

Written evidence submitted by Royal Society for the Protection of Birds
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In 2018 Defra set out an ambitious approach to the reform of agricultural policies. Central to this was a high-level of environmental ambition, and commitment to redirect public money from areabased subsidies to public goods via a new environmental land management scheme (ELM).

The aim of this approach was to enable government to meet its environmental commitments, to place farming and land management in England on a resilient and sustainable footing, and to secure good value for money.

Since Defra sketched out this approach in 2018, there has been a huge amount of activity, but Defra has yet to satiate the desire for detail. This and the recent National Audit Office report has fed concerns that Defra is not on track to deliver against its original plan. Nonetheless, the RSPB believes that the timelines and ambition can and must be delivered to enable a safe and just transition for farmers and ensure Government can meet its environmental commitments. Now is not the time to pause but, Defra does need to double down to keep these vital reforms on track.

Below we have provided additional evidence to supplement the oral hearing.

Confidence, Clarity, and direction

- Defra has a huge amount of work ongoing behind the scenes, but it is critical that they get better at communicating the form, function, and purpose of this critical policy area to their key stakeholders.
- To date the public announcements have sketched an outline of the future farming and countryside programme, but not yet painted a vivid picture with the crucial detail. This includes how ELM's constituent parts add up to form a coherent whole and how ELM will interact with other parts of the Future Farming and Countryside programme (FFCP), other Defra processes and beyond (such as the BEIS-led net zero strategy). We are keen for Ministers to bring to life what they want and need this policy to deliver. We believe this could enable farmers to plan and succeed, whilst also providing a constructive context to help improve the co-design process.
- Defra's next planned announcement on ELM is expected in November/December this year, we urge Defra to utilise this opportunity to fill the gaps.
- Key gaps:
 - A clear articulation of the planned contribution of ELM to the delivery of the Government's environmental objectives. (NAO also flagged this as a key issue)
 - A clear description of the purpose of each ELM scheme, an indication of what they will fund and how they interact to provide a comprehensive offer.
 - A transition strategy that maps out a clear route from existing to future schemes in sufficient detail to enable farmers to plan, adapt and succeed. As a minimum this should provide granular detail until the end of 2024.

- Scheme mechanics for SFI 2022/early roll out (e.g. governance, application process, compliance and audit). Currently, farmers do not even know the likely agreement length for this new scheme.
- The relationship between ELMs, regulation and enforcement and plans to plug emerging gaps¹ as a result of Cross Compliance ending, if delinking goes ahead as planned in 2024.

Environmental ambition

- An effective, ambitious ELM would be very well placed to help meet the government's environmental targets, including the new target to halt the loss of species abundance by 2030, and net zero by 2050.
- To ensure these schemes are as effective as possible, we have urged Defra to clearly nest the FFCP within their environmental commitments, clearly articulating what these schemes need to contribute, providing clarity and direction to the farming community and ensuring each ELM scheme works hard.
- It is currently difficult to evaluate the environmental efficacy of ELM, as Defra has only published details on the early roll out of the Sustainable Farming Incentive (SFI). Defra has yet to publish clear objectives and parameters for all three ELM schemes (Sustainable Farming Incentive, Local Nature Recovery and Landscape Recovery).
- The 2022 SFI offer (also known as SFI early roll out) by necessity is quite narrow focusing on soil, a vet check and a moorland standard to avoid overlap and confusion with the existing Countryside Stewardship scheme.
- Defra has suggested that the SFI offer will grow and we would like to see them set this out, clearly identifying how this will help farmland wildlife, support climate adaptation, improve water quality and improve soil health.
- The RSPB is concerned that Defra intends to pay for some activities which are currently required as condition of receipt of the Basic Payment or go little above current regulatory standards. However, paying for such activities represents poor value for money, incurring significant cost without delivering additional benefit. This funding would be far better spent on more ambitious actions.
- In addition, Government does not expect to achieve universal uptake of the scheme. Based on the Government's own targets for the SFI, 30% of farmers may choose to opt out of the scheme.
- Domestic regulations must be put in place to replace those being lost as a result of cross compliance, otherwise significant areas of important environmental features will receive little to no protection on farmland; e.g. hedgerows – this would represent a clear step backwards and risks undermining the wider objectives of ELM.

Stakeholder Engagement and Co-design

- Defra has put significant effort into establishing and running stakeholder groups.

¹ Several requirements currently applying to farmland will cease to apply from 2024 onwards, including the need to maintain a 2-metre buffer strip along hedgerows, buffer strips next to water courses outside Nitrate Vulnerable Zones and some rules around providing minimum soil cover and limiting erosion

- However, they still struggle to balance engagement with internal stakeholders (policy teams, other government departments, No 10.) with their commitment to co-design with external stakeholders and users.
- Defra needs to get better at providing answers to important stakeholder questions such as how the schemes work for different farming and business types (e.g. organic, tenants, high nature value farming systems and commons.)
- But also, being open about the decision's minister/officials have made and why – this could include explaining why Defra has not taken forward an idea brought forward by stakeholders or why they are prioritising certain outcomes (e.g. linked to legal drivers or intervention logic).
- Such changes could reduce stakeholder frustration and help bring greater focus, clarity, and pace, to the co-design process.

Scheme development

- Scheme development has been frustrated by unresolved policy assumptions, which create nugatory work, requiring multiple reworks and delays. We have seen this for SFI, where Defra has reworked SFI standards multiple times and gone back and forth on elements because they have not made key policy decisions. This continues to affect SFI but also LNR e.g. is it action or outcomes based, what payment methodology or basis will Defra use (calculating payment rates is very time consuming so timely decision making is key).
- Clear timetable – Defra has never provided stakeholders with a clear timetable for developing key aspects of scheme design – this presents challenges for bringing in ArmsLength Bodies (ensuring they have time), but also enabling stakeholders to understand the process, feed in and support Defra's progress.
- Defra also has a tendency to consult stakeholders on a specific element of scheme design such as scoring or options design, without being able to place this within context of what the scheme is seeking to achieve or other key design parameters, such as the relationship with regulatory standards, targeting or advice. This makes providing useful feedback much more challenging for stakeholders.

Safe and Just Transition

- A public money for public goods approach presents significant opportunities for farmers, including those farming in economically marginal areas, with great public goods potential.
- This is particularly important for High Nature Value farming systems, which play a crucial role in maintaining populations of rare and threatened species and priority habitat, such as upland hay meadows, wood pasture, traditional orchards and wet grasslands.
- Effectively managing the transition from BPS to ELMs will be key in these areas, with a clear direction of travel and targeted support to ensure the ongoing viability of economically marginal, yet environmentally valuable farms – we know Defra are looking at this behind the scenes, but a clear transition strategy must be outlined. For a farmer in Higher Level Stewardship now, their route into ELM is not clear. The SFI is unlikely to reward the full suite of activities they are undertaking, so, they will be looking to Defra to help map the path to for example, the Local Nature Recovery scheme or want clarity as to whether they will be able to access both the SFI and LNR schemes and if so, how this will work in practice.

- We understand that Defra is prioritizing the SFI to provide an offer to all farmers, however this comes with the risk of not ensuring they have a suitable mechanism available to support and reward those already delivering a lot for nature. Anecdotally, small upland and mixed farms struggle to make Countryside Stewardship Mid Tier work on their farm and they are barred from entering the Higher Tier because they do not manage SSSI land or because Natural England does not have sufficient advisory capacity. These farmers are left without a suitable offer, despite managing important habitats for a range of species.
- Where certain environmental land management actions which deliver public goods are dependent on the maintenance of certain farming practices (species rich grasslands, coastal grazing marsh) this should be reflected within the payment rate for LNR.
- This could include an uplifted payment based on a per hectare basis – recent research has indicated that this would need to be applied to nearly 700,000 hectares at a cost of £112 million per annum².
- Such investment should be coupled with targeted farm business advice to enhance business resilience, focusing on reducing fixed and variable costs and enhancing income through activities such as diversification - recent analysis has demonstrated that such support could be rolled out to applicable farms at a cost of £2.8 million per annum – we welcome moves by Defra to provide support through the farm resilience fund, which could include specific support to these farming systems based on the principles of reducing costs associated with livestock farming in these areas.

Delivering for nature and Farming

- CAP has not served the farming sector well, e.g. 10% of claimants get half the BPS budget, it has impacted productivity, and it has not help farmers adapt their businesses to meet environmental challenges.
- Farming with nature at the heart can bring significant benefits in terms of productivity and profitability – for example boosting yields and reducing pesticide costs with flower rich habitats³ or reducing input costs, by matching stocking density to carrying capacity⁴. ELM should help farmers to unlock these benefits.
- We believe Defra should ensure the SFI adopts this framing, helping to promote, build and reward nature positive businesses.
- Investing in environmental land management is proven to deliver good value for money. Defra⁵ estimates that for every £1 invested through agri-environment schemes, this delivers

² Rayment, M (2019). Assessing the costs of Environmental Land Management in the UK Final Report A report for the RSPB, the National Trust and The Wildlife Trusts

³ Pywell, R. et al (2015) Wildlife-friendly farming increases crop yield: evidence for ecological intensification, Proceedings of the Royal Society B, 282I (1816), pp

⁴ Clark, & Scanlon, B (2019) Less is more: Improving profitability and the natural environment in hill and other marginal farming systems <https://www.wildlifetrusts.org/sites/default/files/2019-11/Hill%20farm%20profitability%20report%20-%20FINAL%20agreed%2015%20Nov%2019.pdf>

⁵ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/684003/future-farming-environment-consult-document.pdf

£2 to £6 worth of benefits, with a central estimate of £4, with higher cost benefit ratios for more ambitious actions.

Arm's length Bodies

- The RSPB is concerned that Defra has not been efficiently utilising support from its arm's length bodies, something the NAO report flagged as an issue.
- These bodies have a range of technical skills and a range of experience for Defra to draw upon, but need a clear timetable to work to and sufficient resource.
- The NAO report draws attention to the 10% cap Defra has committed themselves to for the administrative costs of running the scheme. The report highlights a lack of a clear

assessment of the feasibility or impact of such a cap. Defra's arm's length bodies are skeptical, concerned that this cap could stop investment in advisory capacity, despite the strong evidence demonstrating the role advice plays in boosting environmental delivery⁶. It could also undermine efforts to prevent fraud and fund critical elements such as proper monitoring and evaluation.

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- The NAO report also noted that RPA CEO Paul Caldwell has been made accounting officer for ELM, which will of course give significant responsibility over scheme delivery and potentially design to the RPA.

⁶ Boatman N, Short C, Elliott J, Cao Y, Gaskell P, Hallam C, Laybourn R, Breyer J and Jones N (2015) Agreement scale monitoring of Environmental Stewardship 2013-4. Assessing the impact of advice and support on the environmental outcomes of HLS agreements. <http://randd.defra.gov.uk/Default.aspx?Menu=Menu&Module=More&Location=None&ProjectID=19197&FromSearch=Y&Publisher=1&SearchText=LM0432&SortString=ProjectCode&SortOrder=Asc&Paging=10>

