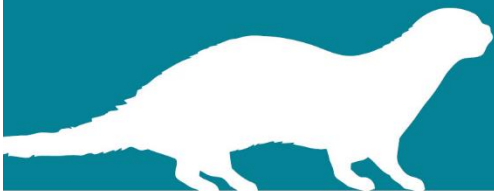




The
Wildlife
Trusts

Environmental Land Management schemes (ELM)

Parliamentary briefing



The Environmental Land Management scheme is at a crossroads – to transform farming, bold commitments must be made to both both farmers and nature

Nature in the UK is in decline. In fact, we are one of the most nature depleted countries in the world, with 15% of our species now threatened with extinction. With 71% of UK land used for agriculture, ensuring farming delivers for nature and climate is key to making international targets a reality. Ensuring nature is thriving is vital for putting food on plates too, with Defra itself identifying climate change and biodiversity issues as the greatest risks to UK food security.



Cows grazing in heather at a Surrey Wildlife Trust farm (Jon Hawkins)

In January, Defra published further, much-anticipated, details on the Environmental Land Management (ELM) schemes. This marked a significant step in the right direction for a scheme which had lost its way in recent months. The announcement set out what actions farmers will get paid for in 2023, bringing forward new payments to incentivise a reduction in the use of damaging pesticides, more efficient use of nutrients to reduce pollution, better management of hedgerows, and support for wildlife by providing habitat for birds and pollinators.

However, it is essential that ELM goes further to deliver for nature and farmers, supporting land managers to transition to more sustainable methods and maintaining the commitment to “public money for public goods” agreed in the Agriculture Act. This flagship scheme must put us on the path to meeting our national and international commitments on nature and climate – including those signed this December at COP15 in Montreal.

Value for money

When the Agriculture Act passed in 2020, it committed the UK Government to capitalising on Brexit by setting up a new farming subsidy scheme based on the principle of “public money for public goods”. The £3bn EU Common Agricultural Policy budget, which had rewarded large and wealthy landowners ahead of smaller farms, would instead be used to reward farmers who took actions which benefited everyone - such as repairing carbon-storing uplands, protecting rivers from pollution, and planting hedges and wildflowers to support insect populations. This would ensure taxpayers got better value for money, rather than simply paying farmers for owning land.

Though January’s announcement was positive, over recent months the principle of “public money for public goods” has been under threat. Defra has announced that it will:

- **Allocate a greater proportion of the budget into low ambition actions.** This will erode the value for public money and mean less support for meaningful actions to address the nature and climate crises.
- **Introduce a ‘management fee’ for the Sustainable Farming Incentive (SFI).** This administrative payment is set to absorb significant sums of the budget and pay farmers

simply for doing the paperwork needed to get greater funding, rather than delivering outcomes for the taxpayer.

More SFI standards are expected to be announced over the coming years, detailing what actions farmers need to do in order to receive subsidies. These will need to continue to improve on the current SFI offer, or else risk the ability of ELM to deliver on targets or provide value for money for the taxpayer.

Supporting nature's recovery

When ELM was originally announced, one of its three tiers was set to be the Local Nature Recovery (LNR) scheme. This had been expected to do much of the heavy lifting in ensuring ELM supports the UK Government's legally binding targets for nature and climate.



Now, development of LNR has been abandoned in favour of retaining the old EU scheme of Countryside Stewardship. Whilst we have been promised that this will be "Countryside Stewardship Plus", we are not yet reassured that this will avoid a return to a situation where environmental practices are a bolt-on "nice-to-do" option for farm businesses. Integrating nature into farming systems is crucial to securing a better future for farming and food production – building our resilience to climate and economic shocks and delivering food security in both the short and long term.

The current form of Countryside Stewardship will also fail to reverse the huge declines in nature we have witnessed in recent decades. The Government's own evidence suggests that even with significantly higher uptake, current agri-environmental schemes will not be sufficient to meet the Government's target to halt nature's decline by 2030.

The change we need to see

It's not too late for ELM to deliver on its founding ambitions. The Wildlife Trusts would like to see:

- **A Countryside Stewardship Plus scheme that goes further and faster.** The new middle tier scheme must deliver on the outcomes expected from the initial LNR scheme. To support local environmental priorities, it must reward farmers for delivering actions which are tailored to their local area, allowing flexibility or tailoring, along with appropriate advice, to ensure the right interventions are delivered in the right places. This will enable the scheme to deliver the greatest value for money by targeting actions where they will have the greatest impact.

Countryside Stewardship Plus should also ramp up support for collaborative environmental management to allow delivery at scale. Incentives for local collaboration will boost the efficacy of the scheme, leading to more joined-up habitats, whilst also supporting new entrants to the scheme.

- **Progression within the Sustainable Farm Incentive (SFI)**
We need to see a mechanism for farmers to progress through increasingly ambitious actions in the SFI. It's only by grouping together several actions into 'packages' that Defra will secure effective delivery. Defra needs to hardwire in key mechanisms such as the use of packages or bundles of actions, along with different ambition levels or differentiated payment levels to incentivise progression.
- **A robust regulatory baseline for farming**
Current schemes are being developed without a proper regulatory 'floor', leading to public funding paying for actions which are currently basic good practice. Far from paying farmers to take ambitious steps to restore nature. Regulation should set a fair but firm level playing field for all farm businesses to protect the natural environment, so those already caring for the natural world are not penalised.