



Department
for Environment
Food & Rural Affairs

Environmental Land Management Policy discussion document

February 2020

This document should be read in conjunction with “Farming for the future: policy and progress update”



© Crown copyright 2019

This information is licensed under the Open Government Licence v3.0. To view this licence, visit www.nationalarchives.gov.uk/doc/open-government-licence/

This publication is available at www.gov.uk/government/publications

Any enquiries regarding this publication should be sent to us at

elmfeedback@defra.gov.uk

www.gov.uk/defra

Contents

Purpose of this document	5
Introduction	6
Lessons learned from previous schemes.....	8
Scheme design development.....	10
The proposed three tier overview	11
Our design principles.....	14
Scheme walk through.....	14
Testing that it works	15
Tests and trials	16
Overview.....	16
Approach	16
Progress to date	16
National Pilot	17
Delivery of the National Pilot.....	18
When will ELM start?	18
Moving farmers from the current to new scheme	19
Our proposals in more detail.....	19
Tier 1	19
What could this tier pay for?	20
Could we pay for actions or outcomes?	20
What could the options for payment methodologies be?	20
How could this tier be structured?.....	21
What could the relationship between tier 1 and regulation look like?.....	21
Tier 2.....	22
What could this tier pay for?	22

How could we target outcomes?.....	25
What could the options for payment methodologies be?	26
Tier 3.....	27
How could this tier be structured?.....	27
What could this tier pay for?	27
What could be the eligibility and entry requirements?.....	28
What could the options for payment methodologies be?	28
Supporting the approach.....	30
Agreement lengths	30
Environmental advice and technical guidance	30
Determining what we pay for	32
Scheme compliance, monitoring and enforcement	33
Questions.....	33
Delivery timeline	35
Key dates in the high level delivery timeline.....	35
How to respond.....	36
Confidentiality and data protection	36

This document should be read in conjunction with the “Farming for the future: Policy and Progress Update”, which sets out the wider context in which the Environmental Land Management (ELM) scheme sits.

Purpose of this document

For more than forty years, the EU’s Common Agricultural Policy (CAP) has dictated how we farm our land. Our departure from the EU and the CAP provides us with a unique opportunity to redesign our agricultural policies to allow us to meet our environmental ambitions, while supporting our farming sector. In freeing our farmers from the CAP and moving to a new system based on ‘public money for public goods’, we will put English farmers in the best position possible to meet the objectives of protecting the environment and producing food. This document sets out the government’s initial thinking on how these objectives can be supported through the design of a new ELM scheme.

We are using this document to step up engagement with all of our stakeholders, including the farmers, foresters and other land managers who look after our land, protect our beautiful environment and produce our great British food. We are committed to co-designing the ELM scheme with these stakeholders to create something that allows businesses to thrive whilst delivering environmental improvements. We are keen to avoid the mistakes of the CAP and learn from those people who know best.

This document sets out our initial thinking for ELM scheme design, providing an update on progress and overview of high level design options. There are key questions in the document which we would like views and evidence on. This document is not intended to set out the detailed delivery arrangements for ELM. The responses we receive to this document will help to inform the detailed scheme design policy for both our National Pilot, which is due to start in late 2021, and for the start of the ELM scheme in 2024. We anticipate that a full consultation on the detailed scheme design with an accompanying impact assessment will be published at a later date.

To support the launch of this document, we will be holding a number of interactive webinars with land managers and other stakeholders to discuss the proposals we have outlined (see next steps section). This will not be the end of our engagement; we intend to continue to work closely with our stakeholders through the Tests and Trials Programme, the National Pilot and full ELM delivery, to make sure that this is a scheme that works for farmers, foresters and other land managers on the ground.

In addition to the webinars, we want to hear the views of everyone who is interested in how land in England is managed and strongly welcome feedback on the ideas in this document. Please send your comments and suggestions to elmfeedback@defra.gov.uk.

Introduction

Our farmers produce world class British food which is enjoyed here and around the globe. They are also vital stewards of our natural environment – from managing our beautiful landscapes, and supporting our supply of clean water, to protecting us from natural hazards, such as flooding. Currently farmers do not have sufficient incentives to go further. We want to recognise the important role of the agricultural community and the positive contribution it makes to both our environment and to the food sector.

In January 2018, the government published an ambitious 25 Year Environment Plan, setting out an intention to be the first generation to leave the environment in a better state than we found it. The environmental challenges we face are far reaching: ranging from biodiversity loss and decline in our air and water quality, to climate change and its wide ranging impacts. Further to this, the government has committed to achieving net zero emissions by 2050. It is critical we develop the right mechanisms to deliver our net zero target and ensure we can mitigate against, and adapt to, the effects of climate change.

In England, 69%¹ of our landscape is farmed. Our agricultural sector is vital to our food security and underpins our rural communities. However, to supply our demand for cheap and plentiful food, over the past century in many agricultural sectors there has been expansion and intensification of production. This has driven significant decline in the health of our environment. This is illustrated through the 57%² decline, on average, in the farmland bird index between 1970 and 2018. 10%³ of the UK's overall greenhouse gas emissions also come from the agricultural sector. In recent years, the sector has made huge strides to improve its practices and deliver more environmentally sustainable farming. However, we recognise that if we are to meet our 25 Year Environment Plan and net zero targets, more needs to be done. The farming community is a critical partner to the government in delivering these objectives. We want to create new business opportunities alongside producing the great British food we all rely on, by paying farmers to adopt more environmentally sustainable farming practices and enhance our natural capital.

Under the CAP, English farmers receive around €2.5 billion in annual subsidies currently. Around 86% of the €2.5 billion constitutes direct income support (Basic

¹ Department for Environment, Food & Rural Affairs, 2019. June Survey of Agriculture and Horticulture.

(https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/841483/structure-june-eng-series-24oct19.xls)

² Department for Environment, Food & Rural Affairs, 2018. Wild Bird Populations in England, 1970-2018. (<https://www.gov.uk/government/statistics/wild-bird-populations-in-the-uk>).

³ Department for Business, Energy & Industrial Strategy, 2020. 2018 UK Greenhouse Gas Emissions, final figures. (<https://www.gov.uk/government/statistics/final-uk-greenhouse-gas-emissions-national-statistics-1990-to-2018>).

Payment Scheme) payments⁴. BPS generally represents poor value for money for the taxpayer and is not considered the most appropriate tool for income support. Most of the remaining CAP payments fund rural development programmes including Countryside Stewardship⁴ (CS) and existing Socio-Economic programmes. The current CS scheme delivers much better value for money than BPS in terms of environmental outcomes, but because of the constraints of the CAP, it has become bureaucratic, prescriptive and carries a high administrative overhead. Most importantly, CS is insufficient in scale to deliver the ambitious goals of the 25 Year Environment Plan. There are better ways to enable the agricultural sector to flourish alongside delivering on our environmental ambitions.

The new ELM scheme, founded on the principle of “public money for public goods”, will be the cornerstone of our agricultural policy now we have left the EU. The Agriculture Bill will provide the underpinning legislative framework for the scheme, but as we continue to develop the details, we are also considering how measures in the Environment Bill could support ELM to secure environmental improvements for the long-term, for example, through the Local Nature Recovery Strategies. ELM will provide farmers, foresters and other land managers with an opportunity to secure financial reward in return for delivering environmental benefits. ELM will be a powerful vehicle for achieving the goals of the 25 Year Environment Plan and our net zero target, and ensure we have a strong mechanism for addressing and averting the environmental crisis. As such it will support our rural economy and help us maintain our food security.

The public goods ELM will pay for include:

- 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

Given the market does not adequately reward the delivery of environmental public goods, ELM will be an effective way for government to intervene and utilise public funding to deliver them. ELM should sit alongside mechanisms such as regulation, as part of a wider agricultural system.

As part of this wider system, the core aim of ELM should be to deliver environmental benefits, paying farmers, foresters and other land managers for interventions and actions that improve and enhance our environment, or for maintaining current land management practices that secure environmental public goods. However, we also know that some commonplace farming practices can lead to environmental

⁴ The European Commission, 2015. Commission delegated regulation (EU) 2016/142), Official Journal of the European Union. (<https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32016R0142&from=EN>).

degradation. In these instances, we want ELM to help farmers to become more environmentally sustainable.

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

In doing the above, ELM will provide an opportunity for farmers to derive an additional income stream through the delivery of environmental benefits as and once direct payments are phased out. The *“Farming for the future: policy and progress update”* sets out the other mechanisms the government proposes alongside ELM to mitigate the vulnerability of the sector in a targeted way.

Lessons learned from previous schemes

Over the last two years we have been developing high level scheme design proposals, building on lessons learnt from previous schemes and collating evidence to inform design decisions. We will build these lessons into our scheme design proactively, reinforcing elements demonstrated to be successful and learning from past shortcomings. Some of the key lessons we have learned are:

- a) **We need high levels of uptake in ELM:** if schemes are undersubscribed, as has happened with Countryside Stewardship, an uneven distribution of uptake and environmental outcome delivery is generated. ELM must work for all types of land managers and farm types, payment rates must be attractive to encourage participation, and it must be marketed effectively.
- b) **We need to make objectives clear for land managers:** previous schemes have generally been most effective when they have had clear targets or objectives that are easily understood and supported. The classic example of this is the success of previous schemes in reversing the decline of the ciril bunting, and there are many others.
- c) **Land managers must have access to effective advisory services:** advisory services play an important role in marketing schemes, promoting understanding and assisting in planning and implementation. There must be an effective advisory service to support ELM and we must identify where 1-1 advice could be most valuable. There is no “one size fits all” solution for advice and ELM may require more than one approach to the provision of advice (such as 1-1 advice and / or 1 to many), depending on the target outcome(s) and circumstances on the ground.

- d) **We must recognise positive actions and outcomes of land managers:** once land managers have joined ELM and have started implementing their land management activities, we should seek to recognise and promote where their activities have generated good outcomes. Current schemes penalise poor delivery but do not balance this with positive recognition. This recognition is crucial in encouraging land managers to continue in their efforts, perhaps be more ambitious and demonstrate to all how successful outcomes can be delivered. Change is always difficult and land managers need to feel supported rather than targeted.
- e) **We need to balance delivering improvement with rewarding existing good practice:** past policies have demonstrated the danger that by limiting payments to the adoption of additional actions, existing high-quality features and habitats may be destroyed. For ELM, we need to strike the right balance between rewarding and sustaining current best practice and encouraging new take up of environmental actions.
- f) **We should seek to create a layer of local prioritisation within ELM:** farmers, foresters and other land managers benefit from being closely involved in identifying how their local area can help deliver environmental priorities (both national and local). In delivering ELM, we could consider devolving some of the responsibility for identifying local priorities and local planning, and allow local areas and their stakeholders to have a bigger role in deciding how both local and national priorities can be best delivered.
- g) **We must ensure ELM is not overly prescriptive:** while we want to ensure land managers conduct activities on their land that we know are effective in delivering environmental outcomes, we should avoid mandating unnecessary levels of prescription over how they deliver these activities.
- h) **We need to ensure our compliance requirements and approach to enforcement within ELM are proportionate:** under previous schemes, the compliance requirements placed on land managers were overly complex and demanding. This has reduced scheme participation (especially on farms with the smallest eligible area). We need to ensure that ELM's compliance and reporting requirements are sensible and that demonstrating compliance isn't unnecessarily burdensome. We also need to make sure that how we enforce compliance is proportionate: in the past, where land managers have been found to be in breach of their agreements, the approach to enforcement has been overly-punitive and harsh. We need to take a proportionate approach to instances of non-

compliance, using a range of enforcement mechanisms, and in the first instance, work to support compliance.

- i) **The applicant needs to have confidence in the delivery process:** the decision on whether to enter into a scheme or not is based on a combination of simplicity of application, payment rates, reliability of payments (timeliness and fear of reclaims) and customer's fear of penalties for breaking unrealistic or complex scheme rules. CS was not fully developed as an end-to-end process before it was launched and has faced difficulties at application, agreement and claim stages; this has reduced confidence in the scheme.

Scheme design development

Building on these lessons learned, over the last two years we have been developing proposals for ELM scheme design. We have been working closely with stakeholders to test our thinking and elements of the design with them, making sure we build ELM collaboratively. We have also been working to reflect the recommendations of the Dame Glenys Stacey review and Glover review for designated landscapes into our design.

We set out our initial thinking on ELM as part of the Health and Harmony consultation response in September 2018. Our early vision for ELM was to offer one broadly accessible scheme, designed to work for all farmers, foresters and other land managers. This was intended to deliver the full range of environmental outcomes set out in the 25 Year Environment Plan, whilst ensuring certain outcomes and actions were targeted, to reflect the needs of the local area and the local value of the outcome.

Although our early vision had strengths, as we began testing this design with stakeholders and other experts, we realised that previous schemes have been most successful when they have different 'tiers', as this provides the option of tailoring different elements to different needs. However, this needs to be achieved without creating unnecessary administrative burdens.

A tiered-scheme approach also offered additional flexibility, over a single national scheme, to target certain actions or objectives within a variety of local circumstances.

Given this feedback, last year we worked with stakeholders and experts to consider alternative scheme design options that took a tiered approach. The consensus was that ELM could work best if it were split into three distinct tiers, each tailored to support different policy aims and environmental priorities.

The proposed three tier overview

Working from this consensus, we have developed a three tier proposition split as follows:

Tier 1: We want to make sure we design something that is easy for all farmers to engage with. This tier could focus on **encouraging environmentally sustainable farming and forestry** and include actions to create environmental benefits that we know the majority of farmers could take across their farmed and forested land. Whether that's using cover crops or planting wildflower margins, this tier could pay farmers across the country to adopt (or continue) practices that can generate valuable outcomes, focusing on those practices that are most effective when delivered at scale.

Tier 2: this tier could be designed to support land managers in the delivery of **locally targeted environmental outcomes**. This tier would target agreed priority outcomes, making sure the right things are delivered in the right places. As such, it may need to use some form of spatial targeting and local planning. Many of the outcomes this tier will deliver may rely on **collaboration between land managers**. It could therefore include a variety of mechanisms for encouraging and rewarding collaboration and join-up between farmers, foresters and/or other land managers.

Tier 3: this tier could be focused on delivering **landscape scale land-use change projects**, where such projects drive added value over and above what can be delivered through tiers 1 and 2. It would coordinate projects that are critical in helping us meeting ambitious environmental commitments such as net zero. This would be fully aligned with activity under the government's Nature for Climate fund for afforestation and peatland restoration.

We want the three tiers to work together to offer participants a simple scheme. We hope to ensure as much flexibility as possible to participate across different tiers, and we are working to determine how they will fit together.

The table on pages 12-13 provides an overview of the tiers and the differences between them. Further detail on the possible scheme design can be found on pages 19 - 29.

	Tier 1	Tier 2	Tier 3
What is the purpose of the tier?	To incentivise environmentally sustainable farming and forestry and help to deliver environmental benefits	To incentivise the management of land in a way that delivers locally targeted environmental outcomes	To deliver land use change projects at a landscape scale to deliver environmental outcomes
Key tier characteristics	<ul style="list-style-type: none"> • Will be attractive to farmers across the country • Will pay all farmers to adopt (or maintain) effective actions that address the environmental impacts of farming and forestry practices and enhance the environment • Will focus on practices that are most effective when delivered at scale 	<ul style="list-style-type: none"> • Will target agreed priority outcomes in the most strategic locations • Will encourage and reward collaboration between farmers and/or land managers to ensure successful delivery of outcomes • Actions may be more complex for some land managers to deliver 	<ul style="list-style-type: none"> • Will focus on projects that can deliver over and above tiers 1 and 2 • Will focus on delivering a diverse range of environmental outcomes that make substantial contributions to our environmental commitments such as nature recovery and net zero target • Will involve collaboration at a local level and landscape scale • Will ensure projects are implemented in the most strategic locations to provide best value for people and the environment

<p>What could this tier pay for?</p>	<p>Actions will contribute to the delivery of environmental public goods, our 25 Year Environment Plan commitments and net zero target. Examples could include:</p> <ul style="list-style-type: none"> • Nutrient management • Pest management • Livestock management • Soil management • Field margins (buffer strips) • Field cover (cover crops) • Water storage/efficient water use <p>See further detail on page 20.</p>	<p>Examples could include:</p> <ul style="list-style-type: none"> • Tree, shrub and/or hedge planting and maintenance • Habitat creation/restoration/management (including woodland, wetlands, freshwater, peatland, heathland, species-rich grassland, coastal habitat, urban green space) • Instream/river and overland flow attenuation and diversion (natural flood management) • Species management, for example, introduction, translocation and/or recovery and invasive species prevention/control • Rights of way, navigation and recreation infrastructure • Education infrastructure, events and services • Geodiversity and heritage asset management 	<p>Example projects could include:</p> <ul style="list-style-type: none"> • Forest and woodland creation / restoration / improvement • Peatland restoration • Creation / restoration of coastal habitats such as wetlands and salt marsh
<p>Who is eligible?</p>	<p>All farmers</p>	<p>All land managers (but likely to be taken up by those with more interest/experience in taking on environmental challenges)</p>	<p>All land managers (but likely to be limited to land with the right natural capital assets and at the right spatial scale to deliver transformational land use change)</p>

Our design principles

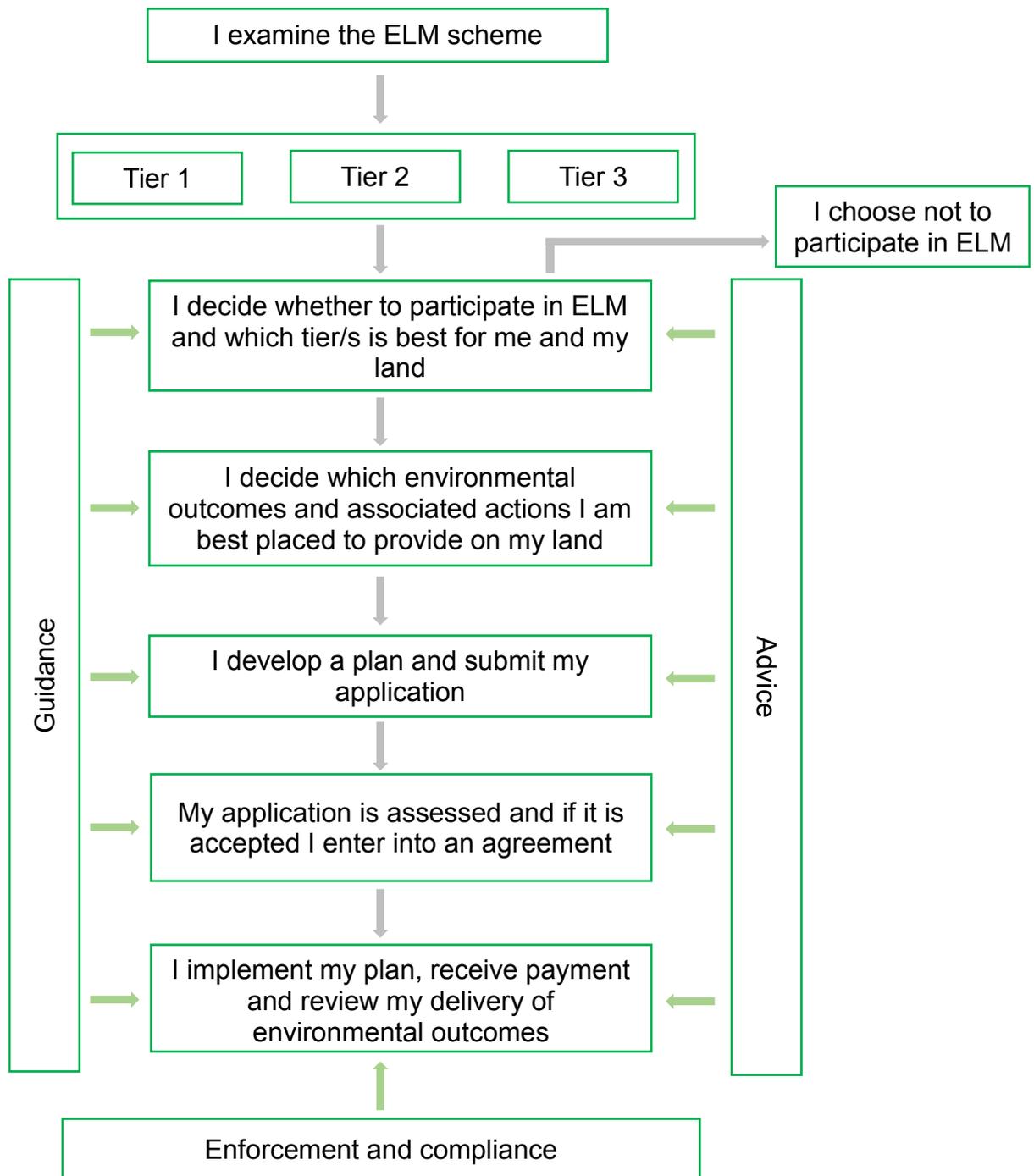
To make sure we develop a scheme that is successful and effective, we need to check any design proposals against clearly stated design principles. Our suggested set of design principles is set out below.

For all elements of the ELM scheme design we will:

- a. Focus on achieving environmental outcomes, helping to deliver our 25 Year Environment Plan and net zero target. In doing so, it will help farmers, foresters and other land managers optimise the potential of their land to deliver public goods, as part of a thriving food or other land-based business;
- b. Ensure national and local environmental priorities are supported and balanced effectively;
- c. Ensure that the scheme and its underpinning systems and processes work effectively and represent maximum value for money to the taxpayer;
- d. Ensure that ELM includes actions that most farmers, foresters and other land managers could deliver and encourage delivery of outcomes at all spatial scales through collaboration as well as individual participation;
- e. Enable farmers, foresters and other land managers to have greater flexibility over how they deliver environmental outcomes;
- f. Ensure minimal complexity and administrative burden for participants and administrators, considering lessons learned from similar past initiatives;
- g. Seek to harness new technology and digital solutions where they are shown to add value and improve the scheme design and operation;
- h. Seek to continuously improve all elements of the scheme and its administration, through monitoring, evaluating, learning and innovating, while providing sufficient certainty and clarity to applicants;
- i. Consider re-using / improving existing systems and data before building new.

Scheme walk through

Taking all of this into consideration, we have developed a potential high level visualisation of how a land manager might walk through the scheme. As our design proposal evolves, we will be developing a detailed user journey for each of the tiers.



Testing that it works

As highlighted above, it is important that we do not repeat the mistakes of the CAP. We are therefore undertaking a large stakeholder-led programme of ‘tests and trials’ for certain elements of the scheme design, and plan to pilot our approach in 2021 ahead of roll out of the ELM scheme in 2024.

Tests and trials

Overview

We established tests and trials in 2018 as a mechanism to co-design the ELM scheme with stakeholders and to help refine and improve the policy framework and delivery methods. They will help us understand how critical building blocks of the new scheme could work in a real life environment. This includes understanding the practicalities and requirements of the new scheme, such as the role of expert advice and how we incentivise collaboration to achieve greater environmental returns. In addition, they explore how new or innovative delivery approaches could be used across different geographies and sectors. They are not intended to establish whether specific environmental outcomes can be achieved.

Tests and trials will continue throughout the life of the Pilot and potentially beyond, up to 2028. They vary in length depending on the subject matter and objectives of the trial. Tests are likely to be shorter in duration and focus on specific building blocks or elements of ELM. They will be lower risk and can be explorative and iterative. Trials will provide us with proof of concept for new ideas, generating evidence to help us assess the relative deliverability and value for money of more novel or innovative delivery approaches.

We have provided examples of different tests and trials and the evidence they are providing throughout this document.

Approach

We are delivering the tests and trials in phases; this approach has enabled us to prioritise those tests and trials that will provide evidence to help us prepare for the National Pilot and the initial roll out of ELM. Our early tests and trials built on existing mechanisms already in place such as the pioneer areas of the 25 Year Environment Plan. For first and second phases of tests and trials, we issued an open call for ideas and suggestions from stakeholders who could deliver on these phases. We accepted proposals for phase 1 up to 30 September 2018 and for phase 2 up to 1 April 2019. We are not currently accepting any further proposals. Once the majority of tests and trials are operational, we will identify gaps and invite further proposals specifically targeted to meet those gaps.

Progress to date

Within phase 1 we received over 100 proposals from a range of stakeholders including farmers, foresters, Non-Governmental Organizations (NGOs), several publicly funded bodies (National Parks and Areas of Outstanding Natural Beauty) and some of Defra Arm's Length Bodies (Natural England and the Environment

Agency). We identified 44 of these that matched our priorities, of which 42 are underway. A further 2 are expected to go live early this year.

We received a further 200 proposals in phase 2. We identified gaps from phase 1 and sought to bring forward proposals from phase 2 that filled one or more of these gaps. Following assessment, we identified 25 proposals that we wanted to develop further with stakeholders, of which 4 are currently underway.

National Pilot

The ELM National Pilot will be the means by which Defra will pilot, at scale, the new ELM scheme, in real world situations with a wide range of farmers, foresters and other land managers. The first agreements with those taking part in the Pilot are planned to begin formally in late 2021. The Pilot is planned to run for three years until ELM is launched in late 2024 and will provide an important opportunity for farmers, foresters and other land managers to be involved in shaping the scheme.

The main aims of the Pilot are to learn and prepare for full implementation. It is clear that in the past IT systems, ill-conceived processes and unintended consequences of policy design have got in the way of delivery. The Pilot is one of the primary mechanisms to ensure the ELM approach, its systems and processes work prior to full rollout of ELM in 2024.

Our current thinking is that the Pilot could consist of two large pilots for tiers 1 and 2, and several smaller pilots, with fewer participants, for tier 3, and could test three main things:

1. How best to construct different types of ELM agreements at different scales
2. How to target ELM incentives to deliver specific environmental outcomes in specific areas
3. Underlying scheme mechanics (such as the application and payments approach and the use of advisers)

We plan to involve a wide range of farmers, foresters and other land managers from across England. For example, we intend for all regions of England to be represented, and to involve a range of farm types (upland/lowland/arable/livestock) and others such as woodland managers.

The Pilot will be undertaken in close consultation with relevant stakeholders. It is still at an early stage of development, and we plan to release more details on precisely how we will involve stakeholders over the coming months.

Key to the Pilot is that farmers, foresters and other land managers could enter into real agreements to deliver real environmental actions. We could pay them to take part in the Pilot, using some of the funding freed up by BPS reductions. The Pilot

could focus on the mechanics of the new scheme, ensuring we learn what works best so we can continually iterate and improve the scheme design. Critically, the learning from the Pilot, including participant experiences, will inform ELM scheme design.

Delivery of the National Pilot

Delivery of the National Pilot will require a diverse range of skills and experience, assembled from across the Defra group. With this in mind, Defra's ELM Programme will lead and be accountable for the delivery of the National Pilot, working with the following delivery partners:

- Rural Payments Agency will provide the administrative and transactional functions, such as provision of a customer contract centre and case management function
- Environment Agency, Forestry Commission, Natural England and the Joint Nature Conservation Committee, working collaboratively, will provide their subject matter expertise across water, trees and the natural environment to support National Pilot design, learning and monitoring and evaluation
- Environment Agency, Forestry Commission and Natural England, working collaboratively, will help to provide adviser functions, directly or indirectly providing land managers with advice and support

Even though there will be clearly defined responsibilities within the delivery partnership, the Defra ELM Programme and delivery partners will work as one team to plan and deliver the National Pilot.

It is important to note that these decisions and actions relate purely to the National Pilot. Delivery arrangements for the ELM scheme from 2024 will be addressed separately.

When will ELM start?

Our intention is for ELM to be delivered in late 2024. A full timeline can be found on page 38.

Moving farmers from the current to new scheme

To make sure there is a gradual transition from current policies and schemes to the new one, we plan to make changes over a seven-year agricultural transition period (2021-2027), providing sufficient time for farmers to adapt and prepare. See the “Farming for the future: policy and progress update” for further detail. During this period, we plan to phase out Direct Payments in England, with the first reductions starting in 2021. In doing so, the relationship between government and farmers will start to change as we move away from a subsidy-based approach to a more business-like partnership.

Under current plans, new Countryside Stewardship (CS) agreements will continue to be available in the first few years of the agricultural transition period. We will ensure there is a stable transition from Environmental Stewardship (ES) agreements and the CS scheme to the ELM scheme. Under the transition plans, there will be a period of time in which both the old and new systems will operate. This will allow time to plan and prepare for the future. No one with a CS or ES agreement will be unfairly disadvantaged when we transition to new arrangements under ELM. Those entering CS agreements from 2021 will be able to end their agreement early where they have secured an ELM agreement. Until then, signing a CS agreement gives a viable, long-term source of income for providing environmental benefits.

Our proposals in more detail

Tier 1

This tier will be designed to incentivise environmentally sustainable farming and forestry to deliver environmental benefits. We know there are effective actions that the majority of farmers can take across their farmed and forested land that when implemented widely across the country, will deliver environment benefits, whilst improving the environmental sustainability of farming businesses.

Therefore we want this tier to focus on actions that are deliverable on most farms so that it is broadly accessible to all farmers, if they want to participate. We have been developing our thinking around tier 1 with this in mind, focusing on making sure it is accessible and attractive to all farmers across the country.

What could this tier pay for?

Actions under this tier would contribute to the delivery of environmental public goods, our 25 Year Environment Plan commitments and net zero target. Examples of what we might pay for include:

- a. Nutrient management (including manure management)
- b. Pest management (such as Integrated Pest Management, biological control, and precision/spot spraying pesticide application)
- c. Livestock management (such as improving feed efficiency of livestock through targeted breeding to reduce ammonia emissions, limiting grazing to avoid compaction and run-off)
- d. Soil management (such as avoiding cultivating/trafficking on wet soils, soil organic matter content, maintaining water levels in peat soils, contour ploughing, minimum- or no-tillage cultivation)
- e. Field margins (such as flower-rich/species rich margins/field corners, riparian buffer strips)
- f. Field cover (such as cover crops, arable rotations, companion cropping, leys)
- g. Water storage/efficient water use

Could we pay for actions or outcomes?

We have been exploring the extent to which we can use results-based payments in ELM, as opposed to the traditional approach of paying for actions. We recognise that paying farmers, based on what they deliver, not just what they do, can be very effective and offer good value for money.

However, given the objectives of tier 1, we think we should keep it straightforward and make sure we give farmers clear guidance on what they need to do in order to deliver environmental outcomes while keeping their financial and delivery risks low.

Paying for actions does not necessarily mean we would need to be as prescriptive as previous schemes have been. Rather, we would look to introduce as much flexibility as possible and ensure our approach to ensuring compliance with the conditions of agreements is proportionate.

What could the options for payment methodologies be?

We want widespread participation in this tier to ensure we deliver our environmental objectives. Providing the right level of payment to participants will be critical to this. We are therefore exploring how best to balance providing a fair payment to farmers and ensuring delivery of environmental objectives, against maximising value for money and respecting our international obligations.

We are considering a range of ways to calculate payments for ELM. These include administrative price setting, where payment rates are set by government, and market-based price setting, where payment rates are determined within a competitive market using mechanisms such as tendering or auctions.

For tier 1, it may be most appropriate to base payment rates on the income foregone and costs incurred. However, to secure sufficient participation to deliver the desired environmental benefits, we may need to take a more flexible approach than under existing schemes, for example through adjusting prices over time in response to supply and demand to achieve the desired level of uptake.

How could this tier be structured?

We are exploring whether tier 1 could consist of a standard(s) that farmers have to meet in order to receive a payment, or whether the tier could offer a menu of options from which farmers can choose what to deliver.

For example, we could develop a set of standards that are each tailored to a specific farm or land type, making it clearer for farmers to see what is relevant for their land. This could include, for example, a standard for dairy farms, arable farms, upland farms and other farm types.

Alternatively, we could package actions into menus of options that are tailored to farm or land type, providing a shorter list of actions from which a farmer chooses what to deliver. This is closer to the current approach.

We think that a standard can offer a simple choice, whilst providing assurance that actions will be delivered. However, a menu of options can provide flexibility, with the ability for farmers to go beyond the directed 'standard' actions. It is possible that we could take a hybrid approach, providing standards all farmers must meet, whilst also providing options for them to deliver additional benefits.

What could the relationship between tier 1 and regulation look like?

We think it is important to review the scope of what ELM pays for regularly, to make sure ELM adapts as environmental priorities and challenges change. We expect tier 1 will help farmers to embed environmentally sustainable practices into their businesses. As such, we think that as the actions we pay for become the norm for all farmers, we may need to amend what we pay for through this tier. This may be especially important if environmental regulations change, and cover some of the actions paid for through ELM.

To help us understand where what ELM pays for might change, we are exploring where regulation could in the future be an appropriate or effective lever for some of the actions that tier 1 might pay for. We are considering how the two can work together to deliver our environmental objectives.

We know that this has worked in the past. For example, the cross-compliance Good Agricultural and Environmental Condition (GAEC) standards were linked to the receipt of some CAP payments. This meant that some farmers had to comply with a number of environmentally focused standards, as part of their conditions for receiving direct payments. The GAEC standards covered by cross compliance were kept under review and updated as new evidence emerged and farming practices changed.

We are also exploring whether establishing compliance with relevant regulatory requirements should be an entry requirement for tier 1.

Tier 2

The proposed objective of tier 2 is to pay for the management of land to deliver a wide range of environmental benefits, ensuring the outcomes delivered are targeted to the local environment. The outcomes delivered through tier 2 may need to take account of what environmental improvements a local area may need, as well as what actions can have the most success in a particular area ('right thing in the right place'). The successful delivery of the outcomes supported through this tier may therefore require specialist knowledge and support.

What could this tier pay for?

This tier could pay for actions that maintain and enhance the environment and require carefully targeted management. Examples of what we might pay for include:

- a. Tree, shrub and/or hedge planting
- b. Habitat creation/restoration/management (including woodland, wetlands, freshwater, peatland, heathland, species-rich grassland, coastal habitat, urban green space)
- c. Instream/river and on-land interventions to mitigate flooding and to manage sediment for water quality
- d. Species management, for example, introduction, translocation and/or recovery and invasive species prevention/control
- e. Rights of way, navigation and recreation infrastructure
- f. Education infrastructure, events and services
- g. Geodiversity asset (such as limestone pavements) and heritage asset management

We also think that much of what we pay for under tier 2 may be delivered more effectively if it is joined up, with farmers, foresters and other land managers collaborating with one another in the delivery of the outcomes. As such, we are looking at different models for collaboration to understand how best to support farmers, foresters and other land managers to work together (See Box 1: tests and trials).

Box 1: tests and trials

How we are understanding farmer collaboration

The Kent and Sussex Wildlife Trusts have been coordinating a farmer-led test since October 2019. This test aims to provide an understanding of what motivates farmers and landowners to work collaboratively to deliver landscape-scale outcomes.

The Wildlife Trusts are doing this by establishing two cross-border farmer clusters between Kent and Sussex to provide a forum for farmer-led discussions on a variety of proposed delivery approaches. The cluster will conduct discussions, workshops and sites visits. The outputs will be captured and shared to give insight into the collaborative mechanisms that will work for farm cluster areas by December 2020.

We have been exploring the extent to which we can move towards a results-based payment in ELM (see Box 2: tests and trials), rather than paying for actions. Given the type of outcomes we want to deliver through tier 2, it is likely to appeal to, and be appropriate for, land managers who are more interested or willing to take on targeted environmental challenges (supported by advice and guidance). Results-based payments could therefore be feasible and beneficial as part of tier 2.

Box 2: tests and trials

Trialling payment by results

We are 4 years into an environmental Payment by Results (PbR) trial, which sees farmers being paid for the quality of the environmental outcomes they deliver, rather than purely an area payment (with or without complex prescriptions); giving farmers more freedom and control over what environmental action they take on their land.

Since 2018 this trial, which continues to be managed for Defra by Natural England and the Yorkshire Dales National Park, compares the effectiveness of the PbR approach in two different areas and for different environmental outcomes: grassland in the Yorkshire Dales (on species rich meadows and grassland for breeding waders) and arable land in East Anglia (delivering plots of winter bird food and flower-rich mixes for pollinators). The trial involves over 30 farmers, is taking place over two years and has been running since September 2018.

Early results have been positive and show the potential to improve the performance of agri-environmental measures and for the approach to be applied to other biodiversity objectives and environmental objectives associated with land management practices. Given the scale of these trials, there is further work to be done before this could be implemented at a national level.

As such, we suggest that tier 2 payments could initially be based on actions, offering top-up payments for delivery of additional results (where output result indicators can be tested and proven to be feasible). Over the longer term, where land manager experience and confidence has been established and our methods for monitoring outcomes have advanced, we could move towards pure results-based payments for certain outputs where tested and proven to be feasible.

We think that given tier 2 would be focused on securing high value environmental outcomes, any land that can deliver environmental benefits should be eligible and all land managers who manage that land should be able to apply. As 69%¹ of land is farmed, agricultural land would likely make up a significant proportion of tier 2 participation. However, we are also considering the benefits of including land not previously targeted by agri-environment agreements, such as peri-urban land.

We are considering what entry requirements may need to be met before applicants could participate in tier 2. As with tier 1, establishing compliance with existing relevant regulations could be required. We are also considering whether tier 2 participants should be asked to demonstrate that they are meeting tier 1 standards (if tier 1 is based on a standard) in order to participate.

How could we target outcomes?

We know that in order to make sure the right actions are happening in the right places, we might need to develop an approach to planning, targeting and prioritising at a local level that works for ELM (referred to as spatial prioritisation within this document). This could be particularly important for tier 2, as what we pay for would likely be influenced by the local area, its characteristics and the environmental opportunities unique to the area. We also think this local planning will be important to make sure we deliver some of our key environmental commitments, such as creating a Nature Recovery Network (as set out in the 25 Year Environment Plan).

Under CS, we currently use the National Character Areas (NCAs), and Natural England develop 'statements of priorities' for each area. However, these are often considered to be produced in a 'top-down' way. We would like to review and build upon this approach and are considering whether more local participation and natural capital planning could help to drive better outcomes and value for money.

We are assessing a range of existing and proposed approaches to spatial prioritisation. We are working closely with stakeholders on how best to combine top-down and bottom-up elements and ensure spatial priorities are agreed following a consultation process. As part of this, we are exploring how Local Nature Recovery Strategies (LNRS), a new participatory spatial tool to be introduced in the Environment Bill, could support ELM spatial prioritisation needs. We also have tests and trials looking into how best to agree spatial priorities and target outcomes (see Box 3: tests and trials).

Box 3: tests and trials

Identifying catchment-wide and holding-scale priorities in a catchment with competing local priorities

The Cuckmere and Pevensey Levels Catchment Partnership brings together 55 different farmers, the local authorities, water board, artists, and other stakeholders in the area to address their local environmental priorities together. The area has complex and competing local priorities including planning/building pressures, lack of access to green spaces for local people and poor water quality and quantity.

This trial will define the outcomes and long-term vision for the Cuckmere and Pevensey Catchment with a wide range of partners, including local planning authorities, farmers and the local community, using natural capital assets as a key driver. It will translate the catchment-wide priority outcomes and vision into 20 farmer plans, which will identify natural capital assets and holding-scale priorities and then work with farmers and land managers to develop innovative mechanisms to deliver these priorities.

A key feature of this trial will be to assess the appropriate level of advice and guidance needed to develop the farmer plans. The trial will also investigate possible sources of funding for delivering public goods, determine how farmers and land managers would prefer to receive funding and identify potential contractual arrangements which could deliver the funding to farmers and land managers. The trial began in November 2019 and will run for a year.

What could the options for payment methodologies be?

For tier 2, as set out above, we could pay for a mix of actions and results where we have tried and tested the approach. In the first instance, we could calculate the base payment rates based on income foregone and costs incurred, but vary these payments up or down over time to secure delivery of sufficient environmental outcomes.

For results-based payments, it could be possible to calculate the base payment rates based on income foregone and costs incurred for completing a higher standard of action that maximises environmental benefits. We could then calculate payments in relation to this based on the level of environmental benefits delivered by the land manager.

It may also be possible to use market-based pricing mechanisms such as auctions for some aspects of tier 2 over time, as these are tested further at scale.

We will learn lessons from previous schemes to ensure we encourage participation through appropriate payment rates.

Tier 3

We suggest the objective of tier 3 could be to deliver land use change at a landscape scale, delivering a diverse range of environmental outcomes across landscapes while making a substantial contribution to specific government commitments, notably around nature recovery and net zero emissions.

How could this tier be structured?

While for ELM tiers 1 and 2 individual land managers could enter into agreements with the government to deliver environmental outcomes on their land, we suggest a more innovative model might be required to deliver the landscape scale land use change we want to create through a tier 3.

One approach could be a procurement model, where we invite individual or group applications from land managers to deliver specific projects. If land managers apply in groups, there could be a role for a co-ordinator or convener, responsible for bringing together land managers and developing the group application.

We could incorporate a degree of competition into the procurement process or at least initially, limit the competitive element and perhaps cover the administrative costs associated with developing an application.

What could this tier pay for?

Tier 3 could pay for land use change projects that are required for us to deliver our environmental commitments and need to be co-ordinated and implemented at landscape scale to deliver the target environmental outcome(s) successfully.

Projects might include:

- a. Forest and woodland creation / restoration / improvement
- b. Peatland restoration
- c. Creation / restoration of coastal habitats such as wetlands and salt marsh

These examples of land use change projects would make a substantial contribution towards our net zero target by creating and restoring carbon rich habitat, while delivering strongly for biodiversity, water quality and flood mitigation. They could also be critical in helping deliver our Nature Recovery Network (as set out in the 25 Year Environment Plan). Tier 3 will be fully aligned with the government's Nature for Climate Fund for afforestation and peatland restoration. The projects could also be designed to promote opportunities for public engagement and access.

Land use change projects could be decided strategically at a national level to ensure funding is focused on projects we expect to make the strongest contribution towards our national environmental priorities. Alternatively, responsibility for identifying and selecting projects could be devolved locally, perhaps guided by a national prioritisation framework. Regardless of the extent to which we devolve responsibility for selecting projects, we would need to work carefully and collaboratively at a local level to ensure we implement these projects in the locations that provide best value for people and the environment.

The quality of the environmental outcomes we deliver will be influenced heavily by the natural capital assets of the landscape. Some land use projects may only be suitable to implement in specific geographies while greater flexibility might exist for others. Decisions on spatial targeting are likely to need to consider relevant socio-economic as well as environmental factors and could need engagement and endorsement from local communities.

The mechanism we use to spatially target and build endorsement for these projects will need to align with the approach we use in tier 2 and our local nature recovery strategies to ensure consistency and join-up.

What could be the eligibility and entry requirements?

Eligibility for tier 3 is likely to be project-specific. For tier 3 projects to deliver the target environmental outcomes successfully, we may need to ensure the land use change is delivered on land with the correct natural capital assets and at the right spatial scale. These conditions are likely to provide the specific entry requirements for each tier 3 project.

What could the options for payment methodologies be?

Due to the complexity and bespoke nature of land-use change, we believe it may be most appropriate for payment rates to be determined on an individual basis through a negotiated agreement. For example, this could include providing capital grants to support initial land conversion where there is a high upfront cost followed by ongoing maintenance payments. Tier 3 agreements could also be awarded via a reverse-auction process that would likely incentivise land managers to collaborate in order to put in an application. In this case, the market sets the price.

There may be significant potential to blend public and private finance through tier 3 projects. Private finance could come from carbon offsetting, organisations such as water and insurance companies with an interest in the target environmental outcome(s), or Net Gain credits, for example. 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. See Box 4: tests and trials for further information on how we are exploring this option.

Box 4: tests and trials

Using blended finance and reverse auctions for multi-functional land and water management on the Somerset Levels

A reverse auction is an innovative way of buying environmental goods and services with the market setting the price. In a normal auction, a seller of a product or service accepts the highest offer from multiple buyers. However, in a reverse auction the buyer (the government) sets out the goods it is looking to purchase and there are multiple sellers (land managers) who bid to undertake the work. Auctions can be designed in many ways but generally are set out to choose the bids which provide the best value for money for an environmental outcome target.

The South West Farming and Wildlife Advisory Group (FWAG) launched a trial in September 2019 looking at using a reverse auction approach to pay farmers for providing solutions to flooding on and around the Somerset Levels. These solutions are ones that farmers, foresters and other land managers are very well placed to deliver and include different soil management activities, such as sub-soiling and maize management, as well as the creation of low intervention water pathway management techniques, such as bunds and leaky woody dams, and are all designed to slow the flow of flood water. The trial will work with partners such as RSPB and Somerset Wildlife Trust to identify stackable environmental benefits from flood management, such as habitat creation and peatland restoration.

Reverse auctions are interesting in that they need not be overly prescriptive – the land manager responsible delivering the outcome can choose where and how to “do” the work and importantly they can also choose the payment that they want for the work. Whilst the land manager is best placed to choose the work as they know their land, they will need expert advice and, in this trial, FWAG provide this, working closely with relevant partners.

Additionally, the potential for blending funding sources will be explored. The Somerset Rivers Authority will be allocating a special local authority tax revenue to fund the reverse auction, creating a link between businesses and communities that will benefit from the provision of the service of flood mitigation. A variety of government bodies are working to prevent further catastrophic flooding of the Somerset Levels and supporting farmers to identify what they can do to help alleviate flooding.

Supporting the approach

Agreement lengths

For the ELM scheme to be successful, we need it to work for a wide range of farmers, foresters and other land managers. This includes for tenant farmers, those who work on common land, commercial foresters and farmers and foresters from other backgrounds. Therefore, for all 3 tiers we may need to be flexible with the agreement length, ensuring it is long enough to secure the changes and outcomes we want, whilst short enough not to deter participation.

For tier 3, we could also explore how mechanisms such as conservation covenants (to be introduced in the Environment Bill) could be used to ensure the land use change has long term protection. We may need to mitigate risks such as changes in the ownership of land and land managers deciding they want to re-purpose their land.

Environmental advice and technical guidance

Advice and guidance – either access to an adviser, or through written advice - are effective ways to address any gaps in the skills, knowledge and motivation of land managers to deliver public goods. The importance of advice is clear from existing evidence and past experience. Our evidence from stakeholder workshops and lessons learned from past schemes is that for advice and guidance to be effective it must be trusted, consistent, credible and cost effective for whoever is paying. Whilst written guidance can offer a clear steer on best practice, an adviser can help tailor that information to local needs and aspirations. The extent of advice, the ways in which it could be provided and how it fits with shared knowledge among groups of farmers is being explored through our tests and trials (see Box 5: tests and trials).

As we want tier 1 to be as broadly accessible as possible, those participating in it may not always have had agreements under previous schemes and therefore may be uncertain of the potential benefits and business implications of an ELM agreement. We recognise that advice at the scheme promotion and application stage could therefore be critical. Some participants might also have limited experience in delivering environmental outcomes and could require input and advice from a trusted adviser to build their confidence and ensure the outcomes are delivered successfully.

Others may have had some experience of previous schemes, for example, under Countryside Stewardship. As such they may feel more confident in undertaking the activities than those who have never participated before. However, it is recognised that participants might require help and support in planning their interventions,

particularly in relation to tier 2 as those actions might need to be linked to wider plans in the local area and require specialist input and knowledge to target outcomes. This may be even more critical given the potential importance of collaboration within this tier, where we know advice can play a significant role in helping farmers, foresters and other land managers understand how they can work together to deliver complex outcomes at scale.

The approach for tier 3 is expected to be quite different as requirements are likely to vary by the type of land use change required for each project. For example, 1-1 advice may be required for the creation of bespoke wildlife habitat but written guidance might be sufficient for simple activities. Likewise, land managers may vary in how much advice and guidance they require based on their experience and confidence. Therefore, our environmental advice and technical guidance framework for this scheme will be flexible to adapt to the specific requirements of the land use projects and participants.

We are considering a range of different models for the provision of advice in the ELM scheme, including:

- a. Provision of 1:1 advice and support direct to land managers
- b. Group advice and training
- c. Telephone and online support
- d. Facilitation of peer to peer learning

Box 5: tests and trials

The role of advice

The South Downs National Park Authority facilitated a set of workshops with members of the six farm clusters across the National Park as well as other local land managers and advisers to discuss and answer questions around the use of plans farmers may need to develop to set out the actions they want to take on their farm to deliver ELM outcomes. This would include the type of plan that would be needed, the specialist advice required to develop and monitor progress against them and the role of farm clusters/landscape scale projects in ELM design and delivery. The workshops also considered the mechanisms to prioritise and deliver objectives by testing the role of national objectives and then National Park objectives in setting landscape and individual holding objectives.

The key findings from the workshops which had around 140 attendees, were that the farmer's plans should be simple, concise, flexible, and map-based and should be used throughout an agreement to apply, implement and monitor that agreement. The consensus on advice was that it should be optional for access to the scheme, that local knowledge was critical, that advice should be ongoing throughout agreements and there was support for accreditation. Participants felt that farm clusters were beneficial for knowledge sharing and collaboration towards objectives and that they should be supported financially in recognition of this. Finally, participants felt that objectives and priorities at a regional/local level should be set with land manager input, based on global, national and national park priorities and at a cluster and holding level, determined by land managers with support from facilitators and advisers.

Determining what we pay for

Throughout this document we have given examples of the sorts of things we might pay for under each tier. In order to finalise what ELM will pay for, we are developing a long list of potential actions and outcomes that farmers, foresters and other land managers can deliver through the management of their land and water.

In order to refine this list and prioritise between the wide range of what ELM could pay for, we will take into account the following principles:

- a. It delivers a direct contribution towards our environmental public goods including clean air; clean and plentiful water; thriving plants and wildlife; protection from and mitigation of environmental hazards; beauty, heritage and engagement; mitigation of and adaptation to climate change; and is aligned

with the government's wider objectives for the environment, as set out in the 25 Year Environment Plan and other policy documents

- b. Public spending through ELM is an appropriate way for government to incentivise farmers, foresters and other land managers to deliver the activity
- c. It is not required by domestic regulations
- d. It is not already paid for through public funds
- e. It drives implementation of the polluter pays principles over time
- f. It provides good value for money for the tax payer

Scheme compliance, monitoring and enforcement

We know that in previous schemes, the approach to compliance, monitoring and enforcement has felt burdensome, inflexible and too focused on punitive actions rather than improvement. It has not necessarily helped to drive the changes in practice or to improve delivery of the environmental outcomes we want to see.

It will always continue to be important to ensure the correct use of public money and make sure that participants are compliant with any eligibility and entry requirements. However, our focus will be to use monitoring to ensure our agreements with land managers result in high quality, sustainable environmental benefits.

We are exploring a range of ways the delivery of ELM scheme agreements could be monitored. For example, we want to consider the use of innovative technologies in monitoring such as remote sensing and geospatial data and how they could add value to this scheme. We also want to explore the role self-assessment could play in recording progress, potentially with the help of an adviser and will be looking to test this type of approach through the National Pilot.

We are still considering options for inspection, including whether to take a risk-based approach. This could take into account historic delivery of environmental outcomes or membership of assurance schemes.

We are in the process of reviewing possible enforcement tools for non-compliance with scheme rules or problems with delivery, such as withholding payments, penalties, suspension from the scheme. However, we want to put in place a proportionate approach which focuses in the first instance on assisting, guiding and directing future plans so that there is continuous improvement.

Questions

1. Do you want your responses to be confidential? If yes, please give your reason.
2. What is your name?

3. What is your email address?
4. Where are you located? North East/North West/Yorkshire and The Humber/East Midlands/West Midlands/East of England/London/South East/South West/Remote
5. Who are you? Internal to Defra/Defra arms length body (ALB)/Lobby group/Other government department/Parliamentary group/Land manager/Other (please specify)
6. Do you have any comments on the design principles on page 14? Are they the right ones? Are there any missing?
7. Do you think the ELM scheme as currently proposed will deliver each of the objectives on page 8?
8. What is the best way to encourage participation in ELM? What are the key barriers to participation, and how do we tackle them?
9. For each tier we have given a broad indication of what types of activities could be paid for. Are we focussing on the right types of activity in each tier?
10. Delivering environmental outcomes across multiple land holdings will in some cases be critical. For example, for establishing wildlife corridors or improving water quality in a catchment. What support do land managers need to work together within ELM, especially in tiers 2 and 3?
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?
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?
13. To what extent might there be opportunities to blend public with private finance for each of the 3 tiers?
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?
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?

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?

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

Delivery timeline

An indicative high-level delivery timeline for ELM can be found on page 38, which sets out our expectation that as direct payments are reduced, ELM payments will increase. We will consider how to ensure the careful management of these multiple and changing funding streams throughout this period. Further detail on the wider agricultural transition can be found in the “Farming for the future: policy and progress update”.

In addition, throughout the design and development process, we will be considering and test how best to safeguard this public money, ensuring it is used for the delivery of public goods. We will explore different mechanisms for the prevention of fraud to strengthen this safeguarding.

Key dates in the high level delivery timeline

Key dates include:

- 2020 to end of 2023 - ELM scheme design
- 2020 to end of 2027 - ELM tests and trials
- 2021 to 2024 - National pilot
- 2024 - Full roll out of ELM scheme
- 2021 to 2027 - Direct Payments phased out
- 2024 - No new agreements under Countryside Stewardship Scheme

How to respond

We would welcome responses to the questions in this document. This can be accessed via: <https://consult.defra.gov.uk/elm/elmpolicyconsultation/>. **Responses must be received by 31 July 2020.**

A hard copy of this discussion document and questions can be provided. Please contact: elmfeedback@defra.gov.uk.

We will be holding six interactive webinars through July to discuss the proposals we have outlined. Further details of the dates and locations of the events can be found at <https://consult.defra.gov.uk/elm/elmpolicyconsultation/>.

Summaries and key conclusions from the events will be published in due course.

There will not be one single opportunity to be involved, but many. Alongside our test and trials programme and National Pilot, we will continue to work closely with stakeholder organisations across the country throughout the course of developing ELM policy, ensuring our scheme design works for all. As set out in the introduction, this document discusses our high level design options. The responses we receive will help to inform our detailed scheme design policy, which we will be discussing with stakeholders over the coming months.

Confidentiality and data protection

This discussion document and consultation process have been planned to adhere to the Consultation Principles issued by the Cabinet Office.

Representative groups are asked to give a summary of the people and organisations they represent and where relevant who else they have consulted in reaching their conclusions when they respond.

Information provided in response to this consultation, including personal data, may be published or disclosed in accordance with the access to information regimes these are primarily the Environmental Information Regulations 2004 (EIRs), the Freedom of Information Act 2000 (FOIA) and the Data Protection Act 2018 (DPA). We have obligations, mainly under the EIRs, FOIA and DPA, to disclose information to particular recipients or to the public in certain circumstances.

If you want the information that you provide to be treated as confidential, please be aware that, as a public authority, the Department is bound by the Freedom of Information Act and may therefore be obliged to disclose all or some of the information you provide. In view of this it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation,

but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department.

This consultation is being conducted in line with the Cabinet Office “Consultation Principles” and be found at: www.gov.uk/government/publications/consultation-principles-guidance.

If you have any comments or complaints about the consultation process, please address them to:

Consultation Coordinator
Area 7C,
Nobel House
17 Smith Square,
London, SW1P 3JR.

Or email: consultation.coordinator@defra.gov.uk

High Level Delivery Timeline

