Wildlife and Countryside LINK

Environmental Land Management – Policy Discussion Document

Response from Wildlife and Countryside Link

July 2020

Wildlife and Countryside Link (Link) is the largest environment and wildlife coalition in England, bringing together 57 organisations to use their strong joint voice for the protection of nature. Our members campaign to conserve, enhance and access our landscapes, animals, plants, habitats, rivers and seas. Together we have the support of over eight million people in the UK and directly protect over 750,000 hectares of land and 800 miles of coastline.

This response is supported by the following Link member organisations:

- Amphibian and Reptile Conservation
- British Canoeing
- British Mountaineering Council
- Buglife
- Butterfly Conservation
- Council for British Archaeology
- CPRE The Countryside Charity
- Earthwatch
- Floodplain Meadows Partnership
- Four Paws UK
- Open Spaces Society
- People's Trust for Endangered Species
- Plantlife
- The Ramblers
- Rare Breeds Survival Trust
- The Rivers Trust
- Rewilding Britain
- RSPB
- RSPCA
- Soil Association
- Wildfowl and Wetlands Trust
- Woodland Trust
- WWF-UK

EXECUTIVE SUMMARY

- **ELM must mark a step-change in the way we manage our land for food, timber, people and nature.** We need transformative change in land management to meet our domestic climate and environmental commitments and demonstrate leadership on the global stage in 2021 climate and biodiversity summits. As demonstrated by the Covid-19 pandemic, our food system is too fragile and people's access to nature is far from equal – ELM is also an opportunity to address these systemic issues.
- **ELM should embed environment and public access considerations at the heart of every land management business**, rather than them being viewed as a 'bolt-on' as has been the case with previous schemes.
- **ELM should be widely available, with the right combination of financial and non-financial incentives and advice.** Administrative obligations imposed on the land manager must be kept as simple as possible. Penalties for non-compliance must be proportionate. Of course, those who fail to comply or abuse the system need to be penalised, but the risk and scale of a penalty must not be such that it discourages participation.
- **ELM should encourage a whole-system, integrated approach to deliver resilient, multi-functional landscapes.** Land managers should be encouraged to take a holistic view of their holding to identify interventions that deliver multiple public goods, including whole-system approaches such as organic and agroforestry.
- **ELM should encourage progressive adoption of more challenging and ambitious land management over time.** Whilst the purpose of each tier needs to be clearly defined, the scheme

For more information, contact:
Zoe Davies, Policy Lead, Wildlife and Countryside Link
e: zoe@wcl.org.uk t: 0203 8554265

should also be flexible across the tiers to accommodate a range of ambition, and reward progression to higher levels of delivery.

- **Tier 1 should be much more ambitious.** Current proposals are little more than business-as-usual, especially if tier 1 is only open to farmers and not all land managers. Tier 1 will be the first time many land managers have engaged with environmental delivery, so it needs to be simple, but that cannot be at the expense of delivery of environmental outcomes.
- **Tiers 2 and 3 have the potential to deliver transformative change and integrated outcomes.** To do so will require easily accessible, expert advice, skilled facilitation, state-of-the-art spatial targeting and associated governance for translating national objectives into local priorities. Defra should fund convenors at the local level to manage this process.
- **ELM must be underpinned by consistent enforcement of robust regulatory standards.** ELM should only pay farmers and other land managers to deliver above a new regulatory baseline, existing cross compliance standards and beyond what is deemed good practice.
- **ELM should be viewed as part of a wider policy framework to secure a sustainable and resilient food and farming system and a restored, accessible environment.** Parallel schemes for improving farm productivity and animal health and welfare are needed to support farm businesses to move to a more resilient, sustainable and humane state.
- **A transition scheme focused on business skills and training and capital investments** to help land managers adjust to the new system is essential, including grants and loans to help land managers reach the current regulatory baseline. This should be clearly time limited.

INTRODUCTION

A series of recent scientific reports including the State of Nature[1] and Intergovernmental Panel on Biodiversity and Ecosystem Services Global Assessment Report[2] (IPBES) have shone a light on the urgent crisis facing both our climate and wildlife. Farming is now the most significant source of water pollution and ammonia emissions and the greatest driver of biodiversity loss in England[3]. It accounts for 10% of UK greenhouse gas emissions (not including unaccounted emissions from grazing and cropping on upland and lowland peat[4]), is the primary cause of 30% of Sites of Special Scientific Interest (SSSIs) in England being in an unfavourable condition, and estimates suggest that soil is being lost at 10 times the rate it is being created as a direct result of intensive agriculture.[5] These factors are a risk to the future of the farming and forestry industries, as well as to nature.

The Covid-19 pandemic has exposed vulnerabilities in our food system, reminding us that the supply of food cannot be taken for granted. It has also underlined the importance of access to the environment for all citizens. Access to nature is far from equal across the country, exacerbating the disconnect between people and the environment and preventing them from experiencing the wide range of benefits of contact with the natural world, including in primarily agricultural areas.

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[1] Hayhow, D.B. et al. (2019) The State of Nature 2019. The State of Nature partnership.

[2] IPBES (2019): Global assessment report on biodiversity and ecosystem services of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services. E. S. Brondizio, J. Settele, S. Díaz, and H. T. Ngo (editors). IPBES secretariat, Bonn, Germany.

[3] Burns, F. et al. et al. (2016) Agricultural Management and Climatic Change Are the Major Drivers of Biodiversity Change in the UK. PLoS ONE 11(3): e0151595. https://doi.org/10.1371/journal.pone.0151595

[4] Committee on Climate Change, Land use: Reducing emissions and preparing for climate change, November 2018 p46-47

[5] WWF, Saving the Earth: A sustainable future for soils and water (2018)

To address these challenges, the new Environmental Land Management Scheme must be genuinely transformative, supporting farmers and land managers to make a vital contribution to tackling the nature and climate emergency, and open up the countryside so that more people can access it.

Investment in an ambitious ELM scheme makes economic sense as it will save society the excessive costs imposed by intensive land management practices such as diffuse pollution and associated water treatment, increased flooding and costs to healthcare of inequitable access to nature. ELM will protect and enhance the natural asset base on which the farming and forestry industries rely. It is also a crucial vehicle for delivering the Government's commitments in its 25 Year Environment Plan and its target of net zero carbon emissions by 2050. The Government should set out its plans for a pioneering new land management approach ahead of its COP26 Presidency that puts nature-based climate solutions front and centre of its climate policy.

The consultation has some encouraging place markers, but it lacks sufficient detail to properly critique the scheme design proposed. Furthermore, some proposals indicate a dilution of the environmental ambition set out in Health and Harmony 2018, particularly for tier 1. It is also not clear how lessons learned from previous schemes have been and will continue to be built into ELM scheme design.

ELM should be viewed as part of a wider policy framework to secure a sustainable and resilient food and farming system and a restored, accessible environment. It should not be the totality of a future farming and environmental land management policy. Parallel schemes for improving farm productivity and animal health and welfare are needed to support farm businesses to move to a more resilient, sustainable and humane state. Financial assistance must be underpinned by a robust and properly enforced regulatory regime. Mechanisms will be needed to ensure more equitable returns through the supply chain so that farmers receive a fair price for their produce. Furthermore, there needs to be a programme of farmer-driven research (including development of appropriate tools and methods for farmer-led monitoring), dissemination and innovation to improve practices and understanding. A transition scheme focused on business skills and training and capital investments to help farmers adjust to the new system is essential. Annex 1 outlines our recommendations for the wider future farming programme.

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6. Do you have any comments on the design principles on page 14? Are they the right ones? Are there any missing?

We support the principles as a guide to scheme design. However, clear read across from the principles to the scheme outlined in the consultation is lacking. For the majority, this is because there is insufficient detail in the proposed scheme design to test whether it adheres to the principles. In some cases, the scheme design directly contradicts one or more of the principles.

Most notably, the proposed actions that could be paid for under Tier 1 are not consistent with design principle (a – *Focus on achieving environmental outcomes*). To pay for business-as-usual activities (e.g. crop rotations and contour ploughing), or aspects better suited to regulation (e.g. nutrient management) would be poor value for money. It should also be explicit that 'environmental outcomes' includes enhanced public access to the natural environment. Furthermore, the intention to limit tier 1 to farmers, excluding foresters and other land managers, is inconsistent with principle (d – *participation and collaboration*). We recommend Tier 1 actions that would be consistent with principles (a) and (d) in answer to question 9.

A core design principle for ELM should be to deliver integrated outcomes wherever possible, creating multi-functional landscapes and ensuring maximum value for money. This is particularly relevant to principles (a), (d) (c – *value for money*), but to embed a truly holistic approach to land management in the scheme from the outset, integrated land management would warrant a design principle of its own. We expand on this in answer to question 9.

Value for money requires full compliance as well as efficient policy design. Principle (c) should be amended to highlight the ways in which value for money will be assured through, for example, measures to improve monitoring, enforcement and compliance. This is necessary as there is a potential tension between principles (c) and (f – *Ensure minimal complexity*), with the former focusing on ensuring maximum value for money and the latter attempting to secure minimal complexity and administrative burdens for participants of the ELM scheme.

Furthermore, principle (c) shrouds a crucial point that should be much more prominent: that ELM is only effective and cost efficient for the taxpayer if it is underpinned by consistent enforcement of robust regulatory standards. A new principle is required to highlight the need for ELM to reward additionality (actions and outcomes that would not be delivered by existing regulations or policy). This requires a clear distinction between regulatory requirements (costs internalised) and ELM payments (financial assistance). All cross-compliance requirements, including those that are currently only in guidance, should be set in domestic regulations.[6] It will help create a level playing field and ensure basic standards of agricultural practice are met relating to the protection of the environment and public access. Moreover, providing financial assistance to meet the costs of compliance is clearly unfair to the majority of farmers and land managers who have been using their own resources to do so.

Finally, ELM must be guided by Lawton's principles of 'more, bigger, better and joined'.[7] Previous schemes have not fully tackled the principal issues of creating and restoring habitat of the appropriate quality and quantity for many widespread species, with the quantity element being the most significant. ELM should not repeat these mistakes.

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7. Do you think the ELM scheme as currently proposed will deliver each of the objectives on page 8?

Before assessing whether the scheme as designed will deliver the proposed objectives, it is first necessary to critique the objectives themselves.

As a cornerstone of a future land management system, the core objective of ELM should be to reward farmers, foresters and land managers for the delivery of environmental public goods (including public access to the natural environment) not currently rewarded by the market – and be properly resourced to do so. This is not explicit enough in the objectives as stated currently.

ELM should not simply be viewed as a new 'agri-environment scheme'. It is the foundation of a new, integrated approach to restorative land management that should remove artificial distinctions between farming and forestry, open up the countryside to the public, reduce the adverse and unintended consequences and costs of intensive agriculture, underpin more environmentally

[6] A full list of cross-compliance requirments not currently on the domestic statute can be found here: https://ieep.eu/publications/future-environmental-regulatory-regime-for-agriculture-in-england-risks-and-opportunities

[7] Lawton reference https://www.gov.uk/government/news/making-space-for-nature-a-review-of-englands-wildlife-sites-published-today

sustainable food and timber production, and help land management businesses diversify and become future-fit.

Objectives should be SMART (specific, measurable, achievable, realistic and time-bound). Those in the consultation are not, so it will be impossible to evaluate whether the scheme has successfully met its objectives, and similarly, for Government to be held to account against them.

To make the objectives SMART, they should clearly articulate the contribution that ELM is expected to make to the delivery of the 25 Year Environment Plan, the net zero target and forthcoming targets in the Environment Bill. Synergies should also be maximised and objectives aligned between ELM and other policy drivers and funding mechanisms such as Local Nature Recovery Strategies, biodiversity net gain, planning policy (including local plans) and the Nature Recovery and Nature for Climate Funds. This is alluded to on page 7 of the consultation but requires more explicit linkages.

In addition, the objectives as drafted fail to appreciate how the regime could enable more people to access the outdoors and connect with nature. References to 'environmental public goods' should explicitly include 'public access to the natural environment'. Establishing this from the outset will ensure that public access is incorporated into the design principles, all three tiers of ELM and considerations of the future relationship between payments and regulation.

A further objective of ELM should be to change attitudes and shift behaviours towards the environment and public access, ensuring all participants consider these a core part of their business and a public asset.

ELM should enable land managers to move beyond seeing the environment as a 'bolt-on' option to their business to a more holistic approach to food and timber production, recognising the interdependencies between farming, forestry and nature, and acknowledging the wider environmental services that can benefit their business and society.

In order to meet the Government's environmental and public access objectives, ELM of course needs to be attractively priced and accessible to the majority of the land management sector. However, it should also be clearly communicated that the business benefits of ELM go beyond the payments themselves. Put simply, receiving an ELM payment should be seen as a way of realising wider financial returns and profitability, whilst creating a sustainable and resilient business that protects, enhances and restores the natural assets on which the land's productivity depends.

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8. What is the best way to encourage participation in ELM? What are the key barriers to participation, and how do we tackle them?

Encouraging participation requires the scheme to be widely available and with the right combination of financial and non-financial incentives and advice. In addition, it must have widespread support amongst taxpayers and the general public.

<u>Eligibility and entry requirements</u>

The principle of public money for public goods requires that all those capable of delivering the public goods are eligible. The threshold of land area managed below which land managers are ineligible to apply should be kept low. Many smallholders could and should be able to deliver significant environmental benefits, particularly if they collaborate.

Larger payments should be capped, but only to reflect the extent that larger land managers can take advantage of economies of scale.

There must be no “active farmer” type tests. Restricting eligibility to one class of land manager fundamentally undermines the principle of public money for public goods. If the public goods are being delivered, it does not matter who is doing it. It may, however, be appropriate to have a list of classes of land manager who are not eligible without fuller justification, because their capacity to deliver public goods is so limited (e.g. golf courses), or because they receive significant public funding for environmental delivery from other sources (e.g. Ministry of Defence land).

Structure and administration

Farmers and foresters are first and foremost businesspeople. Likewise, although they are often not-for-profit, other land managers such as NGOs still need to operate in a financially sustainable manner. Therefore, the payment mechanism would benefit from having the characteristics of a contract, rather than a grant or subsidy scheme. This means land managers knowing what they are getting and when, what is expected of them and what the penalties are for non-compliance – much like the contracts under which farmers produce food for the market. This approach would be compatible with integrated farm business plans as advocated by major farming organisations.

The administrative obligations imposed on the land manager must be kept as simple as possible. ELM is concerned with the management and restoration of complex natural processes and involves the expenditure of significant amounts of public money, so a certain level of control and reporting is both inevitable and desirable, but considerable care needs to be taken to ensure potential participants are not discouraged from applying. Advice will be crucial to achieve simplicity for the user, whilst enabling effective delivery of complex outcomes.

Those administering the scheme, especially those on the ground, must be able to win the confidence of land managers. They need to be competent, knowledgeable, trusted, demonstrably well-informed and objective. Continuity in the relationship between scheme participants and administrators will also increase trust.

Allocation of risk

ELM should be about innovation, encouraging land managers to do things differently, and that involves an element of risk. The land manager may not get things absolutely right first time. However, if the risk of an unsuccessful outcome puts payments at risk, land managers will inevitably be unwilling to engage. Where activities deliver significant public goods but do not have an easily measurable outcome, land managers need to be confident they will be rewarded for undertaking the action itself.

Penalties must be proportionate. Of course, those who fail to comply or abuse the system need to be penalised, but the risk and scale of a penalty must not be such that it discourages participation. Penalties should be based on averting willful or neglectful breaches that cause environmental or societal harm, with a real expectation that breaches will be found and penalties applied, but an element of reasonableness is needed to avoid a punitive and nit-picking approach.

Non-financial incentives

Government should celebrate success and encourage land managers to feel proud of what they have delivered for nature, the climate and society. There should be a public campaign raising awareness of the scale of their contribution. To alleviate land manager concerns about public access, the

Government should follow through on its commitment to review and promote the Countryside Code.

Credibility for taxpayers

ELM needs to be credible to taxpayers and wider civil society. There needs to be confidence that the payments are delivering tangible public benefits, not simply propping up individual businesses.

Any suggestions of "greenwashing" will undermine the credibility and thus long-term sustainability and fundability of the scheme.

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9. For each tier we have given a broad indication of what types of activities could be paid for. Are we focussing on the right types of activity in each tier?

Journey through the tiers

It is crucial that ELM provides opportunities for all land managers to deliver positive externalities and encourages progressive adoption of more challenging and effective environmental management over time. Whilst the purpose of each tier needs to be clearly defined, the scheme should also be flexible across the tiers to accommodate a range of ambition, and reward progression to higher levels of delivery.

Taking whole-system, integrated approach

In the interest of incorporating environmental and public access considerations into the heart of every land management business, ELM should encourage a whole-system, integrated approach. Land managers should be encouraged to take a holistic view of their holding to identify the interventions that would deliver the maximum public benefit on their land. Preparation of a land management plan, with the assistance of an adviser where appropriate, would facilitate this.

A whole-system approach should encourage more environmentally sustainable methods of food production, such as organic, agroecological and regenerative approaches. Where these approaches are underpinned by regulation and assurance processes, and there is good evidence for the system's ability to deliver public goods, there is a strong case to reward these systems and utilise existing certification processes. The potential for support for organic conversion and maintenance is mentioned in a table of assumptions for ELM published by Defra in 2019, but we would welcome specific mention of the role of organic farming within ELM proposals.

Taking a holistic view of the benefits a holding can provide would also encourage delivery of more integrated outcomes, where one intervention can deliver a multitude of public goods. For example, agroforestry can deliver a range of public goods including wildlife habitat, management of water flow, air and water pollution reduction and climate change mitigation whilst enhancing productivity and animal welfare. Agroforestry is not currently supported under existing schemes but is an action that can be taken on most farms and support should therefore be available under Tier 1.

This integrated approach should also apply to management of the natural and historic environment because, in a country whose entire landscape is shaped by human activity, it is wrong to segregate the two. Trees and hedgerows illustrate past field systems, designed landscapes and land use are as much a part of our past as dry-stone walls and monuments. Archaeological sites exist within a dynamic soil matrix so stabilising and maintaining soil quality and tackling diffuse pollution can also protect and enhance archaeological sites and minimise degradation or erosion. These landscape

features also contribute to people's sense of place and identity and enhance enjoyment of our countryside. Managing them in an integrated way has tangible public good.

In the following critique of the three tiers, we address certain public goods and land management interventions individually as this is how the consultation presents them, but our recommendations should all be taken with this whole-system, integrated approach in mind.

Tier 1

Tier 1 needs to be much more ambitious if it is to make a significant contribution to meeting the climate and biodiversity challenges. As written, the consultation seems to be proposing little more than business-as-usual, especially if it is only open to farmers and not all land managers. All those capable of delivering public goods should be eligible to participate in all tiers of ELM and tier 1 should therefore not be limited to farmers only.

Moreover, the document is silent on a number of issues that should be supported through this tier, amongst them public access, agrobiodiversity, built heritage and certain aspects of animal welfare.

Activities currently proposed for tier 1:

Activities to enhance wildlife

Metrics for specialist farmland species show continual decline. However, there is no market return and often significant costs to carrying out work for biodiversity. This requires investment in a whole range of activities including creating, restoring and managing wildlife habitats, providing food over winter for farmland birds and clearing invasive-non-native-species. Examples of activities that could be incentivised under tier 1 have been proposed by the Farmland Wildlife Partnership, including:

- Protect existing semi-natural habitats
- Maximise the value of boundaries and margins
- Enhance and create wet features, including ponds, streams, and ditches
- Create species-rich habitats, on at least 2% of the farm
- Create seed-rich habitats, on at least 2% of the farm
- In-field management, including progressive soil management and integrated pest management.

Tier 1 should fund all these sorts of activities on a multi-annual basis. As more habitats are restored or created under other tiers, this funding will need to be extended. In addition, already established sustainable farming systems, such as organic systems, must be supported.

Activities to provide cleaner air and water

Sustainable farming practices that reduce losses of nutrients, soil and pesticides need to be much more widely adopted than is currently the case. Previous schemes have attempted to fund more sustainable soil and nutrient management, such as the soil, nutrient, manure, and crop protection management plans under Entry Level Stewardship (ELS). Defra removed these plans after just two years on the basis that they provided very poor value for money. Although we encourage piloting of new, innovative approaches, it is vital that Defra does not repeat previous mistakes.

Better air and water quality often requires the creation of riparian buffer strips to stop soil getting into water. Tier 1 should meet the cost of taking land out of production to create buffer strips and manage them appropriately. The size of buffer strips should vary according to the land type and topography but be at least 6-12m. In places with steep slopes and erodible soils, buffer strips may

not be appropriate so alternative options to improve water quality should be pursued, such as wet species-rich grassland.

Nutrients are key inputs for producing food but keeping up with best practice technology is costly which can inhibit uptake. The improved storage and management of manures and slurries, the better use of nutrients and effective covers for slurry stores all need to be incentivised. As such, tier 1 should support the use of improved nutrient management plans.

Precision farming equipment will have significant business benefits through reduced costs, so would be more appropriately incentivised through, for example, the Rural Development Programme approach of providing grants for 40% of the cost – this could form part of a transitional scheme.

Activities to reduce flood risk

If supported by advice, mapping and a consideration of liability issues, small scale interventions can reduce peak flows and reduce the severity and intensity of flood events.

Whilst other tiers should fund larger scale interventions such as the restoration of species-rich floodplain grasslands, tier 1 should encourage the provision of measures such as attenuation ponds, leaky dams and tree-planting. Agro-forestry should be encouraged under tier 1 as a straightforward way of maintaining soil quality and storing water. Similarly, maintenance of floodplain meadows allows for natural flood prevention.

Activities to mitigate and adapt to climate change

Agricultural emissions must reduce. This requires efficient machinery, the use of lower emission fertilisers and protecting wetlands and peatland. Tier 1 support must therefore include multi-annual payments for practices such as reduced tillage and fertiliser use. To maximise soil carbon, these practices should be combined with crop diversity and continuous cover.

Healthy carbon stocks are crucial in addressing climate change globally, but currently no or very limited market value can be derived from carbon storage. This requires a range of measures, including protecting and creating carbon-rich habitats like wetland, species-rich grassland, woodland and peatland. ELM needs to provide capital funding to create new carbon stores in soils and biomass, and protect existing storage through tier 1 multi-annual payments.

Better soils

Good soil health underpins food production, providing the nutrients and physical structures that sustain plant growth and biodiversity (above and below ground), acting as a buffer against pollution and soil erosion, absorbing, releasing and purifying the water we drink, and regulating flooding. Soils are a vast carbon sink (soils and surface litter contain 2-3 times as much carbon as is stored in surface vegetation and the atmosphere[8]), while good soil quality can also maintain and secure archaeological sites and features. Soil is a prime example of where consideration of integrated outcomes is essential.

Yet to date all multilateral environmental agreements (e.g. UNFCC, CBD, UNCCD, SDGs) have failed to give soils the attention they deserve, and there has been a lack of specific ambition and legislation

[8] Scharlemann et al (2016). Global soil carbon: understanding and managing the largest terrestrial carbon pool https://www.tandfonline.com/doi/full/10.4155/cmt.13.77

around soil health, coupled with a lack of standardised metrics. If done properly, tier 1 is an opportunity to make vast improvements to soil health.

This calls for a range of measures, some of which should be regulated or expected good practice, others which should be incentivised. The latter includes reduced tillage, agroforestry, increasing soil organic matter content, wise nutrient usage and organic farming. This will need to be accompanied by a suite of simple in-field soil assessment tools to enable regular monitoring of soil condition by land managers to ensure that soil biodiversity, organic matter content, soil structure and nutrients meet ELM targets and facilitate a results-based approach to payments.

Activities not currently proposed which should be delivered through tier 1:

Activities to improve public access

Tier 1 payments for public access should be available for land managers to improve existing public rights of way across their land (beyond the statutory requirements) including the following: improved path surfaces; waymarking; and improved access infrastructure (gates instead of stiles) to the least restrictive option (as per British Standard 5709).

Tier 1 payments for public access on waterways should be available to provide a cleaner and more accessible environment for public recreation, including the following: support for maintaining waterways for navigation; improved water quality making rivers a safe place for nature and recreational users, blue corridors allowing for nature to thrive, and recreational users to safely portage around dangerous man made or natural hazards and provision for permissive access routes to water.

Activities to increase educational visits

The evidence shows people are becoming disconnected from the food they eat and the natural world, but hosting visits comes with high added costs and liabilities for providers. We need more school trips and “green prescriptions”, where patients are encouraged to visit the countryside to improve their physical and mental health.

Tier 1 should provide for payment for offering visits and fund the appropriate training and accreditation.

Enhanced heritage and archaeological features

Heritage and archaeological features are irreplaceable, but many are threatened or in a declining state. Maintenance is not supported by the market. Traditional farm buildings need restoring, historic hedges and stone walls need maintaining and scrub engulfing archaeological features needs removing. All this requires tier 1 to provide multi-annual funding for restoring, enhancing and maintaining heritage and archaeological features.

However, our heritage is not just present in built features, it is also present in natural features (e.g. hedgerows, meadows and veteran trees) and landscapes as a whole. As such, the natural and historic environment require integrated, holistic management.

Agrobiodiversity

Recent decades have seen a significant decline in the diversity of our native livestock, equines and plants, largely as the result of a desire for standard products that better meet the demands of industrialised systems. These genetic resources may offer a way to sustainably increase food production and improve our capacity to adapt to climate change or the emergence of new diseases.

Tier 1 should incentivise farmers to invest in rearing rare and native livestock and plant breeds. In addition, tier 1 should incentivise the greater use of seed and gene banking to native and rare breed genetics.

Tier 1: a standards-based approach

Defra could develop a standards-based approach for tier 1: a set of clear quality benchmarks for environmental assets or issues. The benefit of a standards-based approach is that it enables rewards to be more closely linked to the 'outcomes' or the current quality of the asset, rather than simply paying the cost of interventions. It would also provide land managers more freedom over how they meet the standards, with a minimum number of requirements to unlock payment. This would need to be calibrated carefully to ensure that payments were targeted to reward results with clear additionality beyond the regulatory baseline.

Defra should develop standards for a full range of environmental and public access assets at a whole farm level to provide opportunities for farmers to receive reward for a full suite of outcomes. A minimum number of standards should be adopted to receive a contract.

Defra should craft standards to support progression and ensure that the approach meets the principle of "the more you do, the more you get". To achieve this, standards could be graded, for example, 'basic, intermediate and advanced'. Payments could increase proportionately as farmers and land managers progress up the standard.

Standard Example

Asset	Standard	Indicator	Payment
Arable Farmland	Farmland Wildlife	% of land under relevant management or meeting required standard	Variable payment according to % of land under relevant management

Indicator (detail)

Basic	**Intermediate**	**Advanced**
5% of land under relevant measures or meeting required standard	8% of land under relevant measures or meeting required standard	10% of land under relevant measures or meeting required standard
Payment e.g. £30/hectare	Payment e.g. £45/hectare	Payment e.g. £60/hectare

One key aspect for this approach is control and verification. Defra could employ a combination of self-assessment and site and virtual verification, proportionate to risk and expenditure. The benefits of self-assessment are improved engagement and awareness of environmental delivery. There is growing research that self-assessment can deliver reliable, accurate results. However, more research is required to determine whether it improves environmental delivery.

A standards-based approach could provide a sound whole-holding based approach on which tiers 2 and 3 can build.

Tier 2

We generally support the actions proposed for tier 2 with the following additions/amendments:

- (a – *tree, shrub and/or hedge planting*) and (b – *habitat creation/restoration/management*) should explicitly reference natural regeneration of woodland in addition to planting. Natural regeneration is an important means by which targets for woodland expansion must be met and should be explicitly offered under ELM. Natural regeneration is much more cost effective, often results in woodland that is better for biodiversity, and higher levels of genetic diversity make it more resilient to climate change and disease. Those who wish to expand or create woodland by natural regeneration should not be at a disadvantage compared to those who plant trees.

- (b) should explicitly reference pond creation e.g. freshwater (including ponds).

- (c – *flood mitigation and water quality*) should explicitly reference creation of species-rich floodplain meadows for supporting pollinators, storing carbon and helping to reduce flooding and diffuse pollution.

- (d – *species management*) should acknowledge that control of established invasive species is only effective when it is strategic, coordinated and sustained at the appropriate (often catchment) scale and over sufficient periods. If management is undertaken in a sporadic, opportunistic or piecemeal way, and if sustained action is not secured, invasive species will simply re-invade the control areas and the funding and effort will have been wasted. We support the inclusion of invasive species control under tier 2 provided that it is only available to farmers or land managers who can operate collaboratively at the appropriate spatial and temporal scale.

- (e – *public access*) should be expanded upon so that prospective applicants are clearer about the interventions they could make to enhance public access. Under tier 2, financial assistance should be given in return for creation of new access rights (either permissive or permanent, the latter being preferable) where there is a clear public benefit. This could include new routes which:

    - Create links between existing routes / circular walks, including at the urban/rural fringe.
    - Offer safer alternatives to busy country roads.
    - Provide links to otherwise inaccessible open access land and the England Coast Path.
    - Facilitate access to water for launching and landing and providing waterside facilities such as parking.
    - Offer new access as part of other environmental improvements being undertaken through ELM, generating a greater return on investment.

  To give the public certainty of their rights of way, multi-annual payments will be required to maintain enhanced access. Ideally these enhancements would be permanent, but land managers may prefer permissive agreements.

- Tier 2 should also explicitly support the maintenance of protected sites, areas of semi natural habitat such as Local Wildlife Sites and ancient and veteran trees to prevent loss of these features of high environmental value.

For maximum efficacy of environmental outcomes, and certainty for the public, tier 2 should aim to create permanent habitat, access enhancements and infrastructure wherever possible.

We strongly support the proposal to facilitate collaboration between neighbouring farmers and land managers under tier 2. Collaboration will deliver the habitat steppingstones and corridors, like B-Lines for pollinators, necessary for a Nature Recovery Network. In this regard, the trials of different approaches as outlined in the consultation are essential. Many public goods can also be delivered at the individual holding scale, so willing individuals who, for whatever reason, cannot be part of a collaborative agreement, should not be precluded from joining tier 2 (or 3).

Connectivity within a holding is also important, particularly for those species with limited dispersal ability. ELM needs to address a current deficit within Countryside Stewardship which disadvantages mosaic or small sites (e.g. grassland, scrub, ponds, Local Wildlife Sites, small commons) which are set within intensely farmed land. These sites are valuable steppingstones in ecological networks, with a conservation value proportionately far greater than their size. Yet they are currently restricted from Countryside Stewardship funding as they cover too small an area to achieve enough points in the scoring criteria, thereby limiting the ability of the scheme to achieve a coherent ecological network and meet landscape-scale objectives. Small upland farms are also often excluded from CS due to issues with the scoring system. In fact, across a range of public goods, the scoring system in Countryside Stewardship failed to drive improvements as the minimum score for getting a grant was set so low that there was little incentive to seek a higher score.

While multi-functional landscapes should be favoured, delivery of big, single issue wins where these are appropriate should not be precluded. For instance, recovery of a locally important species may require that certain habitat types are not appropriate e.g. woodland near wet grassland could attract predators that reduce potential to restore breeding curlew. Similarly, while the existing rights of way network is a legal requirement, new public access routes considered under ELM may occasionally conflict with conservation efforts. Advice will be essential to assist the farmer or land manager in managing these trade-offs effectively.

Tier 3

The consultation pitches tier 3 as a 'single-issue' tier that only funds a handful of interventions. We strongly discourage this narrow approach. Tier 3 has the potential to make a huge contribution to tackling the climate and nature crises whilst delivering transformative change for the way people access and engage with the countryside. It should serve as the flagship of ELM and, as such, be afforded equal priority to tier 1 and 2 in scheme design.

Tier 3 should not be limited to the projects/habitats outlined in the consultation. Any projects that restore or create habitat of any type, particularly those that result in multifunctional landscapes, should be eligible provided they are ecologically sound.

Delivering multiple interventions in the same place will greatly increase the extent to which public goods, benefitting wider society, are provided in any one location e.g. flood risk management, water quality, carbon sequestration, access, education, conservation of cultural heritage, and so on. There are also associated local economic benefits. Neither tree-planting nor peat bog restoration in isolation are likely to deliver significant nature-based tourism activities, but if the land manager is delivering multiple benefits in the same place, there will be much greater opportunity for creating attractive nature-based tourism activities such as camping and safaris – as well as sustainable consumable products – from the range of habitats created. Where there are significant natural and historic features, tier 3 projects should seek to engage and educate the public.

Tier 3 should therefore explicitly incentivise rewilding projects, which almost always require initial multiple interventions in order to restore natural processes, often by stepping back from active management over time and, where appropriate, reintroducing or replicating the functions of missing

species. Because rewilding involves being less prescriptive and reducing management over time,it is likely to be more affordable than the creation of habitats which need to be managed. However, recovery of certain priority species will require some actively managed habitat (e.g. curlew and marsh fritillary), so tier 3 should fund a combination of both types of project.

The starting point for tier 3 activities is understandably different to those under tiers 1 and 2, given that eligibility will most likely be limited to land with the right natural capital assets and at the right spatial scale to deliver transformational land use change. Tier 3 projects will require careful planning, bespoke agreements and excellent advice and facilitation – all of which should be factored into payment rates.

Tier 3 should make a considerable contribution to a national Nature Recovery Network (NRN). In particular, tier 3 projects could create some of the 25 Nature Recovery Areas (NRAs) which, alongside the protected sites network, will make up the 'core' of the NRN. NRAs could be flagship exemplars of nature's recovery at the landscape scale and we would dissuade government from arbitrarily limiting itself to 25 NRAs. If the ambition and appetite exists to deliver more than this, tier 3 funds should be used along with private investment and the Nature Recovery and Nature for Climate Funds to meet this demand.

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10. Delivering environmental outcomes across multiple land holdings will in some cases be critical. For example, for establishing wildlife corridors or improving water quality in a catchment. What support do land managers need to work together within ELM, especially in tiers 2 and 3?

We very much support collaborative approaches, and suggest they have a role across all the tiers. ELM should therefore include specific incentives for farmers and other land managers to work together, backed up by facilitators able to get projects off the ground.

However, we urge that specific consideration is given to commons, which must be the most widespread example in England of land managers working together. Commons include large tracts of our most well-loved yet frequently ecologically degraded landscapes including Dartmoor, the Lake District, Yorkshire Dales and Shropshire Hills. In practice, much of what can be delivered under ELM could be done on common land if well designed, so it warrants more detailed consideration.

The experience of commoners and commons owners under the CAP was not good. Because successive CAPs never really acknowledged the existence of commons, the regulations made within that framework did not fit well with them. ELM schemes need to be designed with commons in mind and so full engagement with Commoners Councils and Commoners Associations is essential.

We also note that active collaboration is not always necessary, or not necessarily the starting point. Effective spatial targeting, robust local governance and a network of advisers can ensure the necessary levels of uptake to meet threshold effects and landscape scale delivery e.g. cirl buntings.

11. While contributing to national environmental targets (such as climate change mitigation) is important, ELM should also help to deliver local environmental priorities, such as in relation to flooding or public access. How should local priorities be determined?

Spatial prioritisation is widely recognised as being a key factor in successful environmental land management schemes, ensuring the right activities are targeted to where benefits provide maximum environmental and societal impact[9,10,11,12] and ensuring the protection of valuable natural and historic features – from relict species-rich grassland to ancient woodland and monuments. Spatial prioritisation can deliver important objectives beyond nature's recovery, such as connecting people to nature through the public rights of way network, open access land and enhanced access opportunities where there are currently deficiencies. In addition to meeting environmental aspirations, it can promote local engagement and a sense of place. It is also an opportunity to further the purposes of designated landscapes such as National Parks and Areas of Outstanding Natural Beauty.

A formal local governance structure is a clear pre-requisite to unlock local prioritisation, helping to balance national and local priorities, engage local stakeholders[13], coordinate local dialogue, and ensure value for money. Defra has yet to provide clarity on local governance structure or the interaction between ELM and other mechanisms such as the Local Nature Recovery Strategies (LNRSs). It is essential that processes and governance for prioritisation are clear, efficient and well-resourced so that they facilitate, rather than hinder, action. Defra must not reinvent the wheel, and instead draw on the work and expertise of existing fora and processes.

There is no one perfect geographical scale for identifying and setting local priorities. Nature does not respect administrative boundaries; yet decision-making and governance tends to follow administrative lines. We suggest that three scales are useful – national, local and an intermediary sub-national level – and make the following suggestions for priority-setting at each level:

<u>National</u>

ELM priorities at all scales should reflect the national objectives in the Environment Bill and other national and international commitments such as the 25 Year Environment Plan, Sustainable Development Goals and Convention on Biological Diversity. These should be expressed in a series of national targets. Accountability for meeting the national targets through ELM should sit nationally with Defra as the statutory body with oversight of and accountability for environmental policy delivery.

[9] Peach, W.J., Lovett, L.J., Wotton, S.R., & Jeffs, C. (2001). Countryside stewardship delivers cirl buntings (Emberiza cirlus) in Devon, UK, *Biological Conservation*, 101, pp361–373

[10] Ellis, S., Bourn, N. & Bulman, C. (2012) Landscape-scale conservation for butterflies and moths: lessons from the UK, Butterfly Conservation

[11] Colhoun, K. Mawhinney, K. McLaughlin, M. Barnett, C. McDevitt, A.M. Bradbury, R.B. & Peach, W. (2017) Agri-environment scheme enhances breeding populations of some priority farmland birds in Northern Ireland, *Bird Study*, 64:4, 545-556, DOI: 10.1080/00063657.2017.1415296

[12] Wilkinson, N.I., Wilson, J.D., & Anderson, G.Q.A. (2012). Agri-environment management for corncrake Crex crex delivers higher species richness and abundance across other taxonomic groups, *Agriculture, Ecosystems and Environment*, 155, pp27–34

[13] e.g. land managers, environmental groups, local recorders, and residents

A National Habitat Map, as required by the Environment Bill, is critical in mapping where to protect and manage existing important wildlife sites and where to restore or create new habitats for a Nature Recovery Network. Monitoring, evaluation and reporting is also vital to determine whether ELM is meeting national objectives, and to help feed back into ELM so it can be improved iteratively.

Defra should create national guidance to inform local decision-making for ELM that utilises spatial mapping and integrates with other local policy mechanisms, such as LNRSs, to deliver national objectives.

Local

We are not attached to one geographic scale at the local level – the structures that are set up need to be designed to deliver the outcomes of ELM – and we urge Defra to pilot different approaches.

County level may be appropriate. Another option Defra should consider is National Character Areas in England. The 159 NCA areas already provide a detailed assessment of landscape, geology, biodiversity, land use and provide an excellent basis on which to build priorities. Using NCA's would enable better understanding of characteristic biodiversity, so that ELM can serve the range of species characteristic to an area rather than just favouring a few.

Whichever geographic scale is used, Defra should appoint convenors at the local level to agree local priorities. To be democratically accountable, Local Planning and Highway Authorities and the public should be involved. Other fora which could be drawn in include Forestry and Woodland Advisory Committees, Regional Flood and Coastal Committees, Catchment Partnerships, Internal Drainage Boards, Local Access Forums, National Park Authorities, AONB partnerships and Local Nature Partnerships.

Defra should ensure that local stakeholder groups draw on existing plans and priorities for the local area, which many stakeholders will have been involved in developing, such as:

- Local Nature Recovery Strategies (Local Authority)
- River Basin Management Plans (River Basin District)
- Rights of Way Improvement Plans (Local Highway Authority)
- National Park and Areas of Outstanding Natural Beauty Management Plans (National Park and AONB)

As these apply to different geographic scales, convenors will need to ensure cross-boundary working. This is where an intermediate layer of governance would be useful (see below).

In particular, coherence between local ELM priorities and LNRSs is essential. Disconnect between LNRS and ELM processes and governance would be unhelpful and result in land managers (rightly) feeling left out of decision-making around priorities for an area that their land falls within, or confused by conflicting priorities.

As well as priority-setting, local convenors should play a role in ELM implementation at the local level. A recurring theme in feedback from farmers is that they want to speak to a real person who knows their patch, not interact with a faceless bureaucracy without a phone number. Local convenors should be responsible for working with farmers, land managers, advisors and facilitators to ensure that all participants are empowered to deliver ELM's objectives. Creating a "relatable" governance system will be important to ensure a degree of quality control, and overseeing monitoring and evaluation at a local level. It may be appropriate for local convenors to officially 'sign

off' land management plans for their local area, once they have been agreed by the land manager(s) and advisor(s)/facilitator(s).

Intermediate governance

Having an intermediate sub-national mechanism, to translate the local priorities upwards to national and vice versa, is sensible given that all the Defra bodies will have a role in ELM (i.e. NE, EA, RPA, FC and potentially APHA too, e.g. on INNS) and given plans for the 14 Defra areas to create Area Integrated Plans. This plan could include a section on how national policies/targets/mechanisms translate and interconnect, including a section on ELM drawing on relevant local priorities.

An intermediate layer of governance would also assist with cross-border working, to ensure that artificial lines on maps do not prevent delivery of landscape-scale outcomes. This is how structures worked in the past with Countryside Stewardship/ESA[14].

The importance of sufficient capacity and resourcing of local and sub-national governance cannot be underestimated. Convenors will need to be skilled and knowledgeable with the capacity to engage with all relevant stakeholders on both priority-setting and ELM implementation.

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12. What is the best method for calculating payments rates for each tier, taking into account the need to balance delivering value for money, providing a fair payment to land managers, and maximising environmental benefit?

ELM will only be effective if payments are attractive enough to incentivise participation. However, it is crucial that payments rates reflect environmental need and deliver value for money. We strongly advocate the principle of 'the more you do, the more you get'.

We accept that, particularly for tier 1, income foregone plus costs (IF+C) is the simplest and most appropriate payment methodology. To date, IF+C calculations have been based on a 'typical' farm and received criticism for not providing an adequate incentive. It would be a huge coincidence if the average cost associated with a 'typical farm' matched the environmental target. Therefore, we support consideration of the flex approaches, as presented to the ELM Engagement Group, to ensure payment rates reflect environmental need. These flex approaches should include covering transition costs, contributing to the costs of advice, and setting payment rates as a function of target uptake. We also recognise that Defra could consider factoring in whole farm costs where necessary to support the delivery of public goods that are dependent on the survival of the farm system, such as hay meadows, floodplain grasslands or coastal habitats. Over time, we recognise that Defra could, where appropriate, seek to factor in natural capital valuation approaches to payment calculations.

We support the piloting of results-based payment approaches for tier 2. However, the outstanding challenges need to be addressed before we could support full rollout of results-based payments:

- Determining the range of environmental objectives amenable to a results-based approach
- Developing holding level and parcel level indicators for a full suite of results
- Determining a proportionate approach to control and verification, and

[14] Sub-national approaches to targeting can help economically too as the following article evidences: http://randd.defra.gov.uk/Document.aspx?Document=10339_EconomicsofCo-ordinationinEnvironmentalStewardship.pdf

- A better understanding of the administrative requirements for the delivery body and the contractual risk to farmers and land managers.

We accept that it will be necessary to pay for actions in the short-term for some public goods, and in perpetuity for others where a results-based approach has been shown not to work, for example those where upfront capital payments are needed. However, results-based and actions-based approaches are not mutually exclusive. The two approaches could be combined in a single scheme to great effect, helping to drive evidence-based land management changes, to deliver environmental objectives and provide the right balance of flexibility and certainty for farmers and land managers. Over time, the balance between the two payments approaches could shift, with an increased emphasis on results-based payments as the evidence base improves and the risks reduce.

The scale of funding for the whole ELM programme is critical in determining whether all land managers can access ELM if they want to, and enabling the programme to deliver its potential. Estimates suggest that land management costs to deliver existing environmental commitments in England is around £1.6bn[15] per year, with an additional £34m needed for land management advice[16]. More will be needed to deliver additional commitments, such as those required to deliver the 25YEP and net zero targets. Investment of this scale in ELM is economically sound, as ELM is one of our most important tools for shoring up the natural asset base on which our economy depends, mitigating the disastrous economic effects of climate change and saving the health service billions through preventative action.

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13. To what extent might there be opportunities to blend public with private finance for each of the 3 tiers?

Whilst the new ELM scheme will be based on the principle of public money for public goods, measures that land managers adopt may also produce private benefits for companies or create a platform on which these can be realised. Likewise, through private schemes, we might see interventions also yielding public goods as co-benefits.

Recognising and taking advantage of such synergies by integrating public and private funding can lead to increased environmental impact, better value for money, avoidance of conflict between schemes, scheme simplification for land managers, increased private investment and the securing of environmental outcomes in the long term. In particular, enabling and encouraging private investment for private benefit can magnify the impact of public funding, by freeing up more public money for undertaking additional activity. For example, some soil management measures proposed for tier 1 of ELM could reduce flood risk and improve water quality and availability, by increasing penetration and reducing run-off. If a proportion of those measures were funded privately, this would release more public funding to spend on tiers 2 and 3, where more significant environmental outcomes may be achieved, or for additional activity to that covered by a tier 1 agreement.

Linking different funding sources can also increase the environmental value of the interventions chosen, especially if multiple benefits are considered. For example, for a water company investing unilaterally to offset phosphate pollution, the most cost-effective measure may simply be to pay for

[15] Including estimates of costs to secure unprofitable High Nature Value farming systems and long-term costs of land management changes

[16] Rayment, M. (2019) Paying for public goods from land management: How much will it cost and how might we pay? A report for the RSPB, the National Trust and The Wildlife Trusts

improved slurry storage. But this has limited wider environmental value compared to other interventions, such as better soil management and the creation of riparian strips or floodplain meadows. Therefore, if the water company's investment is linked together from the start with funding from other businesses and from ELM, which may be targeting outcomes such as soil health, biodiversity and carbon sequestration, then more environmentally beneficial interventions become viable.

Although the discussion document sees private funding as explicitly playing a role in tier 3, many of the measures and outcomes targeted under tiers 1 and 2 would also deliver benefit to businesses. It would therefore make sense to facilitate the blending of public and private finance across all three tiers. For this to be possible, the legal agreement will need to enable the integration of funding from different sources. Whilst historically there have been challenges with issues such as dual funding, the design of ELM (and parallel new funding sources, particularly biodiversity net gain) is an opportunity to ensure blending is incorporated into the schemes from the outset, with the principle of additionality at their core. The other main issues that need to be resolved to enable business and ELM to invest side-by-side will be governance, the basis for payments and risk management.

In addition to broadening the scope for private funding to work alongside public funding across all three tiers, and the mechanism for how this happens, the focus of tier 3 on land-use change may limit the interest of private buyers. If tier 3 was repurposed to deliver landscape-scale change, based on a change in use as well as management, this would facilitate a more multifunctional approach that would appeal to a range of private sector buyers of different ecosystem services.

Green Alliance and the National Trust have explored this idea in the report New routes to decarbonise land use with Natural Infrastructure Schemes. This showed that, by combining funding for flood risk reduction with funding for carbon sequestration, a biodiversity-rich riparian woodland could be an attractive option. In contrast, if these interests are funded separately, less environmentally beneficial attenuation ponds and fast growing non-native woodland would be more cost effective choices, but provide less benefits to biodiversity.

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14. As we talk to land managers, and look back on what has worked from previous schemes, it is clear that access to an adviser is highly important to successful environmental schemes. Is advice always needed? When is advice most likely to be needed by a scheme participant?

Investment in advice should be regarded as a necessary step to secure the best possible outcomes, not an expendable administration cost. A major review by Defra in 2013[17] 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. Importantly, farmers and land managers consider advice to be vital and have expressed concern about the lack of continuity in advice, and patchy follow up support[18].

[17] Defra (2013), Review of Environmental Advice, Incentives and Partnership Approaches for the Farming Sector in England.

[18] 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.

Generally, farmers and land managers say the most helpful advice comes from obviously trusted sources such as other farmers, the farming organisations and farming press. Government's role here is primarily facilitation, supporting events at which knowledge and best practice can be exchanged and discussed. The AHDB's Monitor Farms could be an example to be built upon.

A major review of HLS implementation also highlighted the importance of qualified advisers in maximising the effectiveness of the scheme and using its inherent flexibilities to tailor management to a specific farm or habitat, thereby maximising environmental outcomes. Research has also found that advice is highly effective in improving the quality of results and, by extension, value for money[19].

It is important that this advice comes from qualified advisers[20]. Evidence suggests that farmers procure advice from private land agents and agronomists, who in the past have tended to help farmers maximise yield and/or income, rather than taking a holistic view of the business benefits and environmental outcomes delivered by an agri-environment agreement. This may evolve naturally as incentives become focused on public goods delivery, but nevertheless it is an important consideration for Defra when determining the source of advice for ELM or indeed the need for accreditation and quality assurance.

Furthermore, specialist advice will be essential to deliver outcomes in some cases and therefore must be properly resourced and sign posted. For instance, Local Highway Authority public access teams are well-placed to advise on access enhancements, but have been hollowed out by years of funding cuts.

As outlined in questions 9 and 11, advisors will be required to help land managers interpret local priorities, prepare land management plans and navigate the opportunities available to them across all three tiers of ELM (and other financial assistance schemes such as farm productivity and animal health and welfare). Funding should be made available for business skills training and advice targeted at issues such as financial planning and budgeting, particularly throughout the agricultural transition as land managers adapt to the new system, so they can capitalise on the opportunities it affords.

The amounts paid under ELM must be sufficient to cover the cost of obtaining advice. That way advice becomes integrated in delivery, not a standalone exercise.

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15. We do not want the monitoring of ELM agreements to feel burdensome to land managers, but we will need some information that shows what's being done in fulfilling the ELM agreement. This would build on any remote sensing, satellite imagery and site visits we deploy. How might self-assessment work? What methods or tools, for example photographs, might be used to enable an agreement holder to be able to demonstrate that they're doing what they signed up to do?

A scheme concerned with the management of complex natural processes and the distribution of significant amounts of public money requires a degree of monitoring and control. Monitoring and

[19] 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

[20] 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

evaluation should not just be seen as a way to evaluate performance, but also to engage land managers in pro-environmental decision making and support behaviour change towards holistic land management. To ensure full-cost recovery, the costs of monitoring and reporting should be factored into ELM payment rates.

In terms of specific methods or tools, there are many existing citizen science methods already developed (e.g. FreshWater Watch; Cropland Capture, OPAL, INaturalist, GROW etc), that would be appropriate for land managers to use (indeed, some already do) and that could provide information to prove progress and compliance with the ELM agreement.

Although there are lots of opportunities for technology to make monitoring and evaluation simpler, Defra should recognise the current limitations of some technological approaches, such as poor broadband and the need to upskill some land managers.

Monitoring and evaluation are vital to:

- **Evaluate an agreement/contract and enable adaptive management.** Agreement monitoring is crucial to ensure value for money and the delivery of environmental outcomes. In addition to being a snapshot in time, scheme monitoring can support adaptive management and help improve environmental delivery over time. Agreement monitoring, feedback, and continuous adaptation are likely to increase resource demands, particularly in the short term, although evidence suggests that they will result in better value for money in the longer term through enhanced outcomes.
- **Evaluate the scheme and determine whether it is achieving its intended outcomes.** Scheme monitoring is invaluable in determining the efficacy of the scheme and to inform improvements. ELM will require a well-resourced research programme to learn and iteratively improve the efficacy of the scheme.

Compliance

Defra needs to ensure a robust albeit proportionate compliance system is in place to provide the necessary check and balances and safeguard public money. Accounting for public expenditure will remain essential, and it is possible to develop an approach that balances environmental effectiveness, accountability for taxpayers' money and practicality for farmers and land managers. Defra should ensure the approach is proportionate to the level of expenditure (including level of inspection, evidence requirements and penalties). Defra should retain sufficient penalties to tackle flagrant breaches.

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16. Do you agree with the proposed approach to the National Pilot? What are the key elements of ELM that you think we should test during the Pilot?

We understand that Defra envisages an initial 1000 participants in the national pilot. We encourage Defra to increase the ambitions of the pilot to give more land managers the opportunity to engage and access funds to deliver public goods. The most important aspects of the scheme to test at this stage are tiers 1 and 2, where administrative requirements and payment methodologies are likely to require the most refinement.

For tier 1, we encourage Defra to pilot a standards-based approach. The advantages of a standards-based approach are that it would be whole-holding, simple to administer, less prescriptive, and

provide opportunities to reward all land managers for providing a range of public goods such as improving water quality, carbon and flood storage, supporting pollinators and biodiversity, and providing public access.

For tier 2, we encourage Defra to expand the results-based payment pilots currently being undertaken by NE and the Yorkshire Dales National Park Authority, in addition to exploring a flexible, less prescriptive actions-based approach. Ideally, tier 2 pilots should be conducted alongside pilots of Local Nature Recovery Strategies to test how LNRSs can contribute to an effective targeting and spatial planning approach.

Most crucially, Defra should draw upon the expertise of Natural England to help design and deliver this vital pilot and bring in other trusted parties to ensure its success. Natural England has a huge amount of expertise and institutional memory with regard to land management scheme design, which does not yet appear to have been assimilated in the ELM design process.

The pilot should also seek to test the most effective means of securing engagement with farmers and land managers, including self-assessment of outcomes, peer-to-peer training and field labs. Engaging 'hard to reach' farmers should be an explicit goal of the pilot.

Annex 1. Recommendations for wider future farming programme

This annex outlines our recommendations for the following aspects of future farming policy and the agricultural transition:

1. Regulation
2. Transition
3. Resilience
4. Animal health and welfare
5. Communications

Regulation

Effective regulation will play a crucial role in meeting 25YEP outcomes, as well as a range of other policy objectives. Since Dame Glenys Stacey's Review, there has been little by way of detail from Defra on its intentions for regulation[21]. We support the government's aim to change the regulatory culture for farming and land management to better meet the country's needs. We believe this is long overdue and essential in the context of the climate and nature crises we face.

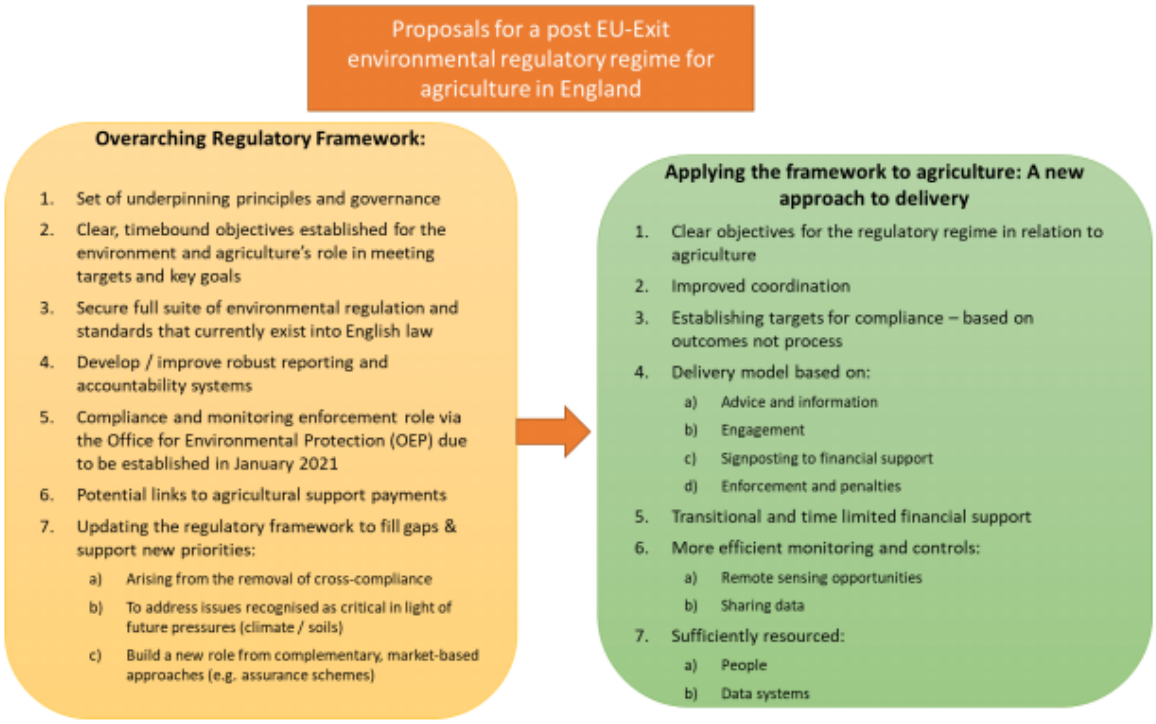
A new regulatory regime cannot be delivered in isolation. The Farming for the Future Policy and Progress Update does not clearly state the importance of getting the right balance and interaction between the different policy levers available (such as regulation, enforcement, advice and incentives such as ELM). The government should respond to the Farm Inspection and Regulation Review as soon as possible to develop and resource a new regulatory and enforcement regime that is fit to underpin future farming policy such as ELM and advice and provides value for taxpayers' money. However, we are not convinced of the case for a new single 'super' regulator for farming and would instead prefer to see better integration between and resourcing of existing regulators.

Regulation should form the baseline for tier 1 of ELM, and clarity on how regulation will be developed and enforced is important for farmers in understanding the dynamic between the two. Although an element of rules-based regulation will be important for some things (such as serious hazards and where straightforward good practice is required to give certainty to the public, such as in maintaining rights of way), we are supportive of a more advice-led approach to enforcement that blends advice, incentives and enforcement action to get the best outcome.

A model for this was set out in a report[22] by the Institute of European Environmental Policy (IEEP) commissioned by RSPB, The Wildlife Trusts and WWF-UK, which proposed a new regulatory framework and associated delivery model. This is summarised in the figure below.

21 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/764286/farm-inspection-regulatio-review-final-report-2018.pdf

22 Baldock D and Hart K (2020), Risks and opportunities of a post-EU environmental regulatory regime for agriculture in England, Institute for European Environmental Policy.



Given the importance of advice to this model, and the practical connection this forges between ELM and regulation, it is imperative that Defra communicates with more clarity how the two policy mechanisms will work together to achieve 25YEP outcomes. How an advice-led approach will be resourced is perhaps the single most important question to answer if new proposals for farm regulation are to be credible. Link set out more detail on regulation in a set of 'Principles for a Future Regulatory Framework' published last year[23].

In the short term, we caution against significant changes to cross-compliance. Reducing the number of inspections and penalties without alternative means of enforcement risks further eroding the degree of environmental protections on farmland, and sending mixed signals to farmers about the importance of environmental protection in the context of future policy reforms.

Transition

Securing a stable and managed transition to a future policy is a major priority for Link, and we recognise that the magnitude of the policy change associated with moving from area-based subsidies to a public money for public goods approach.

As such, we have consistently advocated for a broad package of support as part of a transition fund, to enable farm businesses to adapt over the course of the seven-year agricultural transition. We are of the view that certainty and the support available and action taken during the transition period offers a reliable way to secure a manageable transition, and have therefore not supported suggestions to delay the start of the transition from 2021 to 2022.

[23] https://www.wcl.org.uk/docs/Link_Principles_for_a_Future_Regulatory_Framework_Aug19FINAL.pdf

During this transition, we want to see funding made available for business skills training and advice targeted at issues such as financial planning and budgeting. In 2019, a report[24] for the RSPB, National Trust and The Wildlife Trusts estimated that, for the most vulnerable uplands farms, this would cost £3m in England.

In addition, capital support available to invest in on-farm infrastructure may be justified, including to address systemic issues with non-compliance with regulation. However, this should be clearly time limited, and linked to a wider regulatory strategy (as above) to ensure that systemic issues with regulatory compliance are permanently addressed through this one-off investment. As an example, any support for slurry storage to address high levels of non-compliance with SSAFO regulations should be linked to the introduction of permitting for dairy herds above a certain size, as proposed by the Clean Air Strategy, as well as clarity regarding fair, effective and dissuasive sanctions for non-compliance following a transition period.

Defra has flagged that they are considering introducing an 'exit scheme', using lump sum payments to facilitate the exit of farmers who currently cannot afford to stop farming. This is as an alternative to de-linking. Whereas de-linking was a standalone policy without conditions, the proposal for an exit scheme establishes the principle of using exit payments to achieve policy objectives through targeting and eligibility criteria.

With this in mind, we would suggest exploring what these conditions could include in order to ensure best value for public money. For example, they could require that:

- if an exit payment is received but the land is not sold, an ELM or CS contract could be compulsory to ensure environmental outcomes are achieved in return for the public investment;
- if an exit payment is received, and the land is not sold but rented out, a 10-year+ Farm Business Tenancy (FBT) could be compulsory, to ensure stability of tenancy;
- a farmer could receive a 10% uplift in the exit payment if a farm was let or sold to new entrants to the farming industry, encouraging new blood into the sector.

If Defra does not attach these sorts of conditions to achieve stated policy objectives with public money, we would question why this policy is being pursued when de-linking – an existing self-financing policy that achieves that same outcome of funding exit strategies – is being delayed.

If de-linking is pursued, a new regulatory framework must be operable and in place before beforehand to ensure that land managers cannot simply claim lump sum publicly funded payments and farm while degrading the land and causing environmental harm.

Resilience

We have been supportive of Defra's plans to support eight resilience pilots looking at how best to build resilience.

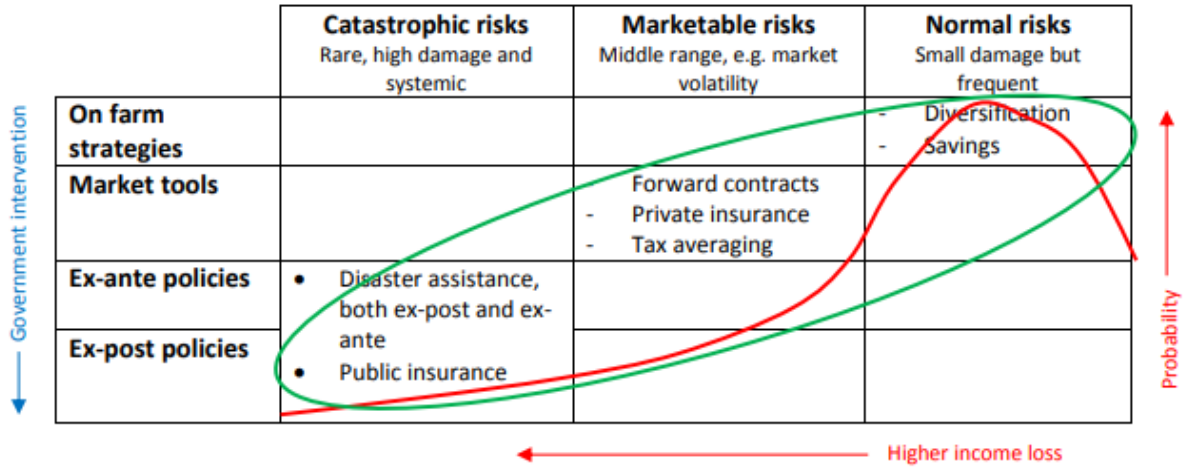
We are not convinced though that the proposal to create a 'resilience reserve' – whereby potentially tens of millions of pounds would be set-aside in case of extreme events – is a good use of public money. In our experience, this type of funding tends to put farm businesses back to where they were, rather than increasing their resilience to future risk. In fact, they can encourage complacency

[24] Rayment, M. (2019) Paying for public goods from land management: How much will it cost and how might we pay? A report for the RSPB, the National Trust and The Wildlife Trusts

with regard to environmental risks, rather than encouraging sensible investment in resilience upfront.

More generally, it is better to build resilience ex ante through proactive policy interventions, rather than re-build it ex post. In this context, it would be better to deploy this resource through the transitional support outlined above and resilience pilots started by Defra, as well as building resilience to climate change and other environmental pressures through funding actual land management interventions such as better soil management, woodland, wetland and floodplain meadow creation to attenuate flood risk and support for genuine IPM.

We also question how the suggestion of a resilience reserve relates to previous policy decisions about risk management, and the previous conclusion that, aside from catastrophic risk, most forms of risk that farming faces should be managed by individual businesses or private insurance products. We explored this issue in more depth in our 2017 discussion paper, which features the diagram below.



Animal health and welfare

Animal health and welfare outcomes will be achieved through a combination of regulation and incentives. Unlike many environmental public goods, the market could play an important role. We are generally of the view that animal health and welfare as specific objectives should not be a core part of ELM, which we regard as a land management scheme primarily designed to achieve 25YEP objectives. We envisage the Government's animal welfare incentives programme to continue as a standalone package through the animal health and welfare pathway, but many interventions included in ELM will have co-benefits for animal welfare, such as wood pasture creation on free range chicken farms, agroforestry, the creation of small woodlands to create shade and shelter for livestock and species-rich grasslands, which improve animal nutrition and therefore health.

There will though be a significant role for public funding through the animal health and welfare pathway to support capital investment and in some cases ongoing payments for farming at higher (than legally required) levels of animal welfare. Historically, including animal health and welfare in small and large scale productivity funds has worked well, and is an approach familiar to the industry.

We strongly support the intention, first set out in Health and Harmony, to raise the regulatory baseline for animal welfare. This must go hand-in-hand with steps to ensure that farmers in England are not undermined by trade deals that allow in imports of food not produced to our standards.

Alongside these higher standards, the introduction of mandatory methods of production labelling will also be important, particularly in increasing the role of the market in driving improvement. For example, the free-range egg industry has moved from 15% of the market 17 years ago to over 55% now, following the introduction of mandatory labelling. But it should be only one of several tools used to help farmers and needs to be used alongside measures that ensure products are not imported to the UK that are illegal to produce here.

Communications

Communicating this to farmers is challenging, and introducing new elements of the future farming policy that have not been subject to discussion or consultation with farmers and stakeholders risks increasing already high levels of confusion and disaffection.

We recommend creating an online hub where all information is held on the development of future farming policy. To date, the tendency toward providing new details in the form of occasional announcements can be hard to follow for many farmers, and it is not always clear how they follow on from each other. Quarterly updates to bring together the major developments would also provide a means to bring this together for harder to reach farmers, with a PDF format enabling these to be printed off or posted to farmers who requested this.