

The Wildlife Trusts warn UK Government not to inflict unparalleled policy 'hammer blow' on the countryside ahead of Comprehensive Spending Review

Reports ahead of Comprehensive Spending Review next week suggest that huge cuts to sustainable farming support are imminent. **These cuts would add to a pile of broken promises from the UK Government on nature**, on top of recent policies which weaken environmental protections and undermine nature markets.

On 6th June 2024, during the General Election campaign the Labour Party launched a '*plan to save Britain's beautiful countryside*', including a commitment to '*promote regenerative farming and nature's recovery through the Environment Land Management schemes to protect nature and secure Britain's long-term food security*'.¹

A year on, media reports suggest that the Comprehensive Spending Review on 11th June will see significant cuts to the Defra budget, on such a scale as to require huge changes to Environment Land Management schemes. Defra did not deny an [article](#) in the Guardian on 28th May that reported '*in the years following [2026] it [Environmental Land Management] will be slashed for all but a few farms.*' The article also reported Ministers would justify the change by arguing that '*the nature restoration fund created by the planning and infrastructure bill will provide private investment for nature-friendly farming.*'

This approach would immobilise the post-Brexit farming policy pursued by successive Governments since 2016, with support from both farmers and conservationists. Environmental Land Management schemes (ELMS) have been designed to reward farmers for providing public goods, including wildlife conservation to recover nature and [thereby secure long-term food security](#) in an increasingly unstable global economy and climate. Despite policy missteps and sustained under-funding, ELM is starting to make a difference - more than [half](#) of all farmed land in England is now managed under environmental agreements.

This transition to a system where farmers are fairly supported to deliver public goods is now at risk through the Comprehensive Spending Review, imperilling both the future of farming and environmental recovery. Without ELMS, the largest budget supporting nature recovery, the UK Government's legally binding target to halt the decline of nature by 2030, and associated international targets, will be missed. This will also impact on efforts to curb carbon emissions and build climate resilience – leaving farmers and society more exposed to the impacts of flooding and drought.

The suggestion that the proposed new Nature Restoration Fund (NRF) could help fill the gap is entirely misplaced. The NRF is a 'maintaining the status quo' pot, intended to fund mitigation and environmental compensation from a limited number of development impacts on legally protected sites and wildlife. The Wildlife Trusts and the Government's own environmental watchdog, the OEP, [believe](#) that the fund will not even be able to play this limited role. It will certainly not have the purpose, size or ability to replace the whole or even part of the ELMS system; attempts to do so would constitute efforts to place one broken square peg to fill an array of round holes. **Any replacement of ELMS by NRF would be**

¹ Press release sent by Labour, 6th June 2024, entitled 'Labour launches plan to save Britain's beautiful countryside'.

fundamentally absurd, taking money from developers to license nature damage on protected sites while then using the same money to try and prevent nature damage across farmed landscapes.

The ongoing progression of the [environmentally regressive](#) Planning and Infrastructure Bill through the Commons, last week's [undermining](#) of Biodiversity Net Gain, and the prospect of next week's cuts to the Defra budget leading to evisceration of ELM, all add up to a **betrayal of nature**. The other consequences of deep cuts to the Defra budget, including reductions in the flood defence budget and job losses across nature regulators, would exacerbate these harms.

This package of nature-damaging policies, spearheaded by the Chancellor, directly break the General Election promise that 'the next Labour government will protect and restore nature, safeguarding our beautiful countryside for future generations to experience and enjoy'.

Vicki Hird, Strategic Lead on Agriculture at The Wildlife Trusts, says:

"A year ago, Labour politicians promised to restore nature and safeguard the countryside. Now in office, they are doing the opposite, weakening environmental protections and preparing to cut the sustainable farming schemes needed to secure a thriving future for farmers and rural communities. If cuts are implemented as reported, these broken promises will put nature recovery targets out of reach, halt the farming transition and leave farmers high and dry.

'There is still time for those at the top of Government to avoid the worst of this damage. The Treasury must urgently rethink proposed Defra cuts and protect the farming budget and ELMS, before it inflicts a hammer blow on rural England. This must be the start of a Government-wide shift back to their own environmental promises, fixing the Planning and Infrastructure Bill to prevent environmental regression, supporting emerging nature markets through upholding BNG, and empowering environmental regulators to do their jobs.

'Without this return to what was pledged to voters, this Government's environmental legacy will be the scarring of the countryside, not the saving of it.

A new blog from Vicki Hird, setting out more detail on the impact of cuts to ELMS, [can be found here](#).

Background notes

- Following the UK's departure from the EU and the adoption of the Agriculture Act in 2020 in England, farming policy has moved towards a model based on 'public money for public goods'. Instead of paying farmers for how much land they manage, this approach rewards farmers for taking actions through new 'Environmental Land Management' schemes (ELMS) which improve the environment and provide public services not rewarded through the market, such as clean air, water management, and biodiversity. This new approach is known as the farming transition.
- The transition means the £2.4 billion annual farming budget for England is helping to achieve legally binding objectives set out in the Climate Change Act 2008 and targets set under Environment Act 2021 (e.g. ELM schemes are expected deliver 80-100% of the target set under the Environment Act to create 500,000 ha of new habitat). The Wildlife Trusts, National Trust

and RSPB have [highlighted](#) that the farming budget needs to be increased from £2.4 billion in order provide better certainty of meeting these targets.

- In October 2024, the Government committed to £5bn for Defra's farming budget for the period 2024-26 (£2.5 bn/year, a [maintenance](#) of previous funding levels). The Comprehensive Spending Review (CSR) in June 2025 is now expected to result in a significant cut to ELMS in the period 2026-29, placing further pressure on the transition and reducing support for farmers. Cuts would follow on from the disastrous [pause](#) to the Sustainable Farming Incentive scheme within ELMS, announced in March.
- Even cuts of 10-20% would be disastrous for the farming transition. £1.8bn of the annual Farming Budget is already "tied up" in meeting contractual payments under existing agreements, with more committed to other spends, such as innovation grants. A cut of £20% could effectively render Defra unable to offer any new agreements to farmers in this Parliament, halting the farming transition.
- This would leave thousands of farmers and land managers - who have spent years preparing to farm more sustainably in anticipation of sustained ELM payments, often with significant up-front costs - without expected income streams. With no sign of meaningful supply chain reforms to ensure farmers are paid a fair price for their produce, many will feel forced to manage their land in a more damaging and intensive way just to break even.
- Cuts to the farming budget could therefore lead in the short term to huge economic distress across the farming community, and in the medium term to a new wave of farming intensification as a desperate resort in the face of financial hardship. **Increases in rural poverty, the loss of hedges and woodlands across the countryside and an increase in river pollution from intensive farming, are all likely consequences of poor Treasury CSR decisions.** The long-term impacts of these changes include [eroded soils](#), [plummeting biodiversity](#) and [increased vulnerability](#) to climate change impacts, especially flooding and droughts, threatening both the future of farming and the environmental underpinning of the wider economy.
- Deep cuts to the Defra budget will impact everyone. If the farming budget falls below £1 billion per year [after 2026](#), reduced investment will leave rural and urban communities more exposed to the [increasing risk](#) of flooding - with 1 in 4 properties expected to be at flood risk by the middle of the century. Job losses at Natural England and the Environment Agency will mean less enforcement of environmental regulations. The last time [enforcement activity dropped due to cuts, river pollution increased](#) – we can expect similar outcomes again.
- **The Nature Restoration Fund proposed by the Planning and Infrastructure Bill is not a solution. This measure will be not only be [inadequate](#) for supporting protected sites; it will be woefully inadequate if applied more widely.** The reasons for this include the following:
 - The funds available through NRF are predicated on the removal of biodiversity value elsewhere.
 - There will be many 'nature friendly' actions that cannot be funded by the NRF because they are not connected to the environmental impacts of development.
 - The scale of funding expected to be available through these channels is significantly less than currently provided for within the farming budget and will continue to be so in the near to medium future, meaning a large drop in funding for nature.
 - Availability of these funds would be geographically and temporally restricted – i.e. they wouldn't be available anywhere at any time. Crucially, the availability of these funds would

be dependent on third party decisions, such as when and where a developer proceeds with a house building project. This presents a significant challenge to Government targeting/prioritisation of actions to align with strategic objectives and spatial plans (e.g. as set out in the Land Use Framework.)

- The Wildlife Trusts are running a 'Broken Promises' [campaign](#) to urge Ministers to withdraw the regressive nature restoration fund proposals from the Planning & Infrastructure Bill, and to change the direction of Government policy to uphold nature promises. So far, the campaign has prompted over 25,000 letters to MPs and Chancellor Rachel Reeves calling for the removal of Part 3 of the Bill.