### Evidence submission to the Environment, Food and Rural Affairs Select Committee: Environmental Land Management and the Agricultural Transition

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### **Executive Summary**

At the time of leaving the European Union, 42% of farms in the UK did not make a profit over and above the Basic Payment Scheme (BPS). This indicates that there could be substantial implications for both livelihoods and landscapes if the new Environmental Land Management (E.L.M.) approach is poorly designed and the transition to the new payment scheme inadequately planned and implemented. Defra have stated that they aim to enrol 82,500 holdings into E.L.M.by the end of the transition; a substantial increase from the current c.20,000 holdings already participating in agrienvironment schemes (AES).

A successful transition will rely on the uptake, participation and, importantly, *buy-in* to this new approach amongst farmers and land managers. To achieve this, the foundation of the new scheme needs to be established via effective co-design with stakeholders and the necessary scaffolding put in place via tailored advice and guidance, to enable farmers and land managers to maintain personal business viability and maximise the delivery of public goods during and beyond the transition period.

# To ensure an effective and inclusive transition, we recommend that the National Pilot and E.L.M:

- Take account of the existing motivations and priorities of landowners (i.e., starting from where they are) and identifying agronomic-environmental 'win-wins' to encourage early buy-in to the scheme;
- Effectively apply principles and practices of co-design, focusing on trust and transparency of the process and outcomes;
- Reach out beyond the usual suspects to include harder to reach stakeholders in E.L.M;
- Make provision for tailored, impartial advice accessible to all, farm visits, demonstration farms, and other knowledge-exchange activities that will support the achievement of productivity and the provision of public goods, including environmental and climate change goals.

# Q1. Is the Government's timeframe for the national pilot, full roll-out of E.L.M. and phasing out direct payments by 2027 feasible?

#### 1.1 Feasibility of the timeframe depends on the co-design process.

The key objective must be to design a scheme and implementation strategy *with* stakeholders that maximises uptake and delivers the objectives set out in the 'Health and Harmony' consultation and the '25 Year Environment Plan'. The feasibility of the timeframe for the roll out of E.L.M. and the phasing out of BPS depends on the effectiveness of the co-design process and full consideration of the challenges posed by the mechanisms that will need to be put in place to implement the 'public money for public goods' approach. The process of engagement, evaluation and adaptation is likely

<sup>&</sup>lt;sup>1</sup> See Project website: <u>https://www.sheffield.ac.uk/geography/research/projects/agri-environmental-governance-post-brexit/project-outputs</u>

<sup>&</sup>lt;sup>2</sup> Contributors to this project were Jess Lyon, Dr Paul Hurley and Dr Jilly Hall

to continue well beyond 2027, as the scheme will need to be adjusted in response to end-user experiences (see Q3).

### 1.2 Government need to release greater detail on the mechanisms of policy plans that are currently missing – specifically on payment rates.

The 'Path to Sustainable Farming' policy document provided some detail to clarify Defra's policy thinking around E.L.M. Defra makes encouraging statements about instruments that will be available to support farmers e.g., capital grants, advice on business planning, training opportunities and assistance for those who wish to exit the industry. Defra also highlighted key milestone dates such as the mechanism for phasing out of direct payments from 2021 and the availability of the Sustainable Farming Incentive (SFI) from 2022.

However, critical information that would assist in understanding the feasibility of the scheme is currently missing. Details on the mechanisms of these policy plans – payment rates in particular – need to be available for scrutiny, discussion, and inclusion in the co-design process. Understanding of payment rates is crucial in understanding how farm businesses will be affected and what they will need to do in order to plan and adapt<sup>3</sup>.

In 2021, direct payments will have started to decrease yet E.L.M. components will not yet be available to account for the difference. The only clear means of getting further support in 2021 would be enrolling in the National Pilot. However, there are limited spaces (5,500) available for the pilot. Whilst Defra have committed to maintaining the same amount of funding available by allocating the deductions in direct payments elsewhere, it is not clear how farmers will be able to access this funding. This will introduce considerable uncertainty for businesses without early access to E.L.M, as well as impacting on the ability of farmers to create business plans for the future that include public goods elements.

## **Q2.** Will the Sustainable Farming Incentive be a viable support measure for farmers before the full roll-out of E.L.M? Is further support required during the transition period?

#### 2.1 SFI is important as an accessible entry point to the scheme.

The SFI could provide a viable entry point to the scheme, particularly for the majority of current BPS claimants with little or no experience of AES. Whilst recognising potential criticisms of 'dumbing down', there is also a need to appreciate that the SFI needs to fulfil an accessibility role, motivating farmers to participate and undertake initial actions, enhancing their levels of ambition over time.

Research from across the behavioural sciences suggests that leading people on the first steps, showing them what is possible and then introducing further progressive actions once the foundation has been established, is an effective behaviour change mechanism. SFI should not be seen in isolation; it should be considered as an entry level stage with incremental levels of ambition available for collaboration and landscape scale benefits available via the 'Local Nature Recovery' and 'Landscape Recovery' components of E.L.M

#### 2.2 More detail on payment rates is required to assess viability.

Assessing the viability of SFI as a support measure will require the disclosure and co-development of payment rates in collaboration with stakeholders as well as ongoing monitoring and evaluation of farmers' ability to successfully achieve the actions within the SFI. The co-design process should assist in creating a viable support mechanism that maximises uptake, supports business viability and promotes environmental gains. However, this process takes time and requires additional focus and input into the co-design process to ensure its effectiveness (see Q3).

Particular attention should be directed to upland livestock farmers who potentially have the most to lose in the transition from BPS to SFI as they have typically been more reliant on direct payments. Upland livestock farmers in 'Less Favoured Areas' have previously had fewer options available to them in AES and due to the challenging nature of their land, they might find achieving environmental

<sup>&</sup>lt;sup>3</sup> <u>https://www.nfuonline.com/news/latest-news/nfu-responds-to-defras-agricultural-transition-roadmap/</u>

outcomes set by E.L.M. more difficult than other farms<sup>4</sup>. More work needs to be done to ensure SFI is suitable and does not marginalise this sector.

#### 2.3 Uncertainty on support mechanisms and payment rates may limit participation.

Understanding the financial situation of farmers and land managers (and how they may perceive financial incentives and rewards) is important when planning and discussing E.L.M. Some farmers and land managers may choose not to enrol in the new scheme due to the perceived financial risk<sup>5</sup>. Evidence suggests that farmers may have a 'present bias' when viewing the costs and benefits of schemes, i.e. they put a disproportionate weight on immediate costs over future benefits<sup>6</sup>. If farmers perceive E.L.M.as too financially risky they may instead opt for a more intensive farm system to offset the loss of BPS<sup>7</sup>. This may compromise wider environmental objectives.

### Q3. How effectively has Defra engaged with land managers and other stakeholders on the design of E.L.M. including on the transitional arrangements?

### 3.1 Co-design is a laudable commitment from Defra that can offer a productive partnership with stakeholders in developing policy, if conducted effectively.

As part of the development of E.L.M, Defra has committed to 'co-designing' the scheme in collaboration with those most affected by the policy – principally farmers and land managers. Defra's talk of 'co-design' was a welcome statement of intent as farmers' trust and confidence in the Department has been historically low<sup>8</sup>. If implemented in line with the principles of transparency, devolved decision-making and shared ownership of the problems and solutions, co-design offers the opportunity to work in a productive partnership with stakeholders to create a workable and effective policy.

It should be acknowledged that E.L.M.(and associated initiatives) represents the most significant change to agri-environmental policy in over a generation. There are very few examples of where codesign has been applied to active policy development on this scale and incorporating this level of complexity.

#### 3.2 Co-design is a complex process that takes time and commitment.

Whilst our research shows that the level of enthusiasm at the beginning of the co-design process was very high – as were the expectations of E.L.M.– this enthusiasm has eroded and stakeholders have expressed frustration at the process<sup>9</sup>. Through interviews with various stakeholders involved in the co-design process, our research has highlighted multiple challenges within Defra's approach, including (i) a lack of shared decision-making and empowering stakeholders to contribute to problem-definitions; (ii) a lack of ability to share information due to confidentiality; (iii) a lack of transparency and feedback on what happens to stakeholder's contributions in terms of policy development; (iv) a lack of detail on the scheme, including proposed approaches, payment rates, advice, baseline measures, the kinds of 'outcomes' expected, and monitoring mechanisms; and (v) a repetition of themes that participants had already discussed. Many interviewees observed that the process resembled consultations and focus groups rather than co-design.

Participatory approaches like co-design take time if they are to deliver the outcomes they set out to achieve. To date, co-design has been hampered by political uncertainties (an election), a delayed

<sup>&</sup>lt;sup>4</sup> Caroline Harkness, Francisco J. Areal, Mikhail A. Semenov, Nimai Senapati, Ian F. Shield, Jacob Bishop. (2021) Stability of farm income: The role of agricultural diversity and agri-environment scheme payments. Agricultural Systems. 187 <a href="https://doi.org/10.1016/j.agsy.2020.103009">https://doi.org/10.1016/j.agsy.2020.103009</a>.

<sup>&</sup>lt;sup>5</sup> Lyon, J., Hurley, P., Hall, J., Tsouvalis, J., Rose, D. C. and Little, R. (2020): Inclusive design of post-Brexit Agri-Environmental Policy: Identifying and engaging the 'harder to reach' stakeholders. A Quick Scoping Review. The Universities of Sheffield and Reading. Report. https://doi.org/10.15131/shef.data.12506582.v3

<sup>&</sup>lt;sup>6</sup> Dessart, F., Barreiro-Hurlé, J. and van Bavel, R., 2019. Behavioural factors affecting the adoption of sustainable farming practices: a policy-oriented review. European Review of Agricultural Economics, 46(3), pp.417-471.

<sup>&</sup>lt;sup>7</sup> (Lyon *et al.,* 2020)

<sup>&</sup>lt;sup>8</sup> Hall, J. and Pretty, J., 2008. Then and Now: Norfolk Farmers' Changing Relationships and Linkages with Government Agencies During Transformations in Land Management. Journal of Farm Management, 13(6), pp.393-418.

<sup>&</sup>lt;sup>9</sup> Aglionby, J. 2020. Defra is looking into spreadsheets rather than out to farmers when it comes to ELMs. Farmers Guardian, 16 September 2020.

Brexit, and the pandemic. The latter continues to limit the type of engagement activities that are possible. It has prevented Defra from reaching certain stakeholder groups - particularly harder to reach farmers<sup>10</sup> – which could compromise the success of E.L.M.

#### 3.3 There has been limited engagement with a variety of stakeholder groups.

Our research highlights the importance of reaching beyond the 'usual suspects' in co-designing E.L.M. These usual suspects (e.g., NFU, RSPB, CLA, Nature Friendly Farming Network) do need to be involved, but if other land managers (less engaged farmers, foresters, gamekeepers, landowners etc.) are not included in scheme design, then the E.L.M. scheme may fail to understand the needs of these communities leading to disengagement and limited success.

Our research indicates that the forestry, dairy, poultry and horticultural sectors have been insufficiently involved in the co-design of E.L.M. Whilst these sectors have not played a central role in AES in the past, their potential contribution to alleviating environmental impacts means that they should be included as a focus for participation in the development and implementation of E.L.M. The broader public has also not played a real role in deliberating a policy that could have substantial implications for landscapes via the 'public money for public goods' approach.

According to a survey conducted by National Federation of Young Farmers' Clubs (NFYFC), 62% of young farmers have not heard about E.L.M<sup>11</sup>. This indicates that there is work to be done to raise awareness and engagement. Engaging with the next generation of farmers is vital because they will be taking the scheme forward in the future. They should be given the opportunity to shape the scheme design with fresh enthusiasm and new ideas.

#### 3.4 Identifying and engaging harder to reach farmers and land managers.

Our research shows that there are many types of land manager who might be harder to reach in the context of E.L.M. Reasons for this include a digital divide due to poor rural connectivity (restricting engagement with online consultation exercises and digital-by-default agri-environment schemes) with some farmers 'having to drive to McDonalds to access wi-fi'. Other key reasons include a lack of trust in Defra due to past experiences; excessive scheme bureaucracy; lack of obvious benefits of engagement; and a lack of time.<sup>12,13</sup>. There is insufficient understanding of the number of potential E.L.M. participants that might fit into this category and the implications for livelihoods and landscapes if they are not fully considered in the design and implementation of the scheme.

The pandemic poses additional challenges as many of the E.L.M. interactions are now conducted online. Whilst going online overcomes some geographical limitations to engagement, it exacerbates the issue of the 'digital divide'. Farmers with limited or poor internet access are prevented from engaging in online workshops and consultations.

#### 3.5 Lack of information, transparency and coordination is impeding the process.

Co-design is a difficult balance between ensuring participants are involved early enough in the process to develop ideas and approaches, whilst also providing them with sufficient information and detail on policy plans so they can meaningfully engage in co-design activities<sup>14</sup>. Our research indicates that stakeholders did not like the 'blank slate' approach that Defra initially adopted in developing the policy and they have stated that a continued absence of detail has hampered their

<sup>&</sup>lt;sup>10</sup> Lyon, J., Hurley, P., Hall, J., Tsouvalis, J., Rose, D. C. and Little, R. (2020): Inclusive design of post-Brexit Agri-Environmental Policy: Identifying and engaging the 'harder to reach' stakeholders. A Quick Scoping Review. The Universities of Sheffield and Reading. Report. https://doi.org/10.15131/shef.data.12506582.v3

<sup>&</sup>lt;sup>11</sup> https://www.fwi.co.uk/farm-life/young-farmers/survey-reveals-how-young-farmers-view-their-future

<sup>&</sup>lt;sup>12</sup> Hurley, P., Hall, J., Lyon, J., Tsouvalis, J., Rose, D. C.; Little, R. (2020b): <u>Inclusive design of post-Brexit agrieEnvironmental policy:</u> <u>Identifying and engaging the 'Harder to Reach' Stakeholders. An Empirical Study</u>. The Universities of Sheffield and Reading. Report. <u>https://doi.org/10.15131/shef.data.12506123.v2</u>

<sup>&</sup>lt;sup>13</sup> Lyon, J., Hurley, P., Hall, J., Tsouvalis, J., Rose, D. C. and Little, R. (2020): Inclusive design of post-Brexit Agri-Environmental Policy: Identifying and engaging the 'harder to reach' stakeholders. A Quick Scoping Review. The Universities of Sheffield and Reading. Report. https://doi.org/10.15131/shef.data.12506582.v3

<sup>&</sup>lt;sup>14</sup> Tsouvalis-Gerber, Judith; Little, Ruth (2019): Co-Design, Co-production and Participatory Policy Making - Insights From the Social Sciences. The University of Sheffield. Report. https://doi.org/10.15131/shef.data.11569620.v2

engagement. Confidentiality, due to the sensitivity of the Brexit negotiations, have hindered the codesign process and has led to stakeholder fatigue.

Defra need to work on further defining the aims, scope and limitations of the co-design process whilst being transparent with stakeholders about their current evidence base, policy thinking and the ability of stakeholders to influence the policy. Clear and honest communication is essential here, as is managing stakeholder expectations.

#### 3.6 Undertaking co-design requires training and the use of skilled intermediaries.

High staff turnover in Defra has exacerbated engagement difficulties, especially when facilitators of co-design activities have a limited knowledge of agri-environment schemes and co-design. Staff training should be provided on methods of co-design and participation, alongside an effective introduction to the relevant agri-environmental issues and evidence base.

As soon as the pandemic allows, we recommend that engagement activities should be arranged via local networks of farmers to increase trust in the scheme and encourage uptake. Trusted intermediaries such as representative bodies, existing advisory networks (e.g. vets and agronomists) and charitable agricultural institutions (e.g. RABI, FCN) can provide an important linking mechanism, particularly with harder to reach farmers and land managers.

### Q4. How can E.L.M. be made an attractive business choice for farmers and land managers while effectively delivering its policy goals?

#### 4.1 Identify and communicate how E.L.M. can align with farmers' business plans.

Emphasising how E.L.M. and the SFI will be beneficial for the farm business will be important in making the scheme an attractive option for farmers. A recent study analysing farm business survey data indicates that, in most cases, farms have a more stable income when they have increased agricultural diversity, take part in agri-environment schemes and use a lower intensity of inputs<sup>15</sup>. Whilst also sustaining a more stable farm business, these activities are shown to support ecosystem services and potentially improve a farm's ability to adapt to climate change<sup>16</sup>.

A notable exception to this finding are upland livestock farms in less favourable areas. The study shows that agri-environment schemes reduce the stability of farm income for these farmers<sup>17</sup>. It is suggested that this exception could be due to AES options being less available or less suited to these challenging environments<sup>18</sup>. Our research also suggests that many harder to reach farmers could be those in, or on the periphery of, the uplands due to the geography of some of these areas contributing to social isolation<sup>19</sup>. More needs to be done to ensure these farm businesses are not marginalised by E.L.M.

### 4.2 Identifying 'win-win' land management practices that promote productivity as well as environmental gains will promote buy-in to the scheme.

E.L.M. scheme design needs to take account of farmers' 'productivist' identity which may run counter to environmental goals – objectives such as maximising yield, taking pride in maintaining 'tidy' fields and boosting productivity can influence farmers' receptivity to environmental practices<sup>20,21</sup>.

<sup>&</sup>lt;sup>15</sup> Caroline Harkness, Francisco J. Areal, Mikhail A. Semenov, Nimai Senapati, Ian F. Shield, Jacob Bishop. (2021) Stability of farm income: The role of agricultural diversity and agri-environment scheme payments. Agricultural Systems. 187 <a href="https://doi.org/10.1016/j.agsy.2020.103009">https://doi.org/10.1016/j.agsy.2020.103009</a>.

<sup>&</sup>lt;sup>16</sup> Degani, E., Leigh, S.G., Barber, H.M., Jones, H.E., Lukac, M., Sutton, P., Potts, S.G., (2019). Crop rotations in a climate change scenario: short-term effects of crop diversity on resilience and ecosystem service provision under drought. Agric. Ecosyst. Environ. 285, 106625. <u>https://doi.org/10.1016/j.agee.2019.106625</u>.

<sup>&</sup>lt;sup>17</sup> (Harkness *et al.,* 2021).

<sup>&</sup>lt;sup>18</sup> https://www.reading.ac.uk/news-and-events/releases/PR852892.aspx

<sup>&</sup>lt;sup>19</sup> Hurley, P., Hall, J., Lyon, J., Tsouvalis, J., Rose, D. C.; Little, R. (2020b): <u>Inclusive design of post-Brexit agrieEnvironmental policy</u>: <u>Identifying and engaging the 'Harder to Reach' Stakeholders. An Empirical Study</u>. The Universities of Sheffield and Reading. Report. <u>https://doi.org/10.15131/shef.data.12506123.v2</u>

<sup>&</sup>lt;sup>20</sup> Riley M. (2016). How does longer term participation in agri-environment schemes [re]shape farmers' environmental dispositions and identities? *Land Use Policy* 52:62-75

<sup>&</sup>lt;sup>21</sup> Burton, R. J. F. (2006). Seeing through the 'good farmer's' eyes: Towards developing an understanding of the social symbolic value of 'productivist' behaviour. *Sociologia Ruralis* 44 2:195-215

Identifying 'win-wins' that deliver production and environmental benefits alongside recognising the importance of producing agronomic as well as environmental gains are critical to promoting and maintaining buy-in to the scheme.

Examples of 'win-wins' include encouraging a more targeted approach to fertiliser application to ensure inputs are used more efficiently and effectively. A successful nutrient management plan can lead to reductions in input costs whilst maintaining yields, as well as reducing the negative impacts of fertiliser application on the environment in terms of greenhouse gasses, run-off, and eutrophication.<sup>22</sup>

A study by Professor Jonathan Leake and colleagues at the University of Sheffield indicates that 3year grass-clover leys provide public goods as well as farmer benefits<sup>23</sup>. The incorporation of grassclover leys into arable cropping rotations allows the soil to recover, which restores soil structure and health, increases biological functioning, and improves water absorption. This, in turn, provides greater resilience against drought and flooding. In addition to these ecosystem benefits, field trials showed that 3-years of grass-clover leys followed by the less intensive practice of direct drilling, improved wheat yield performance and reduced fertiliser inputs. Despite the long-term benefits of the grass-clover leys in terms of both ecosystem services and improved yields, there is an initial short-term reduction in yield due to the conversion of productive land to grass-clover ley, which underlines the case for providing financial incentives to transition to more sustainable agronomic practices. Incorporating and successfully communicating these win-win practices will be key to promoting buy-in<sup>24</sup>.

# Q5. How can the Government ensure that E.L.M. agreements achieve their intended environmental outcomes, reduce bureaucratic burdens on farmers and deliver value for money?

#### 5.1 Farmers and land managers need to understand the benefits of E.L.M.to achieve longerterm attitudinal as well as behavioural change.

Many farmers understand the importance of the environment and it has become an integral part of their practice both in terms of their role as a custodian of the land and as a potential source of financial profitability<sup>25</sup>. For those farmers that are not so environmentally minded attitudinal change as well as behaviour change may be necessary.

Behaviours towards land management might be changed via financial incentives, but if attitudes are not changed, it is likely that these behaviours will be short term<sup>26</sup>. Farmers need to be able to identify tangible benefits arising from E.L.M. and for protecting biodiversity, such as the pollination services provided by insects and the key role played by biodiversity in promoting soil health. Advice, knowledge exchange, farm visits and demonstration farms will also play an important role in helping farmers to share learning about farming practices that foster the achievement of biodiversity goals<sup>27,28</sup>.

#### 5.2 Simplify paperwork and provide trusted advisors.

Defra has committed to reduce the bureaucratic burden on farmers – this will be essential in increasing uptake as 'excessive scheme bureaucracy' has been cited as a key reason for non-

<sup>&</sup>lt;sup>22</sup> Terry L. Roberts, "Improving Nutrient Use Efficiency", Turk J Agric For 32 (2008) 177–182

<sup>&</sup>lt;sup>23</sup> <u>https://soilsecurity.org/wp-content/uploads/2019/12/PS</u>

SoilBioHedge\_LevingDownRoots\_1.03.pdf#:~:text=In%20this%20study%2C%20Professor%20Jonathan.in%20the%20surrounding% 20degraded%20soils.

<sup>&</sup>lt;sup>24</sup> Hartley, S.E. (2018) Agroecological approaches to sustainable intensification. In: Sustainable Food and Agriculture: an Integrated Approach. pp 179-184. Academic Press 978-0-12-812134-4 Eds Clayton Campanhola Shivaji Pandey UNFAO

<sup>&</sup>lt;sup>25</sup> Wheeler, R. Morris, C. Lobley, M. and Winter, M. (2018) "The good guys are doing it anyway": the accommodation of environmental concern among English and Welsh farmers, *Environment and Planning E: Nature and Space*, 1, 664-687

<sup>&</sup>lt;sup>26</sup> Pike, T., (2008). Understanding Behaviours In A Farming Context: Bringing Theoretical And Applied Evidence Together From Across Defra And Highlighting Policy Relevance And Implications For Future Research. Defra Agricultural Change and Environment Observatory Discussion Paper.

<sup>&</sup>lt;sup>27</sup> Fry, T. and Thieme, S. (2019). A social learning video method: Identifying and sharing successful transformation knowledge for sustainable soil management in Switzerland. Soil Use and Management 35:185-194

<sup>&</sup>lt;sup>28</sup> Krzywoszynska, A. (2019). Making knowledge and meaning in communities of practice: What role may science play? The case of sustainable soil management in England. Soil Use and Management 35:160-168

participation in AES. Farmers have reported fears of making mistakes and being penalised for errors whilst completing bureaucratic forms; this has been seen as a time burden and a likely reason for leaving or failing to engage with AES. In addition to reassessing and simplifying the paperwork in the scheme, the assistance of trusted advisors can be a mechanism to make the bureaucratic management easier for farmers by providing simple, free, and accessible guidance. It is also important to invest in rural connectivity, digital skills, and provide options for those without online access<sup>29</sup>.

#### 5.3 Recognise the importance of advisors.

Defra has recently indicated that the more accessible parts of the scheme (SFI) will be designed to be simple enough not to require farmers to use advisers. Whilst the principle of simplicity is welcome, the role of advisors remains critical in terms of helping farmers to develop land management plans that can deliver evidence-based interventions and value-for-money for the taxpayer. Simplicity of bureaucracy should not be confused with oversimplifying actions to qualify for the scheme – if the scheme design is too simple and does not require advisory support, how do we ensure that the management actions farmers undertake, and taxpayers pay for, actually lead to improvements in public goods delivery? Previous schemes, like the Entry Level Stewardship (ELS), allowed farmers to join without changing their land management practices, leading to limited biodiversity improvements, and therefore not benefiting public goods<sup>30</sup>.

Important questions remain on how the advisory system will function. Specifically, how does Defra (i) ensure that advisers are trained and able to deliver evidence-based advice (details of an accreditation scheme are lacking); (ii) ensure a level of support to all farmers, taking into account the issue that many struggle to pay for advice; and (iii) assure advisors that there will be sufficient clients to justify undertaking the training for accreditation. It also remains unclear if the support for advisory provision will come from E.L.M. payments to farmers or from an additional funding source.

#### 5.4 Ensure effective and inclusive monitoring and evaluation.

The achievement of environmental outcomes, reduction in bureaucratic burden and delivery of value for money will only become apparent via a rigorous process of monitoring and evaluation. This should assess the distributional impact on livelihoods as well as environmental outcomes. Important lessons can be learnt from countries such as Switzerland where farmers themselves play a part in monitoring and evaluating environmental benefits. Whether this could work in the UK is worth exploring – it would reduce the need for inspections and could give a sense of ownership and pride to scheme participants.

# **Q6.** What lessons should be learned from the successes and failures of previous schemes paying for environmental outcomes?

The history of the Common Agricultural Policy illustrates only too well that poorly designed payment schemes can lead to negative and unintended consequences, such as unsustainable intensification and increased pesticide use. These can have negative ecosystemic impacts that compromise soil health, longer-term yields<sup>31</sup>. and have led to a dramatic decline in farmland birds<sup>32</sup>. In contrast, well-designed schemes can deliver a range of environmental, social, and economic co-benefits, such as enhancing biodiversity, improving yields, and reducing costs<sup>33</sup>.

<sup>&</sup>lt;sup>29</sup> Lyon, J., Hurley, P., Hall, J., Tsouvalis, J., Rose, D. C. and Little, R. (2020): Inclusive design of post-Brexit Agri-Environmental Policy: Identifying and engaging the 'harder to reach' stakeholders. A Quick Scoping Review. The Universities of Sheffield and Reading. Report. https://doi.org/10.15131/shef.data.12506582.v3

<sup>&</sup>lt;sup>30</sup> Davey, C., Vickery, J., Boatman, N., Chamberlain, D., Parry, H. and Siriwardena, G., 2010. Assessing the impact of Entry Level Stewardship on lowland farmland birds in England. Ibis, 152(3), pp.459-474.

<sup>&</sup>lt;sup>31</sup> Bateman, I. J. and Balmford, B. (2018). Public funding for public goods: A post-Brexit perspective on principles for agricultural policy. Land Use Policy, 79:293–300

<sup>&</sup>lt;sup>32</sup> Hayhow, D.B., Bond, A.L., Douse, A., Eaton, M.A., Frost, T., Grice, P.V., Hall, C., Harris, S.J., Havery, S., Hearn, R.D., Noble, D.G., Oppel, S., Williams, J., Win, I. and Wotton, S. (2017). The state of the UK's birds 2016. The RSPB, BTO, WWT, DAERA, JNCC, NE, NRW and SNH, Sandy, Bedfordshire

<sup>&</sup>lt;sup>33</sup> Chaplin, S., Robinson, V., Le Page, A., Keep, H., Le Cocq, J., Ward, D., Hicks, D. and Scholz, E. (2019). Pilot results based payment approaches for agri-environment schemes in arable and upland grassland systems in England. Final Report to the European Commission. Natural England and Yorkshire Dales National Park Authority

Complex administration, issues with compliance and difficulty accessing schemes made previous AES problematic and unappealing to farmers. Trust was also eroded when payments were delayed and penalties given for issues relating to paperwork or failing inspections<sup>34</sup>. An effective advisory service with trusted advisors will aid the transition from BPS to E.L.M.– research indicates that tailored, farm-specific advice is important in achieving buy-in and the delivery of environmental benefits<sup>35,36</sup>. It is important to note that the knowledge, training and interpersonal skills of the advisor are important in building a productive relationship with the landowner. Those specifically advising on the delivery of ELM need sufficient agro-ecological training and an understanding of the local context. Independent advice must be affordable and accessible to all farmers.

### Recommendations

- Successful E.L.M.co-design that can enhance participation, uptake and environmental gains should: (a) take account of the existing motivations and priorities of landowners (i.e. starting where they are) and identifying agronomic-environmental 'win-wins' to encourage early buyin to E.L.M; (b) effectively apply principles and practices of co-design, focusing on trust and transparency of the process and outcomes; (c) reach out beyond the usual suspects to include harder to reach stakeholders in E.L.M; (d) make provision for tailored advice, farm visits, demonstration farms, and other knowledge-exchange activities that will support the achievement of scheme goals.
- 2. E.L.M. engagement exercises should take place in locales and at times that suit farmers; provide simple, free and accessible advice; engage land managers through trusted intermediaries; invest in rural connectivity, digital skills, and provide options for those without online access; pay land managers on time once E.L.M. starts; ensure that E.L.M. benefits a range of land managers; provide attractive incentives to participate; provide assistance for land managers to transition away from BPS towards E.L.M.
- 3. Determining the success of the scheme will rely upon effective and robust monitoring of the public goods benefits achieved Determining correct baselines and developing the right monitoring mechanisms for the different public goods to be achieved is vital. Distributional analysis should be conducted to ascertain the social, economic, and ecological outcomes of (non-)participation across different areas of the country.
- 4. More needs to be done to ensure that upland livestock farms are not marginalised by E.L.M. and that the new scheme does not further reduce the stability of their farm income. E.L.M. will need to provide suitable options for upland farmers to deliver achievable environmental objectives on their land.

<sup>&</sup>lt;sup>34</sup> Policy summary: Engaging 'Harder to Reach' stakeholders – Universities of Sheffield and Reading

<sup>&</sup>lt;sup>35</sup> Klerkx, L. and Proctor, A. (2012). Beyond fragmentation and discontent: networks for knowledge exchange in the English land management advisory system. *Land Use Policy* 30: 13-24

<sup>&</sup>lt;sup>36</sup> Igram, J. and Morris, C. (2007). The knowledge challenge within the transition towards sustainable soil management: An analysis of agricultural advisors in England. Land Use Policy¬¬¬ 24:100-117