

# Response to Defra's Environmental Land Management Policy Discussion Document

**The Wildlife Trusts**

**July 2020**

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## Introduction

We are in a climate and nature emergency – an emergency which will have a profound impact on our environment and agriculture. The Wildlife Trusts believe that the health of the environment must be at the heart of future agriculture and land management policy – which means designing a new system to incentivise farmers and other land managers to help nature to recover, based on environmental outcomes and public benefits.

**The Wildlife Trusts want to see active recovery for wildlife happening across at least 30% of our land and by 2030 - 30/30.**

Our vision is for 30% of land to be connected and protected in a Nature Recovery Network (NRN) which allows nature to thrive once more. A network for recovery is based on the principles set out in the Lawton Review<sup>1</sup> - that there is more, better, bigger and more joined up space for nature. It would comprise:

- Core areas in which the conservation of biodiversity is the prime purpose (e.g. nature reserves, SSSI, Local Wildlife Sites)
- The recovery area where habitats are restored and new habitat created, at a range of scales. and may also be protected, or may have another, compatible land use. (e.g. low intensity grazing on species rich grassland)
- Set in a wildlife friendly landscape (both rural and urban) containing corridors and steppingstones of habitat which provide essential ecological or environmental connections (e.g. farmland in countryside stewardship).

ELM is vital to realising this vision of 30% of land networked together in a Nature Recovery Network (NRN) across core sites, recovery areas and a wildlife friendly landscapes – and land managers should be supported to improve their land for nature and contribute to this network. All the public goods which ELM will pay for will contribute to the 30% by 2030 vision:

- Clean and plentiful water
- Clean air
- Protection from and mitigation of environmental hazards
- Mitigation of and adaptation to climate change
- Thriving plants and wildlife
- Beauty, heritage and engagement.

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 Defra's Environmental Land Management Policy Discussion Document<sup>2</sup> in our capacity as land advisors and major landowners in our own right. We manage almost 100,000 hectares of land and own 31 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> Lawton et al. (2010) Making Space for Nature. Available at: <https://webarchive.nationalarchives.gov.uk/20130402170324/http://archive.defra.gov.uk/environment/biodiversity/documents/201009space-for-nature.pdf>

<sup>2</sup> Defra ELM Discussion Document, February 2020. Available at: [https://consult.defra.gov.uk/elm/elmpolicyconsultation/supporting\\_documents/ELM%20Policy%20Discussion%20Document%20230620.pdf](https://consult.defra.gov.uk/elm/elmpolicyconsultation/supporting_documents/ELM%20Policy%20Discussion%20Document%20230620.pdf)

Question 1. Do you want your responses to be confidential?

No.

Question 2. What is your name?

Ellie Brodie

Question 3. What is your email address?

ebrodie@wildlifetrusts.org

Question 4. Where are you located?

National

Question 5. Who are you?

Other – Environmental NGO and Land Manager.

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

The design principles look sensible and there are none with which we would disagree.

However, principle (d) needs more ambition and to be expressed more effectively. The purpose of having actions that most land managers can deliver is to achieve environmental outcomes across the peri-urban and rural landscape. As a principle, having ‘something for everyone’ is only of merit because there is something that every land manager can do to contribute to environmental outcomes. It should not be a principle in and of itself.

There are some important principles which are missing:

**i. Clear aims, outcomes and measurable targets**

It is disappointing that Defra are still developing the final set of priorities for ELM. The Wildlife Trusts would like to see another consultation for ELM which includes a clear articulation of ELM outcomes with plans for the associated actions and payments to deliver them.

We want to see ambitious, legally binding, and enforceable targets for nature’s recovery enshrined in the Environment Bill and enforced by an independent Office for Environmental Protection. ELM – as set out in the 25 Year Environment Plan – is to be a key delivery mechanism for the government’s environmental ambitions. Therefore, ELM objectives should be tied to meeting the environmental ambitions of the government, which should be legally bound through the Environment Bill. Further, there should be a structural connection between the Agriculture and Environment Bills to avoid wider environmental ambitions being undermined, as happened with the CAP<sup>3</sup>.

**ii. Funding commensurate with the scale of environmental need**

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<sup>3</sup> Greener UK, House of Lords Committee Stage Briefing on the Agriculture Bill, July 2020. Available at: <https://greeneruk.org/sites/default/files/download/2020-07/Greener%20UK%20Link%20Ag%20Bill%20Lords%20Committee%20Stage%20briefing.pdf>

Alongside the Environment Bill, the Agriculture Bill should create a matching long-term ELM funding framework based on an assessment of environmental need and the contribution needed from the land management sector in meeting environmental targets.<sup>4</sup>

**iii. Lock-in environmental outcomes; don't rent them**

Agreements need to go further and last longer to enable them to establish and create the changes necessary for nature to recover. Long-term agreements, from 15 – 50 years are needed, supported by in-perpetuity agreements and (e.g.) conservation covenants.

**iv. Environmental delivery guided by spatial mapping – the Nature Recovery Network**

The Wildlife Trusts are calling for the creation of a Nature Recovery Network (NRN). The NRN will need to be spatially planned so that action can be better targeted to where it will be most effective to form an ecologically coherent, resilient network of sites that will enable nature to recover and thrive. The NRN should be the key spatial guidance and prioritisation mechanism for ELM, and provides a missing link in the current system through to different sectors (e.g. planning/ built development).

**v. Base ELM on good quality – including local – data**

Good quality data needs to be at the heart of ELM decision-making and as such should be included as a design principle. The following issues with data in the current schemes must be rectified in future ELM schemes:

- The data on MAGIC<sup>5</sup> is often extremely out of date, and some habitats are not listed on MAGIC. In Cornwall, for example, areas of BAP acid grassland and Purple Moor-grass rush pasture are not listed on the system and therefore not eligible for payments in CS.
- Local Wildlife Sites are not listed on MAGIC but represent some core areas of non-SSSI designated habitat in the county. These will form an integral part of Nature Recovery Networks and stepping-stones, so should be included in ELMS targeting.
- There is a lack of coordination between two mapping systems: the internal RPA/NE GIS mapping system and the public facing MAGIC. Many Mid-Tier endorsement requests have been missed out due to 1) lack of clear instruction to land owners of the endorsement process ahead of the deadlines set and 2) lack of up to date PHI layers on magic not being updated at the same time as the internal RPA/NE mapping system. This has left many areas of important habitat open to degradation.
- Local data is discounted when it can be of better quality to national data. For example, individual Wildlife Trusts have evidence of: (a) Natural England using a 1980s national chalk grassland inventory in preference to local data because that dataset – in spite of its age - was consistent across England; and (b) the Environment Agency are currently digitising 1980s habitat survey information to inform the development of a Natural Capital Investment Plan for the Ox-Cam ARC for the same reasons.
- Natural England are also in the process of reviewing the priority habitat type 'Coastal and Floodplain Grazing Marsh' in recognition of the problems with the definition and dataset for this habitat type; this is of value because adherence to the existing, flawed dataset and definition will embed management practices which seek to preserve the existing biodiversity and other values of this landscape type (which, in public goods terms, are often limited) whilst a reshaping of the approach (towards a new habitat type, Floodplain Wetland Mosaic) will embed the principle of restoring natural hydrological function, meaning that land previously considered as CFGM will be more able to deliver multiple benefits, particularly related to clean and plentiful water, and

<sup>4</sup> Greener UK, Briefing for Second Reading of the Environment Bill, February 2020. Available at:

[https://greeneruk.org/sites/default/files/download/2020-02/Greener UK and Link briefing for second reading of the Environment Bill February 2020.pdf](https://greeneruk.org/sites/default/files/download/2020-02/Greener%20UK%20and%20Link%20briefing%20for%20second%20reading%20of%20the%20Environment%20Bill%20February%202020.pdf)

<sup>5</sup> <https://magic.defra.gov.uk/>

protection from environmental hazards, under a new ELM regime. It is proposed that an inventory map would capture not only sites already meeting this definition but also 'Floodplain with potential for restoration to Wetland Mosaic priority habitat', at which ELM support could be targeted to help deliver nature's recovery.

- Mapping used to make decisions in ELM must be dynamic to take account of changes (e.g. where new habitat is created) and also where mapping errors are recognised. For example, an NVZ in South Devon to protect Slapton Ley SSSI only mapped the smaller Start Stream catchment and not the larger River Gara catchment, even though both are part of the NVZ. As a result, while farmers in the Start were able to receive CSF grants and advice, landowners in the Gara could not access these. This has meant that land in the Gara continues to pollute due to lack of funding. These problems cannot perpetuate into ELM prioritisation and targeting. Updating and ground-truthing the data upon which decisions about ELM targeting are made must be a priority.

#### **vi. Effective and enforced regulation**

ELM should only pay for activities over-and-above the regulatory baseline; a baseline which should include current cross-compliance measures and be enforced more effectively than it currently is (as evidenced in Defra's Farm Inspection and Regulation Review<sup>6</sup> and in a recent report by IEEP<sup>7</sup>. We return to this point in Question 9.

#### **vii. Demonstrate impact & value for money**

ELM is about delivering public goods and therefore should demonstrate that taxpayers' money has been spent on achieving the aims and outcomes of ELM. This is about more than the principle of 'continuous improvement' (which we support) – it is about transparency of what public funds have achieved by way of environmental improvements. This point links directly back to point (a) – i.e. that ELM should have clear aims, outcomes and measurable targets against which it can be measured and hence demonstrate whether it is providing value for money. The Multi Annual Financial Assistance (MAFA) Plan identified in the Agriculture Bill needs strengthening to achieve this.

#### **viii. Adequately incentivised**

Payment rates in Countryside Stewardship (CS) can be too low to incentivise land managers to join, especially given reporting requirements of CS. Uptake of ELM will only improve if 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<sup>8</sup>. Farmers and other land managers in a new scheme must be better rewarded for the natural capital assets they maintain and the ecosystems services they provide.

#### **ix. Integrated with farming, food and environment policy**

ELM is not the entirety of agriculture policy, and yet little else been consulted on. There is a pressing need for Defra to articulate how ELM works with other parts of the Future Farming Programme – including other incentive schemes. This is important to ensure that ELM doesn't become a metaphorical Christmas tree upon which almost anything could be added, and that other incentive

<sup>6</sup> Defra, Farm Inspection and Regulation Review, December 2018. Available at:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/764286/farm-inspection-regulation-review-final-report-2018.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/764286/farm-inspection-regulation-review-final-report-2018.pdf)

<sup>7</sup> IEEP, Risks and Opportunities of a post-EU environmental regulatory regime for agriculture in England, January 2020.

Available at: <https://ieep.eu/uploads/articles/attachments/382e1f08-fa94-412a-9314-bbbfcf194d53/Post%20EU%20exit%20Regulatory%20Framework%20-%20Final%20-%20Jan%202020.pdf?v=63747936653>

<sup>8</sup> <https://www.gov.uk/guidance/guide-to-cross-compliance-in-england-2020>

schemes such as payments for productivity improvements do not undermine ELM<sup>9</sup>. Defra also needs to set out how agriculture policy connects with food policy – including the National Food Strategy.

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

From p. 8 of discussion document:

*'In summary, we recommend the strategic objectives of ELM are:*

1. *To secure a range of positive environmental benefits, prioritising between environmental outcomes where necessary*
2. *To help tackle some of the environmental challenges associated with agriculture, focusing on how to address these in the shorter term.'*

**We are in a climate and nature emergency and urgently need to take action to address this. A strategic objective of ELM should therefore be to pay land managers to help tackle the climate and nature emergency through their positive land management practices. The Wildlife Trusts want to see active recovery for wildlife happening across at least 30% of our land and by 2030.**

The framing of the strategic ELM objectives should reflect the climate and nature challenge and the opportunity land management provides in addressing it. As they currently read, the objectives sound unambitious and beg some questions: which environmental outcomes will get de-prioritised through ELM? Which environmental challenges will be left unanswered?

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

ELM is vital to realising the vision of 30% of land networked together in a Nature Recovery Network (NRN) across core sites, recovery areas and a wildlife friendly landscapes – and land managers should be supported to improve their land for nature and contribute to this network. All the public goods which ELM will pay for will contribute to the 30% by 2030 vision.

ELM should not be viewed as a new 'agri-environment scheme'. It is the foundation of a new approach to restorative land management that should support wildlife and bring an end to the biodiversity crisis, open up the countryside to the public, underpin more environmentally sustainable food and timber production, and help land management businesses become more sustainable and resilient. It should contribute to net zero and to creating 30% of land for nature's recovery by 2030.

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

ELM should enable farmers to move beyond seeing the environment as a 'bolt-on' option to their business to a more holistic approach to food production and land management, recognising the interdependencies between farming and nature, and acknowledging the wider environmental services that can benefit their business and society at large. This can only be done in practical terms

<sup>9</sup> Greener UK, House of Lords Committee Stage Briefing on the Agriculture Bill, July 2020. Available at: <https://greeneruk.org/sites/default/files/download/2020-07/Greener%20UK%20Link%20Ag%20Bill%20Lords%20Committee%20Stage%20briefing.pdf>

if the financial remuneration of ELM reflects the potential profits from a range of alternative practices. ELM should enable some land managers to change what they produce from food to nature and ecosystem services.

Encouraging and enabling a whole-farm approach should therefore be an overarching objective of ELM, with Tier 1 in particular geared towards making the environment central to every farming and land management business. Some models already exist, such as organic, agroecological and regenerative agriculture. ELM should incorporate and build on these and in doing so, help the farming and land management sector move to a new environmental norm.

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

There are numerous ways of **encouraging participation** and **overcoming barriers** to participation in ELM including:

#### **Opportunities for all land managers to help address the climate and nature emergency**

There need to be a range of options so that all land managers can be rewarded for delivering public goods and contributing to the overall health and resilience the natural environment. This applies across:

- different types of land - from the intensively farmed and the peri-urban to the semi-natural;
- different types of land manager, from tenants to owners;
- different holding sizes (with no minimum size needed to enter the scheme)
- different sectors – including those which have previously been excluded from incentives under the CAP such as horticulture and non-agricultural land.

To support the opportunities to be taken up, advice will be critical (see Q14), training – including in public goods - as a gateway to scheme entry (see Q9) and financial support available for innovation including the opportunity for collaboration with neighbours.

#### **Positive messaging**

Communicating a positive message about the role of land managers in tackling the climate and nature emergency through ELM and providing clarity around all elements of ELM is important for land managers – from aims and ambitions to payment rates and scheme requirements. This is also important for the public to understand how land managers are helping us all in the fight against the climate and nature emergency – a job that runs alongside and which underpins food production. As we move to a new approach to farming, land management and environmental expectations, new entrants may be (and hopefully will be) enticed into the sector. Ensuring that messaging around ELM reaches wider public and business communities, will give new entrants confidence and understanding.

#### **Clear incentives**

A lack of clarity of the offer, including agreement length and payment rates, is a barrier to participation. For land managers to make decisions about future participation in ELM, they need to know what the financial rewards may be, including the implications of the transition away from the Basic Payments Scheme. Land managers need to understand both payment rates and duration of contracts so that they can plan long-term. Emphasising the longer-term benefits of investing in public goods, such as building resilience to extreme weather events, is also critical.



These aspects must work in concert with other areas of government policy; for example, Defra research has found that a lack of clarity over the availability of future funding to support maintenance of natural flood management measures has discouraged landowners from agreeing to schemes on their land. Activation of sites under the peatland code for carbon offsetting is similarly blighted. ELM provides an opportunity to deliver against a wide range of government objectives if thinking is sufficiently integrated<sup>10</sup>.

### **Flexibility and proportionate administrative requirements**

Restrictive prescriptions (e.g. supplementary feeding of livestock) can act as a barrier to participation. Over-burdensome and complicated administrative requirements are a further barrier. Across ELM there needs to be more flexibility than in current and previous schemes including flexibility of application windows, payment dates and prescriptions. For example, in CS low input grassland options exist for lowland grassland and for grassland above the moorland line in Severely Disadvantaged Areas (SDAs). Cornwall Wildlife Trust manage areas of land above the moorland line, but not within an SDA meaning they are not eligible for either option, leaving areas of valuable BAP grassland habitat without support. More flexibility to deal with such unusual circumstances would be beneficial.

Flexibility will also be needed for payment by results schemes in which ambitious criteria are balanced with the potential for failure and the costs (e.g. of re-sowing or re-planting). To overcome this barrier, there will need to be monitoring to provide evidence of gains and losses, and changes in practice to evidence what has worked and what has not.

### **Efficiency and aptitude of government agencies**

A barrier to participation in current schemes surrounds payments, mapping and inspections. Whilst the RPA has made considerable improvements in recent years regarding all these elements, historical issues and mistrust persist. 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. Landowners interacting with Wildlife Trust staff frequently cite the culture which the RPA has established as a reason for not getting involved in agri-environment scheme delivery.

There must be a strong audit element to the scheme, but the current system is ineffective and counterproductive. Insufficient checks and enforcement of schemes erode land managers' confidence in them (e.g. seeing neighbour receive payments despite consistently breaching an agreement) and is also a waste of money. 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 current CS schemes. Overcoming this will involve cultural change - including creating an approachable, reliable, efficient and accessible inspection, payment and advisory body/bodies – and improving the processes and data which drive systems.

### **Demographics and infrastructure**

Reaching those land managers who may be harder-to-reach due to factors including age, digital skills and social isolation will also be important<sup>11</sup>. Communication, outreach, skilled advisors, clarity of

<sup>10</sup> Defra Science & Research, April 2020: The Enablers and Barriers to the Delivery of Natural Flood Management Projects. Available at: [http://sciencesearch.defra.gov.uk/Document.aspx?Document=14748\\_APPENDIXF-CaseStudies.pdf](http://sciencesearch.defra.gov.uk/Document.aspx?Document=14748_APPENDIXF-CaseStudies.pdf)

<sup>11</sup> Co -designing the Environmental Land Management Scheme in England: the why, who, and how of engaging 'harder to reach' stakeholders. P. Hurley, J. Lyon, J. Hall, R. Little, J. Tsouvalis, D. Christian. June 2020. Available at: <https://osf.io/preprints/socarxiv/k2ahd/>

offer and scheme requirements will help to overcome this. Poor broadband in some rural areas is a further barrier to address.

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

**Overarching comments:**

- The Wildlife Trusts would like to see another consultation for ELM which includes a clear articulation of ELM outcomes with plans for the associated actions and payments to deliver them across all Tiers. Without clear and measurable outcomes for ELM it is not possible to comment in detail on the structures by which outcomes should be delivered – i.e. the tiers.
- ELM should both (1) address the climate and nature emergency, and (2) contribute towards delivering 30% of land rich in nature. All tiers should be geared towards these ambitions – and as such, all tiers should be spatially targeted and linked to delivering the Nature Recovery Network.
- There needs to be flexibility of options between tiers so that land managers can move between tiers, building and improving and scaling back as they see fit. The way in which the tiers are presented in the discussion document appears to be siloed and rigid. All land managers – not just farmers and foresters - should be able to be part of different tiers at the same time to allow flexibility.
- There need to be opportunities for longer and in-perpetuity agreements to enable long-lasting and transformational environmental outcomes.

**Regulation**

- Driving up standards through regulation and through market mechanisms is important in improving opportunities for nature’s recovery across whole landscapes.
- ELM should deliver environmental gains and build on current regulation including Farming Rules for Water and good practice.
- Accepting that some farmers may need support to get up to the regulatory minimum standards, and of the environmental gains that would follow from this, there may be a role for a time-limited transitional scheme, outside of ELM, for this purpose.
- We hope to see regulation, the fundamental building block for all financial incentive schemes not just ELM, being articulated soon by the government, e.g. via the anticipated consultation on regulation and enforcement. Meanwhile, we have set out our views on future farm regulation in this report by IEEP<sup>12</sup>.

**Tier 1**

Whilst the previous system of Entry Level Stewardship (ELS) 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. ELM Tier 1 must not make the same mistakes and, as the widely available element of ELM, should deliver great environmental gains across tracts of the landscape. It should also be available to all land managers, not just to farmers and foresters.

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<sup>12</sup> IEEP, Risks and Opportunities of a post-EU environmental regulatory regime for agriculture in England, January 2020. Available at: <https://ieep.eu/uploads/articles/attachments/382e1f08-fa94-412a-9314-bbbfcf194d53/Post%20EU%20exit%20Regulatory%20Framework%20-%20Final%20-%20Jan%202020.pdf?v=63747936653>

The Wildlife Trusts believe that Tier 1 should include mandatory gateway criteria for entry. These criteria would also be required for Tiers 2 and 3. The benefit of having gateway criteria – or a set of entry standards – is that unlike current schemes, the criteria apply to all the land entered into the LMP, thereby embedding good practice and environmental sustainability across the entire holding rather than to pockets within a landscape of intensive and environmentally damaging practice.

These mandatory requirements are as follows:

### **Regulatory compliance and demonstration of good practice**

Land managers should be required to practice good land management, including complying with Statutory Management Requirements (SMRs) and ensuring Good Agricultural & Environmental Conditions (GAECs). This should include Integrated Pest Management (IPM), Soil Protection and Water Resource Management Plans as new requirements to the current cross-compliance guidance. For example, practices such as measuring pest species levels before applying a pesticide using IPM methods or soil testing to assess phosphate levels before adding surplus artificial P would be minimum standard compulsory level for scheme entry. Whereas using beetle banks and other beneficial insect habitat to reduce the need for pesticides or applying continuous cover cropping and zero-till to reduce the need for fertiliser would be rewarded through ELM Tier 1.

**Certified training and awareness courses** will need to be completed by all land managers. Their focal areas are:

- Entry level training on the six public goods and the role they play in the 25 Year Environment Plan, and the Agriculture & Environment Acts.
- Thematic training linked to supported activities and relevant packages including on how to implement packages, with practical examples and links to advice. This should also include the relevant regulatory baseline and good practice approaches.
- Annual update training (CPD, for which a threshold for number of hours completed will be put in place).

**Environmental Land Management Plan (LMP)** in place for land holdings to include:

- Current economic business model including inputs and outputs.
- Baseline of the current natural resources, their natural capital value, and a spatial map of these assets and opportunities for nature's recovery through the NRN – both on the individual holding and beyond borders (e.g. through aligning field margins with neighbours or creating insect highways across the landscape).
- Public goods benefitting from funding, and the national and regional targets the LMP contributes towards (e.g. NRN, net zero, targets for water, air, biodiversity and waste in the Environment Bill) should also be included in the LMP.
- Carbon footprint plan highlighting reduction and supported by an interactive carbon footprint calculator. This should cover all aspects of the business, including diversification such as game shoots and should exclude off-sets outside of residual emissions.
- Net Gain principle should be applied to all land holdings to help deliver a greater public good on the holding, or through the local habitat banking scheme that may be in place through Local Planning Authorities to help deliver NRN and related strategies.
- Other potential 'buyers' of goods – carbon trading, water quality, natural flood management.
- Long-term scope is crucial; however, the LMP must be flexible and responsive to small-scale change to ensure that landowners who wish to experiment or trial new ideas are not deterred

from applying. The incorporation of the interactive carbon footprint calculator, with set limits, would help with this.

Completion of the LMP will require guidance and an advisory service to support plan delivery. It will need to be a long-term plan (25 years) with a 5-year review cycle to ensure evolution and adaptation as it is delivered, continued delivery of nature's recovery, while incorporating the latest research and development. These plans will need to be simple and clear with actions and milestones set out.

Ten Wildlife Trusts are currently undergoing ELM trials which relate directly to understanding more about land managers' understanding of – and appetite to deliver – public goods on their land through assessing the current natural capital base, understanding how to work with neighbouring landowners and creating an LMP. The ten Wildlife Trusts are: Gloucestershire; Herefordshire; Worcestershire; Buckinghamshire, Berkshire and Oxfordshire; Hampshire & Isle of Wight; Cheshire; Staffordshire; Kent; Sussex and Cornwall. A further three Wildlife Trusts - Lancashire, Lincolnshire and Bedfordshire, Cambridgeshire and Northamptonshire – are working with land managers on how to deliver the NRN across landscapes and catchments including through integrating ELM with Net Gain (see Q13 on blended finance).

**Once gateway criteria have been met, land managers will become eligible for a range of packages to choose from. All packages support the principle that regenerative agriculture techniques should be incentivised and rewarded.**

The ELM document suggests breaking packages down by land holding type i.e. horticulture, dairy, arable, mixed, upland. We suggest thematic packages based on a series of relevant activities (see Table 1) which would allow the land manager to better understand what they are delivering on their landholding as well as appealing to their individual interests and environmental aspirations. By grouping activities into packages, the focus is on reducing pressure on assets and on increasing natural capital beyond individual parcels and across whole land holdings.

Habitat creation options are included across Tier 1 packages. This is because mosaic sites, or habitat 'islands' (e.g. grassland, scrub, wood pasture and ponds) which are located within areas of low biodiversity, such as intensely farmed arable land, can have a conservation value proportionately far greater than their size and support climate change adaptation. They can be valuable steppingstones in ecological networks, which are at the heart of a Nature Recovery Network. 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. ELM needs to effectively accommodate smaller and stand-alone sites (outside of farm holdings), including small commons. Local Wildlife Sites (LWS) need to be incorporated into all tiers, in particular Tier 1, both at the application stage (i.e. data search and LMP) and within delivery through habitat management options.

Table 1

Package Theme	Examples of Options Available
Winter Management Package	Winter bird feeding, winter bird seed mixes, 100% field cover achieved through cover crops, stubble, undersowing, etc. Habitat management options. Wildlife boxes and habitat features (e.g. hibernacula).
Flood Risk/Natural Flood Management (NFM) Package	Min-till/direct drill, 100% field cover, winter bird feeding, winter bird seed mixes, trees & boundaries package options (see below), soil package (see below). Arable reversion options.

Water and Wetlands Package	Habitat creation (such as ponds, in-ditch wetlands, scrapes), NFM package (see above), habitat management, manage existing features, riparian corridor management, 6-12m buffer strips, tree and shrub establishment, fencing off livestock (including troughs, hardcore bases, etc.), resource protection (RP)/CSF items. Arable reversion options.
Trees and Boundaries Package	Fat hedges – 6-12m from hedge centre, single or double sided (including buffer/hedge management strip), reduced cutting to establish more hedge volume, wildlife corridor creation, broad A shaped hedges, hedgerow gapping-up, enhanced hedge base flora Trees – trees across slopes, in-hedge trees, in-field tree protection, fruiting tree planting Native species support – removing conifers and replant native, non-native species treatment Stone Wall preservation Ditch protection Watercourses - establishment of (25 metre) riparian corridors, including grasses, scrub and trees.
Soil Package	Land restoration rotation 2/5 years as cover crop or pollinator mix, include farmyard manure (FYM) spreading if increases Organic Matter and compaction alleviation, use subsoiling deep rooting and nitrogen-fixing mixes to enable active long-term build-up of organic matter in soil and prevent exploitive cropping. Integrated Pest Management options above entry criteria. Arable reversion options. Increasing water table on peat soils.
Livestock Package	Establish and protect in-field trees, low input, reduced stocking rates, FYM management, watercourse protection, animal health plans to include; antibiotic use, anthelmintic use, bonus for cooperating with neighbours to share grazing and forage, native herbal leys in rotation, holistic grazing.
Wildlife Package	Habitat management options. Arable reversion options. Some whole-field options e.g. long-term fertility building mixes (to enhance food security). Winter bird feeding and seed mixes, skylark and lapwing plots, amphibian and reptile options, habitat creation including bat, raptor, bird boxes management options CRRU stewardship. Insect – not just with a focus on pollinators; dung beetles, dead wood habitat, nest boxes, hedge base flora, fruit trees in hedges, bare earth Predators – raptors, beetle banks, maintaining old farm buildings Basic INNS control Wildlife boxes and habitat features (e.g. hibernacula).
Beneficial Insects and Wild Pollinators	Habitat creation and management – ensure the big 4 are catered for – see Worcestershire Wildlife Trust’s Wild Pollinators Farm Health Check <sup>13</sup> - i.e. forage/food/nectar; nesting habitats; wintering/hibernation; avoidance of stress (e.g. pesticides). Integrated Pest Management options.
Combinable Crops Package	Compaction alleviation, soil and nutrient mapping, minimum tillage, low ground pressure tyres, landscape feature margins – 6m minimum on

<sup>13</sup> Caring for our wild pollinators, Farm Health Check. Worcestershire Wildlife Trust. July 2016. Available at: <https://www.worcswildlifetrust.co.uk/sites/default/files/2019-08/Farm-Health-Check-Form-2016.pdf>

	land, 12m minimum alongside watercourse, nitrogen-fixing break crops.
Public Greenspace/Peri-urban Package	Biodiverse greenspace management Wildflower road verges Wildflower swathes for parks Wetland creation and management
Agroforestry package	Silvopastoral - tree planting for livestock Silvoarable - alleycropping/ tree planting

## Tier 2

For Tier 2, as with Tier 1, gateway criteria should have been met. For Tier 2, the LMP should identify opportunities to deliver activities listed in the discussion document – all of which we agree should be funded.

- |   |
|---|
| <ul style="list-style-type: none"> <li>a. Tree, shrub and/or hedge planting</li> <li>b. Habitat creation/restoration/management (including woodland, wetlands, freshwater, peatland, heathland, species-rich grassland, coastal habitat, urban green space)</li> <li>c. Instream/river and on-land interventions to mitigate flooding and to manage sediment for water quality</li> <li>d. Species management, for example, introduction, translocation and/or recovery and invasive species prevention/control</li> <li>e. Rights of way, navigation and recreation infrastructure</li> <li>f. Education infrastructure, events and services</li> <li>g. Geodiversity asset (such as limestone pavements) and heritage asset management</li> </ul> |
|---|

In addition to the list from the discussion document, we have the following suggestions:

- (a) and (b) should include habitat connectivity guided by the NRN as set out in the LMP and should also therefore include mosaic sites.
- (a) should include natural regeneration and follow the principle of planting the right tree in the right place<sup>14</sup>
- (b) should explicitly include the maintenance of protected sites and areas of semi-natural habitat, including Local Wildlife Sites.
- (b) should explicitly include options for lowland raised bog restoration and related paludiculture and carbon farming, especially given that lowland peat drained for intensive agriculture represents UK peatlands most intense greenhouse gas source; making up around 15% of the overall peatland area but contributing around 50% of all carbon emissions. For a case study, please see Lancashire Wildlife Trust's Care-Peat project<sup>15</sup>.
- (c) should include incentives for working with natural processes including: allowing space for water, e.g. buffers or stream side wetlands; river restoration, e.g. barrier removal/modification, gravel reintroduction, bank enhancement, INNS control; and Natural Flood Management activity such as attenuation features, in-channel large woody material features and sustainable drainage features.

<sup>14</sup> See Cornwall Wildlife Trust's Tree Planting Guidance. Available at:

<https://www.cornwallwildlifetrust.org.uk/sites/default/files/2020-04/CWT-Right-Tree-Right-Place-WEB.pdf>

<sup>15</sup> <https://www.lancswt.org.uk/our-work/projects/care-peat-partnership>

- (d) should explicitly include beaver reintroductions and ongoing support for managing beavers in the landscape; deer management and grey squirrel management.

We say more about the importance of facilitating farmers and other land managers to work collaboratively in Q10, prioritisation in Q11 and advice in Q14.

### Tier 3

The UK has a target of net zero greenhouse gas emissions by 2050. Nature can make a massive contribution to achieving this, or an even more ambitious target – but only if we restore our damaged ecosystems. ELM funding through Tier 3 can help with large-scale landscape scale change and contribute to both the Nature Recovery Network and to the government’s net zero targets.

It is important that Tier 3 supports all habitats for biodiversity and species recovery, restoring natural processes and for carbon storage, that activity is targeted through the Nature Recovery Network and contributes to the 30% target for nature’s recovery on land.

Biodiversity benefits of landscape-scale habitat connectivity include allowing species to move and migrate over significant distances (moving between latitudes) enabling them to shift their ranges as the climate changes; and allowing different populations to connect and improve their stability and genetic diversity. Tier 3 needs to account for species reintroductions and support for existing populations which require landscape-scale work, for example barbastelle bat, which operates at a landscape scale and requires appropriate woodland management coupled with damp grassland foraging areas and corridors of hedgerows (see Norfolk Wildlife Trust’s article on barbastelle bats here - <https://www.norfolkwildlifetrust.org.uk/news-and-articles/articles/all-articles/9-for-90-barbastelle-bat>). Pine martin also require landscape-scale work and bring many benefits, as Gloucestershire Wildlife Trust’s pine martin project illustrates (see <https://www.gloucestershirewildlifetrust.co.uk/project-pine-marten-about-project>)

Tier 3 also has fantastic potential for tackling climate change through restoring and recreating habitats which are excellent carbon stores. Three examples – **peatlands**, **saltmarsh** and **wetlands** - are highlighted as the types of work which could – and should – be funded through Tier 3<sup>16</sup>.

**Peatland** - The UK’s peatland soils store around 3.2 billion tonnes of carbon but are heavily degraded and release the equivalent of 23 million tonnes of CO<sub>2</sub> every year. Restoring them to prevent these emissions is one of the most cost-effective nature-based solutions to climate change. These vast stores of carbon need positive long-term management. Restored peatlands can capture more carbon, reduce flooding, clean our water, and allow wildlife to thrive.

#### **Yorkshire Peat Partnership, Yorkshire Wildlife Trust**

Yorkshire has 23% of all the UK’s blanket bog, a type of peatland, and Yorkshire’s peatland holds an estimated 38 million tonnes of carbon in total. However, much of it is in decline – channels were historically cut to drain the peatland, and ongoing activities such as grazing and burning can continue to cause damage. Since 2009, Yorkshire Wildlife Trust has been leading the Yorkshire Peat Partnership to restore the blanket bog on a massive scale by surveying the habitat and working to block drainage ditches, replant bare areas with mosses and other plants, and reduce erosion. So far, the YPP has completed restoration works on over 30,000 hectares of a total 86,000 hectares of Yorkshire’s blanket bog. This vital work can reverse the loss of peat and helps keep carbon locked up. It also helps regulate water flow and reduces the risk of flooding,

<sup>16</sup> See *Let Nature Help: how nature’s recovery is essential for tackling the climate crisis*, The Wildlife Trusts, 2020. <https://www.wildlifetrusts.org/sites/default/files/2020-06/Let%20Nature%20Help.pdf>

increasing the resilience of communities downstream. Many other Wildlife Trusts have similar projects to revive UK peatlands, preserving this vital resource into the future. As well as natural flood management and carbon storage, healthy peatlands are amazing habitats for extraordinary wildlife, including reptiles and carnivorous plants. But despite progress, restoring peatlands takes time and needs a long-term outlook with corresponding long-term policies and funding.<sup>17</sup>

**Saltmarsh** - A hectare of saltmarsh can capture two tonnes of carbon a year and lock it into sediments for centuries, but we are losing nearly 100 hectares of saltmarsh a year. Coastal realignment could restore much of it, as well as reducing flooding and erosion. Schemes like the Abbotts Hall Farm example have the potential to marry FCERM Grant in Aid funding with ELM and other funding sources such as developed Biodiversity Net Gain contributions to deliver long-term sustainable land use change that delivers against a range of Government priorities.

**Abbotts Hall Farm, Essex Wildlife Trust**

Rising sea levels and increasingly frequent storms threaten both manmade defences and important habitats on our coastlines. In Essex, up to 60% of coastal marshes have been eroded in the last 20 years. At Abbotts Hall Farm, Essex Wildlife Trust has worked with the Environment Agency to realign the coast and create thriving saltmarsh habitat. When the Wildlife Trust purchased Abbotts Hall Farm in 1999, part of the sea wall was in need of repair. Instead of undertaking the costly work to maintain it, the Wildlife Trust and the Environment Agency explored coastal defence methods which took account of rising sea levels. After two years of studies, monitoring, and consulting the local community, new defences were installed further inland and in 2002 the old seawall was breached to allow tides to wash onto disused farmland.

The managed retreat is transforming 50 hectares of previously arable land into saltmarsh abundant with wildlife, particularly migrating birds. The new habitat is also teeming with young bass, herring and 14 other types of fish feeding in the creeks within the marshes.

This ground-breaking project shows what can be achieved when coastal realignment is carried out in suitable places and static seawalls are replaced with dynamic, carbon-absorbing tidal habitat, helping our wildlife and coastal communities stay resilient in the face of change.<sup>18</sup>

**Wetlands** - Wetlands can accumulate carbon for centuries, but in some areas of the UK we have lost over 90% of our wetland habitat. Restored wetlands provide rich habitat, clean water naturally and reduce flood risk downstream. Healthy wetlands store carbon, support wildlife and hold back flood water. Reducing drainage and over-abstraction, the return of beavers and naturalising rivers will also lock up more carbon. Paludiculture programmes like the Great Fen Project will be vital in delivering the aims of the UK and England Peat Strategies, and thought must be given to how land management payments through ELM could work in concert with capital investment facilitated through productivity grants or rural development funding, since a transition to wetter farming will require up-front investment in infrastructure or machinery in some cases.

**The Great Fen Project, Bedfordshire, Cambridgeshire & Northamptonshire Wildlife Trust**

Bedfordshire, Cambridgeshire and Northamptonshire (BCN) Wildlife Trust is leading the Great Fen project to create landscape-scale change and deliver one of the largest restoration projects of its kind in Europe. 99% of wild fen in Eastern England has been historically drained to create farmland, leading to the ongoing release of carbon as dry peaty soils oxidise or simply blow away.

<sup>17</sup> <https://www.yppartnership.org.uk/>

<sup>18</sup> <https://www.essexwt.org.uk/nature-reserves/abbotts-hall-farm/coastal-realignment>



At the Great Fen near Peterborough, BCN Wildlife Trust are working in partnership with the Environment Agency, Natural England, local authorities and land managers to rewet farmland and restore 3,700 hectares of fen. This will reconnect Holme Fen and Woodwalton Fen National Nature Reserves, create a huge mosaic of wetland habitats for the benefit of people and wildlife, reduce the risk of flooding on nearby farmland and save an estimated 325,000 tonnes of CO<sub>2</sub> from being released each year through peat loss.

Through the Water Works project, BCN Wildlife Trust is also aiming to change the face of farming in the Cambridgeshire fens for the better. BCN Wildlife Trust are working with partners and local farmers to trial innovative wetland farming techniques at the Great Fen that can help rewet the fen and halt and reverse the release of carbon. The Water Works project could be truly transformative for future generations farming in the fens, creating new sources of income for farmers, protecting food supplies and the natural environment, and combating climate change.<sup>19</sup>

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

To enable nature's recover, it is essential that all land managers entering into ELM (whether entering into Tiers 1, 2, or 3 or a combination) have the opportunity to deliver multiple benefits across land holdings to help deliver a Nature Recovery Network. As Q9 outlines, the LMP should include a baseline of the current natural resources, their natural capital value, and a spatial map of these assets and opportunities for nature's recovery through the NRN – both on the individual holding and beyond borders (e.g. through aligning field margins with neighbours or creating insect highways across the landscape). Public goods benefitting from funding, and the national and regional targets the LMP contributes towards (e.g. NRN, net zero, targets for water, air, biodiversity and waste in the Environment Bill) should also be included in the LMP.

Delivery of public goods through connecting beyond individual land holdings will need to be supported through a strong financial incentive. This could be a bonus to account for the time and effort required to engage with neighbours and agree on environmental practices to link-up the landscape. Bonuses could be proportional to the area of land included in the application that connects with neighbouring land managers and must be sufficient to encourage larger areas, such as whole fields, to be entered into applications as habitat steppingstones.

To enable land managers to identify areas where they can collaborate with others, an accurate habitat map showing their land holding and neighbouring land holdings with opportunities and suggestions for connectivity must be accessible to all ELM applicants (both online and as paper copies). Suggestions could be as simple as highlighting where watercourse buffers, field margins and linear features such as hedges could provide wildlife corridors or suggest locations where buffering local nature reserves and SSSI's or extending existing species-rich grassland habitats and woodland might be most beneficial.

<sup>19</sup> <https://www.greatfen.org.uk/> and <https://www.greatfen.org.uk/big-ideas/wet-farming>

The collation and entry of mapping data will need to be a continual process to ensure the development and extension of the NRN. When land managers enter into an ELM agreement, habitat connectivity should be mapped and available for other ELM applicants to view during the application process so that they might be able to connect land management activities with neighbouring land managers and in doing so achieve a financial bonus for this connectivity. This would help map the NRN and can tie into other initiatives, such as B-Lines led by Buglife. Local Biological Records Centres should play a role too – they have a wealth of species data which could otherwise be missed - and which needs financial support.

For ELM to be attractive to land managers, it must include funding for a trusted and knowledgeable local facilitator or adviser to support the setting up and ongoing management of farm/land clusters and land manager collaborations. The valuable support of an adviser has been particularly effective in mobilising land manager involvement in geographical areas and maintaining momentum and relationships, whilst enabling locally important environmental objectives to be delivered as exemplified in Facilitation Fund groups. ELM should continue support of this nature and encourage the organisation of specialist and topical environmental land management training events, talks and guided walks for cluster groups to attend. Expectation should be instilled that land managers will put into practice activities and/or land management methods learnt at these events from experts and through peer-to-peer learning. It is also important for the facilitator/adviser to be able to work one-to-one with land managers to secure maximum benefits.

Environmental outcomes should be targeted at a local level through local habitat prioritisation. Local Character Areas (LCA's) have been criticised as being too broad. There would be an opportunity for ELM to develop work being carried out at a more local level, for example, with catchment partnerships, councils, and existing Facilitation Fund groups. The success of some Facilitation Fund groups has been due to land managers having autonomy to decide which species and habitats they wanted to encourage with the help of environmental advisers. This will inherently be reflective of the local environment and therefore has great potential to deliver appropriate environmental outcomes (see Q11). Facilitation Funds and other groups should be given reliable financial support to help engage and connect land managers and encourage collaboration across multiple land holdings.

Public good delivery could then be linked through land manager collaboration and could be viewed in a similar fashion to a buying group as a large provider of public goods. This links in with our response to Q13 which advocates for the need for a market/trading platform to buy and sell public goods and services.

By mapping an NRN and using it to direct activity and funding through the LMP, all land managers – including those not working with neighbours – will be contributing to the NRN and should be supported through advice and guidance in completion and delivery of their LMP.

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

ELM priorities **at all geographic scales** should reflect the national objectives in the Environment Bill and other national and international commitments such as the 25 Year Environment Plan,

Sustainable Development Goals and Convention on Biological Diversity. These should be expressed in a series of national targets. Accountability for meeting the national targets through ELM should sit nationally with the statutory body with oversight and accountability of environmental policy delivery i.e. Defra.

In the past, schemes have been at various times either highly focussed or broad and shallow. Both these approaches benefit from spatial targeting, albeit at different scales. The Nature Recovery Network would facilitate this across all three tiers of ELM. This network for ecological recovery is based on the principles set out in the Lawton Review<sup>[1]</sup> and would consist of:

- Core areas in which the conservation of biodiversity is the prime purpose (e.g. nature reserves, SSSI, Local Wildlife Sites).
- The recovery area where habitats are restored and new habitat created, at a range of scales. and may also be protected, or may have another, compatible land use. (e.g. low intensity grazing on species rich grassland).
- Set in a wildlife friendly landscape (both rural and urban) containing corridors and steppingstones of habitat which provide essential ecological or environmental connections (e.g. farmland in countryside stewardship).

Defra has yet to provide clarity on local governance structure or the interaction between ELM and other mechanisms such as the Local Nature Recovery Strategies (LNRSs) proposed in the draft Environment Bill. However, LNRSs provide the foundation for establishing a Nature Recovery Network and the key mechanism for its delivery. They will engage many local stakeholders in determining local priorities for the natural environment and developing a plan for integrated delivery across policy areas and sectors. Defra should create national guidance to inform local decision-making for ELM that utilises spatial mapping and integrates with other local policy mechanisms, such as LNRSs, to deliver national objectives.

We believe that LNRSs delivery should be spatially targeted through a local NRN map which sets out the type of activity and the investment needed to contribute to delivery of the targets set for the core and recovery opportunity zones and in the wider rural and urban landscape outside of the network (i.e. across all ELM Tiers). These should show how the NRN can be delivered through focussed activity over a longer timeframe. Habitat restoration and creation and the recovery of species, including reintroductions where appropriate, can be planned and delivered at a suitable scale (including across multiple local Nature Recovery Networks), guided by clear recovery objectives. The local NRN map should be considered alongside ecosystem service maps to ensure every action takes account of wider benefits and bring cost effectiveness, and to plan the activity that would both enhance the Nature Recovery Network and, where possible, improve each ecosystem service.

Local Nature Recovery Strategies should take account of ELM priorities. These can then feed into local ELM delivery processes to help inform/guide groups of farmers and maximise delivery potential. A disconnect between LNRS and ELM processes and governance would be unhelpful and result in farmers (rightly) feeling left out of decision-making around priorities for an area that their land falls within. The individual Land Management Plan – as a gateway requirement for ELM – will

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<sup>[1]</sup> Lawton et al. (2010) Making Space for Nature. Available at <https://webarchive.nationalarchives.gov.uk/20130402170324/http://archive.defra.gov.uk/environment/biodiversity/documents/201009space-for-nature.pdf>

need to explain how the individual and group actions of land managers in a given area will contribute to delivering the LNRS as well as other local priorities.

We urge Defra to pilot different approaches for spatial prioritisation and local delivery within ELM.

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

The Wildlife Trusts believe that there is an **inherent contradiction in using income forgone as a basis for making payments calculations in a scheme based on delivering environmental public goods**. We do not agree with the message that this sends – that by delivering public goods, land managers are foregoing another source of income through producing food.

A closely related point is that some land, such as species-rich grassland, may have **low profitability in terms of farming outputs, but be of high environmental value** (e.g. carbon sequestration, biodiversity, flood risk mitigation, etc). Focusing payments on the environmental public goods which a holding produces, rather than the agricultural production which has been forgone, could redistribute payments towards high nature value areas, providing new income streams in areas which face disadvantages for food and timber production.

We appreciate the challenges of moving towards a new way of valuing what farmers and other land managers produce for society through delivering public goods, such as there being limited data on natural capital values, and that paying the value of the public good could not always provide the best value for money. However, this does not mean that Defra should default to income foregone plus costs. We hope that alternative payment methodologies besides income foregone plus costs are piloted in the national ELM pilot.

**ELM should only pay farmers and other land managers to deliver above a new regulatory baseline** and beyond what is deemed to be good practice – this should apply across all three Tiers. Income foregone is particularly flawed where it is trying to match the income a landowner would have received from, e.g. a lucrative Grouse Moor when the management undertaken to generate that income was extremely damaging to natural capital. The Wildlife Trusts believe that preventing damage to finite natural capital should be the role of appropriate baseline regulation rather than ELM payments.

We acknowledge that not every land manager is at the same point in terms of regulatory compliance, and suggest a separate transitional fund could be considered to help get everyone up to a satisfactory standard, with a particular focus on reaching compliance with key regulatory requirements such as the Farming Rules for Water, reducing ammonia emissions and Rights of Way regulations. Thereafter, a robust compliance and enforcement system should ensure that baseline standards are maintained.

**Tier one must avoid a standard payment per hectare** (whatever the option) as this lowers ambition and delivery standards. There should be an ambitious threshold for entry, known prior to application to create certainty for applicants (see Q9 for gateway criteria). One option could be a minimum or

fixed delivery payment against delivering mandatory elements (e.g. NRN) and then additional payments for each package (see Q9 for proposed packages in Tier 1).

Specifically, Tier 1 must value maintaining grassland as grassland. Currently, CS incentivises arable land reversion and doesn't adequately reward land already included as grassland being kept as grassland. Farmers therefore find themselves in the business position where it can be more profitable to plough up grassland to access the higher payment rates for arable stewardship.

In some areas of England, for the beef and dairy sector some of the grassland habitat options in the existing scheme are not popular as the payment rate is too low. Conversely, options originally intended for arable farms that pay more have been popular like the herbal leys and bird seed mix options. This means it is financially worthwhile to plough up nice grasslands to sow a herbal ley. Payment levels in ELMS should be evened out so we do not get these unintended consequences – and so that the natural capital benefits of maintaining grasslands as grasslands are locked in.

**Tier 2** could offer tiered payment structures, with increasing payment levels over time. This could work through either (a) loyalty bonuses, offering rewards for maintaining the agreed management regime, paid for example every 10 years; or, (b) performance bonuses or top-ups, where supplementary payments are made for achieving specified milestones (e.g. in relation to species-richness of grassland, tree establishment success, vegetation structure, water levels etc.). These could be similar to results-based payments but offered as a supplement to base-level payments for the activity being delivered thereby reducing risks to participants or applying in situations with complex outcomes or situations.

This proposal must not drive out the land managers that are already delivering High Nature Value farming. There should be a form of top up/dialled up payments for these areas. This could be provided as a per hectare supplement for agri-environment contracts that met certain criteria, such as beneficial management of priority habitats associated with non-economic grazing systems<sup>20</sup>.

**Tier 3** would attract the smallest number of applicants or clusters of applicants, due to the scale requirements and the likely longer terms of agreements. Those delivering Tier 3 work should be incentivised to maintain the work over a long period through a combination of (e.g.) lifetime or in perpetuity agreements which get a bonus payment plus ongoing payments for a much longer period. This could also be tied to conservation covenants.

Catchment or landscape scale schemes will require participation by multiple land managers. This will mean either multiple bilateral transactions between beneficiaries and land managers, or a single multi-lateral one. Neither of these arrangements can be guaranteed in a 'pure' market in the absence of institutions and mechanisms to encourage collaboration.

For example, two thirds of farms do not undertake basic business planning. For some of the most precarious sectors such as upland livestock grazing, this figure rises to over 80 per cent. The idea that these groups will be able to set themselves to enter into reverse auctions at this stage is unlikely. As it stands, Tier 3 lends itself more to institutions and existing group structures.

**Advice** payments are critical. If this is to be delivered outside of Defra, then there will need to be significant training for advisors. A larger share of funding should be allocated to focused advice,

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<sup>20</sup> For more information see *Paying for Public Goods from Environmental Land Management: how much will it cost and how might we pay?* A report by Matt Rayment for the RSPB, the National Trust and The Wildlife Trusts, 2019. Available at: <https://www.wildlifetrusts.org/sites/default/files/2019-09/Paying%20for%20public%20goods%20final%20report.pdf>

facilitation, cooperation, knowledge sharing, demonstration and encouraging institutional innovation and partnership building as well as piloting new approaches, all of which have proved effective levers of change (for example, peat partnerships).

Payments must be stackable. Other finance mechanisms must be available especially from the private sector (see Q13).

### Question 13: To what extent might there be opportunities to blend public with private finance for each of the three tiers?

Blended finance can be defined as the strategic use of public or philanthropic capital for the mobilisation of additional private commercial finance for public policy investments. A recent report from the Blended Finance Taskforce states that blended finance ‘uses public or philanthropic money to improve the risk-return profile or commercial viability for a private investor, allowing it to invest in places and projects where it wouldn’t otherwise go, by mitigating a raft of real or perceived barriers, including political risk, currency volatility, lack of liquidity, weak local financial markets, knowledge gaps about investment opportunities, and challenging investment climates, including poor regulatory and legal frameworks. Blended finance is designed to make development capital much more catalytic, with the aim that one public or philanthropic dollar mobilises multiples more from the private sector.’ (see [http://s3.amazonaws.com/aws-bsdc/BFT\\_BetterFinance\\_final\\_01192018.pdf#asset:614:url](http://s3.amazonaws.com/aws-bsdc/BFT_BetterFinance_final_01192018.pdf#asset:614:url)) In relation to ELM, the private sector investment can come from either individual investors or from businesses affected by the impacts of land management.

Stacking is when landowners are paid for conservation practices on their property that provide multiple benefits to the environment, for example a hectare of woodland could earn revenue from both carbon credits (for maintaining carbon stored in the ground) and flood risk mitigation credits (for helping to hold back flood waters<sup>21</sup>). Stacking can provide multiple revenue streams for landowners and encourage them to manage their lands for multiple ecosystem services. However, if not well-managed, it may also lead to a net loss of services and poor value for money, for example by giving a second payment to a landowner who requires only one payment to proceed with a conservation action<sup>22</sup>.

Currently the externalities of land management are not accounted for by farmers and other land managers. There is a gap between the costs that land management practices put on to private businesses – through flooding, soil erosion and pollution - and the amount of funding available for addressing these problems from public sources. If financial accounts of private or combined management solutions can capture the savings made from an initial capital cost there is a long term return to the private businesses affected, this saving is tradable from the supply side (the land manager) to the buyer (the private business)<sup>23</sup>.

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<sup>21</sup> *How credit stacking can grow money on trees*, Dick Kempla for Green Biz. 11 August 2016. Available at: <https://www.greenbiz.com/article/how-credit-stacking-can-grow-money-trees>

<sup>22</sup> ‘Staking ecosystems services payments: risks and solutions’, D. Cooley and L. Olander, *Environmental Law Reporter*, Feb 2012. Available at: <https://nicholasinstitute.duke.edu/sites/default/files/publications/stacking-ecosystem-services-payments-journal-paper.pdf>

<sup>23</sup> *Funding nature’s recovery: How new public spending can unlock private investment*, W. Tipper and J. Elliot. Green Alliance and National Trust. November 2018. Available at: [https://www.green-alliance.org.uk/resources/Funding\\_natures\\_recovery\\_new\\_public\\_spending\\_unlock\\_private\\_investment.pdf](https://www.green-alliance.org.uk/resources/Funding_natures_recovery_new_public_spending_unlock_private_investment.pdf)

## Blended finance in ELM

There are many opportunities for blending and stacking finance in ELM. Creating a market structure is important – in stacking so that a habitat enhancement project could sell both carbon and biodiversity credits – which is important to increase potential revenues and market viability. To be credible, stacking needs to be planned, and relevant baselines measured, ex-ante, and systems of measurement need defining (e.g. Defra’s biodiversity metric, and for carbon credits, the Peatland and Woodland Carbon Codes are options)<sup>24</sup>. Regulation and benchmarking of schemes and operators will be important.

Clarity will be needed on longevity (e.g. lifetime agreements or in perpetuity agreements) and the mechanisms for securing beneficial changes (e.g. through conservation covenants). The permanence of habitats created under a scheme will need to be rewarded so they are retained after the scheme has ended – possibly through an ongoing lower ‘retainer’ rate.

Ensuring additionality and avoiding double funding is critical. To avoid double counting there needs to be absolute clarity around what payments are to achieve and how, and no payments for activities that are already required through regulation. It will be important that the risk of land managers being paid for similar activities at different rates is avoided, which underscores the need for consistency and benchmarking, and an opportunity register.

Blended finance offers potentially huge gains for nature if it can draw together different funding streams, however this must be additional rather than replacement funding.

Currently landowners are not eligible for CS where they are committed to delivering similar actions through another agreement. This will need altering for ELM to enable layered blended finance options – especially as ELMS won’t always be the first agreement that landowners will enter.

### Tier 1

The biggest gain in Tier 1 could come from allowing public and private funding to be ‘matched’. Currently funds like the Severn Trent Environmental Scheme (STEPS) work in isolation to CS. Combining the payment options would encourage joined up thinking (some private schemes fund very similar options to public schemes (margins and catch crops) but with less commitment which would undermine ELM) and incentivise a coordinated approach to issues like flood management. Schemes like STEPS require match funding from land managers, which precludes some operations or limits the scale of intervention. ELM would provide a good match and is auditable. State-aid would need to be amended for larger business or businesses which look to invest in energy reduction and efficiency within buildings as well as blended options on their land.

**Tier 2** Matched finance as suggested in Tier 1 should also apply for Tier 2. Funding options on land could be stacked, e.g. land could have ELM options applied on top of carbon or nitrate credits. Lower value social investment bonds could be applied to land where options address nitrate, phosphate, carbon or soil erosion. These could be funded by small developers or water companies at a lower rate to activity in Tier 3. A similar concept could apply for other sources of Government funding, such as combining Flood Defence Grant in Aid (to fund the installation of natural flood management measures) with ELM payments (to enable long-term maintenance).

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<sup>24</sup> *Greater Manchester Natural Capital Investment Plan*, eftc, January 2019. Available at: <https://naturegreatermanchester.co.uk/wp-content/uploads/2019/01/GM-Natural-Capital-Investment-Plan-Final180119.pdf>

**Tier 3** Blending public with private finance could allow Tier 3 projects to be deployed at greater scale and ambition and demonstrate further proof of concept for green finance initiatives. This Tier should allow the maximum combination of funding and should attract the highest payments to encourage joined up working at scale – this is essential if the government are to meet their own targets within the 25 Year Environment Plan and ensure public payments for public good. As a sector the water industry is one of the key likely beneficiaries of landscape-scale land management schemes, and therefore a key potential contributor of blended finance for Tier 3 schemes. However the five-year timeframe of investments governed by the Asset Management Plan & Price Review process could act as a barrier to involvement, with companies unable to commit to long-term contributions. Defra could work with the industry’s financial regulator Ofwat to develop solutions to this issue. Peatlands are another clear target for Tier 3 schemes; issues regarding the blending of finance here are discussed in Q8.

### **Biodiversity Net Gain (BNG) and ELM**

It will be essential to consider, as both the new ELM and the requirements for a net gain for biodiversity develop, how the two interact and are mutually supportive. Currently, Countryside Stewardship cannot fund works that must be undertaken as a requirement of (a) any planning permission; (b) a Section 106 agreement or equivalent<sup>25</sup>.

Whilst we agree that works required through planning and paid for by development should not also be funded through ELM and the public purse, as land is secured for net gain, it may well be that not all aspects of site management are funded through planning. For example, a parcel of land might be secured through planning agreements to support great crested newt conservation through provision and management of ponds. However, the surrounding grassland and hedgerows might lack funding for management aimed at other species such as wildflowers, pollinators or birds, or for other ecosystems services. It is important that the existence of a planning obligation on a parcel of land should not in principle prevent the land being eligible for further payments that provide benefits outside of the planning system. Equally it will be important that planning agreements are specific as to what ongoing management they are funding and for what time period - so that it is clear what falls outside of that agreement.

Lancashire Wildlife Trust is conducting an ELM Test & Trial looking at the interaction between biodiversity net gain, ELM and the Nature Recovery Network. We would like to see a range of approaches for blending and stacking finance trialled and piloted in ELM.

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

Some land managers are knowledgeable and have experience of completing agri-environment applications from start to finish without external input. To maintain this independence,

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<sup>25</sup> Countryside Stewardship: Higher Tier Manual for agreements commencing on 2021. Available at: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/882125/CS\\_Higher\\_Tier\\_2020\\_v3.0.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/882125/CS_Higher_Tier_2020_v3.0.pdf)



it is imperative that free accessible advice is available to all land managers explaining the objectives of ELM and guiding applicants through the administrative process, especially given the shift in focus and language toward public good provision. This advice should be available across all Tiers.

The vast majority of land managers do however receive environmental scheme advice one way or another, for example, from their agronomist, agent or seed company. We advocate for ELM advisers to have knowledge on the local area, ecology and farm business economics<sup>26</sup> and where ELM sits within the business. In Wildlife Trust experience of advising farmers, advisers have had greater success working with land managers who already have an idea of what they'd like to achieve and so the free advice given by Defra should help stimulate interest in the scheme to lead to these conversations on what can be done on farm.

High quality, qualified advice will be essential. Currently there is a dichotomy between 'wildlife' advice and farming agronomy with often no connection or synergy between the two. The wildlife advice tends to be focussed on the non-cropped areas and agronomy on the crops and managed grassland. Land managers will need access to sound technical advice across multiple holdings and also facilitators to bring schemes together. The two types of advisers are likely to have different skill sets, but will both need a sound understanding of what the priorities of the local area need to be. For example the need to link up marginal land to restore fragmented heathland habitat, wider catchment management to reduce flooding in flood risk areas etc.

Advisers will need to be aware of the specialist niches of uncommon species as well as the more usual generic habitat for 'pollinators' or 'farmland birds'. They must also be able to recognise the underlying issues of pollution pathways into groundwater and watercourses, air pollution, CO2 emissions and their main sources and fully understand regenerative farming theory and practice in order to give useful advice on farms. They must know how to utilise multiple interventions to achieve multiple gains, for example flood risk management, water quality, carbon sequestration, access to the countryside and health and wellbeing. Without this, the division between productive farming and nature conservation could widen.

Advice from a trusted adviser<sup>27</sup> to help guide all stages of the scheme application process, design and delivery has been highly valued and welcomed by copious land managers who have been supported in this way by numerous Wildlife Trust advisers.

Advice has been particularly sought after to identify which options will work best on the holding, understanding option prescriptions and in completing application paperwork. To help understand suitable options, an adviser can draw up a calendar of activity for the duration of the scheme, listing management requirements such as hedge cutting and timings of operations to ensure the land manager understands what is expected of them.

The administrative burden associated with past and current environmental schemes has frequently deterred land managers from applying<sup>28</sup>. This barrier should be addressed either by streamlining the process or offering adviser support for this aspect of scheme application.

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<sup>26</sup> *Whither Environmental Land Management in England*, Marcus Gilleard, National Trust and Gareth Morgan, Soil Association, Wildlife and Countryside Link blog, June 2020. Available at: <https://www.wcl.org.uk/whither-environmental-land-management-in-england.asp>

<sup>27</sup> *Setting the new Environmental Land Management Scheme Up for Success*, Alice Groom, RSPB, for Wildlife and Countryside Link blog, June 2020. Available at: <https://www.wcl.org.uk/setting-the-new-environmental-land-management-scheme-in-england-up-for-success.asp>

<sup>28</sup> Engaging 'Harder to Reach' stakeholders for post-Brexit Agri-Environmental Policy. University of Sheffield & University of Reading Brexit & Environment Summary Report. June 2020. Available

Building-in a payment in ELM to contribute to the cost of an advisory visit prior to application submission for more sophisticated scheme options which require specialist knowledge, such as habitat restoration and creation or natural flood management measures, is likely to increase option take-up and success, rather like the CSF scheme advising on options to improve water quality<sup>29</sup>. Here, the adviser could also be the trusted intermediary between the land manager (or a group of land managers – see our response to question 10) and buyers of environmental goods and services. This relationship is expanded on in our response to question 13.

Good free access to data such as species and habitats is required to support advice work. Currently Records Centres will provide this for a fee but a properly supported data centre should be able to provide this free via Magic or similar. Targeting maps need to be more sophisticated and easier to use and understand. SCIMAP and the CEH ASSIST planner are moving in the right direction but could be easier to use and may not provide farm specific results. The production of Nature Recovery Networks will help in guiding the thinking farmers and advisors.

Individual advisers working with individual farmers is important but will not achieve the landscape scale of change what is required. To realise long term positive change at a landscape scale, the time required to foster relationships with and between farmers should not be underestimated and have requisite funding to all parties involved. The on-going learning from Kent Wildlife Trusts' current experience of facilitating the development of new farmer clusters has emphasised the importance of the time spent building relationships with farmers and land managers. This time spent building rapport (both farmer to farmer and farmer to facilitator) can include understanding their priorities and vision for the farm business, to personal interests, to social events to meet their farming neighbours (sometimes for the first time). This is crucial when working with farmers and land managers at all scales, but is of critical importance when wanting to deliver projects at landscape scale and cultivate positive behaviour change.

For outcomes to be delivered sustainability and last beyond the length of any agreement, the time spent building these relationships and the willingness to collaborate will need to be reflected in payments for the farmer/land managers and for the facilitating organisation. Having a tight network of farmers and landowner/managers who have engaged with the planning and fully believe in the aims of a project will significantly increase the likelihood of successfully delivering a public good at landscape scale.'

A criticism of CS from Wildlife Trust advisers has been that in many cases it has been clear for an environmental adviser what action needs to be taken to deliver for the environment, however these changes have not been able to be made due to the rigidity of the scheme. For example, the over-sowing of seed for grassland restoration is not permitted in Mid-Tier agreements as these actions are barred under the management prescriptions. This prevents many grasslands reaching their potential even though the landowner and advisor agree and are keen to restore the habitat. As part of scheme regulation once the scheme is underway, 'inspections' should also consist of advisory visits where advisers have the authority to make amendments and/or adjust the management of live schemes where an option is not working or management requires tweaking for the benefit of the environmental outcome. Advisers should have the ability to directly deal with the scheme governing body (NE/RPA) on the land manager's behalf to achieve this.

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at: <https://www.sheffield.ac.uk/geography/research/projects/agri-environmental-governance-post-brexit/project-outputs>

<sup>29</sup> *Funding Nature's Recovery: How new public spending can unlock private investment*, National Trust, 2018. Available at: [https://www.green-alliance.org.uk/resources/Funding\\_natures\\_recovery\\_new\\_public\\_spending\\_unlock\\_private\\_investment.pdf](https://www.green-alliance.org.uk/resources/Funding_natures_recovery_new_public_spending_unlock_private_investment.pdf)

To provide advice and guidance on individual queries with the scheme, land managers should be able to get in touch with the scheme governing body quickly and easily. Adequate staffing of the scheme governing body is critical. Wildlife Trust advisors report of a high turnover of Natural England advisors, and experience of there being no NE advisor assigned to administer some agreements. This has knock-on consequences when it comes to resolving issues or tweaking management interventions. There should be enough advisers in place that land managers can efficiently access necessary advice as required. Continuity of adviser and those with local and land management knowledge is extremely beneficial.

As well as advisers on the ground, the provision of an online 'chat' function (in addition to the applicant support phone line currently in place) to resolve issues quickly would be of value since this offers a more convenient and cost-effective method of dealing with and documenting queries.

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

Currently, the CS self-assessment evidence process is onerous, and does not effectively demonstrate that outcomes are being effectively measured as it is simply a log of completed work done rather than an assessment of outcome. It is imperative that any ELM assessment addresses this and effectively measures the outcomes of both the individual LMP, as well as the contribution of the LMP outcomes to wider landscape, regional and national targets (such as those in the Environment Bill). As much impact data as possible should be made publicly available to enable the public to better understand the benefits of environmental land management, and to support more effective scrutiny. There could be a role for Local Environment Records Centres here.

Monitoring of agreements must be in line with the complexity of the agreement and allow agreement holders to see whether their management is having the desired impact on the ground. Therefore, it must be SMART (Specific, Measurable, Achievable, Realistic, and Timely) and results must be utilised to make changes if interventions are not achieving the stated aims of the ELM agreement. Monitoring should not be onerous, but should provide evidence that environmental change is occurring.

Whilst some self-assessment is positive, it needs to (a) not be too onerous, and (b) be a complete substitute for impartial, accredited advisers/surveyors. For self-assessment, a mobile phone app that enables evidence to be gathered and uploaded could be one way to lessen the time and administrative burden for land managers.

Monitoring should be tailored by Tier. Our thoughts on monitoring across the Tiers are outlined below.

### Tier 1

**Fixed point photography** undertaken 4 times a year. This will require clear guidelines on which options need to be monitored, but this will be important when it comes to evidence that fields are not left bare and that buffer strips are present year-round. Water Industry land management payment schemes have successfully used this method, such as Wessex Water through the EnTrade platform.

**Hedgerow survey** in years 1 and 5 to include hedgerow height, width and density, with a count of number of shrub species per metre, evidence provided through photos.

**Bumblebee surveys**, following BeeWalks protocols or similar, are easy to complete and provide a proxy measure of pollinator services.

Simple count of number of species of **flowering plant** per metre square for wildflower/pollinator strips/patches etc. with photographic evidence. This should be undertaken each year. If it drops below the level set in the agreement reseeded should take place.

Simple **butterfly** timed count – how many individuals (with species if known) depending on the options chosen this could be either at multiple points across the whole holding, or focussed on specific option plots.

Simple timed **farmland bird count** – how many individuals (with species if known) at suitable locations on the farm, clear guidance must be provided on how to do this, but it could follow the Game Wildlife Conservation Trust farmland bird count methodology.

If part of the agreement is tailored to **efficient water use** on the land holding then there must be a requirement to provide evidence of mains water use/river abstraction use to show declining reliance on this.

Provision of **pesticide records** as part of annual claims submission. Including records of **livestock parasite treatments**, including evidence of faecal egg counts to show that wormers are only used where required.

Soil tests every 4 years for **soil carbon and soil organic matter** content across all land with options – these could be paid for by grant as capital items

**Soil tests annually for P and K** to back up ELM plan and ensure high risk fields in catchments and SAC's etc are not having too much fertiliser on them. Whilst it has issues, Farmscoper could be explored as a way to manage nutrient inputs and provide evidence of this with annual claims.

If the holding has water courses within it, or adjacent to it, a **sediment sample and reading using a turbidity tube** (secchi tube) could be taken in or after rainfall (of a given intensity) and readings compared across the farm over time. This would indicate **soil runoff**, and tackling this would also tackle **N, P & pesticide runoff at the same time**.

Fixed Point Photography could be used to evidence buffer strips.

**Monitoring visits from an advisor** should be included as a grant option to allow the above/some of the above to happen where the agreement is large and it is unrealistic for the land manager to undertake it all themselves.

It would be ideal to have a **commitment to allow species recorders onto the land** if requested (could be from Local Environment Records Centre, Wildlife Trust or other special interest group).

## Tier 2

All of the monitoring for Tier 1 may be appropriate dependant on options chosen. The following should be required in addition to Tier 1.

As the scheme is looking for **outcomes** rather than outputs there needs to be some sort of baseline and follow up surveys for specific indicator species (depending on options chosen)

- **Butterfly transect across whole landholding**– record numbers and species in year of application, and in years 3 and 5 of agreement and following the UKBMS methodology.
- **Farmland bird count** with species ID in year 0, 3 and 5.
- **Pitfall trap** to macro level (although this is labour intensive and subject to variations in methodology)
- **Dung beetle counts** – this can be done simply, beetles per kg of dry weight for e.g. or more complicated in terms of ID to family level.
- Rapid **habitat condition assessments** in year 1 and 5
- Earthworm counts for soil structure

There must be a **commitment to allow species recorders onto land** if requested (could be from LERC, Wildlife Trust or other special interest group) this should be a requirement for Tiers 2 and 3

## Tier 3

In addition to all appropriate monitoring from Tiers 1 and 2, there should be **annual payments for monitoring** from baseline NVC surveys upwards to annual monitoring – if the broad trend is not for improved environmental outcomes then the scheme should be reviewed and adjusted. This monitoring will be **specific to the project but should include species and habitat surveys** at appropriate temporal intervals.

**Data must be shared** across any landholdings working collaboratively in the tier 3 scheme. This is particularly important for focal species i.e. meta populations of butterflies and bird species such as curlew.

Mobile species such as pine marten should have **camera trap monitoring** in place and this could be a capital item for kit, but the work is a requirement of scheme and data must be shared with county recorders and NBN/Biological Records Centres.

All open areas of water should be subject to regular water quality testing with methodologies to be advised by the Environment Agency.

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

- **Interaction with wider policy:** ELM risks being a stand-alone policy but to achieve its outcomes it will need to be piloted alongside other policies it is interdependent with such as: regulation;

other financial incentive schemes (e.g. productivity and tree/plant health); Biodiversity Net Gain; Local Nature Recovery Strategies and the Nature Recovery Network.

- **Different spatial scales:** We urge Defra to pilot different approaches for spatial prioritisation and local delivery within ELM.
- **Data and mapping:** Poor data and mapping has undermined the impact and credibility of CS and previous schemes. Using good quality – including local – data will be essential to helping ELM be a success. This needs to be tested part of the Pilot. Basing ELM on existing CS priorities statements is not acceptable.
- **Land Management Plan:** We would like Defra to pilot the approach to the LMP set out in Q.9, i.e. LMPs should be piloted which include:
  - Current economic business model including inputs and outputs.
  - Baseline of the current natural resources, their natural capital value, and a spatial map of these assets and opportunities for nature’s recovery through the NRN – both on the individual holding and beyond borders (e.g. through aligning field margins with neighbours or creating insect highways across the landscape).
  - Public goods benefitting from funding, and the national and regional targets the LMP contributes towards (e.g. NRN, net zero, targets for water, air, biodiversity and waste in the Environment Bill) should also be included in the LMP.
  - Carbon footprint plan highlighting reduction and supported by an interactive carbon footprint calculator. This should cover all aspects of the business, including diversification such as game shoots and should exclude off-sets outside of residual emissions.
  - Net Gain principle should be applied to all land holdings to help deliver a greater public good on the holding, or through the local habitat banking scheme that may be in place through Local Planning Authorities to help deliver NRN and related strategies.
  - Other potential ‘buyers’ of goods – carbon trading, water quality, natural flood management.
  - Long-term scope is crucial; however, the LMP must be flexible and responsive to small-scale change to ensure that landowners who wish to experiment or trial new ideas are not deterred from applying. The incorporation of the interactive carbon footprint calculator, with set limits, would help with this.
  - Completion of the LMP will require guidance and an advisory service to support plan delivery. It will need to be a long-term plan (25 years) with a 5-year review cycle to ensure evolution and adaption as it is delivered, continued delivery of nature’s recovery, while incorporating the latest research and development. These plans will need to be simple and clear with actions and milestones set out.
- **Tier content:** We urge Defra to pilot The Wildlife Trusts’ proposals on Tier content for all Tiers, as set out in our response to Question 9.
- **Movement between Tiers:** There should be flexibility of options between Tiers so that land managers can move between Tiers, building and improving and scaling back as they see fit, and being part of different Tiers simultaneously. The way in which the Tiers are presented in the discussion document appears siloed and rigid. The Pilot should test movement between Tiers. Wildlife Trusts are likely to have all three Tiers in operations across their land holdings and possibly within a single holding and are keen to support the National Pilot through our land.
- **Different payment methods and rates:** We hope that alternative payment methodologies besides income foregone plus costs are piloted in the national ELM pilot.
- **Blending and stacking finance:** Lancashire Wildlife Trust is conducting an ELM Test & Trial looking at the interaction between biodiversity net gain, ELM and the Nature Recovery Network.

We would like to see a range of approaches for blending and stacking finance trialled and piloted in ELM.

- **Transition:** How the Pilot fits with the transition period, including BPS phase out, will need to be tested. Questions will need to be answered such as whether participants continue to be able to claim BPS or not. If they are, the Pilot risks being a flawed exercise, given that Basic Payment funding will have ceased by the time the scheme is rolled out fully.

Question 17. Do you have any other comments on the proposals set out in this document?

The Wildlife Trusts would like to see more detail on ELM being formally consulted on as plans develop in the next 6-12 months. ELM is too important a policy to not be subject to a 12 week consultation.

## Annex 1 - Wildlife Trust Phase 1 ELM Tests and Trials

Wildlife Trusts	Title	Summary
Gloucestershire Herefordshire Worcestershire BBOWT Hampshire & Isle of Wight	A facilitated, farmer-led approach to the delivery of environmental public goods on a landscape scale across Gloucestershire, Herefordshire, Worcestershire, Berkshire, Buckinghamshire, Oxfordshire, Hampshire and the Isle of Wight	Through a partnership of 5 Wildlife Trusts across 8 counties, the trial will engage 100 farmers, in order to: 1) produce a LMP template; identify farmer enthusiasm for a public goods scheme, documenting their current farming types and incomes (recording farm accounts) against the public goods they choose to deliver; and test the deliverability of LMP creation through an expert (current adviser) vs novice (recent graduate), to understand the skill sets required and the quality of outputs delivered by these two adviser types
Cheshire	A natural capital based, farmer-led model of the delivery of environmental public benefit on a landscape scale in the uplands - Cheshire Wildlife Trust	To develop and test a natural capital-based, farmer-led model for delivering environmental public benefits on a landscape scale in the uplands. The project will assess the response of both advisors and land managers to the approach. Liverpool John Moores will create a natural capital baseline for the target area, incorporating spatial distribution of farm-based public goods. Use tools such as the NE eco-metric to apply a common metric and values to ecosystem services. This will be used to develop a draft whole-farm natural capital assessment tool, which works for advisors and land managers, and can test optimum natural capital and ecological outcomes at both farm and catchment scale. Through testing application of the tool with participants, seek to understand farm advisor and land manager views on the benefits and limitations of such a tool in developing a farm plan, and understand potential barriers to adoption



Staffordshire	Farmer-led collaboration to deliver a landscape plan - Staffordshire Wildlife Trust	This project will test the development of land management plans by identifying local priorities and engaging with local land managers to recognise and deliver long-term solutions. Staffordshire Wildlife Trust will undertake detailed opportunity mapping in two areas within Staffordshire, reflecting two contrasting landscape priorities. This map will be shaped and developed collaboratively with partners and stakeholders to identify key priorities for the areas. This process will then be followed by land managers producing targeted solutions to inform a landscape-scale management plan. The project will take part in two phases, with Phase 2 repeating the first test with further group of farmers in the priority area of the Upper Sow and Scotch Brook catchment.
Kent Sussex	Delivering ELM at a landscape scale through Farmer Clusters - Kent and Sussex Wildlife Trusts	This proposed test aims to develop 2 cross-border farmer clusters (traversing the county border between Kent and Sussex) to enable the expertise of local farmers and landowners to feed into the evolution of the new ELM system. The farmer cluster will provide a forum for farmer-led discussion on a variety of proposed approaches and will provide a better understanding of what can and will motivate farmers and landowners to work collaboratively to deliver landscape-scale outcomes. Outputs from all discussions, workshops and sites visits will be captured and shared providing a valuable insight into the mechanisms that would work within the test area going forwards. At the end of the test, the farmer cluster would have secured significant farmer/landowner buy-in and be in a position to participate within the piloting phase to test the deliverability of the near final version of the new ELM scheme (from autumn 2020 onwards).

Cornwall	Development of a Natural Capital assessment tool and App.	<p>This project will produce a natural capital assessment tool/template and then test the template by carrying out 15 natural capital assessments on a selection of Cornish farms and CWT nature reserves. The assessment will baseline, following national assessment methodology and guidance. A desk based exercise will establish the most suitable natural capital assessment template to work with local datasets. The template will then be applied to a range of different habitats and associated natural processes in various holdings. The modelling and the accuracy of existing datasets available will be tested on the ground through a series of site visits. CWT will then develop a Natural Capital mobile App that demonstrates the natural capital attributes of the 15 sites, translating the information into accessible language and images. The App will be tested with local communities to evaluate its utility in increasing understanding, awareness and appreciation of the natural capital 'public goods'. The App will be informative, not interactive, at this stage.</p>
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