

**Response to Defra's consultation: *Health and Harmony: the future for food, farming and the environment in a Green Brexit***

**The Wildlife Trusts**

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**Contact:**

Ellie Brodie, Senior Policy Manager  
[ebrodie@wildlifetrusts.org](mailto:ebrodie@wildlifetrusts.org)



# Executive Summary

## Introduction

- The Wildlife Trusts protects, champions and acts for wildlife and wild places on land and at sea. We believe that people are part of nature; everything we value ultimately comes from it and everything we do has an impact on it.
- Nature needs to recover. To make this happen, we need to change the way we look after our land - we need spatial planning for nature's recovery – we need a Nature Recovery Network.
- We welcome the direction of travel suggested in the consultation document on paying farmers and land managers for delivering the benefits they cannot sell but that society needs, i.e. 'public money for public goods'.

## Section 2: Reform within the CAP

- Rather than introduce changes to Countryside Stewardship, we encourage Defra to put their resources into tackling the issues which are putting people off applying to Countryside Stewardship.
- The majority of England's wildlife depends on the remaining areas of semi-natural habitat that are less intensively farmed within the countryside. Small sites such as Local Wildlife Sites and commons, of high ecological value, are disadvantaged in Countryside Stewardship. A future ELMS must rectify this issue.
- Payment levels can be too low to make entering Countryside Stewardship worthwhile. Farmers and land managers in a future ELMS must be better rewarded for the natural capital assets they maintain and the ecosystems services they provide.
- Ongoing issues with implementation, including issues with mapping and payment delays, are preventing farmers from applying to Countryside Stewardship.

## Section 3: An 'agricultural transition'

- The Wildlife Trusts support a move to a system based on rewarding farmers and land managers for the public benefits and environmental outcomes they provide for society.
- The government must conduct a comprehensive impact assessment of phasing out Direct Payments to understand the impact of options on different recipients.
- The transition should dovetail with the introduction of a new ELMS and sufficient payment levels must be set which cover the full costs of ELM.
- Cross compliance and new rules such as Farming Rules for Water must be effectively enforced.
- We suggest a transition period of five years from 2020 to generate momentum amongst farmers and land managers for the significant change that a break from the CAP brings.

## Section 4: A successful future for farming

### 4.1 Farming excellence and profitability

- Wildlife Trusts provide extensive advice to farmers and land managers across England, advising more than 5,000 landowners each year. Advisors help farmers and land managers get the best outcomes for wildlife and the wider environment,

and provide value for money. In a future policy, of which the ELMS will be the cornerstone, advice will be critical.

- Advisors will need knowledge of ecology and wildlife habitats which are locally relevant, and in agronomy to facilitate groups of farmers and advise landowners across all elements of the ELMS.
- Understanding the contribution of individual and groups of farms to a national ecological network is a key skill in a future ELMS – especially given the government’s ambitions for a nature recovery network in England, set out in the 25 Year Plan for the Environment.
- Traditional subsidy regimes have been a major element in creating skewed land values making farming inaccessible for many new entrants. Re-designing land payments so that they reward investment in natural capital and the provision of public goods would help address this.
- There needs to be greater integration of holistic land management through the school curriculum and through higher learning.

#### **4.2 Agricultural technology and research**

- The Wildlife Trusts believe that the way in which productivity is currently assessed is flawed. We need to move towards a system whereby environmentally-adjusted total factor productivity is measured.
- Research and development (R&D) on improving environmental performance, including soil health, must be the priority for future policy. This will support a sustainable and resilient farming and land management sector for future generations. R&D on Integrated Pest Management (IPM) should also be prioritised. Agri-Tech should be widened out to include R&D that improves both environmental performance and productivity.
- The wide-scale absence of farm accounts is a barrier to increasing sustainable production and resource efficiency.
- A future policy should support an efficient, productive set of knowledgeable farmers supported by strong farm accounts and environmental advisors who are able to be economically profitable and enhance the environment.

#### **4.3 Labour: a skilled workforce**

- There is a major gap in environmental land management skills which are not being provided for adequately in further and higher education courses – this needs addressing in a future policy.
- Training to assess natural capital will also be important given the government’s ambition to make natural capital a basis for future payments.

### **Section 5: Public money for public goods**

- Public money should be invested in providing public goods which the conventional market will not pay for.
- There is an economic as well as a social and moral imperative to improve and maintain our country’s natural infrastructure – our rivers, woodlands, peat bogs and meadows – our natural capital.
- We propose that farmers and land managers should be paid to provide eight public goods: (1) More, bigger and better natural habitats; (2) Thriving wildlife everywhere; (3) Abundant pollinators; (4) Healthy soils; (5) Clean water; (6)

Clean air and climate change mitigation; (7) Flood risk management, and (8) Access to wild spaces.

- Habitat expansion and connectivity should be included in a future ELMS and are missing from the list of environmental public goods in the consultation document.
- Environmental land management often results in multiple benefits – ranking and separating benefits is unhelpful.
- The government must include targets and milestones and design the ELMS to deliver these. The ELMS should be linked to creating a Nature Recovery Network and delivering the 25 Year Plan for the Environment.
- Productivity and competitiveness is not a public good as the primary beneficiary is the producer. Food security, in this sense of increasing UK production, should not be the basis for public policy or public payments.

### **Section 6: Enhancing our environment**

- The Wildlife Trusts believe that the following public benefits should be incentivised across different spatial scales in a future ELMS: (1) More, bigger and better natural habitats; (2) Thriving wildlife everywhere; (3) Abundant pollinators; (4) Healthy soils; (5) Clean water; (6) Clean air and climate change mitigation; (7) Flood risk management, and (8) Access to wild spaces.
- A Nature Recovery Network which puts space for nature at the heart of our farming system is critical to realising these public benefits and outcomes.
- Public payments for land management should be targeted and allocated at a local level through a Local Nature Recovery Map – a spatial approach to identify societal and environmental needs.
- A powerful independent body should oversee progress towards outcomes and hold the Government to account.
- Contracts could be offered to deliver the strategic outcomes at the locations identified on the Map – i.e. where society needs them.
- The government needs to recognise the importance of specialist advice in caring for the environment in a future ELMS.
- To help our wildlife and environment recover we need to invest in our land and countryside, at a higher level than we currently are.
- A future ELMS will need to resolve questions associated with paying for public goods, e.g. where public goods provision is divided between landowner and commoner, and where environmental measures may reduce the capital value of land (e.g. by re-wetting).

### **Section 8: Supporting rural communities and remote farming**

- The natural capital of the uplands is in poor condition and they are not providing society with the wider benefits they could.
- Hill farmers are dependent on payments and the tax payer is subsidising continuing decline and environmental degradation.
- The Wildlife Trusts believe the uplands need a new vision. Central to this vision is that if upland habitats can function as relatively natural biological systems, they can revitalise local economies.
- Our lowland landscapes in South West England face similar challenges to those of the uplands.

### **Section 9: Changing regulatory culture**

- The Wildlife Trusts believe that it should be easy for farmers and land managers to help nature, without being weighed down by unnecessary bureaucracy and paperwork.
- Some agricultural practices cause diffuse water pollution. Farming Rules for Water (FRFW) have been set as the new regulatory baseline to address the basic causes of agricultural diffuse water pollution.
- There are two main issues with FRFW: enforcement and their narrow focus on diffuse water pollution.
- Defra should conduct a full consultation on the proposed new regulatory baseline so that the risks and opportunities of moving away from the current system can be fully explored.

### **Section 13: Devolution: maintaining cohesion and flexibility**

- Future farming and land management policies will facilitate the UK to meet international obligations associated with biodiversity, climate change and sustainable development.
- Common approaches must be co-developed jointly by the UK Government and devolved governments via a shared and transparent process.
- Three elements should be common across the UK: the regulatory baseline, some objectives (e.g. environmental) and accountability mechanisms.

### **Section 14: International trade**

- We welcome the commitment to maintaining and enhancing our high standards - new trade agreements must not lead to a race to the bottom.
- New trade agreements must help us meet international environmental commitments and obligations.
- Environmental impact assessments should be carried out as part of any trade negotiations.
- A sustainable, thriving agricultural sector is vital for the environment, and we believe that continued tariff-free trade with the EU will be essential to achieve this.

### **Section 15: Legislation: the Agriculture Bill**

- The proposals in the consultation document for legislation do not meet the ambitions set out elsewhere in the consultation document, the 25 Year Plan for the Environment, or the ambitions we feel should be set out in a future Environment Act.
- In addition to the powers set out in the Bill, we suggest the following are included:
  - A title for the Bill that reflects the ambitions of the consultation document, for example a Sustainable Land Management and Agriculture Bill.
  - A broad purpose which sets out parameters for future policies on the face of the Bill.
  - Targets and milestones for the new Agriculture Bill which link to a new Environment Bill that legislates for Nature Recovery Networks and are linked to the 25 Year Environment Plan.
  - A review of funding every five years, clarity on the regulatory baseline and clarity on accountability mechanisms.

## Introduction

The Wildlife Trusts protects, champions and acts for wildlife and wild places on land and at sea. We believe that people are part of nature; everything we value ultimately comes from it and everything we do has an impact on it.

A thriving natural environment is fundamental to the security of the economy and wellbeing of society, but it is under strain, and society is bearing the costs of this. There is an economic as well as a social and moral imperative to improve and maintain our country's natural infrastructure – our rivers, woodlands, peat bogs and meadows – our natural capital. Farmers need to be rewarded for the work they do that delivers benefits or services they cannot sell but that society needs.

Nature needs to recover. To make this happen, we need to change the way we look after our land - we need spatial planning for nature's recovery – we need a Nature Recovery Network<sup>1</sup>.

The Wildlife Trusts believe that we need to put the health of our environment at the heart of our future agriculture and land management policy – which means designing a new system based on environmental outcomes and public benefits.

Defra's consultation, *Health and Harmony: the future for food, farming and the environment in a Green Brexit* (hereafter, the 'consultation document') is fundamental to the future of our natural world and The Wildlife Trust's aim that each year, there should be more wildlife, and more wild places, and people should become closer to nature.

Overall, we welcome the direction of travel of the consultation document on paying farmers and land managers for delivering the benefits they cannot sell but that society needs, i.e. 'public money for public goods'. We welcome the proposition that a new environmental land management system (ELMS) will be the cornerstone of the new agriculture and land management policy - a system which we hope will be high performing and well administered.

In the medium- to long-term, we believe that investment in sustainable land management is possible. Government policy can and should support holistic decision-making about growth, development and the economy, with the full value of habitats being recognised, conserved and factored into decision-making and spatial planning.

The Wildlife Trusts are a movement of more than 800,000 members, 40,000 volunteers, 2000 staff and 600 trustees, from a wide range of backgrounds and all walks of life. We manage over 2,300 nature reserves for the benefit of wildlife and people. We are commenting on the consultation document in our capacity as land advisors and major landowners in our own right. We manage almost 100,000 hectares of land and own 26 working farms which we manage positively for wildlife, as well as giving advice to more than 5,000 landowners each year.

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<sup>1</sup> The Wildlife Trusts, 2018. Towards a Wilder Britain. Creating a Nature Recovery Network to bring back wildlife to every neighbourhood Available here: [http://www.wildlifetrusts.org/sites/default/files/nature\\_recovery\\_network\\_final.pdf](http://www.wildlifetrusts.org/sites/default/files/nature_recovery_network_final.pdf)

## Contents

Moving away from the Common Agricultural Policy in England	
<b>2. Reform within the CAP</b> .....	7
2.1 Design .....	8
2.2 Payment levels .....	111
2.3 Implementation .....	12
<b>3. An ‘agricultural transition</b> .....	14
3.1 Phasing out Direct Payments .....	14
3.2 Conditions attached to phasing out Direct Payments .....	15
3.3 Transition period .....	15
<b>4. A successful future for farming</b> .....	16
4.1 Farming excellence and profitability .....	17
4.2 Agricultural technology and research .....	21
4.3 Labour: a skilled workforce .....	23
Implementing our new agricultural policy in England .....	24
<b>5. Public money for public goods</b> .....	24
<b>6. Enhancing our environment</b> .....	30
7. Fulfilling our responsibility to animals	
<b>8. Supporting rural communities and remote farming</b> .....	35
<b>9. Changing regulatory culture</b> .....	40
10. Risk management and resilience	
11. Protecting crop, tree, plant and bee health	
12. Ensuring fairness in the supply chain	
The framework for our new agricultural policy .....	42
<b>13. Devolution: maintaining cohesion and flexibility</b> .....	42
<b>14. International trade</b> .....	43
<b>15. Legislation: the Agriculture Bill</b> .....	45

## 2. Reform within the CAP

### Section 2: Summary

- Rather than introduce changes to Countryside Stewardship, we encourage Defra to put their resources into tackling the issues which are putting people off applying to Countryside Stewardship.
- The majority of England's wildlife depends on the remaining areas of semi-natural habitat that are less intensively farmed within the countryside.
- Small sites such as Local Wildlife Sites and commons, of high ecological value, are disadvantaged in Countryside Stewardship. A future ELMS must rectify this issue.
- Payment levels can be too low to make entering Countryside Stewardship worthwhile. Farmers and land managers in a future ELMS must be better rewarded for the natural capital assets they maintain and the ecosystems services they provide.
- Ongoing issues with implementation, including issues with mapping and payment delays, are preventing farmers from applying to Countryside Stewardship.

### Consultation questions

Please rank the following ideas for simplification of the current CAP, indicating the three options which are most appealing to you:

- a) Develop further simplified packages
- b) Simplify the application form
- c) Expand the online offer
- d) Reduce evidence requirements in the rest of the scheme

Wildlife Trust farm advisors report that farmers are already confused over eligibility. Introducing further packages at this stage risks further confusing farmers<sup>2</sup>. Instead, we would prefer that the current Countryside Stewardship (CS) scheme was retained but to (b) simplify the application process and (c) expand the online offer.

Rather than introduce new packages, we strongly encourage Defra, including the Rural Payments Agency (RPA) and Natural England (NE), to put their resources into tackling the issues which are putting people off applying to CS, namely: delays in payments, delays sending application packs and agreement offers; issues with digital mapping, and cultural issues including communication within the RPA and between the RPA and NE (see 2.3 on 'Implementation').

Should Defra decide to develop further simplified packages, or indeed to use these as a template for a future ELMS, it will be important to learn the lessons from previous schemes. Whilst the previous system of Entry Level Stewardship had high uptake levels and represented a simplified package, it did not result in a recovery of biodiversity and as such did not represent value for money.

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<sup>2</sup> For example, CS scheme rules do not allow Higher Tier and a Wildlife Offer on the same holding, yet it is possible to have a Mid Tier and a Higher Tier agreement on the same holding which appears inconsistent to applicants.



A proportion of the administrative cost of current schemes relates to a question of who is eligible. This could be reduced by making future payments for the services provided rather than for who is providing them.

### **Consultation questions**

How can we improve the delivery of the current Countryside Stewardship scheme and increase uptake by farmers and land managers to help achieve valuable environmental outcomes?

Countryside Stewardship has been beset by issues beyond those identified in the consultation document<sup>3</sup> which we believe have played a greater part in lack of take up than those listed in the consultation document, and which have impacted on the level of environmental outcomes CS has achieved to date. We identify issues in two main areas: scheme design and implementation.

## **2.1 Design**

Regarding design, there are two main issues: first, that some land with high ecological value is excluded from CS; and second, that payment levels can be too low to make entering CS worthwhile.

### **Small sites and certain types of land being excluded from Countryside Stewardship**

The evidence compendium accompanying the consultation document states that: 'the majority of England's wildlife depends on the remaining areas of semi-natural habitat that are less intensively farmed within the countryside'<sup>4</sup>. The Wildlife Trusts work extremely hard to support wildlife in these remaining areas of semi-natural habitat – as well as supporting it on individual and groups of farms (see Section 4). Our mission has been to protect and preserve these sites as the basis for nature's recovery in future and to advocate for government policy to support this.

Mosaic sites including habitats such as grassland, scrub and ponds which are set within intensely farmed arable land have a conservation value proportionately far greater than their size. They are valuable stepping stones in ecological networks, which are at the heart of a Nature Recovery Network<sup>5</sup> and the Lawton Review<sup>6</sup>.

These sites are currently restricted from CS funding as they cover too small an area to achieve enough points in the CS scoring criteria. This is contrary to the mechanisms for recovering wildlife set out in the Lawton Review. Specifically, and of

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<sup>3</sup> Issues mentioned in the consultation document include compliance with CAP regulations, application systems, evidence requirements and processing delays.

<sup>4</sup> Defra, 2018. Future Farming and Environment Evidence Compendium, p. 62. Available here: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/683972/future-farming-environment-evidence.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/683972/future-farming-environment-evidence.pdf)

<sup>5</sup> The Wildlife Trusts, 2018. Towards a Wilder Britain. Creating a Nature Recovery Network to bring back wildlife to every neighbourhood Available here:

[http://www.wildlifetrusts.org/sites/default/files/nature\\_recovery\\_network\\_final.pdf](http://www.wildlifetrusts.org/sites/default/files/nature_recovery_network_final.pdf)

<sup>6</sup> Lawton, J.H. *et al.*, 2010. Making Space for Nature: a review of England's wildlife sites and ecological network. Report to Defra. Available here:

<http://webarchive.nationalarchives.gov.uk/20130402170324/http://archive.defra.gov.uk/environment/biodiversity/documents/201009space-for-nature.pdf>

deep concern to us, is that small sites including Local Wildlife Sites and areas of common land are effectively excluded from entering CS due to the scoring criteria.

### **Local Wildlife Sites**

The Wildlife Trusts are very concerned about the fate of Local Wildlife Sites (LWS). There are 42,000 such sites in England, covering 5% of the country's land area - equivalent to the whole of Devon.

They can be as important for nature as nationally-recognised Sites of Special Scientific Interest (SSSIs), providing habitat and corridors for wildlife to live and move across the landscape.

Local Wildlife Sites are identified and selected according to best practice guidance set out by Defra. The partnerships overseeing the selection process use robust, scientifically-determined criteria which consider the most important, distinctive and threatened species and habitats within a national, regional and local context. The development of LWS criteria and the selection of LWS involves partners with relevant expertise and a local knowledge and understanding of the area's natural environment. Defra guidance states that '*Local authorities should provide leadership in establishing and maintaining partnerships and systems to identify and manage Local Sites*'. The system is grounded in science with independent verification of site quality and a clear consultation process prior to designation.

As LWS are often privately owned, they rely on the commitment of the landowners, farmers and volunteers who are prepared to carry out sensitive habitat management. Without such care and effort, a site will gradually decline. The Wildlife Trusts latest survey (2018) revealed that of more than 6,500 local wildlife sites surveyed, 16% had been damaged or lost over five years, the majority of which relates to poor maintenance.

It is almost impossible to get Local Wildlife Sites into Countryside Stewardship because they are frequently too small to qualify for Higher-Tier and the options under Mid-Tier are too limited to be suitable, even though the management of LWS can sometimes be straightforward enough to benefit from more simple management options as per the Mid-Tier.

#### **Example: Shropshire Wildlife Trust**

Some of Shropshire's richest Local Wildlife Sites are very small, such as Hayton Bent - a Coronation Meadow<sup>7</sup> for Shropshire, and just 0.3 ha. It has failed to gain CS Higher Tier funding because it covers too small an area and does not meet the HT scoring criteria but is packed with wildlife including cowslips and green-winged orchids.

The best sites for wildlife, outside of the legally protected sites network such as SSSIs, are falling behind because the work to manage them cannot be funded. LWS are key to realising the government's ambitions in their 25 Year Plan for the Environment around targets for species and habitats as these are vital stepping stones for wildlife, and core sites in ecological networks. The Wildlife Trusts urge the

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<sup>7</sup> <http://coronationmeadows.org.uk/>

government to recognise and support LWS in a future ELMS. A step towards this would be for Natural England to value and employ local data by reinstating its financial support for Local Record Centres.

### **Common land**

Despite the very high biodiversity value of many small commons, there are issues with getting common land into Countryside Stewardship. The main issues are:

- high scoring required for small sites
- commons having to be able to be scored on their own and not in conjunction with other (non common) land on an estate
- commons being restricted to Higher Tier schemes, even when their management is relatively simple
- every individual parcel within the same common land parcel having to be submitted to a single application
- lack of awareness of the value of common land for access and biodiversity, but with complicated management and in the lowlands rarely economically viable.

In a future ELMS, issues with commons need to be rectified by permitting common land sites to be included with non-common land sites and to not penalise small sites in competitive scoring criteria.

#### **Example: Norfolk Wildlife Trust (NWT)**

Norfolk has around 350 parcels of common land with around 150 of these being either a SSSI or a LWS. NWT has numerous examples of common land coming out of Higher Level Stewardship and not being eligible for Countryside Stewardship, including:

- Barrow Common: a 32ha acid grassland common which has recently come out of Higher Level Stewardship (HLS). The owner applied for CS. The rest of the farm is in Mid-Tier, but the common is ineligible so is now unfunded after 20 years in schemes. The environmental land management work to mow, tackle scrub and control bracken that has been carried out to date has improved the wildlife value of the common but will now not be continued with the site potentially deteriorating.
- Wood Green: a 9ha species rich grassland with ponds and rare species including turtle dove, water vole, great crested newts and scarce plants. HLS expired and two attempts to get into Higher Tier failed so there is now no funding for ongoing management.
- Thwaite Common: a 15 ha of fen and acid grassland - the fen is one of the finest in Norfolk and NWT believe should be a SSSI. Under HLS it delivered extensive grazing that has restored part of the site, but there are warnings from NE staff that the site will receive no further funding once HLS expires due to the scoring criteria.

### **Other land exclusions**

Besides LWS and commons, individual Wildlife Trusts own and manage land which is of high ecological value, but which can be excluded from Countryside Stewardship schemes.

**Example: Devon Wildlife Trust – Culm Grasslands**

In 2008, 5,129 hectares of Culm grasslands were found in the northern Devon and North East Cornwall distributed over 700 sites. Two thirds of these were under 5 hectares in size. DWT's experience to date is that CS Higher Tier agreements do not support conservation measures on these species rich semi-natural wet grasslands if sites are under 5 hectares. Culm grasslands are the key species rich grasslands for which this National Character Area is renowned. Leaving two thirds of sites unsupported risks removing the building blocks from which ecological function and resilience is built.

Cornwall Wildlife Trust manage low level rough land which doesn't qualify for upland options because it is too low; but is not 'severely disadvantaged' so cannot access lowland grassland options. Similarly, Shropshire Wildlife Trust manages Nipstone Rock Nature Reserve which is heathland but is too high to be lowland heath and too low to be upland moorland.

Countryside Stewardship needs to provide flexibility to allow these valuable sites to access options and save their wildlife value from being lost to neglect or commercial activities. This would be possible if CS and a future ELMS was targeted through a Nature Recovery Network.

**2.2 Payment levels**

The second, and related issue, is that payment levels can be too low to make entering CS worthwhile.

**Example: Cornwall Wildlife Trust**

CWT farm advisors report that payments for CS options rarely compete with income from renting land to contract growers. For example, land near Helston in Cornwall has been planted with maize for an anaerobic digestion plant. The farmer receives £370/ha, compared with the highest paying (relevant) CS option at £309/ha, along with the costs of additional management and meeting evidence requirements.

For smaller woodland and grassland sites, including SSSIs, some Trusts have decided not to apply for CS because it would cost more to meet the reporting requirements than they would gain from the payments. Uptake of ELM schemes will only improve when payment rates are competitive, and regulation is enforced, for example, damage caused by other income generating activity is penalised such as GAEC 4 for soil erosion. Farmers and land managers in a new scheme must be better rewarded for the natural capital assets they maintain and the ecosystems services they provide.

**Example: Sheffield and Rotherham Wildlife Trust (SRWT)**

SRWT manage an important wetland, [Centenary Riverside](#)<sup>8</sup>, a 4.5ha wetland reserve which provides flood storage protecting Rotherham town centre, a wildflower meadow bank brimming with butterflies and insects, and a series of ponds and wetlands that attract a huge variety of birds, mammals and bug life. SRWT receive £641/annum over a five-year Higher Tier CS agreement to manage

<sup>8</sup> [www.wildsheffield.com/nature-reserves/more-about-our-reserves/centenary-riverside/centenary-riverside-gallery](http://www.wildsheffield.com/nature-reserves/more-about-our-reserves/centenary-riverside/centenary-riverside-gallery)

this important site. This does not cover the full costs of management, with the Trust making up the shortfall; yet the site is providing society with considerable benefits in flood protection, biodiversity including pollination, recreation and education.

Semi-natural habitats are often heavily protected wildlife sites with types of forage that are economically unviable to farm. This is why they have been deserted by modern, high efficiency farming; and why they are so good for wildlife. A future sustainable agriculture and land management policy should value these sites as the jewels in the crown of a Nature Recovery Network and ensure that those managing them will be fairly rewarded for their work. We urge the government to make the measure of success for their future agriculture policy one in which high quality food production is at appropriate levels and set amongst a landscape filled with biodiversity and healthy people – rather than yield of crops/hectare or a daily growth rate.

### 2.3 Implementation

We have raised our concerns and issues with implementation of Countryside Stewardship and, more specifically, with the Rural Payments Agency (RPA) on numerous occasions, most recently in our submission to the EFRA Committee in response to their recent call for evidence<sup>9</sup>.

In summary, RPA errors with mapping have resulted in payment delays and, in some cases, in fines, which impact on individual Wildlife Trusts' ability to deliver environmental land management. There is a poor understanding of Wildlife Trust landholdings amongst RPA inspectors which can result in failed inspections despite land being submitted and managed correctly. We have offered training sessions to the RPA inspector team on several occasions to try to overcome this issue which has yet to be taken up.

There is poor communication between the RPA and agreement holders, including over changes to mapping. Several Trusts have considered or commenced legal proceedings to get a fair outcome from disputes with the RPA - again diverting resources away from their environmental land management work.

Landowners frequently cite the culture which the RPA has established as a reason for not getting involved in agri-environment scheme delivery. We accept there has to be a strong audit element to the scheme, but the current system is ineffective and counterproductive. There are also issues with communication between the RPA and Natural England. A lack of discussion between the RPA and NE advisors creates tensions which can pit the agreement holder/NE and the RPA against each other, eroding good will and diminishing added value from CS schemes.

#### **Example: Hampshire and the Isle of Wight Wildlife Trust (HIWWT)**

HIWWT manage a Ministry of Defence (MoD) estate in Hampshire where Natural England targets for SSSI/SPA condition have been dependent on HLS schemes and BPS as well as the volition of another government department (MoD). HIWWT

<sup>9</sup> <http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/environment-food-and-rural-affairs-committee/performance-of-the-rural-payments-agency/written/80793.html>

have had penalties and threats of penalties created by a severe lack of join-up between the RPA and NE, most notably due to interpretations of tree cover on lowland heath and eligibility of options. The impact has been protracted with resource-intensive liaison and negotiations which should not have been necessary. It has highlighted that there is a markedly different understanding of the schemes and the challenges of conservation management of public estate between agencies within the Defra family.

Regarding Natural England specifically, there are unacceptable delays getting agreements out to agreement holders. This is having an impact on the delivery of environmental land management outcomes.

**Example: Cornwall Wildlife Trust**

Cornwall Wildlife Trust provides advice to farmers and land managers through South West Water's Upstream Thinking project<sup>10</sup>. On one farm, a delay of over three months in announcing a decision for a Countryside Stewardship agreement meant that the farmer made a decision on their crop rotation which will have negative environmental consequences. Through CS, they would have been subsidised for farming a mixture of cereals, maintaining over-winter stubbles to protect soil and establishing buffer strips. They had to manage risk by assuming that they would be unsuccessful, so planted 20ha of maize instead.

We understand that there are incidences of Higher Tier applications being actively discouraged by NE advisers due to their excessive workload. One solution to what we understand is a lack of capacity within NE to support and process applications would be to allow intermediaries to work with farmers to make strong applications.

We are concerned that the RPA taking on the administration role for CS from NE will result in poorer outcomes for wildlife and that structural and cultural issues in both organisations need addressing now, and certainly before the new ELMS is rolled out. Performance targets to ensure that delivery of CS improves over 2018 and 2019 covering issues of CS application pack requests, agreement offers and payments are essential. In Section 6, we set out our thoughts on how a new ELMS should be administered and delivered.

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<sup>10</sup> <http://www.upstreamthinking.org/>

### 3. An 'agricultural transition'

#### Section 3: Summary

- The Wildlife Trusts support a move to a system based on rewarding farmers and land managers for the public benefits and environmental outcomes they provide for society.
- The government must conduct a comprehensive impact assessment of phasing out Direct Payments to understand the impact of options on different recipients.
- The transition should dovetail with the introduction of a new ELMS and sufficient payment levels must be set which cover the full costs of ELM.
- Cross compliance and new rules such as Farming Rules for Water must be effectively enforced.
- We suggest a transition period of five years from 2020 to generate momentum amongst farmers and land managers for the significant change that a break from the CAP brings.

#### Consultation questions

What is the best way of applying reductions to Direct Payments? Please select your preferred option from the following:

- a) Apply progressive reductions, with higher percentage reductions applied to amounts in higher payment bands
- b) Apply a cap to the largest payments
- c) Other (please specify)

What conditions should be attached to Direct Payments during the 'agricultural transition'? Please select your preferred options from the following:

- a) Retain and simplify the current requirements by removing all of the greening rules
- b) Retain and simplify cross compliance rules and their enforcement
- c) Make payments to current recipients, who are allowed to leave the land, using the payment to help them do so
- d) Other (please specify)

What are the factors that should drive the profile for reducing Direct Payments during the 'agricultural transition'?

How long should the 'agricultural transition' period be?

#### 3.1 Phasing out Direct Payments

The consultation document proposes phasing out Direct Payments. The Wildlife Trusts support a move to a system based on rewarding farmers and land managers for the public benefits and environmental outcomes they provide for society. We support a transition to a system in which public subsidy no longer supports the production of private goods (i.e. agricultural commodities) and instead supports investment in public goods including the restoration and maintenance of our natural assets (see Sections 4 -6). A supportive policy environment should support a new generation of farmers who have a deeply embedded desire to farm for the environment, people and food rather than for food quantity production. Public

payments should only be made for activities over and above good agricultural practice, i.e. incentives must be underpinned by a strong regulatory baseline (see Section 9).

Whilst we support phasing out Direct Payments, there are risks. The government must conduct a comprehensive impact assessment of phasing out Direct Payments to understand the impact of options on different recipients – including those in marginal and upland areas (see Section 8).

We would welcome the opportunity to work with Defra on this by including analysis from English Trusts who are in receipt of Direct Payments on the impact on their environmental land management activities.

As well as a full impact analysis, the government must also ensure that:

- the transition dovetails with the introduction of a new ELMS, to ensure that there is no ‘cliff edge’ in terms of environmental protection and land management in the interim;
- a new ELMS is fully piloted and progress towards outcomes (i.e. delivery of public benefits) evaluated before it is introduced<sup>11</sup>; and,
- sufficient payment levels are set which cover the full costs of ELM.

### **3.2 Conditions attached to phasing out Direct Payments**

In terms of the conditions attached to Direct Payments during the ‘agricultural transition’, we would not support removing all compliance conditions from Direct Payments. Instead, we would like to see improved enforcement of cross compliance and new rules such as Farming Rules for Water. We do not wish to rank the options and would like to understand more about what Defra means by ‘simplify’ in relation to the enforcement of cross compliance. We say more about regulation in Section 9.

### **3.3 Transition period**

We believe that we should transition to this new system over a period of five years from 2020. A longer timeframe than this would risk losing the necessary momentum amongst farmers and land managers for the significant change that a break from the CAP brings. To achieve this, Defra will need to provide clarity on the scheme content and funding available under the new policy at the earliest opportunity.

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<sup>11</sup> The 25 Year Plan and the consultation document support increased tree planting which we also support. However, this is likely to focus on marginal land which is often biodiverse. An environmental impact assessment of tree planting schemes needs to be developed. For example, the UK contains roughly 40% of the world population of the threatened Curlew and we have a significant responsibility for its conservation. There is currently no mechanism to assess whether curlews would be adversely affected by a particular tree planting scheme.



## 4. A successful future for farming

### Section 4: Summary

#### 4.1 Farming excellence and profitability

- Wildlife Trusts provide extensive advice to farmers and land managers across England, advising more than 5,000 landowners each year. Advisors help farmers and land managers get the best outcomes for wildlife and the wider environment, and provide value for money. In a future policy, of which the ELMS will be the cornerstone, advice will be critical.
- Advisors will need knowledge of ecology and wildlife habitats which are locally relevant, and in agronomy to facilitate groups of farmers and advise landowners across all elements of the ELMS.
- Understanding the contribution of individual and groups of farms to a national ecological network is a key skill in a future ELMS – especially given the government's ambitions for a nature recovery network in England, set out in the 25 Year Plan for the Environment.
- Traditional subsidy regimes have been a major element in creating skewed land values, making farming inaccessible for many new entrants. Re-designing land payments so that they reward investment in natural capital and the provision of public goods would help address this.
- There needs to be greater integration of holistic land management through the school curriculum and through higher learning.

#### 4.2 Agricultural technology and research

- The Wildlife Trusts believe that the way in which productivity is currently assessed is flawed. We need to move towards a system whereby environmentally-adjusted total factor productivity is measured.
- Research and development (R&D) on improving environmental performance, including soil health, must be the priority for future policy. This will support a sustainable and resilient farming and land management sector for future generations. R&D on Integrated Pest Management (IPM) should also be prioritised. Agri-Tech should be widened out to include R&D that improves both environmental performance and productivity.
- The wide-scale absence of farm accounts is a barrier to increasing sustainable production and resource efficiency.
- A future policy should support an efficient, productive set of knowledgeable farmers supported by strong farm accounts and environmental advisors who are able to be economically profitable and enhance the environment.

#### 4.3 Labour: a skilled workforce

- There is a major gap in environmental land management skills which are not being provided for adequately in further and higher education courses – this needs addressing in a future policy.
- Training to assess natural capital will also be important given the government's ambition to make natural capital a basis for future payments.

## 4.1 Farming excellence and profitability

### Consultation questions

#### **How can we improve the take-up of knowledge and advice by farmers and land managers?**

a) Encouraging benchmarking and farmer-to-farmer learning b) Working with industry to improve standards and coordination c) Better access to skills providers and resources d) Developing formal incentives to encourage training and career development e) Making Continuing Professional Development (CPD) a condition of any future grants or loans f) Other (please specify)

#### **What are the main barriers to new capital investment that can boost profitability and improve animal and plant health on-farm?**

a) Insufficient access to support and advice b) Uncertainty about the future and where to target new investment c) Difficulties with securing finance from private lenders d) Investments in buildings, innovation or new equipment are prohibitively expensive e) Underlying profitability of the business f) 'Social' issues (such as lack of succession or security of tenure) g) Other (please specify)

#### **What are the most effective ways to support new entrants and encourage more young people into a career in farming and land management?**

#### **Does existing tenancy law present barriers to new entrants, productivity and investment?**

### Improving take-up of knowledge and advice

Wildlife Trusts provide extensive advice to farmers and land managers across England, advising more than 5,000 landowners each year. We help care for 239,000ha land either through our direct management or through our management in partnership with landowners.

Our experience supports the numerous studies that show that combining local knowledge, skills and expertise with an understanding of current legislation and funding means advisors can help farmers and land managers get the best outcomes for wildlife and the wider environment and provide value for money in doing so<sup>12</sup>.

There are four main areas in which Wildlife Trusts advise on environmental land management: (1) Agri-environment scheme support and facilitation; (2) Land management advice services; (3) Local Wildlife Site advice, and (4) Corporate partnership work. Some Trusts do all four activities, such as Hampshire and the Isle of Wight Wildlife Trust (see example).

<sup>12</sup> See for example, Defra (2013), Review of Environmental Advice, Incentives and Partnership Approaches for the Farming Sector in England and 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.

### ***Agri-environment scheme (AES) support & facilitation***

Wildlife Trusts complement NE and other advisory networks with one-to-one advice on Countryside Stewardship applications, carrying out 'health' checks and advising on management of options. Trusts also facilitate groups of farmers through the Facilitation Fund. This experience supports the evidence that good quality and trusted one-to-one, and one-to-many advice is essential to achieving and maximising the outcomes of environmental land management.

### ***Land management advice services***

Wildlife Trusts provide in-depth advice and management plans on important priority habitats from hay meadows to upland wetlands, share expert knowledge for the management of specialist species, deliver workshops to encourage the discussion of ideas, and assist with land management using volunteers. All these techniques are important in improving the take-up of advice. Charismatic species like barn owls are popular with farmers and provide a non-threatening way to begin conversations and deeper engagement in environmental land management. For example, Essex Wildlife Trust runs a barn owl box scheme which has proved a successful way to initially engage with farmers and landowners.

### ***Advice on Local Wildlife Sites***

Wildlife Trusts work with landowners responsible for Local Wildlife Sites (LWS), delivering whole farm advice as well as survey and grant application assistance. There are around 40,000 LWS in England covering more than 700,000 hectares of land, and two thirds of these important sites are in private ownership. LWS provide refuges for a range of wildlife and act as stepping stones to link nationally important ecological areas. Lack of management is one cause of loss and damage to these critical sites, which are difficult to fund through Countryside Stewardship (see Section 2). Providing outreach and free advice to landowners on Local Wildlife Sites builds trust and can begin the conversation about other environmental land management programmes, such as Catchment Sensitive Farming and the Facilitation Fund.

### ***Corporate engagement***

Another useful route into environmental land management schemes is through corporate engagement. For example, The Wildlife Trusts work with water companies, numerous businesses with land holdings and with Jordans Cereals providing advice to improve environmental land management outcomes on their land.

#### **Example: Jordans Farm Partnership**

The Jordans Farm Partnership involves 42 progressive arable farms working to provide a new model for sustainable farming; creating nature-friendly corridors and setting high standards for nature-friendly farming. All 42 farms supply grain to breakfast cereal brand Jordans.

The unique collaboration involves the farm businesses, The Wildlife Trusts, Linking Environment And Farming (LEAF) and Jordans, as well as working with The Prince's Countryside Fund to address rural development issues.

Participants undertake a wide variety of measures to protect water and soil and support wildlife on at least 10% of their land. Together, the farms in the

Partnership manage over 44,500 acres of land, so 4,450 acres will be managed to provide food for farmland birds, pollen and nectar for bees, butterflies and pollinating insects; sustaining landscape-scale wildlife corridors with dedicated habitats, such as ponds and hedgerow highways, for species of significance in the local area.

All the Partnership farms will become LEAF Marque certified, and Jordans will fund field trials and share best practice agronomy with its farmers, while providing incentives for yield and productivity improvement. The farms will work to a new farm wildlife standard developed by The Wildlife Trusts. At least 10% of their land will be entered; half of which will be managed for pollinators and wild birds through the *Countryside Stewardship Wild Pollinator and Farm Wildlife Package*. Farmers receive financial support from Jordans, and technical help from their local Wildlife Trust Farm Advisor.

Wildlife Trusts across England are working with **Water Companies** to help improve water quality which is impacted by certain land management practices. Severn Trent Water employs Wildlife Trust farm advisors across the Severn and Trent catchments to advise farmers on how to reduce their use of metaldehyde. This is the powerful ingredient in slug pellets which is extremely difficult and expensive for water companies to treat as well as impacting negatively on wildlife.

Cornwall Wildlife Trust and Devon Wildlife Trust provide farm advice through South West Water's Upstream Thinking project. This has shown that farmer action requires multiple, one-to-one, tailored advice to build trust. In one catchment, 300 visits were made over 12 months. This work led to a change in farmer practice and demonstrates the intensity of the advice provision that can be needed. Through Upstream Thinking, Trust advisors have learnt that advice is best given verbally and non-scientifically and sold based on its potential to bring business benefits (not wider societal benefits) such as satisfying assurance schemes, improving productivity or accessing payments.

**Example: Hampshire and the Isle of Wight Wildlife Trust (HIWWT)**

HIWWT have a broad and impactful portfolio of land-advice work which includes:

- Work with two water companies on reducing metaldehyde use at catchment scale
- Facilitating a group of farmers through the Facilitation Fund.
- Leading on delivery of the Jordans Farm Partnership in the region.
- Provision of Catchment Sensitive Farming (CSF) advice in the Loddon Catchment and on the Isle of Wight. CSF advice provision has covered 60% of the Island's area.
- Providing advice through Defra's Farm Advice Framework including CS workshops, clinics and advice visits.
- Giving advice through Arcadian Farm Advice<sup>13</sup> including: support on BPS and Greening; submitting CS applications for farmers; ongoing advice to farmers who are already in CS; advising on management of options, and holding many farmer training events.

<sup>13</sup> See <http://arcadian.consulting/farm-advice/> for more details.

The range of work provided by HIWWT means that advisors are well networked and knowledgeable about the breadth of support available to farmers – this supports their credibility and impact.

The Wildlife Trusts recognise a need to improve links between conservation advisers and other sectors advising the farming community (e.g. agronomists, land agents, farm business advisers). One way to improve take up and integration of environmental land management advice is to better communicate the cross-sector benefits that come from a natural capital / ecosystems services approach (e.g. farm business benefits from pollinators and pest control; opportunities for diversification or new income streams from woodland / hedgerow management).

In a future policy, of which the ELMS will be the cornerstone, advice will be critical. Advisors will need knowledge of ecology and wildlife habitats which are locally relevant, and in agronomy to facilitate groups of farmers and advise landowners across all elements of the ELMS. Understanding the contribution of individual and groups of farms to a national ecological network is a key skill in a future ELMS – especially given the government’s ambitions for a nature recovery network in England. We have recently set out our vision for nature’s recovery across England through a Nature Recovery Network and local nature recovery maps<sup>5</sup>. Farmland will be essential to the network and it will be essential that farmers and land managers are able to access advice to guide individual and collective action based on local priorities.

**Our choice is therefore f) Other. Please specify:** Incentivise and support business-focused advice around environmental land management, sustainable production, natural capital and ecological network connectivity.

**What are the most effective ways to support new entrants and encourage more young people into a career in farming and land management?**

Traditional subsidy regimes have been a major element in creating skewed land values making farming inaccessible for many new entrants. Re-designing land payments so that they reward investment in natural capital and the provision of public goods would help address this.

There needs to be greater integration of holistic land stewardship through the school curriculum and through higher learning. Agricultural higher learning is currently too narrow in focus and does not teach holistic land management but rather traditional basic commodification maximisation which has led to poor management of soils, biodiversity, water and other natural capital resources. Many higher learning institutions offer land stewardship options and modules within their curriculums however these are not usually compulsory. If government want to facilitate a genuine step change in knowledge of farming and land management, these modules should be embedded in core learning – not least because so much farming knowledge transfer is from parents and grandparents. Some Trusts are filling the gaps through their own training and engagement programmes with young people such as Norfolk Wildlife Trust and a partnership of South West Wildlife Trusts through Skills for the Future.

**Example: Norfolk Wildlife Trust**

Norfolk Wildlife Trust runs an ongoing programme of environmental conservation/land management apprenticeships in association with Easton & Ottley College. Participants have achieved Level 2 Certificates in Work Based Environmental Conservation with some going on to achieve Level 3 Certificates and Foundation Courses leading to degree level education. NWT also engage with the YIELD farmer network in Norfolk which brings together young farmers and advisers (25-40) to socialise and discuss wide ranging issues affecting farming.

**Example: Skills for the Future**

The Wildlife Skills Training for a Career in Nature Conservation programme funded through Heritage Lottery Fund (HLF) Skills for the Future delivered 57 training placements in a range of conservation skills for people from diverse backgrounds across four Wildlife Trusts in the South West of England; Devon, Dorset, Somerset and Wiltshire. Forty-seven (82%) highly trained individuals are now employed in the sector, with the other 10 in further training, or expected to gain employment very soon. [https://www.dorsetwildlifetrust.org.uk/wildlife\\_skills](https://www.dorsetwildlifetrust.org.uk/wildlife_skills)

## 4.2 Agricultural technology and research

**Consultation questions**

What are the priority research topics that industry and government should focus on to drive improvements in productivity and resource efficiency?

a) Plant and animal breeding and genetics b) Crop and livestock health and animal welfare c) Data driven smart and precision agriculture d) Managing resources sustainably, including agro-chemicals e) Improving environmental performance, including soil health f) Safety and trust in the supply chain g) Other (please specify)

How can industry and government put farmers in the driving seat to ensure that agricultural R&D delivers what they need?

What are the main barriers to adopting new technology and ideas on-farm, and how can we overcome them?

The Wildlife Trusts believe that the way in which productivity is currently assessed is flawed. We need to move towards a system whereby environmentally-adjusted total factor productivity is measured. This would factor in all the resources used to achieve the production and the negative and positive outputs. We know, for example, that society is bearing the costs of production at the moment. Soil degradation costs £1.2bn a year in England and Wales (80% of which is incurred by

non-land managers)<sup>14</sup>. For every £1 spent on food there is 25.7p cost of natural capital degradation and a 10.6p biodiversity loss. These costs are passed on to society in a range of hidden ways – from our water bills to our insurance costs<sup>15</sup>.

If environmental enhancement is to provide the cornerstone of a new ELMS, then **(e) Improving environmental performance, including soil health**, must be the priority. This will support a sustainable and resilient farming and land management sector for future generations.

Agri-Tech should be widened out to include research and development that improves both environmental performance and productivity. R&D on Integrated Pest Management (IPM) should also be prioritised. IPM applies an ecosystem approach to crop production and protection that combines different management strategies and practices to grow healthy crops whilst at the same time minimising the use of pesticides. A major advantage of using a combination of tools rather than relying on one form of control (i.e. commercial pesticide products) is that it lessens the chance of pests becoming resistant through selection pressure.<sup>16</sup>

Whilst not a new technique, the use of soil sampling and nutrient analysis can provide the evidence farmers need to change practice.

**Example: Cornwall Wildlife Trust**

CWT Upstream Thinking farm advisors found a farm near Penzance had been applying phosphate in the same quantities for several generations. Soil testing demonstrated surplus phosphate in every field and eventually the farmer was convinced to reduce inputs. He now applies 80% less phosphate which equates to 700kg less phosphate applied each year without reducing yields. Other farmers are starting to follow suit, with the confidence that this change does not reduce yields. Similar changes have now been observed across 920ha of farmland.

Our second choice would be **(g) Other**, Integrated Pest Management (IPM).

An important way to put farmers in the driving seat would be to encourage best practice in creating farm accounts. The wide scale absence of farm accounts and the subsequent inability to analyse fixed and variable costs, yields and revenues from diversification is a barrier to increasing sustainable production and resource efficiency. If business owners cannot understand where they are making or losing money, then genuine analysis is impossible.

It is widespread practice in the farming sector to increase volume production (e.g. breed more lambs) if prices decrease. This drives prices down whilst increasing the farmers input costs (such as feed and vet bills). In comparison, a trade body

<sup>14</sup> Graves, A.R. *et al.*, 2015. The total costs of soil degradation in England and Wales. *Ecological Economics*, **119**: 399-413.

<sup>15</sup> <http://sustainablefoodtrust.org/wp-content/uploads/2013/04/HCOF-Report-online-version-1.pdf>

<sup>16</sup> For further detail please see Scottish Wildlife Trust pesticides policy here: [https://scottishwildlifetrust.org.uk/wp-content/uploads/2016/09/002\\_322\\_pesticidesv2\\_1449073255.pdf](https://scottishwildlifetrust.org.uk/wp-content/uploads/2016/09/002_322_pesticidesv2_1449073255.pdf)

such as OPEC reduces oil production if prices decrease to maintain their members' income.

As farmers often act alone and are reliant on wholesale buyers acting on behalf of the major supermarkets, they cannot act in the same way as OPEC. Until this is solved, farming will continue to be heavily stratified with the trend of 7% of economically large farms producing over half (55%) of the agricultural output using 30% of the farmed land area. This is because the large scale producers have a greater ability to negotiate price, to understand their costs and adjust their production accordingly. They may also have brought more of the value added side of food sales within their own business and may be selling direct to customers or marketing a more refined product.

The alternative to the present situation should be a highly efficient, productive set of knowledgeable farmers well supported by strong farm accounts and environmental advisors who are able to be economically profitable and enhance the environment.

#### **4.3 Labour: a skilled workforce**

There is a major gap in environmental land management skills which are not being provided for adequately in further and higher education courses. As we stated earlier (see 4.1), there needs to be greater integration of holistic land stewardship through school curriculum and through higher learning.

Specifically, training on the gains to farming that can be delivered through wildlife-friendly measures would be very useful, as would more information from research on which habitats are more permeable for wildlife, so that farmers can see the science behind the advice that Wildlife Trusts and others give.

Training to assess natural capital will also be important given the government's ambition to make natural capital a basis for future payments.

Our priority is therefore **(g)'Other** – specifically, Environmental Land Management and Natural Capital Assessment.



## Implementing our new agricultural policy in England

### 5. Public money for public goods

#### Section 5: Summary

- Public money should be invested in providing public goods which the conventional market will not pay for.
- There is an economic as well as a social and moral imperative to improve and maintain our country's natural infrastructure – our rivers, woodlands, peat bogs and meadows – our natural capital.
- We propose that farmers and land managers should be paid to provide eight public goods: (1) More, bigger and better natural habitats; (2) Thriving wildlife everywhere; (3) Abundant pollinators; (4) Healthy soils; (5) Clean water; (6) Clean air and climate change mitigation; (7) Flood risk management, and (8) Access to wild spaces.
- Habitat expansion and connectivity should be included in a future ELMS and are missing from the list of environmental public goods in the consultation document.
- Environmental land management often results in multiple benefits – ranking and separating benefits is unhelpful.
- The government must include targets and milestones and design the ELMS to deliver these. The ELMS should be linked to creating a Nature Recovery Network and delivering the 25 Year Plan for the Environment.
- Productivity and competitiveness is not a public good as the primary beneficiary is the producer. Food security, in this sense of increasing UK production, should not be the basis for public policy or public payments.

#### Consultation questions

Which of the environmental outcomes listed below do you consider to be the most important public goods that government should support? Please rank your top three options by order of importance:

- a) Improved soil health
- b) Improved water quality
- c) Better air quality
- d) Increased biodiversity
- e) Climate change mitigation
- f) Enhanced beauty, heritage and engagement with the natural environment

Of the other options listed below, which do you consider to be the most important public goods that government should support? Please rank your top three options by order of importance:

- a) World-class animal welfare
- b) High animal health standards
- c) Protection of crops, tree, plan and bee health

- d) Improved productivity and competitiveness
- e) Preserving rural resilience and traditional farming and landscapes in the uplands
- f) Public access to the countryside

Are there any other public goods which you think the government should support?

A thriving natural environment is fundamental to the security of the economy and wellbeing of society, but it is under strain. The majority of England's wildlife depends on the remaining areas of semi-natural habitat that are less intensively farmed within the countryside<sup>17</sup>. Yet pollinators and natural habitats are in decline; carbon is escaping from our exhausted soils<sup>18</sup> and rather than holding water, our soils are washing into our rivers and flowing out to sea<sup>19</sup>. Society is bearing the costs of this. Soil degradation costs £1.2bn a year in England and Wales (80% of which is incurred by non-land managers)<sup>20</sup>. For every £1 spent on food there is 25.7p cost of natural capital degradation and a 10.6p biodiversity loss. These costs are passed on to society in a range of hidden ways – from our water bills to our insurance costs<sup>21</sup>.

The Wildlife Trusts believe that we need to put the health of our environment at the heart of our future agriculture and land management policy – which means designing a new system based on environmental outcomes and public benefits. We believe that public money should be invested providing public goods which the conventional market will not pay for. Public goods are available to all. Their use by one individual does not reduce their availability to others. Public goods are therefore, by definition, non-rivalrous and non-excludable. Environmental public goods include pollination and clean air.

There is an economic as well as a social and moral imperative to improve and maintain our country's natural infrastructure – our rivers, woodlands, peat bogs and meadows – our natural capital. This cannot be done through the open market so there is a strong case for government intervention. Farmers can sell the food they grow through the market and this should be valued highly. Farmers need to be rewarded for the work they do that delivers other benefits or services they cannot sell but that society needs.

The Wildlife Trusts set out the public benefits that we believe should be funded in a future land management policy in our 2017 publication, *What next for farming? A future policy for land in England: investing in our natural assets*<sup>22</sup>. In this, we

<sup>17</sup> Defra, 2018. Future Farming and Environment Evidence Compendium. Available here:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/683972/future-farming-environment-evidence.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/683972/future-farming-environment-evidence.pdf)

<sup>18</sup> Stoate, C. *et al.*, 2001. Ecological impacts of arable intensification in Europe. *Journal of Environmental Management*. **63**: 337-365.

<sup>19</sup> Boardman, J., Shepheard, M.L., Walker, E. & Foster, I.D.L. 2009. Soil erosion and risk-assessment for on- and off-farm impacts: A test case using the Midhurst area, West Sussex, UK. *Journal of Environmental Management*, **90**: 2578-2588.

<sup>20</sup> Graves, A.R. *et al.*, 2015. The total costs of soil degradation in England and Wales. *Ecological Economics*, **119**: 399-413.

<sup>21</sup> <http://sustainablefoodtrust.org/wp-content/uploads/2013/04/HCOF-Report-online-version-1.pdf>

<sup>22</sup> The Wildlife Trusts, 2017. What Next for Farming? A future policy for land in England: investing in our natural assets. Available here:

[http://www.wildlifetrusts.org/sites/default/files/the\\_wildlife\\_trust\\_future\\_land\\_policy\\_briefing\\_dec\\_17.pdf](http://www.wildlifetrusts.org/sites/default/files/the_wildlife_trust_future_land_policy_briefing_dec_17.pdf)

proposed that farmers and land managers should be paid to provide eight public benefits (see Box 1):

### **Box 1: Public benefits to be funded through a new ELMS**

#### **1. More, bigger and better natural habitats**

Our remaining areas of natural habitat – peatlands, woodlands, grasslands, heathlands and wetlands should be protected, restored and expanded so that they are adapted, can adapt and be resilient. This should include creating new habitat in key locations as set out in maps that help to create a national nature recovery network<sup>5</sup> and meet the government’s target of 500,000ha of new wildlife habitat, plus contribute to the target of restoring 75% of our one million hectares of terrestrial and freshwater protected sites to favourable condition<sup>23</sup>.

#### **2. Thriving wildlife everywhere**

Wildlife needs to be able to thrive beyond protected areas and nature reserves. We need to create a connected, nation-wide network of habitats – combining smaller areas of habitat and hedgerows with bigger natural areas, allowing species to move through the wider countryside. Critical to achieving this will be supporting Local Wildlife Sites in a future land management payments scheme as they provide essential stepping stones and havens for wildlife.

#### **3. Abundant pollinators**

Our wild pollinators are in trouble yet should be increasing year on year if we are to avoid a crisis in food production and ecosystem health. We need to protect existing and create new wildlife meadows and hedgerows, and manage at least 3% of arable farm areas specifically for pollinators.

#### **4. Healthy soils**

Healthy soils are fundamental to insect life: natural fertility and health must be restored to our soils through soil-friendly agricultural practices which protect soils (e.g. planting catch cover crops) and encourage the build up of soil organic matter (e.g. using natural rather than artificial fertilisers).

#### **5. Clean water**

We need healthy streams, rivers and wetlands. Currently our rivers are carrying too much sediment, too many chemicals and high levels of nutrients derived from agricultural land. All water bodies should be restored to Good Ecological Status within 10 years, through a range of actions including improving the storage and use of slurry.

#### **6. Clean air and climate change mitigation**

Use of non-renewable resources in agriculture should be reduced and greenhouse gas emissions lowered. Sustainable land management practices should be rewarded for contributing to this public good, including improving soil health, restoring degraded land, peatland and cultivated organic soils and improving grazing land management, e.g. by keeping stocking densities at sustainable levels.

<sup>23</sup> Defra, 2018. A Green Future: Our 25 Year Plan to Improve the Environment. Available here: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/693158/25-year-environment-plan.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/693158/25-year-environment-plan.pdf)

## **7. Flood risk management**

The way in which land is managed can help either slow or speed up the flow of water. Natural solutions should be used much more widely to absorb and slow the flow of water from source to sea. The costs of flooding which we pay for through higher insurance premiums and for cleaning water pollution which we pay for through our water bills was recently calculated at £2.4bn a year in England<sup>24</sup>. We believe that allocating 10% of the current flood management budget towards natural solutions – from floodplain meadows and peatland restoration to tree planting and reintroducing beavers – would help deliver this public good.

## **8. Healthy people**

More people should be able to enjoy beautiful natural environments rich in wildlife. Helping more people to access and appreciate the countryside, especially near to where they live, is not only an important public good, but could have a great return on investment.

We believe that habitat expansion and connectivity, which are currently missing from the environmental public goods outlined in Section 5 of the consultation document, should be included in a future ELMS. Without these, the government's stated ambitions for nature's recovery as outlined in the 25 Year Plan for the Environment will not be achieved. We also think that flood risk mitigation should be included as a public good for reasons set out in Box 1.

We do not believe these environmental public goods should be ranked, as the consultation document suggests, because they are very often interconnected - supporting one delivers benefits for others. Restoring peatlands, for example, locks in carbon, soaks up water to prevent flooding downstream, helps filter and clean water, supports unique wild plants and animals and provides wild places for people to enjoy.

A farm with rich, fertile soils and habitat for wild pollinators will naturally support more wildlife species, store water more readily and for longer, and help mitigate against climate change – providing multiple benefits. It will also require less inputs, such as fertiliser or water, driving down a farmer's variable costs and making their business more profitable and sustainable. Examples of the multiple benefits provided from floodplain meadows and conservation grazing are provided below.

### **Example – Floodplain Meadows bringing multiple benefits**

Floodplain meadows provide multiple benefits, in particular providing natural flood storage and important habitats for pollinators, alongside promoting clean water and healthy soils. The Floodplain Meadows Partnership<sup>25</sup> was established to promote best practise in restoration and re-creation of floodplain meadows through providing specialist advice to landowners, undertaking scientific research and disseminating findings as well as training local ambassadors to provide ongoing monitoring and advice to restorations schemes.

<sup>24</sup> Green Alliance, 2016. New markets for land and nature: how Natural Infrastructure Schemes could pay for a better environment. Available here: [https://green-alliance.org.uk/natural\\_infrastructure\\_schemes.php](https://green-alliance.org.uk/natural_infrastructure_schemes.php)

<sup>25</sup> See <http://www.floodplainmeadows.org.uk/> for more information on the Floodplain Meadows Partnership.

**Example: Conservation grazing for multiple benefits**

Grazing is the most natural form of management for certain habitats. Livestock can access areas that machinery can't, and the impacts of grazing are less instantaneous than other methods, such as burning or cutting, which means that less-mobile wildlife can thrive. Grazing also supports other beneficial farming activities, such as hay making, which secures active management for valuable meadow habitats. Stocking densities for conservation grazing are usually low and the timing and duration of grazing are carefully managed.

Both over- and under-grazing will reduce the wildlife value of a habitat, so organisations like The Wildlife Trusts produce management plans for each grazed site, outlining the grazing regime required to maintain or restore the habitats found there. The Wildlife Trusts collectively own more than 7,500 grazing animals, including traditional and rare breed sheep and cattle, native ponies, red deer and even water buffalo. We also use local graziers to help manage sites. Hardy native breeds are ideal for conservation grazing because they don't need high quality grass, happily eat coarse vegetation and cope well with living outdoors in winter. Many Trusts have 'flying flocks' of animals that are moved between reserves and partner sites on rotation to allow them to graze for set periods depending on each site's requirements

A low intensity, conservation driven approach to managing livestock can also look after itself financially. The animals are crucial to the management of habitats like heathland and wildflower meadows but looking after them still incurs a cost. By providing conservation-grazed beef, lamb and dairy produce to the local community, some of those costs are recouped and reinvested in sustainable land management. The creation of local markets can help to rejuvenate rural economies and preserve traditional rural skills, as well as rare breeds, to protect our cultural heritage.

The consultation document gives no targets for the proposed environmental outcomes or public goods. Without targets, with associated milestones and timeframes, it will not be possible to know how we are performing, where we can improve, or where to target funding. Therefore, the government must include targets and milestones and design the ELMS to deliver these. Using nature recovery maps can frame any numeric targets to ensure that resources and effort is targeted to the best effect.

We believe that there is a role for government in supporting the other non-environmental goods listed in the consultation document. 'Productivity and competitiveness' is not a public good as the primary beneficiary is the producer. There may well be a role for government in creating the conditions in which productivity improves (e.g. through supporting R&D, innovation and skills development) but these are not public goods per se.

Farmers already receive a financial return for producing food; they should be more fairly rewarded through the market, not simply paid to grow more food. This means

food security, in this sense of increasing UK production, should not be the basis for public policy or public payments.

By investing in the natural assets that underpin our farming systems, the government will be supporting a productive and resilient agricultural sector for future generations – they will be supporting the systems that ensure we have a secure and plentiful supply of food.

## 6. Enhancing our environment

### Section 6: Summary

- The Wildlife Trusts believe that the following public benefits should be incentivised across different spatial scales in a future ELMS: (1) More, bigger and better natural habitats; (2) Thriving wildlife everywhere; (3) Abundant pollinators; (4) Healthy soils; (5) Clean water; (6) Clean air and climate change mitigation; (7) Flood risk management, and (8) Access to wild spaces.
- A Nature Recovery Network which puts space for nature at the heart of our farming system is critical to realising these public benefits and outcomes.
- Public payments for land management should be targeted and allocated at a local level through a Local Nature Recovery Map – a spatial approach to identify societal and environmental needs.
- A powerful independent body should oversee progress towards outcomes and hold the Government to account.
- Contracts could be offered to deliver the strategic outcomes at the locations identified on the Map – i.e. where society needs them.
- The government needs to recognise the importance of specialist advice in caring for the environment in a future ELMS.
- To help our wildlife and environment recover we need to invest in our land and countryside, at a higher level than we currently are.
- A future ELMS will need to resolve questions associated with paying for public goods, e.g. where public goods provision is divided between landowner and commoner, and where environmental measures may reduce the capital value of land (e.g. by re-wetting).

### Consultation questions

From the list below, please select which outcomes would be best achieved by incentivising action across a number of farms or other land parcels in a future environmental land management system:

- a) Recreation
- b) Water quality
- c) Flood mitigation
- d) Habitat restoration
- e) Species recovery
- f) Soil quality
- g) Cultural heritage
- h) Carbon sequestration and greenhouse gas reduction
- i) Air quality
- j) Woodlands and forestry
- k) Other (please specify)

What role should outcomes-based payments have in a new environmental land management system?

How can an approach to a new environmental land management system be developed that balances national and local priorities for environmental outcomes?

How can farmers and land managers work together or with third parties to deliver environmental outcomes?

The Wildlife Trusts believe that the eight public benefits outlined in Section 5 (Box 1) should have targets attached to them and form the basis for a future ELMS, namely: (1) More, bigger and better natural habitats; (2) Thriving wildlife everywhere; (3) Abundant pollinators; (4) Healthy soils; (5) Clean water; (6) Clean air and climate change mitigation; (7) Flood risk management, and (8) Access to wild spaces.

There is considerable cross-over between these eight benefits, and those listed in Section 6 of the consultation document. The Wildlife Trusts set out a proposed delivery model for a new ELMS in our 2017 publication, *What next for farming? A future policy for land in England: investing in our natural assets*<sup>26</sup>.

At the heart of achieving these outcomes is a Nature Recovery Network which puts space for nature at the heart of our farming system. We need new laws, including an Environment Act passed by the Westminster government, to ensure this happens. In it, Local Authorities and Defra organisations must be required to produce local Nature Recovery Maps to achieve key Government targets for increasing the extent and quality of natural habitats, turning nature's recovery from an aspiration to a reality. The government needs to set out long term aims for environmental health and nature's recovery in line with international commitments and domestic priorities.

Building a Nature Recovery Network requires detailed information: where wildlife is abundant or scarce; where it should be in future; which places are most important; and where there is opportunity for positive change. The critical tool is a Local Nature Recovery Map. Public payments for land management should be targeted and allocated at a local level through a Local Nature Recovery Map – a spatial approach to identify societal and environmental needs.

Our future land management policy is a critical delivery means for the Nature Recovery Network. A powerful independent body should oversee progress towards outcomes and hold the Government to account. The new agriculture and land management policy will only operate effectively in a context of well enforced, strong regulation which surpasses the current baseline to receive a payment; and high environmental standards (at least equivalent to current EU Directives, principles and standards).

The outcomes identified through the Local Nature Recovery Map could be delivered through a variety of mechanisms including contracts with farmers, landowners and

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<sup>26</sup> The Wildlife Trusts, 2017. What Next for Farming? A future policy for land in England: investing in our natural assets. Available here: [http://www.wildlifetrusts.org/sites/default/files/the\\_wildlife\\_trust\\_future\\_land\\_policy\\_briefing\\_dec\\_17.pdf](http://www.wildlifetrusts.org/sites/default/files/the_wildlife_trust_future_land_policy_briefing_dec_17.pdf)



other organisations. We suggest that contracts be offered to deliver the strategic outcomes at the locations identified on the Map – i.e. where society needs them.

Contracts could be of variable length (e.g. 5 – 25 years depending on the nature of the need) to provide continuity and give land managers the ability to plan in the long term. Longer contracts would reduce the burden and costs of administration for both farmers and the state - by taking away the need for annual applications, focussing audit and monitoring processes on outcomes rather than on detailed process-based approaches and placing more emphasis on land managers to demonstrate the success of their work.

These contracts should relate to high level objectives set around whole catchments and landscapes as proposed in the Local Nature Recovery Map. Whole farm plans should underpin investment in a land-holding and the system should make maximum use of facilitating groups of farmers whereby they can take ownership and responsibility for designing and implementing their own solutions to the challenges and desired outcomes set for them in the Local Nature Recovery Map.

Administration of the scheme and its funds should be simple, with clear read across to other legislation. One commissioning public agency should be responsible for administering the full breadth of funds and would take responsibility for overview, audit and delivery. This agency should operate at the sub-national level most relevant to the outcomes and most effective for managing relationships – this may be at a catchment level, county or regional level but there needs to be a clear connection between national level objectives, the Local Nature Recovery Map and local delivery contracts.

We propose that three public asset funds for land management are core to the new approach and based on delivering a landscape-scale approach to land management which acknowledges that wildlife and wild places do not recognise boundaries and that we need more, bigger, better and joined spaces for wildlife<sup>6</sup>. The funds would support natural asset improvement (e.g. for soil recovery, water quality measures, providing habitat for pollinators), asset maintenance (e.g. for SSSIs, Local Wildlife Sites, natural flood management, historic sites) and asset restoration and creation (e.g. for landscape-scale join-up, creating woodlands, peatlands or wetlands). Two additional funds could support innovation (a competitive fund for innovative land management projects) and upskilling and resilience (e.g. business support, education & training, enhancing rural vitality).

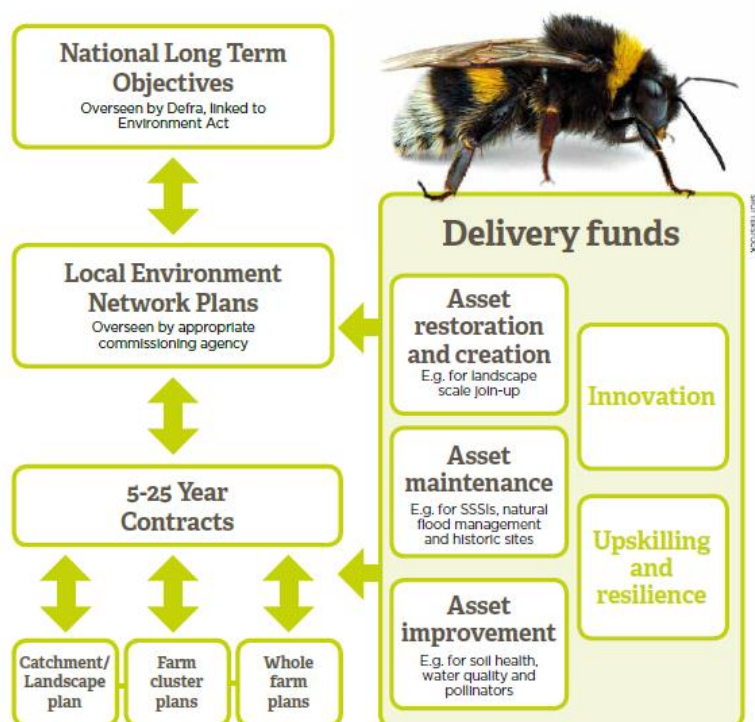
The new approach will also need to use innovative financial mechanisms to achieve the intended outcomes (e.g. auctions for service delivery, competitive bidding processes and the establishment of new markets).

A simplified diagram of our proposed approach is in Figure 1<sup>27</sup>.

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<sup>27</sup> Reproduced from The Wildlife Trusts, 2017, *What next for farming? A future policy for land in England: investing in our natural assets*<sup>27</sup>. Please note that 'Local Environment Network Plan' is used interchangeably with 'Local Nature Recovery Map'.

Figure 1: How to deliver a future land management policy



To help our wildlife and environment recover we need to invest in our land and countryside, at a higher level than we currently are. Just to meet current domestic and international environmental commitments the UK through land management would need to invest £2.3 billion annually in its farmed environment, or £1.3bn in England (not including advice provision, scheme support or evaluation and monitoring, for example)<sup>28</sup>. We believe that these sums are a critical minimum amount and the appropriate spend on the environment has enormous added value. The evidence compendium (p. 59) makes this clear with its cost benefit ratio analysis<sup>17</sup>. Investing in our natural capital makes economic sense, as the Yorkshire Wildlife Trust analysis of the Aire Catchment shows<sup>29</sup>.

**Example: Yorkshire Wildlife Trust**

YWT analysed the impact of moving land subsidies from the existing CAP programmes (both Direct Payments and agri-environment payments) to a payments for public goods model. The River Aire Catchment was selected as a case study as it has wide variety of habitats and agricultural soils. The Aire Valley currently receives around £16m a year from the current subsidy system. This figure was used as the budget to be reallocated.

YWT’s report concludes that a move away from subsidy to direct public contracts for identified public goods would be dramatically effective in securing environmental, quality of life and economic benefit. The approach also frees

<sup>28</sup> RSPB, The National Trust and The Wildlife Trusts, 2017, Assessing the Costs of Environmental Land Management in the UK. Available here: [http://www.wildlifetrusts.org/sites/default/files/assessing\\_the\\_costs\\_of\\_environmental\\_land\\_management\\_in\\_the\\_uk\\_final\\_report\\_22\\_nov\\_17.pdf](http://www.wildlifetrusts.org/sites/default/files/assessing_the_costs_of_environmental_land_management_in_the_uk_final_report_22_nov_17.pdf)

<sup>29</sup> Yorkshire Wildlife Trust, 2017. Applying a new approach to English Agriculture Policy. Public payments for public goods – a n example of how it might work in the River Aire Catchment. Available here: [http://www.ywt.org.uk/sites/default/files/171121\\_river\\_aire\\_agri\\_policy\\_web.pdf](http://www.ywt.org.uk/sites/default/files/171121_river_aire_agri_policy_web.pdf)

agriculture to adapt to market-based food production, without the hindrance of subsidy. Refining farm businesses to make the most of opportunities from food production, tourism and public benefits could see farm income rising and attract younger farmers back, revitalising farming. Under this scheme the UK would finally arrest the decline of biodiversity meeting its commitments under the UN Biodiversity Convention as well as meeting targets in air quality, water quality, flood storage and health and wellbeing.

We welcome the opportunity to engage with Defra in the design of a future ELMS. Some initial thoughts on design are that advice will be needed to ensure the success of the scheme. Managing land for wildlife can be complicated, and farmers who have access to expertise do better than those who do not. The government needs to recognise the importance of this specialist advice in caring for the environment in a future ELMS (see Section 4).

In terms of contracting for the provision of public goods, we anticipate potential issues where service provision is divided between different individuals, such as between landowner and commoner. For example, the ecosystem services of a blanket bog are divided between how the surface vegetation is managed (commoner) and the underlying peat soil (landowner). It would be useful to think now about how the payments for these services are to be allocated. Similarly, there are likely to be issues around the biodiversity services and how they are provided.

**Example: Cumbria Wildlife Trust**

CWT warden the south end of Walney Island in order to protect its breeding and wintering birds. This is a valuable ecosystem service. However, under the current system payments for this site go to the tenant grazier.

Current agri-environment measures are based around an income foregone calculation, but this does not take into account an adequate assessment of the loss of capital value of the land. For example, lowland raised peatlands should sit within a 'lagg' fen (i.e. a wetland on the perimeter of the bog) to prevent collapse of the peat resource within the bog and a decline of its biodiversity. To date, agri-environment schemes have not supported this important peripheral habitat, thereby limiting the impact (and value for money) of the agri-environment payment for the raised bog. This is partly because making land wetter reduces its capital value and existing agri-environment payments do not adequately compensate for the loss of that value. This needs to be addressed in the design of a future ELMS. Long-term contracts will have an important role to play.

## 8. Supporting rural communities and remote farming

### Summary: Section 8

- The natural capital of the uplands is in poor condition and they are not providing society with the wider benefits they could.
- Hill farmers are dependent on payments and the tax payer is subsidising continuing decline and environmental degradation.
- The Wildlife Trusts believe the uplands need a new vision. Central to this vision is that if upland habitats can function as relatively natural biological systems, they can revitalise local economies.
- Our lowland landscapes in South West England face similar challenges to those of the uplands.

### Consultation questions

How should farming, land management and rural communities continue to be supported to deliver environmental, social and cultural benefits in the uplands?

There are a number of challenges facing rural communities and businesses. Please rank your top three options by order of importance:

- a) Broadband coverage
- b) Mobile phone coverage
- c) Access to finance
- d) Affordable housing
- e) Availability of suitable business accommodation
- f) Access to skilled labour
- g) Transport connectivity
- h) Other, please specify

With reference to the way you have ranked your answer to the previous question, what should government do to address the challenges face by rural communities and businesses post-EYU Exit?

Remote areas of England are a source of inspiration and renewal for millions of people. The extensive scale, beauty and distinctive wildlife of the uplands, for example, make them important places for many people to escape the pressures of modern society. They are also places where people live and work – we recognise the important role hill farmers have in managing upland habitats and commons.

Uplands are special because in ecological terms they remain relatively ‘connected’ and have been less affected by fragmentation than other parts of England. They are more remote and have an associated range of specialist habitats such as montane heaths and assemblages of wild species that are not found at an equivalent scale elsewhere.

The uplands are also the source of our major rivers and the drinking water supplies for 70% of our population. Many upland communities have distinct traditions, skills and practices which continue to this day due to their culture, remoteness and topography. These factors have also placed some constraints on the opportunities and costs for intensive land management practices to be applied in upland areas. This does not mean, however, that intensification has not occurred.

The public perception is often of pristine nature, but upland habitats have also been subject to damaging impacts and land-uses which have resulted in widespread damage and degradation, as in the lowlands. Change has come from conifer afforestation, increased grazing pressure, increased drainage and, the use of pesticides and fertilisers. Many sensitive upland habitats have also been affected by high levels of atmospheric pollution.

Some areas consist of intensively managed heather, which is burnt in rotation to support grouse populations for shooting. But even larger areas have been affected by intensive overgrazing or lost to conifer afforestation. Predator control, particularly the illegal persecution of certain species like the hen harrier and peregrine falcon, has brought moorland owners and gamekeepers into serious conflict with others who love these birds.

The natural capital of uplands is in poor condition and they are not providing society with the wider benefits they could. If they were more sensitively and sustainably managed, these habitats and landscapes have the potential to provide higher quality food, water, timber and tourism; whilst absorbing and retaining more carbon from the atmosphere; reducing downstream flooding; providing cleaner water supplies and supporting an exciting and vibrant mix of some of our most threatened wildlife species.

The current situation for hill farming is highly marginal even on its own terms. Farm incomes are very low and the majority of businesses depend on the tax payer with around 80% of hill farming income coming from subsidy payments. The average age of hill farmers is around 60 – 70 and low incomes mean that fewer young people will follow their parents into hill farming. In recent years, landlords have been unable to let hill farms across significant parts of the Lake District and this trend may be expected to spread to other parts of the uplands. Hill farmers are dependent on payments and the tax payer is subsidising continuing decline and environmental degradation. At the same time many of the downhill costs, such as increased flooding, are also being picked up by the public purse.

The current subsidy system has resulted in unanticipated, contradictory and unsustainable outcomes; they have encouraged decades of unsustainable land use whose hidden costs are borne by businesses (such as the water companies), wildlife and the general public. The public goods they create are valued and yet the land use systems which created them are no longer sustainable in an economic or social context.

The Wildlife Trusts believe the uplands need a new vision – one of a living landscape - in which society values their habitats and local communities for all the benefits they provide. Our central idea is that if upland habitats can function as relatively natural

biological systems, they can revitalise local economies. There is a unique opportunity to secure extensive landscape-scale systems in the uplands because of their geographic scale.

Our vision for the uplands is set out in Box 2. We propose that farming, land management and rural communities should be supported to deliver this vision for the uplands.

Our lowland landscapes in South West England face similar challenges to those of the uplands, as a recent report by the South West Local Economic Partnerships on Rural Productivity set out<sup>30</sup>. This report recognises that the South West's natural and cultural assets are vital economic assets, which need to be maintained and enhanced so that they can continue to provide services to the economy. The need for support for environmental land management in high nature value lowland landscapes is extremely important.

### **Box 2 - The Wildlife Trusts vision for the uplands**

#### **A vision for a new economic model**

Government policy will support holistic decision-making about growth, development and the economy in the uplands. The full value of upland habitats is recognised, conserved and factored in to decision-making and spatial planning.

Policy incentives and subsidies will be aligned and consistent. Public payments will have been redesigned and applied more wisely to provide incentives for farmers and landowners to provide multiple benefits for society. The principle of 'public payments for public benefit' is applied to provide a fair mechanism for addressing market failures in environmental management.

Upland land management activities are appropriate, well-located and proportionately designed 'with the grain' of the environment and in keeping with the sense of place and local character. Land management which undermines, over-exploits or denudes the natural capital of the uplands has ceased – and new investment has enabled the historic impacts to have been restored.

Upland farming systems have embraced a low external input – low capital cost approach, producing sustainably produced food and the benefits that come from a healthy, sustainable natural environment in which natural processes function.

New economic models have been explored and developed, for example, in how to make a better living from wilder or rewilding habitats as demonstrated by visionary projects like that at Pumlumon and Ennerdale. Natural capital maintenance payments, off-setting and other innovative ways of adding economic returns from High Value Nature Conservation will have been explored and developed. A new generation of hill farmers will have been attracted to this approach because it gives them more business opportunities and it makes financial and business sense for them. Farmers will have a stake in sustaining wildlife-rich farming systems and receive a full financial reward from society for the benefits they deliver.

<sup>30</sup> The South West Rural Productivity Commission, 2017. Key Findings and Recommendations. Available here: <https://heartofswlep.co.uk/wp-content/uploads/2017/10/HotSW-14332-A4-Overview-report-digital-doc-FINAL.pdf>

### **A vision for jobs and people**

Many kinds of sustainable economic activity flourish: tourism and recreation are recognised as being the most important economic activity; with sustainable woodland use; field sports and fishing; venison, beef, sheep and dairy; and sensitive development of renewable energy taking place in the right places and in the right way. Cultural and historic landscapes are protected.

Landowners and farmers are rewarded for providing society with multiple benefits (for example reduced flooding, cleaner water, carbon storage, returning wildlife and an environment which more people want to visit). Local people decide how their area develops within the wider national policy framework and in a way which respects and enhance its significance. They have a financial stake in making their landscape better for people and wildlife.

### **A vision for wildlife**

Hillsides dominated by monocultures devoid of wildlife like mat grass or Sitka spruce are no longer accepted as natural. Instead a new landscape of restored habitats with functioning natural processes is developing: a shifting mosaic of woods, heaths, alpine / hill scrub, bogs, and wildflower meadows driven by appropriate pastoralism. All SSSIs, Local Wildlife Sites and protected areas are in good condition, joined up within ecologically resilient networks of habitats.

The uplands will be wilder. Across significant areas, a full range of wild species, from some of the top predators to the tiniest beetle can now move across the landscape to reach the habitats they require. Some of the missing keystone species will have been reintroduced such as beaver and hen harriers.

### **A vision for soil, peat and water**

Artificially-induced soil and peat erosion processes have been halted and significant progress has been made to reverse the damage. All of England's upland peat bogs are actively growing. Freshwater systems are managed holistically from headland to sea. Streams and rivers have been allowed to develop into relatively natural features teeming with salmon, trout and other aquatic life. Natural control mechanisms and processes deal with invasive problem species.

### **A vision for wellbeing**

The link between upland landscapes and improved wellbeing is widely acknowledged and understood. The uplands provide outstanding and life-changing opportunities for people to exercise, enjoy and access nature. Consequently, the uplands are now valued and recognised for their role in promoting the mental and physical health of the nation and people's wellbeing. They play a vital role in the education and personal development of every child in the UK.

### **A vision for an adapted and resilient upland environment**

The restoration of more natural processes and wildlife to the uplands will have ensured that they are well adapted to the uncertainties and extremes of a changing climate. Restored, unburnt and functioning peat bogs will retain their carbon stores and help to fix and lock-up more atmospheric carbon as well as

becoming more wildlife-rich. Increased natural woodland and better vegetation management will have reduced the costs of soil erosion and water pollution problems – helping to secure clean water supplies for millions of people and industry. The frequency of downstream flooding problems in the lowlands will have been reduced by addressing contradictory management practices. Appropriate renewable energy production will be balanced with the needs of wildlife and landscape aesthetics.



## 9. Changing regulatory culture

### Section 9: Summary

- The Wildlife Trusts believe that it should be easy for farmers and land managers to help nature, without being weighed down by unnecessary bureaucracy and paperwork.
- Some agricultural practices cause diffuse water pollution. Farming Rules for Water (FRFW) have been set as the new regulatory baseline to address the basic causes of agricultural diffuse water pollution.
- There are two main issues with FRFW: enforcement and their narrow focus on diffuse water pollution.
- Defra should conduct a full consultation on the proposed new regulatory baseline so that the risks and opportunities of moving away from the current system can be fully explored.

### Consultation questions

How can we improve inspections for environmental, animal health and welfare standards? Please indicate any of your preferred options below.

- a) Greater use of risk-based targeting
- b) Greater use of earned recognition, for instance for membership of assurance schemes
- c) Increased remote sensing
- d) Increased options for self-reporting
- e) Better data sharing amongst government agencies
- f) Other (please specify)

Which parts of the regulatory baseline could be improved, and how?

How can we deliver a more targeted and proportionate enforcement system?

The Wildlife Trusts believe that it should be easy for farmers and land managers to help nature, without being weighed down by unnecessary bureaucracy and paperwork. Fewer inspections and the better use of technology to identify whether rules are being met (e.g. through remote sensing) could bring environmental benefits, with more time being freed up for landowners to concentrate on delivery of environmental land management schemes.

In England, agriculture accounts for over 50% of nitrates lost to the water environment, 25% of phosphorus, 75% of sediment and 80% of pesticides<sup>31</sup>. Water pollution from agriculture increases water bills for households and businesses and has a negative impact on tourism, at bathing beaches and on the shellfish industry. The practices that avoid such pollution are recognised good farm business practice, improving productivity and efficiency<sup>31</sup>.

<sup>31</sup> The Environment Agency, 2015. Consultation on new basic rules for farmers to tackle diffuse water pollution from agriculture in England. Available here: [https://consult.defra.gov.uk/water/rules-for-diffuse-water-pollution-from-agriculture/supporting\\_documents/Consultation%20document\\_New%20basic%20rules%20for%20farmers.pdf](https://consult.defra.gov.uk/water/rules-for-diffuse-water-pollution-from-agriculture/supporting_documents/Consultation%20document_New%20basic%20rules%20for%20farmers.pdf)

The consultation document proposes maintaining a strong regulatory baseline of standards that reflects the 'polluter pays' principle as the foundation of our future environmental land management system, setting out minimum standards that all farmers and land managers must comply with.

This would set the new Farming Rules for Water<sup>32</sup> (FRFW) as the regulatory baseline. FRFW originated from a threat by Europe to take infringement measures on the UK for failure to meet WFD objectives for diffuse pollution for agriculture, particularly phosphorus. In the consultation in 2015 it was proposed that these rules would reduce P pollution by about 2%. FRFW are the minimum requirements to control those practices which may otherwise result in diffuse water pollution.

There are two main issues with FRFW:

1) **Enforcement:** Currently, to receive Direct Payments, farmers must comply with certain minimum environmental (and animal health and welfare) rules – cross compliance. Under the new system, the incentive to comply will be reduced because there is no threat of fines and/or a withdrawal of payment. This makes the enforcement of the rules even more important. Yet enforcement of existing rules is currently an issue due largely to under-resourcing at the Environment Agency. As such the new FRFW (and any additional environmental measures that we would like to see) could be a weak 'stick'. Wildlife Trust staff on the ground delivering advice to farmers have reinforced this issue, which has been highlighted by other eNGOs, including the Blueprint for Water coalition.

2) **Focus on diffuse water pollution:** Upon leaving the EU, there is a risk that certain laws and rules fall between the cracks. FRFW are focused on a narrower range of environmental minimum standards than necessary (i.e. only on soils, nutrients and water). Whilst these provide a mandatory baseline of good practice, they do not include everything that is currently covered under cross compliance. For example:

- Cross compliance includes measures for rough grazing management including not over-grazing natural or semi-natural grassland and following heather and grass burning guidelines. Whilst FRFW Rule 6 includes 'reasonable precautions to prevent soil erosion', the specifics of rough grazing are not made explicit.
- Other measures that are part of cross compliance, such as hedgerow management, are not part of FRFW because they do not directly relate to diffuse water pollution. Yet hedgerow management is extremely important for wildlife as hedges provide important corridors for wildlife to move through the countryside.

The Wildlife Trusts suggest that Defra conduct a full consultation on the proposed new regulatory baseline so that the risks and opportunities of moving away from the current system can be fully explored.

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<sup>32</sup> See <https://www.gov.uk/guidance/rules-for-farmers-and-land-managers-to-prevent-water-pollution>

## The framework for our new agricultural policy

### 13. Devolution: maintaining cohesion and flexibility

#### Section 13: Summary

- Future farming and land management policies will facilitate the UK to meet international obligations associated with biodiversity, climate change and sustainable development.
- Common approaches must be co-developed jointly by the UK Government and devolved governments via a shared and transparent process.
- Three elements should be common across the UK: the regulatory baseline, some objectives (e.g. environmental) and accountability mechanisms.

#### Consultation questions

With reference to the principles set out by JME(EN), what are the agriculture and land management policy areas where a common approach across the UK is necessary?

What are the likely impacts on cross-border farms if each administration can tailor its own agriculture and land management policy?

Agriculture, and therefore future farming and land management policies, will be central to the ability of the UK to meet international obligations associated with biodiversity, climate change and sustainable development. Wildlife does not respect borders and future policies must recognise this. We therefore recognise that a degree of commonality on some issues is required between the UK Government and devolved administrations - to meet the UK's international obligations, and to manage common resources.

Common approaches must be co-developed jointly by the UK Government and devolved governments via a shared and transparent process. We recommend that the three components of a common approach between the UK and devolved governments are a shared regulatory baseline, some common (e.g. environmental) objectives, and accountability mechanisms.

## 14. International trade

### Section 14: Summary

- We welcome the commitment to maintaining and enhancing our high standards - new trade agreements must not lead to a race to the bottom.
- New trade agreements must help us meet international environmental commitments and obligations.
- Environmental impact assessments should be carried out as part of any trade negotiations.
- A sustainable, thriving agricultural sector is vital for the environment, and we believe that continued tariff-free trade with the EU will be essential to achieve this.

### Consultation questions

How far do you agree or disagree with the broad priorities set out in the trade chapter?

How can government and industry work together to open up new markets?

How can we best protect and promote our brand, remaining global leaders in environmental protection, food safety, and in standards of production and animal welfare?

We welcome the commitment to maintaining and enhancing our high standards of food safety, animal welfare and environmental protection in the UK's international trade regime. We agree that these issues must be paramount and that new trade agreements must not lead to a race to the bottom. We note that there may be pressure from some trading partners to reduce standards for their exports to the UK and stress that all our trade agreements must be underpinned by high environmental (and food safety and animal welfare) standards as an essential condition for market access. It will also be essential that new trade agreements contribute to and do not undermine our international environmental commitments and obligations e.g. under the Paris Agreement on climate change.

To achieve these objectives, we believe that it is essential that civil society is fully consulted on new agreements, or significant change to existing agreements, and that Parliament has a role in setting mandates for trade negotiations and ensuring robust scrutiny as negotiations proceed. The devolved administrations must also be fully engaged in the process. As part of this, we believe that environmental impact assessments should be carried out before entering trade negotiations or negotiations to replicate existing trade agreements and during the negotiation process. These requirements should be included in legislation under the Trade Bill.

We agree that the top priority for new trade agreements is the relationship with the EU, which is the most important import and export market for agricultural products. A sustainable, thriving agricultural sector is vital for the environment, and we believe

that continued tariff-free trade with the EU will be essential to achieve this. Frictionless trade is likely to require a high level of convergence with existing EU regulations which we would welcome as a means of underpinning our current environmental standards.

## 15. Legislation: the Agriculture Bill

### Section 15: Summary

- The proposals in the consultation document for legislation do not meet the ambitions set out elsewhere in the consultation document, the 25 Year Plan for the Environment, or the ambitions we feel should be set out in a future Environment Act.
- In addition to the powers set out in the Bill, we suggest the following are included:
  - A title for the Bill that reflects the ambitions of the consultation document, for example a Sustainable Land Management and Agriculture Bill.
  - A broad purpose which sets out parameters for future policies on the face of the Bill.
  - Targets and milestones for the new Agriculture Bill which link to a new Environment Bill that legislates for Nature Recovery Networks and are linked to the 25 Year Environment Plan.
  - A review of funding every five years, clarity on the regulatory baseline and clarity on accountability mechanisms.

### Consultation questions

How far do you agree with the proposed powers of the Agriculture Bill?

What other measures might we need in the Agriculture Bill to achieve our objectives?

The Wildlife Trusts, as members of both Greener UK and Wildlife and Countryside Link, hold the view expressed by both coalitions that the proposed powers of the Agriculture Bill are necessary but that the scope and ambition of the Bill is insufficient.

The proposals set out in the consultation document for legislation do not meet the ambitions set out elsewhere in the consultation document (e.g. Sections 5 and 6), the 25 Year Plan for the Environment, or the ambitions we feel should be set out in a future Environment Act.

In addition to the powers set out in the Bill, we suggest the following is included:

1. A **title** for the Bill that reflects the ambitions set out in the consultation document. We suggest it is called a **Sustainable Land Management and Agriculture Bill**.
2. **A broad purpose**. The Bill should set out parameters for future policies on the face of the Bill. This should reflect page 15 in the consultation paper, which summarises the role of Government in relation to agriculture as –
  - a. "...the regulatory baseline to protect our high environmental, plant and animal health and animal welfare standards and creating a level playing field for farmers and land managers."

- b. "...encouraging industry to invest, raise standards and improve self-reliance..."
  - c. "...rewarding farmers and land managers to deliver environmental goods that benefit all. Our aim is for public money to buy public goods. In 25 years' time, we want cleaner air and water, richer habitats for more wildlife and an approach to agriculture and land use which puts the environment first."
3. A new Environment Bill is required that legislates for Nature Recovery Networks and is driven by the 25 Year Environment Plan. This should link to **targets and milestones** for the new Agriculture Bill, which Ministers should have a duty to develop and adopt, noting the central importance of a future ELMS in securing the target outcomes of the plan.
  4. A requirement on Ministers to commission a **review of funding** every five years. Long-term stability will be essential to the success of future policies. To hold government to account, Parliament will need evidence. Ministers should therefore be required by the Agriculture Bill to commission a review of funding requirements every five years from an independent body, with the findings presented to Parliament.
  5. **The regulatory baseline.** The Bill should set out how the baseline for future payments is to be interpreted, to ensure consistency and value for money, and clarity on what Defra means by 'a more effective application of the polluter pays principle'.
  6. **Clarity on accountability.** We expect clarity on how the Bill will enable citizens to hold government to account. The Bill should include specific provisions, or Defra should clarify the extent to which a new environmental governance body will be able to scrutinise the environmental performance of farming and land management policies, and require improvements where targets are not being met.

Any common approach for future policies across the UK – developed collaboratively between the UK Government and devolved administrations – should include a shared, high level of environmental ambition. With the full involvement and consent of the devolved administrations in the drafting of relevant clauses, this approach should be legislated for through the Agriculture Bill.

These measures will be necessary if the Bill is to reflect the ambition set out in the consultation paper, and provide citizens, stakeholders and Parliamentarians with the tools necessary to hold current and future governments to account against their commitments. They will sit alongside, and must dovetail with, the other areas of the government's current and future legislative programme, including a policy statement on environmental principles, legislation to create a new watchdog to close the 'governance gap' and a potential Environment Act, suggested by the Secretary of State<sup>33</sup> in April this year.

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<sup>33</sup> Michael Gove (Secretary of State for Environment, Food and Rural Affairs) evidence session: Environmental Audit Committee 25 Year Plan inquiry, April 2018. Available at: <http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/environmental-audit-committee/25-year-environment-plan/oral/81893.pdf>