarding the allocation of funds against different schemes. In addition, the RSPB recognise that Defra has yet to provide much of the crucial detail on the design and operation of each financial assistance programme. We welcome clarity on the reduction bands for the Basic Payment Scheme, and the transfer of budget towards investment in the environment. However, we recognise that the farming and land management community is clamoring for detail to enable them to plan business changes. We must set the farming and land management sector up for success, delivering food and other private goods via markets and

---

<sup>2</sup> <https://www.gov.uk/government/publications/agriculture-multi-financial-assistance-plan-2021-to-2027/multi-annual-financial-assistance-plan-for-the-plan-period-2021-to-2027>

public goods rewarded by the taxpayer. We urge Defra to work with stakeholders to fill in the details of the Agricultural Transition Plan.

**Question 2: Will the Sustainable Farming Incentive be a viable support measure for farmers before the full roll-out of E.L.M.? Is further support required during the transition period?**

9. The Sustainable Farming Incentive (SFI) is not intended to be a like for like replacement to direct payments, but the first component of the new public goods scheme in England. Ensuring that the SFI and other components of E.L.M. focus public money on the delivery of public goods is one of the most important steps that the Government can take to fight the climate and nature crises, to support farming and ensure excellent value for the taxpayer.
10. The cost-benefit ratio of spending on environmental land management schemes is high, with Defra<sup>3</sup> estimating that every £1 spent on land management schemes delivers £2 to £6 in benefits to society, with an average of £4. We urge Defra to maintain and even improve this cost benefit ratio by avoiding deadweight in the measures the SFI supports or overcompensation in the payment methodology.
11. The RSPB urges Defra to use the SFI as a vehicle for helping farmers to put nature at the heart of their business, which evidence shows can bring significant business benefits in terms of profitability, productivity, and yield whilst securing a range of environmental outcomes for society (discussed in more detail in answer to question 3).
12. However, the RSPB recognises that the SFI alone will be insufficient. Defra needs a comprehensive package of measures to support a safe and just transition to a new system based on public money for public goods. The RSPB has previously made the case for a Transition Fund in our response<sup>4</sup> to the 2018 Health and Harmony consultation, with dedicated support for business advice, skills and training, alongside targeted investment in capital infrastructure that secures win-wins for the environment and productivity. We note that Defra has provided some detail on transitional support, but we urge Defra to come forward with more detail and clarity in the coming months to enable individual farm businesses to plan. The framework is there, Defra just needs to fill in the details.
13. In addition, Countryside Stewardship, provides a ready means of rewarding farmers and land managers to act for the environment. Greater investment in advice for the Higher Tier and administrative improvements across the entire scheme could enable CS to become a central element of a safe transition, whilst ensuring urgent action towards the delivery of the Government's 25 Year Environment Plan and other environmental objectives.
14. We note that both small and large farms or land holdings are well placed to deliver public goods. However smaller farms and land holdings may be less able to access business planning resources and expert advice. Therefore, we strongly recommend that Defra include the provision of advice to help smaller farms and businesses adapt to the new system. We recognise that, under the current system, certain sectors such as upland and mixed farmers, are typically more reliant on basic payments. These farmers are very well placed to deliver public goods, such as improving

---

<sup>3</sup> Defra (2018), Health and Harmony: the future for food, farming and the environment in a Green Brexit. [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/684003/future-farming-environment-consult-document.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/684003/future-farming-environment-consult-document.pdf)

<sup>4</sup> [https://ww2.rspb.org.uk/Images/RSPB\\_Health\\_and\\_Harmony\\_response\\_May18\\_tcm9-454933.pdf](https://ww2.rspb.org.uk/Images/RSPB_Health_and_Harmony_response_May18_tcm9-454933.pdf)

water quality, soil conservation, enhancing landscapes, and managing upland streams to improve water quality and reduce flood risk. These farms can flourish from a system based on public money for public goods but may require dedicated business and environmental advice to help transition to the new system. A recent study has shown that business advice, can help identify opportunities to reduce variable and fixed costs, such as reducing stocking densities, leading to improved profitability.<sup>5</sup>

15. Evidence demonstrates that only a minority of farms currently undertake standard business management practices such as producing budgets, analysing gross margins, preparing cash flow forecasts or producing in-depth profit and loss accounts. This proportion was as low as 17% for LFA livestock farms and 18% for lowland livestock farms in 2016/17<sup>6</sup>. The low take-up of advice suggests a role for public intervention, such as the provision of free or subsidised advice, to enhance farm business planning and management. One study undertaken by an independent economist suggested that an investment of just £3 million a year for a period of ten years is required to provide farm business support to improve the profitability of economically marginal systems<sup>7</sup> in England.

### **Question 3: How effectively has Defra engaged with land managers and other stakeholders on the design of E.L.M., including on the transitional arrangements?**

16. In 2018, Defra committed to co-designing E.L.M. with farmers and stakeholders. This was a bold and worthy ambition, but one which would require a step change in stakeholder engagement and challenge normal procedures. Despite several key aspects such as the tests and trials programme, Defra has struggled to truly fulfil their ambition for co-design. For example, Defra has often struggled to share the right information, at the right time, whilst providing farmers and stakeholders time to respond. Defra has also struggled to provide valuable feedback to farmers and stakeholders, to help them to understand how and if their interventions and ideas are being taken forward to shape the design and delivery of E.L.M. Co-design is hard and factors such as Brexit uncertainty, the covid-19 pandemic and staff turnover have not helped. However, in 2020, Defra did begin to ramp up stakeholder engagement and reinvigorate the co-design process.

17. To build on this progress we recommend that Defra:
  - Continues to step up engagement with farmers, land managers and other stakeholders.
  - Seeks to share relevant information, analysis, and decisions as soon as possible to boost understanding,
  - Provides genuine opportunities for farmers and stakeholders to input, views, ideas, and solutions, including formal public consultations,
  - Better sets out the policy options being considered in a timely manner, in order to enable meaningful input at the right stage in the process,

---

<sup>5</sup> Clark, C., Scanlon, B., Hart, K. (2019) Less is more: Improving profitability and the natural environment in hill and other marginal farming systems. Available at <https://www.wildlifetrusts.org/sites/default/files/2019-11/Hill%20farm%20profitability%20report%20-%20FINAL%20agreed%2015%20Nov%2019.pdf>

<sup>6</sup> Defra (2018) Moving away from Direct Payments. Agriculture Bill: Analysis of the impacts of removing Direct Payments, September 2018

<sup>7</sup> Rayment M (2019) Paying for public goods from land management: How much will it cost and how might we pay? Final Report for the RSPB, the National Trust and The Wildlife Trusts.

- Feeds back to stakeholders so they understand how and if their interventions and ideas are being taken forward to shape the design and delivery of E.L.M., and
- Shares and incorporates the learning from the tests and trials projects.

#### Question 4: How can E.L.M. be made an attractive business choice for farmers and land managers while effectively delivering its policy goals?

18. Reforming future payments to focus on ‘public money for public goods’ is not just critical to efforts to tackle the nature and climate crises, but also to rebuild the productive capacity of the land. It is increasingly clear that business as usual is not a viable option as increasing climate instability, soil loss and loss of biodiversity including pollinators and pest predators threaten the future viability of many farming and land management enterprises.
19. A scheme focused exclusively on environmental objectives<sup>8</sup>, can provide an attractive business choice. We ask Defra to consider the following key factors:
20. **Access to quality, trusted advice, and guidance** – The evidence consistently shows that the provision of advice and guidance are critical to incorporating environmental delivery into farm or land businesses.<sup>9</sup> That does not mean that Government must fund all advice, but they should have a stake in ensuring access to accredited quality advice and guidance. We suggest there is a need for advice to support land managers across all components of E.L.M., including the SFI. Written guidance alone will not engage or support most land managers and specific, targeted advice is more likely to motivate farmers, address skills gaps, and support behavioural change. Advice can be an important gateway into schemes. It can also support progression moving from easy to achieve to more challenging levels of participation. A study published in 2019, estimated the cost of providing environmental land management advice in England to be c£34 million a year<sup>10</sup>.
21. **Putting nature at the heart of land management businesses can boost profitability, productivity, and yields** – In some cases, E.L.M. may reward farmers and land managers for managing their land in ways that benefit the environment that may be unconnected to food production, such as large-scale tree planting to tackle the climate emergency, providing an alternative income stream. In other cases, public money will pay for changes to the way that farmers grow food that produce wider public goods, such as the adoption of regenerative and agroecological farming methods that benefit biodiversity, soil carbon and water quality. In the context of the latter, there is an increasing body of evidence that investing in our natural environment can yield real benefits for food production, profitability, and productivity.<sup>11</sup> A major study<sup>12</sup> published in 2015 found that putting 8% of an arable farm into environmental

---

<sup>8</sup> merging socio-economic will only compromise effectiveness of the scheme, as occurred under the EU CAP. Where there is cross-governmental consensus that socio-economic objectives are appropriately addressed through agricultural policy during the Agricultural Transition Period, they should be tackled by interventions separate to E.L.M.

<sup>9</sup> Boatman N, et al. (2015) Agreement scale monitoring of Environmental Stewardship 2013-14: Assessing the delivery of Higher Level Stewardship agreement outcomes and their relationship with the quality of advice and support provided to agreement holders. Natural England Research Report LM0432.

<sup>10</sup> Rayment, M. (2019). Paying for public goods from land management: How much will it cost and how might we pay? Final Report. A report for the RSPB, the National Trust and The Wildlife Trusts

<sup>11</sup> Tamburini et. al. “Agricultural diversification promotes multiple ecosystem services without compromising yield.” *Science Advances*. 2020.

measures, and managing these for wildlife, led to a 25% increase in net yield for flowering crops (field beans), and no net loss of yield for wind pollinated crops (wheat and barley). This was due to the increase in pollinators and crop pest predators arising from the creation of habitats such as wildflower margins. This was in comparison to having just 1% or 3% of land under simpler measures such as grass margins, which had no discernible positive effect. Another study<sup>13</sup> commissioned by the Agriculture and Horticulture Development Board (AHDB) found that creating flower rich habitats in fields used to grow courgettes increased pollinator numbers, leading to a 39% increase in yield compared to if these pollinators had been excluded. These pollination services were valued at £3400 per ha.

For hill farming, there are an increasing number of farmers within the industry who are taking a more extensive, nature-friendly approach to farming and land management to improve their profitability. A report recently commissioned by the RSPB, National Trust and The Wildlife Trusts<sup>14</sup> made the case that having fewer livestock often improved environmental outcomes, whilst also reducing variable and fixed costs. In a sector where agricultural activity is generally loss making, and farmers are price takers, reducing costs is known to be the best way of improving profitability and building financial resilience. This report demonstrates that nature friendly hill farming, supported by public money for public goods funding, can not only deliver significant environmental benefits to society, but also improve the underlying profitability of the agricultural operation.

A recent study<sup>15</sup> found that engagement in environmentally sustainable farming practices including agri-environment schemes, increasing agricultural diversity, and reducing the intensity of inputs, increases the stability of farm businesses, whilst at the same time reducing negative impacts of farming on the environment. In contrast, direct subsidies paid to farmers based on the area farmed are associated with a relatively large decrease in the stability of farm income, across most farm types.

22. **Long term funding framework** - An essential part of a successful transition and future agricultural policy is providing farmers with confidence that the public goods they are being asked to deliver, which can take years or even decades to achieve, are backed up by a funding framework that is sufficiently long-term in nature. The Agriculture Bill 2020 requires Defra to establish a multi-annual financial assistance plan (clause 4), provide annual reports on the financial assistance given (clause 5) and monitor the impact of this financial assistance (clause 6). These provisions provide Defra with the opportunity to set out the long-term funding needs of these policies, and a process for doing so. However, the Act does not require Ministers to set the budget for the multi-annual financial plan. Providing as much clarity as possible on the long-term funding framework for E.L.M., will help farmers and land managers to see it as a viable business proposition. Many are concerned that the budget will wane after this parliament.
23. **Fair contractual terms and compliance system** – Under existing schemes, land managers have endured significant delays to payments, paperwork, and inspection results, which have

---

<sup>12</sup> Pywell, R.F., et al (2015) Wildlife-friendly farming increases crop yield: evidence for ecological intensification. Proc. R.Soc. B 2015 282 20151740;DOI1098/rspb.2015.1740.

<sup>13</sup> <https://ahdb.org.uk/news/bee-lief-in-wildflowers-value-to-courgette-pollination>

<sup>14</sup> Clark, C., Scanlon, B., Hart, K. (2019) Less is more: Improving profitability and the natural environment in hill and other marginal farming systems. Available at <https://www.wildlifetrusts.org/sites/default/files/2019-11/Hill%20farm%20profitability%20report%20-%20FINAL%20agreed%2015%20Nov%202019.pdf>

<sup>15</sup> Harknes, C et al (2021) Stability of farm income: The role of agricultural diversity and agri-environment scheme payments, Agricultural Systems, 187

impacted on cash flow, business certainty and morale. This has led to lower-than-expected uptake of schemes and a lack of trust. E.L.M. should help to build a different relationship between Government and farmers and land managers, one in which they can expect fair contractual terms, timely payments and proportionate inspections. We urge Defra to opt for a fair contractual approach, to provide businesses clarity on what they are being paid, when and what the penalties are for non-compliance. This coupled with trusted and continuous engagement from administrators will build confidence in the scheme and help to improve environmental outcomes and uptake. This message has come through clearly from an RSPB led test and trial conducted with a group of South Devon farmers<sup>16</sup>.

24. **Excellent administration** - Administration must also be kept as simple as possible, to make processes deliverable for government and practical for farmers and land managers, to avoid hampering the delivery of environmental goods. The administration cost of E.L.M. will be larger than BPS and it is important that Government avoids setting an arbitrary maximum threshold of administration cost as a percentage of budget for payments to beneficiaries. In the Agricultural Transition Plan, government suggest that they will cap technical assistance costs at £20 million, to match current levels of expenditure in the area. However, there is a clear case for linking cost in this area to need, for example addressing factors such as access to environmental and business advice or general support to enable farmers and land managers to transition to the new system. Complex administration is seen as both a risk and cost to farm and land management businesses, undermining the business benefits of engagement. Ensuring a well-funded, trusted, flexible and expert administrator will be key to scheme success. Administrators must be accountable to build trust and ensure quality delivery.
25. **Support a range of ambition levels** - Research<sup>10</sup> shows that using tiers or components provides a means of boosting the accessibility of the scheme, without compromising ambition. We know that more basic components are more popular, but unless these encourage the uptake of more stretching measures that require change, they will not deliver the intended environmental outcomes or value for public money. Developing a scheme design that encourages participants to progressively ramp up ambition is critical to balance efficacy and attractiveness. The current CS scheme all too often has stopped applicants from doing this, potentially leading to lost opportunities and scheme credibility. E.L.M. needs to accommodate a full suite of different business types and tenancies, providing all the opportunity to unlock the benefits of environmental delivery.
26. **Fair payment** – Of course payment rates are also important, however, government needs to ensure payments provide a sufficient reward, to achieve the levels of uptake needed to secure environmental objectives and value for money. To date such payments have been set using income foregone plus costs incurred. It is important to note that the World Trade Organisation (WTO) rules (paragraph 12 of Annex 2 of AoA) provide enough flexibility to set payments as a function of environmental need, there is no need to adopt an approach that required notification under the Amber Box. It is also important to consider the optics of using the Amber Box, particularly if post-Brexit there was a massive spike in the notification of trade distorting subsidies. Defra should aim to avoid setting payment levels unjustifiably high from an environmental perspective (e.g. using an arbitrary percentage payment uplift), or using

---

<sup>16</sup> Wilkinson, I. (2020). South Devon Species Recovery E.L.M. Tests & Trials Project: Evaluation of Delivery Support Models Final Report (D9) (unpublished)

incentives for activities which would already be carried out in the absence of the payment (e.g., business as usual / deadweight) or to undertake activities better suited to regulation (e.g., reducing pollution). An approach to payments that avoids these potential pitfalls, is vital given that maintaining and even surpassing the value-for-money credentials of previous agri-environment schemes will determine the long-term sustainability of funding.

**Question 5: How can the Government ensure that E.L.M. agreements achieve their intended environmental outcomes, reduce bureaucratic burdens on farmers and deliver value for money?**

27. Ultimately, to ensure success E.L.M. needs to be to:
- Environmentally effective,
  - Attractive and practical for farmers and land managers, and
  - Deliverable and auditable for Government
28. These principles or tests are not pick and mix, they all need to be balanced to ensure success and secure long-term funding. After all, if the scheme is attractive and deliverable but not effective. It is unlikely to be deemed good value for money by Treasury or uphold public confidence. Below we set out some key elements to ensure Defra can balance these three tests or principles.
29. **Evidence-based SMART targets** – We urge Defra to develop (in consultation with stakeholders) and publish a set of evidence-based SMART objectives for E.L.M. to guide scheme design, delivery and funding allocation, including the allocation of funding between the components. Such targets are also critical in terms of future accountability. Defra has yet to articulate its objectives for E.L.M. in any detail beyond ‘delivering the ambitions of the 25 Year Plan for the Environment’ and supporting the Government’s net zero carbon target. The merits and drawbacks of the scheme, including its value for money credentials cannot be properly evaluated until there is more clarity on what the scheme and each component seeks to achieve. With 70% of the land in England farmed, only farmers and land managers can lead the charge to net zero greenhouse gas emissions and drive forward the recovery of nature across our countryside. As such, E.L.M. needs to be able to do a lot of the heavy lifting.
30. **Systemic change** – E.L.M. needs to be world leading and genuinely transformative to ensure it can support farmers and land managers to make a significant contribution to help tackle the nature and climate emergencies. This is not just vital to achieve conservation goals, but also to restore the natural processes upon which a supply of healthy food, timber, and other goods rely. *Key to this is a shift from a parcel based to whole farm approach. This means moving from a system that focused on delivering minor improvements on individual land parcels set within a wider context of continuing unsustainable practice, to one that embeds ambitious environmental standards at the whole farm or holding level.* It is important that a high level of uptake delivers genuine environmental benefits, as this has been hampered in past schemes through lack of advisory resource, low uptake of the more challenging options, and a piece-meal parcel-based approach. E.L.M. will need an element of directed choice (to avoid participants only selecting the least taxing but least effective measures), allied to spatial targeting and quality advice across all components to deliver its full potential. Additionally, whilst there is a desire to avoid being overly prescriptive in terms of how an activity or outcome is delivered, it



should be recognised that certain activities need to happen in certain locations and at scale to achieve policy objectives.

31. **Pay for change** (e.g., above regulatory baseline and business as usual) - E.L.M. needs to drive change, in practice this means only paying for activities above regulatory compliance and business as usual. For example, the SFI should support farmers and other land managers to shift land management practices and adopt measures proven to deliver environmental public goods (e.g., providing wildlife habitats, utilising herbal leys and cover crops and adopting genuine integrated pest management to reduce reliance on and requirement for synthetic pesticides). We note that farmers and land managers already adopting these practices should receive the same level of reward. Defra should progressively ramp up the ambition of the scheme, this includes stopping paying for lower value management options or including actions to reduce pollution into regulatory standards or unpaid scheme conditions. This will help minimise deadweight and increase the value for money credentials of the scheme overtime. We recommend that the Farmland Wildlife six key actions developed by the Farmland Wildlife partnership and the Fair to Nature Standard, provide a robust basis for the SFI standards (see *box 1*). These provide an evidence based, effective, practical means of achieving public goods at a farm and landscape scale, therefore achieving excellent value for money.
32. **Clear and proportionate regulatory standards and scheme compliance** - A robust regulatory system based on the polluter pays principle is essential to tackle negative externalities from farming and forestry and to underpin a new policy based on public money for public goods. Defra should be developing E.L.M. and the new regulatory system in tandem to ensure a cohesive and effective package.
33. **Excellent and accountable Governance** – Defra has yet to provide clarity on the arrangements for the future governance and accountability of the E.L.M. or the wider agricultural policies. We urge Defra to develop a robust framework to ensure clear governance and accountability, with requirements for establishing scheme targets, monitoring, and reporting, and stakeholder engagement. Excellent governance, accountability and independent oversight are critical for the effective delivery of public goods. There is also significant uncertainty regarding the body responsible for determining local priorities and for overseeing the relationship between E.L.M. and the emerging Local Nature Recovery Plans and existing local environmental governance mechanisms such as LNPs (Local Nature Partnerships) and Catchment partnerships etc.
34. **Access to advice and guidance** (see answer to Qu 4)
35. **Excellent and trusted scheme administration** (see answer to Qu 4)
36. **Ensure all three components are effective:** The Westminster Government needs E.L.M. to support the delivery of a range of environmental objectives, whilst also ensuring land for food, timber, and other goods. In recent years researchers have sought to model an approach to achieve this. This thought experiment is known as the land sharing-sparing continuum, which can help to understand the trade-offs inherent in land use decisions. A newly published paper by Finch et al 2020<sup>17</sup>, applies this thought experiment in two landscapes in England, The Fens and Salisbury Plain. Testing different spatially explicit land sharing and land sparing scenarios

---

<sup>17</sup> Finch, T. et al 2020 Optimising nature conservation outcomes for a given region-wide level of food production, *Journal of Applied Ecology*, 57 (5) pp985-994

that seek to maintain overall food production whilst estimating the consequences for birds, global warming potential, diffuse pollution, and recreation. The optimal scenario depends on the landscape and the outcomes society is seeking to achieve, but in general this research points to the need to provide more land for wildlife and nature-based solutions to tackle climate change. This paper and similar research<sup>18</sup> tells us that in England, we need to identify areas best suited to: The creation and protection of unfarmed or lightly grazed wildlife habitats and nature-based solutions to tackle climate change; lower food yielding farming systems, that provide semi-natural habitats; and sustainably managed high food yielding farming systems (which can generate high food yields from a smaller land area). The three components of E.L.M. could help deliver these three elements on the ground.

- Component 3: Landscape Recovery - The landscape recovery component could provide more wild land for nature and nature-based solutions to tackle climate change. This component could provide a mechanism to create more Knepp estates, restore large areas of degraded blanket bog and large areas of woodland and wetlands. If successful, this component could help the Government to deliver its commitment to manage 30% of England for nature, whilst reducing carbon emissions, improving water quality, and creating more wild spaces for people to enjoy.
- Component 2: Local Nature Recovery - Some land is better suited to lower yielding systems capable of supporting significant areas of semi-natural habitat such as meadows, hedges, and woodlands. The Local Nature Recovery Component, if well targeted could play a significant role in helping to reward farmers for creating and enhancing semi-natural habitats and adopting farming methods, including organic systems, that keep chemical inputs low. Many farmers are already exploring the business benefits of more extensive nature friendly systems. As cited in answer to question 2 a report recently commissioned by the RSPB, National Trust and The Wildlife Trusts<sup>19</sup> demonstrates that nature friendly hill farming, supported by E.L.M. funding, can not only deliver significant environmental benefits to society, but also improve the underlying profitability of the agricultural operation. Defra will need this component to do a lot of heavy lifting and exceed uptake seen by previous schemes such as Higher-Level Stewardship, which at its peak covered c14% of the Utilised Agricultural Area in England. A recent study<sup>20</sup> suggests that c23% of farms in pastoral landscapes and 47% in arable landscapes, may need to manage at least 10% of land for nature to recover common farmland birds and other wildlife. Further targeted action will be required to recover rare and threatened species.
- Component 1: Sustainable farming Incentive - Component 1 provides the opportunity to support all farmers and land managers to adopt environmentally sustainable practices. The challenge for Defra is how to make this component both popular and effective. The previous Entry Level Stewardship scheme was extremely popular achieving levels of uptake as high as c60-70% of the Utilised Agricultural Area in England. However, a mid-

---

<sup>18</sup> Finch, T. et al (2019). Bird conservation and the land sharing-sparing continuum in farmland-dominated landscapes of lowland England, *Conservation Biology*, 33 (5) pp 1045-1055

<sup>19</sup> Clark, C., Scanlon, B., Hart, K. (2019) Less is more: Improving profitability and the natural environment in hill and other marginal farming systems. Available at <https://www.wildlifetrusts.org/sites/default/files/2019-11/Hill%20farm%20profitability%20report%20-%20FINAL%20agreed%2015%20Nov%202019.pdf>

<sup>20</sup> Sharps, E. et al (2019). Report to Natural England on ECM\_52672: Predicting the extent of agri-environment provision needed to reverse population declines of farmland birds in England (Module 2)

term review of the scheme showed that spend on options that required little or no management change was very high<sup>21</sup>, and due to several design flaws, such as free choice and a lack of advisory support, the scheme did not meet its environmental objectives. Crucially, this component provides a means of embedding environmental management across the farm, rather than in a small number of parcels. In this context the Farmland Wildlife six key actions developed by the Farmland Wildlife Partnership, and the Fair to Nature Standard (see box 1) could provide a prototype for component 1, supporting the adoption of evidenced based land management actions, that are practical across all farming systems, covering both habitat provision and sustainable agronomic measures such as good soil and integrated pest management.

#### **Box 1. Farmland Wildlife Six Key Actions<sup>22</sup>**

The Farmland Wildlife Partnership is comprised of nine environmental NGOs and the Nature Friendly Farming Network (NFFN), that work together to provide a single source of best practice management advice for wildlife on farmland. The partnership has identified six key actions that can drive the recovery of farmland wildlife including birds, insects, and mammals.

- Protect existing semi-natural habitats (e.g. species rich grasslands, woodlands, and scrub)
- Maximise the value of boundaries and margins (e.g. hedges, beetle banks, uncropped margins)
- Enhance and create wet features, including ponds, streams, and ditches.
- Create flower-rich habitats, on at least 2% of the farm (e.g. meadows)
- Create seed-rich habitats, on at least 2% of the farm (e.g. sown bird seed mixes, fodder crops and unharvested headlands)
- In-field management, including progressive soil management and integrated pest management (e.g. fallow plots, green composts, cover and inter cropping, herbal leys, in field flower and grass margins, pesticide reductions)

At the farm scale, there is clear evidence to suggest that devoting 5-10%<sup>23 24</sup> of farmland to the first 5 Farmland Wildlife actions has significant positive impacts on wildlife abundance within that farm. This approach has been used to design the Fair to Nature Accreditation standard (formally Conservation Grade) due for relaunch soon<sup>25</sup>. This scheme encourages farmers to manage 10% of their farm for wildlife, whilst adopting best practice measures for soil, carbon, nutrients and pest management. If the SFI could support this level of provision, it would provide a sound foundation from which the Local Nature Recovery and Landscape Recovery components could build.

37. The RSPB strongly queries the incorporation of animal health and welfare outcomes into the SFI or E.L.M. In a previous version of the agricultural transition plan, animal health and welfare were included within a section focused on 'transition support and productivity'. It is not clear why Defra chose to combine it within the E.L.M. section in the final published version. We recognise

<sup>21</sup> Defra & Natural England. 2008. Environmental Review of Progress.

<sup>22</sup> Farmland Wildlife Partnership <https://farmwildlife.info/>

<sup>23</sup> Winspear, R.; Grice, P.; Peach, W.; Phillips, J.; Aebischer, N.; Thompson, P.; Egan, J.; Nowakowski, M. (2010) The development of Farmland Bird Packages for arable farmers in England. *Aspects of Applied Biology*, 100 pp.347-352

<sup>24</sup> Bright, J.A. et al. (2015). Higher-tier agri-environment scheme enhances breeding densities of some priority farmland birds in England, *Agriculture, Ecosystems and Environment*, 203, pp69–79

<sup>25</sup> <https://www.conservationgrade.org/>

the benefits of coherence in the frontend application process / application portal, but there is little or no merit in further integration. It is particularly important that the business cases for spending on environmental objectives and animal health and welfare goals stay separate so they can stand and fall on their own merits. Importantly, for animal health and welfare measures to succeed, they need 100% uptake, including of non-commercial animal keepers. With E.L.M likely to cover ~80% of utilised agricultural area (UAA) based on Defra's own assumptions, integrating animal health and welfare measures into E.L.M could compromise the effectiveness of the former.

### Question 6: What lessons should be learned from the successes and failures of previous schemes paying for environmental outcomes?

38. Whilst the evidence is clear that we need a step change, there are lessons we can and should learn from past agri-environment schemes to help shape a new, expanded, and more ambitious E.L.M.

#### Key lessons:

39. **It needs to be evidence based** - In England, an effort was made from the start to base agri-environment schemes on the best available evidence; to commission research and development; to find ways of making them more effective; and to run programmes of monitoring and evaluation to learn lessons from scheme delivery. A recent study has clearly demonstrated that successive English schemes have become more effective<sup>26</sup>, and these schemes have achieved notable successes, such as the recovery of ciril bunting and marsh fritillary butterflies. It is vital that E.L.M. continues and steps up this evidence-based tradition. This includes ongoing monitoring and review to enable iterative improvements. However, having good evidence-based options does not by itself guarantee the success of a scheme. The following lessons deal with some of the other factors that can make the difference between success and failure.
40. **Focus on defined and measurable environmental outcomes** - Agreements with a clear focus are often more successful. A single farm or land holding cannot deliver all national and local environmental objectives. A holding level audit can help identify key assets, risks, and opportunities to support the selection of appropriate outcomes and management interventions, to ensure *'the right outcomes in the right place, delivered in the right way.'* This process must involve the land manager. Monitoring and adaptive management throughout the lifetime of the agreement is vital to maximise environmental delivery<sup>27</sup>.
41. **We need to meet the scale of need** - We know that the available agri-environment scheme budget has never met the scale of need to secure the Government's environmental objectives, regardless of scheme design or agreement quality. Current spending on schemes across the four countries of the UK is around £420 million a year<sup>28</sup>. The most recent estimates suggest E.L.M. requires a budget of *at least* £1.65 billion in England annually (£ 2.5-2.9 billion across the UK)<sup>29</sup>.

---

<sup>26</sup> Buckingham, D. (2019). Report to Natural England on ECM\_52672: Predicting the extent of agri-environment provision needed to reverse population declines of farmland birds in England (Module 2)

<sup>27</sup> Blainey, L. 2013. Less Management Prescription, More Outcome Focus - Making Environmental Stewardship More Effective (MESME) trialing project. Natural England Research Reports, Number 047.

<sup>28</sup> Defra et al. (2018) Agriculture in the United Kingdom 2017, Defra

<sup>29</sup> payment, M. (2019) Paying for public goods from land management: How much will it cost and how might we pay? Final Report A report for the RSPB, the National Trust and The Wildlife Trusts, <https://www.wildlifetrusts.org/sites/default/files/2019->

Note that this does not cover the total cost of meeting the 25 Year Environment Plan goals and the net zero carbon target.

42. **Keep it flexible** - A major criticism of agri-environment schemes is that they have been overly prescriptive – that is, they specify exactly what management a land manager must implement, rather than providing flexibility for the land manager or adviser to tailor management. In general, farmers and land managers do not respond well to rigidity in scheme design and implementation. Most desire the flexibility to adapt management, respond to market changes and fit necessary management with their other land management operations. Getting the balance right can enable land managers to feel empowered and encourage uptake<sup>30</sup>, whilst ensuring the environmental outcomes are delivered. Flexible or adaptive management supported by either an expert adviser or guidance can enhance environmental outcomes<sup>31</sup>.
43. **Targeting is fundamental** - Major scheme successes to date have been delivered by specific, targeted, or focused schemes, such as the recovery of ciril bunting and the marsh fritillary butterfly. Schemes and agreements need to be focused on a defined outcome or outcomes and targeted at the appropriate geographic scale. This needs to apply to E.L.M. schemes at all levels. Advice is essential to the successful implementation of any approach to targeting. Whilst targeting has been an important aspect throughout the history of schemes, the evidence suggests E.L.M. needs to place a greater emphasis on targeting for landscape-scale outcomes across multiple holdings, enabling both connectivity and threshold effects to be accounted for.
44. **There is a creative tension between effectiveness and simplicity** - Everyone wants schemes and agreements to be simple. However, simple schemes often fail to deliver the desired environmental outcomes. Complex management is often necessary to deliver the desired outcome, and this will often entail a complex agreement. Again, a good adviser is essential, who can take a complicated scheme and make it simple for the land manager to deliver and relevant to their landholding. ELS (Entry Level Stewardship) is a good example of a scheme designed to be simple and practical, with high levels of uptake that failed to provide value for money or deliver against key environmental objectives. This was due to some key design flaws, including:
  - free choice, enabling applicants to select the easiest and least effective management options<sup>32</sup>
  - the inclusion of ‘deadweight’ options (e.g. basic hedgerow management, crop, and manure management<sup>33</sup>, and low input grassland) that absorbed much of the available budget but provided little additional benefit<sup>34 35</sup>
  - a standard payment per hectare, meaning there was no incentive to select the more effective but onerous and expensive management options; and

---

[09/Paying%20for%20public%20goods%20final%20report.pdf](#)

<sup>30</sup> Ahnström et al. (2008) Farmers and nature conservation: What is known about attitudes, context factors and actions affecting conservation? *Renewable Agriculture and Food Systems*, 24(1); pp38–47

<sup>31</sup> Wehn, S. (2018). Adaptive biodiversity management of semi-natural hay meadows: The case of West-Norway, *Land use policy*, 72, pp 259-269

<sup>32</sup> Boatman, N. 2013. Evaluating the impacts of limiting free choice in management option selection by Entry Level Stewardship applicants. Natural England Commissioned Reports, Number 117

<sup>33</sup> Defra removed the soil, nutrient, manure and crop protection management plans from ELS in 2007 were after just two years on the basis that they provided very poor value for money.

<sup>34</sup> GHK (2012), Dynamic Deadweight in Environmental Stewardship: Towards a better understanding of the added benefits of the scheme. Final Report for Defra

<sup>35</sup> Keenleyside, C. et al (2011) Delivering environmental benefits through entry level agri-environment schemes in the EU. Report Prepared for DG Environment, Project ENV.B.1/ETU/2010/0035. Institute for European Environmental Policy: London.

- Parcel based – this scheme focused on delivering minor improvements on a few individual land parcels set within a wider context of continuing unsustainable practice. Instead a systematic whole farm approach is required that embeds ambitious environmental standards at the whole farm level, and,
- a lack of targeting<sup>36</sup>, and inadequate advice and support to allow applicants to identify the relevant high priority interventions on their land or area.

45. **Strong engagement and participation should not be overlooked** - Ultimately, farmers and land managers determine whether an agreement delivers its target outcomes. Scheme design must be practical and intuitive and individual agreements should clearly set out expected outcomes at a farm or land holding level. Experienced and motivated land managers deliver better environmental outcomes<sup>37</sup>. Therefore, a new scheme should value the experience of land managers<sup>38</sup> encourage peer-to-peer learning, even rewarding experienced land managers who share their knowledge with neighbours. Willingness to participate in schemes is influenced by rewards, risks, and costs. A participant's knowledge and perceptions of these relevant factors, as well as their personal, social, and material circumstances, are all at play. One study conducted in south Devon demonstrated that trusted quality advice can play a key role in reducing the actual and perceived costs and risks of engagement by helping with applications and fitting management options to the farmer's specific circumstances<sup>39</sup>. Whereas reduced availability of advice, policy uncertainty and a perception that the culture of Defra agencies involved in schemes is more focused on inspections and fines, rather than working together to do good for the environment, all increase the risks to farmers and lead to disengagement. The financial rewards offered are a key aspect in engagement, however the study suggests that by adjusting the balance of risk and reward, it ought to be possible to influence willingness to participate. It might not require more money if you can reduce the risks and costs of accessing the same rewards, for example by simplifying application processes, guidance, and paperwork.
46. **Expert and trusted advice is a must** - A major review by Defra<sup>40</sup> found that incentives are more effective if supported by advice from a trusted source. This reinforces three decades of experience with environmental land management policy, whereby a high degree of continuity in advice provision is central to building the trust necessary to secure the best environmental outcomes. Research has also found that advice is highly effective in improving the quality of results and, by extension, value for money<sup>41</sup>. It is important that this advice comes from qualified advisers<sup>42</sup>. Evidence suggests that farmers tend to procure advice from private land agents and agronomists, who in the past have tended to help farmers maximise yield and/or

---

<sup>36</sup> Emmett, B.E. et al. (2017). (2017) Glastir Monitoring & Evaluation Programme. Final Report to Welsh Government. Contract reference: C147/2010/11. NERC/Centre for Ecology & Hydrology (CEH Projects: NEC04780/NEC05371/NEC05782)

<sup>37</sup> McCracken, M.E. et al. (2015) Social and ecological drivers of success in agri-environment schemes: the roles of farmers and environmental context, *Journal of Applied Ecology* 2015, 52, 696–70

<sup>38</sup> and Lastra-Bravo, X. B. et al (2015). What drives farmers' participation in EU agri-environmental schemes?: Results from a qualitative metanalysis, *Environmental Science & Policy*, 54, pp 1-9

<sup>39</sup> Wilkinson, I. & MacDonald, M. (2019). Understanding farmer engagement in wildlife-friendly farming through agri-environment schemes: A summary (unpublished)

<sup>40</sup> Boatman N, et al. (2015) Agreement scale monitoring of Environmental Stewardship 2013-14: Assessing the delivery of Higher Level Stewardship agreement outcomes and their relationship with the quality of advice and support provided to agreement holders. Natural England Research Report LM0432.

<sup>41</sup> Lobley M, Saratsi E, Winter M, Bullock JM. (2013) Training farmers in agri-environmental management: the case of Environmental Stewardship in lowland England. *Int. J. Agric. Manag.* 3, 12–20. (doi:10.5836/ijam/2013-01-03)

<sup>42</sup> Jones N, et al. (2015) ES quality assurance programme, 2013/14: Assessing the role of advice and support on the establishment of HLS agreements. Natural England Contract Reference LM0433

income, rather than taking a holistic view of the business benefits and environmental outcomes delivered by an agri-environment agreement. Most agronomists are not independent of big Agri-business, with a vested interest in the sale of agrichemicals. This is an important consideration for Defra when determining the source of advice for E.L.M. or indeed the need for accreditation and quality assurance.

47. **Getting IT and administration right is crucial** – Countryside Stewardship has been beset by IT and administrative issues, suppressing uptake, and undermining the delivery of environmental outcomes. Piloting and undertaking a root and branch assessment of the IT and administrative needs of a scheme are vital to success. The IT and administrative issues that have faced CS risk impacting E.L.M., as it has led to a loss of trust in the system. Findings from an E.L.M. Test and Trial in South Devon led by the RSPB showed that many farmers mistrust the RPA and Government<sup>43</sup>. The participants had many years of agri-environment engagement but were being turned off by the impersonal approach to administration, the overload of paperwork, the late payments and harsh penalties.

## Conclusion

48. E.L.M. needs to be world leading and genuinely transformative to ensure it can support farmers and land managers to make a significant contribution to help tackle the nature and climate emergencies (including mitigation and adaptation). This is not just vital to achieve conservation goals, but also to restore the natural processes upon which a supply of healthy food, timber, and other goods rely. Key to this is a shift from a parcel based to whole farm and landscape scale approach. This means moving from focusing on delivering improvements on individual land parcels set within a wider context of continuing unsustainable practice, to embedding ambitious environmental standards at the whole farm level.
49. Defra has provided a skeleton for E.L.M. and the Agricultural Transition, now they must work with stakeholders to put the flesh on the bones.

---

<sup>43</sup> Wilkinson, I (2020). South Devon Species Recovery E.L.M. Tests & Trials Project: Evaluation of Delivery Support Models Final Report (D9) (unpublished)