

# FARMING THE FUTURE: SOUTH DOWNS NATIONAL PARK PILOT SCHEME EXPRESSION OF INTEREST FOR DEFRA



FEBRUARY 2018

*"We want a healthy and beautiful countryside, producing food that makes us healthier as individuals, in a society which has a healthier attitude towards the natural world, an attitude that values permanence, where we wish to preserve and enhance natural capital and where we value the traditions and virtues of rural life".*

**Michael Gove, Secretary of State for Environment, Food and Rural Affairs**

**'A Brighter Future for Farming' speech at NFU Farming Conference 2018**



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*"The South Downs National Park is a cultural landscape, dependent for its character on the land management practices of our farmers and landowners. What follows on from the Common Agricultural Policy will be crucial to ensuring the best possible land management practices for the enhancement of the National Park.*

*"Over the past seven years we have listened to our farmers as much as possible in order to understand the reality of farming in the National Park. Besides regular meetings with the South Downs Land Manager's Group, we hold an annual series of farmers' breakfasts and have, more recently, run specific workshops on the future of agri-environment schemes.*

*"The 6 farm clusters – made up currently of 168 farmers and representing two-thirds of the National Park's landscapes – present a huge opportunity to test out possible future agri-environment schemes on lowland farming. We face major challenges but also a potentially exciting future and want to be part of shaping it."*

**Margaret Paren, Chair of the South Downs National Park Authority**



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# 1. EXECUTIVE SUMMARY

**The aim of this Expression of Interest to Defra is to secure in principle support for a South Downs Pilot Scheme, as one contribution to the development of a new environmental land management scheme for England. It has been prepared for the National Park, working with its farmers and foresters, partners and agencies, by the National Park Authority (SDNPA).**

**1.1** The Government has announced its intention to develop a new environmental land management scheme with effect from 2024, replacing the Basic Payment Scheme (BPS) and existing agri-environment schemes.

**1.2** The South Downs National Park is an ideal place to test out some of the principles which would underpin the new scheme. It is a nationally important protected landscape almost entirely shaped by diverse mixed lowland farming and forestry, with iconic biodiversity, cultural heritage and an underexploited resource of high quality timber, over a chalk aquifer which supplies water to over 1 million people, fringed by urban areas with over 2 million citizens within 5km of its boundary. Lessons learned here will be highly relevant to many other lowland farming landscapes.

**1.3** If the opportunities are huge so too are the challenges. It is not only in the uplands that agriculture and forestry is struggling with uncertainty. Here

in the south east of England the opportunity cost of doing the right thing for the public and the environment is larger due to very high land values and the temptation to sell off holdings for housing development or other more intensive uses. Our outstanding woodland resource is being hit by wave after wave of invasive diseases, our water resources are under increasing pressure and our most precious species-rich habitats rely on sheep and cattle grazing which is economically marginal. Finally, the many millions who simply want to access and enjoy the countryside inevitably bring pressures on working farm businesses which they need help to manage.

**1.4** The South Downs Pilot Scheme is designed to test how payments for public goods could work in a populated lowland landscape. It would focus on the following two linked elements:

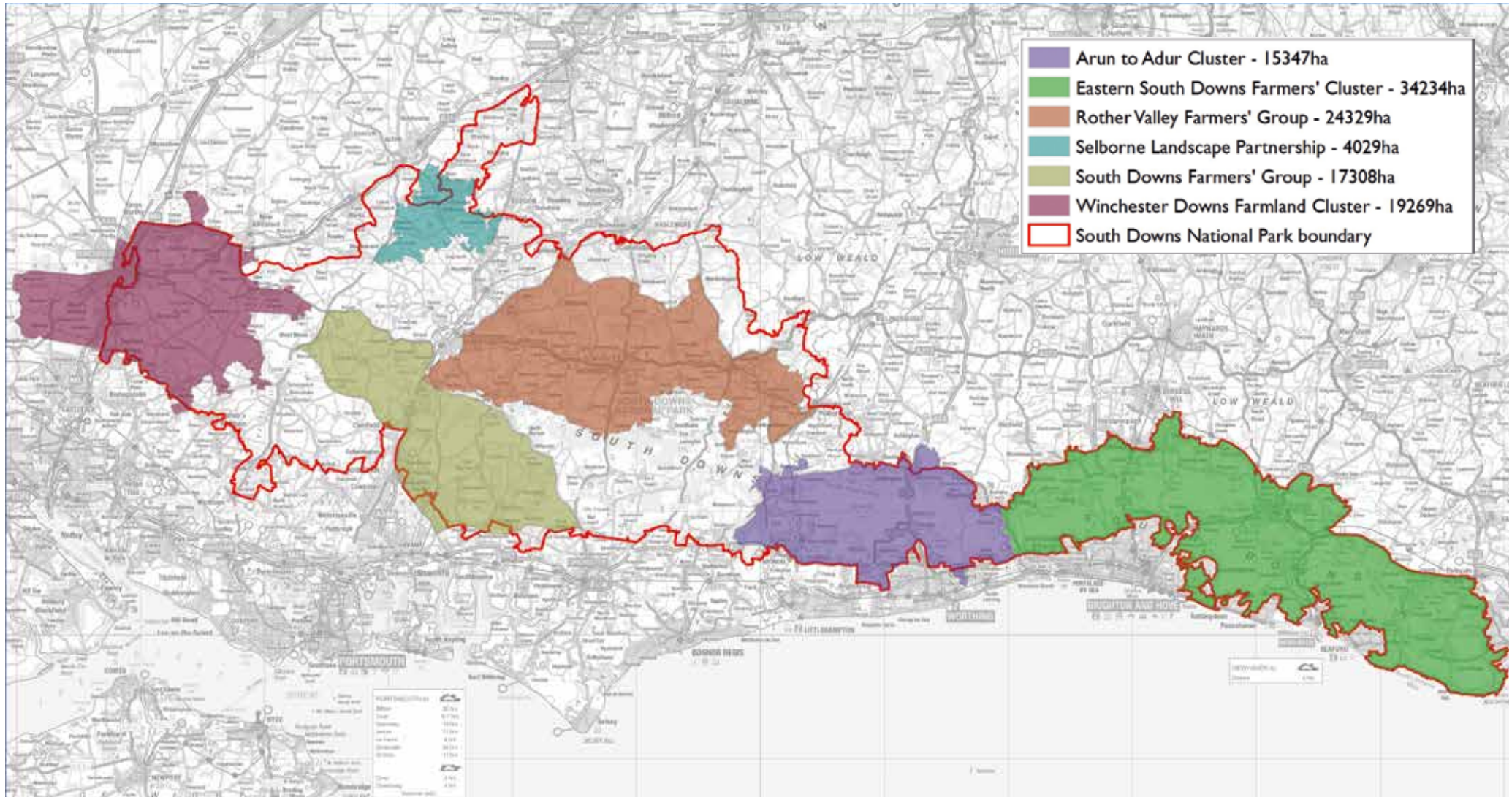
- **Incentivising** farm clusters<sup>1</sup> to achieve enhanced benefits through joint working at a landscape scale. This would be over and above the national universal level.
- **Streamlining the process** of applying for, managing and monitoring schemes via the innovative 'Land App'.

**1.5** Both elements address objectives/principles highlighted by the Secretary of State for the Environment – Michael Gove – in recent speeches at the Oxford Farming Conferences and NFU National Conference as well as the Government's 25 year Environment Plan<sup>2</sup>.

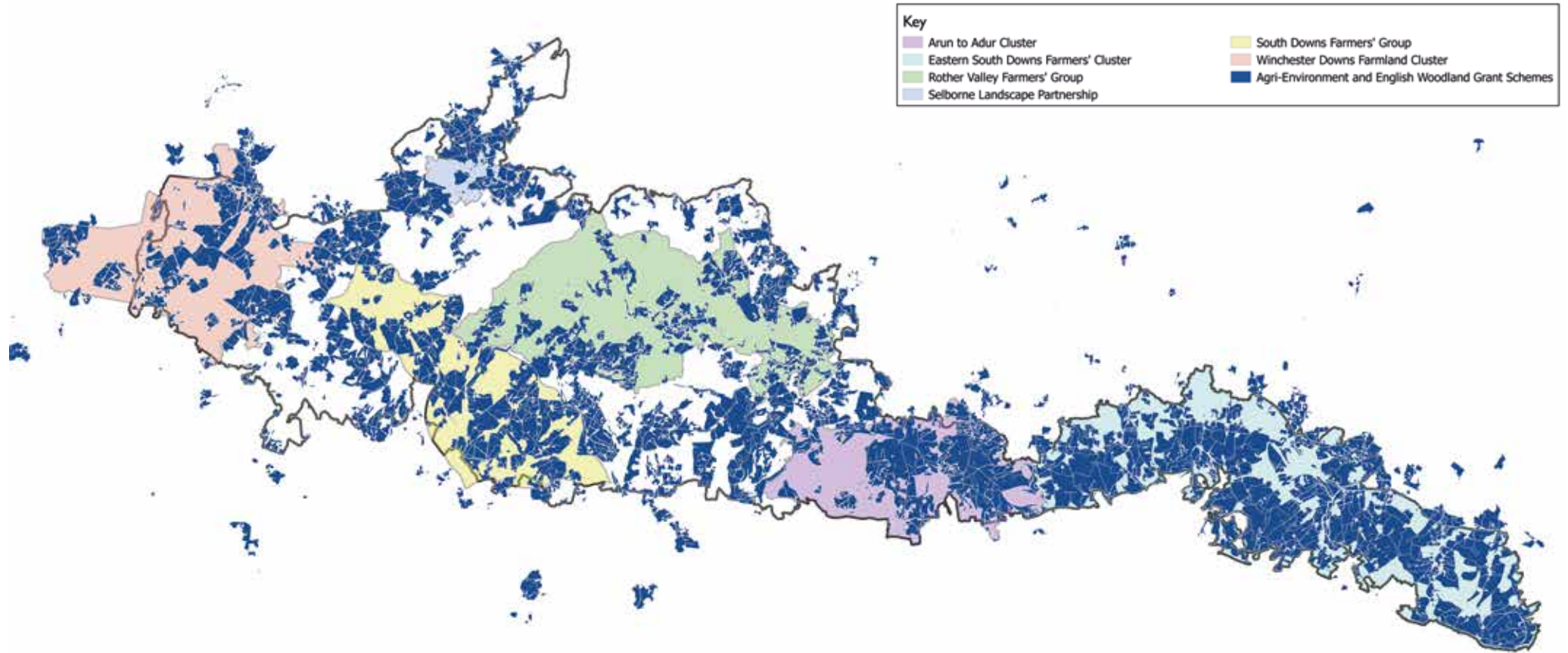
1 There are 6 farm clusters in the South Downs National Park, involving 168 farmers and covering around two-thirds of the National Park area.

2 HMG (2018) *A Green Future: Our 25 Year Plan to Improve the Environment*

**FIGURE 1.1 THERE ARE SIX FARM CLUSTERS IN THE SOUTH DOWNS NATIONAL PARK, INVOLVING 168 FARMERS AND COVERING AROUND TWO THIRDS OF THE NATIONAL PARK AREA.**



**FIGURE 1.2: EXISTING AGRI-ENVIRONMENT AND ENGLISH WOODLAND GRANT SCHEMES COVER TOTAL**



**1.6** The first element would build on the rapidly developing farm cluster approach in the South Downs to test new mechanisms which incentivise farmers and foresters to deliver joint outcomes at a landscape scale, thereby achieving long-lasting benefits for the businesses themselves, the farmed and forested environment and the public, and hence increase the return on public investment for both land managers and the treasury. Groups of farmers would be involved in selecting from a menu of priorities especially relevant to the South Downs (eg soil quality, water quality, priority habitats and species, education, recreational access and cultural/rural heritage) and proposing and delivering projects. They would be supported by a facilitator and specialist advice. The scheme would fund projects over and above existing agri-environment and woodland grant schemes (extending their reach and addressing gaps) and would be flexible (enabling farmers to try new approaches and deliver added value). Public funding would be integrated with private funding, specifically through working with water companies and forestry supply chains to deliver more public goods.

*“Our farm cluster is in its early days but we’re already seeing the things we can achieve working together – we held our first joint Open Farm Sunday last year which was well attended and great chance to share our work with the local community. I’m very interested to take part in any pilot agri-environment scheme in the South Downs where farmers are working together to achieve result at a landscape level.”*

**Tim Lock – Farmer and member of Arun to Adur farm cluster**

**1.7** The second element would trial a new farmer-friendly online mapping platform – The Land App. This would enable the digital design, submission and management of agri-environment schemes across all six farm clusters in the National Park. It would enable farmers and foresters to complete Countryside Stewardship (CS) applications in a single working day, allow DEFRA to efficiently monitor progress on delivery, and has the potential to be the online mapping platform for administering a new scheme by 2024. (The Land App is a commercial product currently in beta testing with more than 100 users from across the land management industry. It has been developed

as a for-profit entity, in partnership with Ordnance Survey, and is ready to use on CS applications in 2018).

**1.8** The proposal is designed to be very flexible and respond to Defra’s need to identify a series of pilots around the country which, collectively, test out a suite of different ideas. If the basic concept is attractive, the SDNPA stands ready to work with its farmers and its partners to develop a more comprehensive pilot scheme. This could be modified in scale and emphasis, and could be expanded to encompass elements currently funded through existing schemes if required.

**1.9** We very much hope the South Downs Pilot Scheme could prove useful in ground testing some of the principles laid out in government policy and speeches by the Secretary of State. We firmly believe the partnerships, commitments and skills are in place locally to help our farmers and foresters to make a real and lasting difference to this iconic, important and much-loved and visited landscape while increasing the financial viability of their own businesses and the wider rural economy. We are up for the challenge.



Butterfly day with Arun to Adur cluster

## 2. INTRODUCTION

### POLICY CONTEXT

**2.1** The United Kingdom's (UK) vote to leave the European Union (EU) – 'Brexit' – presents significant challenges and opportunities for farmers and farm businesses across the country, and the countryside where they live and work. A key opportunity is the development of new agricultural policies and schemes to address current and future priorities and deliver desired outcomes: a thriving natural environment and affordable, nutritious food deliverable by profitable, sustainable farm businesses.

**2.2** The Government has outlined its trajectory in terms of future policies and schemes in recent speeches made by the Secretary of State for the Environment – Michael Gove – at the Oxford Farming Conference and Oxford Real Farming Conference in early January 2018, and at the NFU National Conference in February 2018 and by the Prime Minister when launching the Government's 25 Year Environment Plan<sup>3</sup> published later the same month. This trajectory includes a framework for the proposed new 'environmental land management scheme' due to replace the existing schemes – Basic Payment Scheme (BPS) and agri-environment schemes including Environmental Stewardship (ES) and CS – by 2024.

**2.3** National Parks England (NPE) and the country's National Park Authorities (NPAs) recognise the fundamental importance of sustainable agriculture to protected landscapes and the opportunity to design a scheme which is fit-for-purpose. Ideas were put forward by NPE in 2017 in terms of future policies and potential future schemes<sup>4</sup> and NPAs offered to support

this by piloting new approaches and building on existing experiences of farmer-led schemes in National Parks<sup>5</sup>. Such an approach is in synergy with the National Farmers Union (NFU) policy, which supports the idea of pilot schemes ahead of a new national scheme and with the CLA's Land Management Contract.

**2.4** It is recognised that there is a considerable amount of work required over the next six years to make the new environmental land management scheme a reality. In the pipeline are a Command Paper due to be published this Spring and the Agriculture Bill to be tabled later in the year; subsequently further consultations on the details of a new scheme can be expected. We understand that the new scheme will also draw on the considerable successes and lessons learned from previous and existing agri-environment schemes. Pilot schemes such as the Results-Based Agri-environment Scheme being trialled in Yorkshire and Norfolk will also make a valuable contribution and here in the South Downs we were able to prove the value of partners working at a landscape scale through the South Downs Way Ahead Nature Improvement Area project.

**2.5** The SDNPA – on behalf of farmers, landowners and other partners in the South Downs National Park – is keen to play a part in this important work, contributing ideas and trialling new approaches where it can make a difference. To this end an initial Expression of Interest for a South Downs Pilot Scheme was set out in a letter from Margaret Paren, SDNPA Chair, to Lord Gardiner on 13 October 2017 (see Appendix 1). This document builds on that letter.

<sup>3</sup> HMG (2018) *A Green Future: Our 25 Year Plan to Improve the Environment*.

<sup>4</sup> NPE (2017) *Farming in the English National Parks – Policy Discussion Paper. Ideas from the National Parks England Task and Finish Group on the Future of Farming*.

<sup>5</sup> Meeting between DEFRA/NE, NPE and NPA representatives on 22 January 2018.





Sheep farmers on the South Downs

## THE PROPOSED SOUTH DOWNS PILOT SCHEME IN A NUTSHELL

**2.6** The proposed Pilot Scheme would comprise two separate, but linked, elements:

- **Incentivising** farm clusters<sup>6</sup> to achieve enhanced benefits through joint working at a landscape scale. This would be over and above any national universal level.

6 There are six farm clusters in the South Downs National Park, involving 168 farmers and covering around two thirds of the National Park area.

- **Streamlining the process** for applying for, managing and monitoring schemes via the innovative 'Land App'

**2.7** These elements are outlined in Sections 3 and 4 of this paper.<sup>7,8</sup>

*"As a member of the Winchester Downs Farm Cluster, I am proactively rolling out conservation work on a landscape basis in partnership with other local farmers. I am very interested in plans to run a pilot agri-environment scheme in the South Downs National Park. My current HLS/ELS Scheme finishes in 2019, and I would like to see pilot schemes that are both more beneficial to the environment and easier to apply for than the current process."*

### **Charlie Corbett – Farmer and member of the Winchester Downs Farm Cluster**

**2.8** In addition to contributing to the development of a new, national, environmental land management scheme, the Pilot Scheme is designed to deliver a number of other benefits including:

- testing the delivery of priority environmental enhancements and other public goods over and above those provided/supported by existing schemes and initiatives;
- building improved awareness among participating farmers of local priorities, natural capital and ecosystem services delivered 'on-farm';
- better, integrated agri-environment solutions which take full account of farmer knowledge, expertise, experience and ideas alongside existing approaches to improve farm productivity and resilience as well as enhancing environmental outcomes; and
- enhanced income and reduced costs for participating farm businesses.

7 SDNPA (2018) *Economic Profile of the South Downs National Park*

8 Defra (2018) June Survey data for 2016

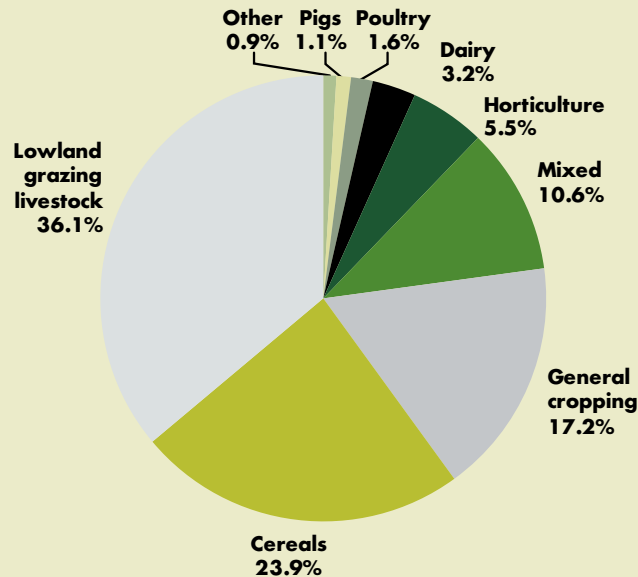
FARMING THE FUTURE: SOUTH DOWNS NATIONAL PARK PILOT SCHEME

**Why the South Downs?**

The South Downs National Park has a number of key characteristics which provide an excellent basis for testing how a future environmental land management scheme could operate in a lowland mixed farming landscape. We hope it could therefore complement pilots which address upland hill farming issues, such as the Exmoor’s Ambition bid, the Yorkshire (Wensleydale) Pilot and Dartmoor Farming Futures.

- It is the only National Park with a significant area of lowland mixed farming and woodland management, and can therefore offer insights relevant to lowland areas across the country.
- Agriculture, Forestry & Fishing accounts for nearly 9 per cent of businesses, much higher than in comparable Local Enterprise Partnership (LEP) areas<sup>1</sup>. The National Park has 950 commercial holdings, predominantly cereals and lowland grazing farms<sup>2</sup>.
- It has an outstanding variety of important and threatened lowland habitats and many protected species which exist within the farmed and wooded landscape.

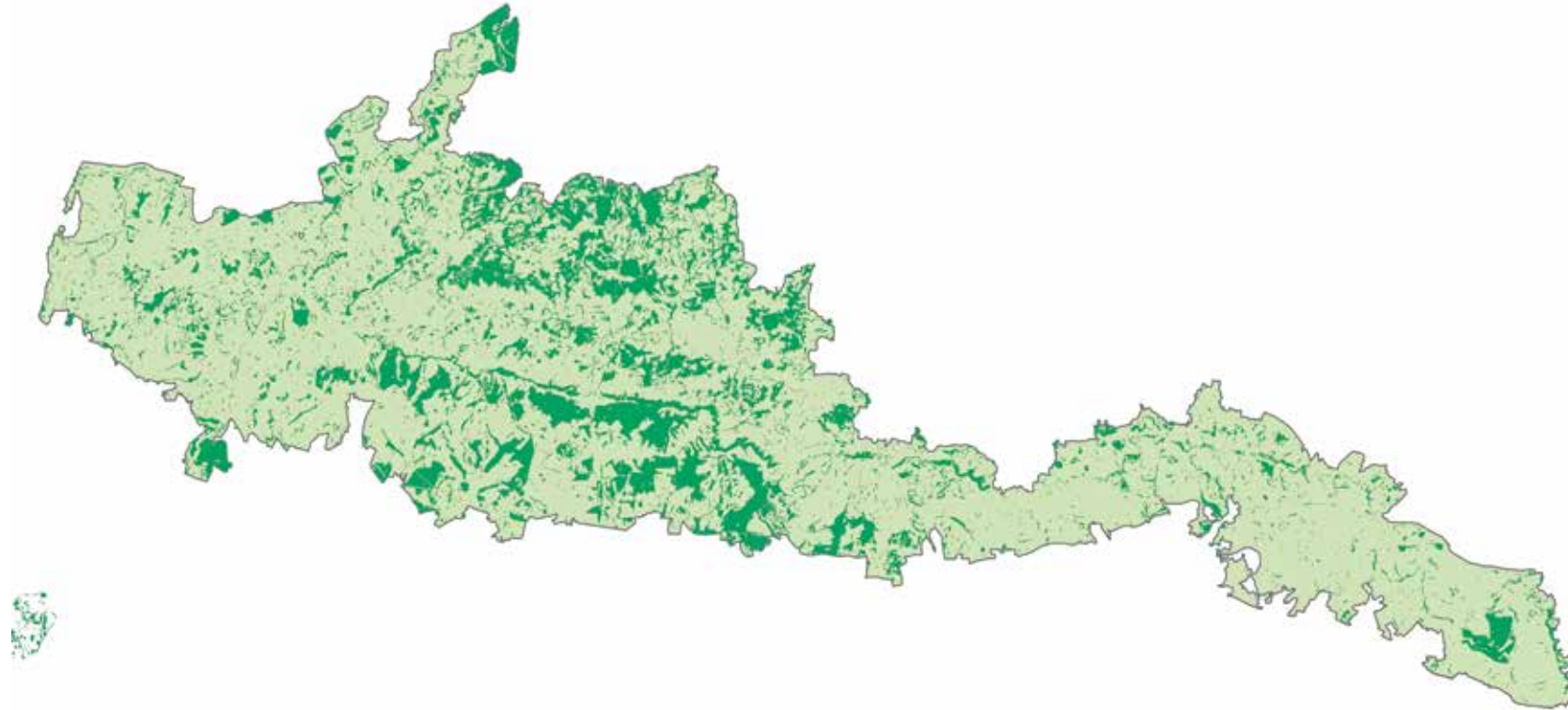
**Breakdown of farming type (not including woodland, which accounts for a further 20 per cent)**



- Its farmers and foresters provide direct benefits to over 100,000 National Park residents and to more than 2 million citizens who live within 5 km of its boundary, as well as visitors from further afield.
- It is the most wooded National Park in England, with a very high percentage of ancient semi-natural and planted ancient woodland sites as well a commercial plantations (see Figure 2.1).
- Its farmers and land managers deliver many public benefits, including access, educational and recreational activities but also manage huge pressures due to the immediate proximity of large urban areas.
- It has a chalk aquifer which provides groundwater supplies for over 1 million consumers, but has significant issues with nitrate pollution from current agricultural practices.

1 SDNPA (2018) *Economic Profile of the South Downs National Park*  
 2 Defra (2018) June Survey data for 2016

**FIGURE 2.1: WOODLAND COVER MAP**



**2.9** If a South Downs Pilot Scheme was to be agreed by Defra, the SDNPA stands ready to bring a wealth of partnership experience and extra leverage.

- We are privileged to have no less than six farm clusters covering an area equivalent to two-thirds of the National Park. These involve SDNPA, Natural England (NE) and in one case a water company, and would form the basis for the pilot.
- We are national pioneers for Whole Estate Plans, now being developed with many larger rural businesses, so private sector investment is already being unlocked to complement public spending on agriculture.

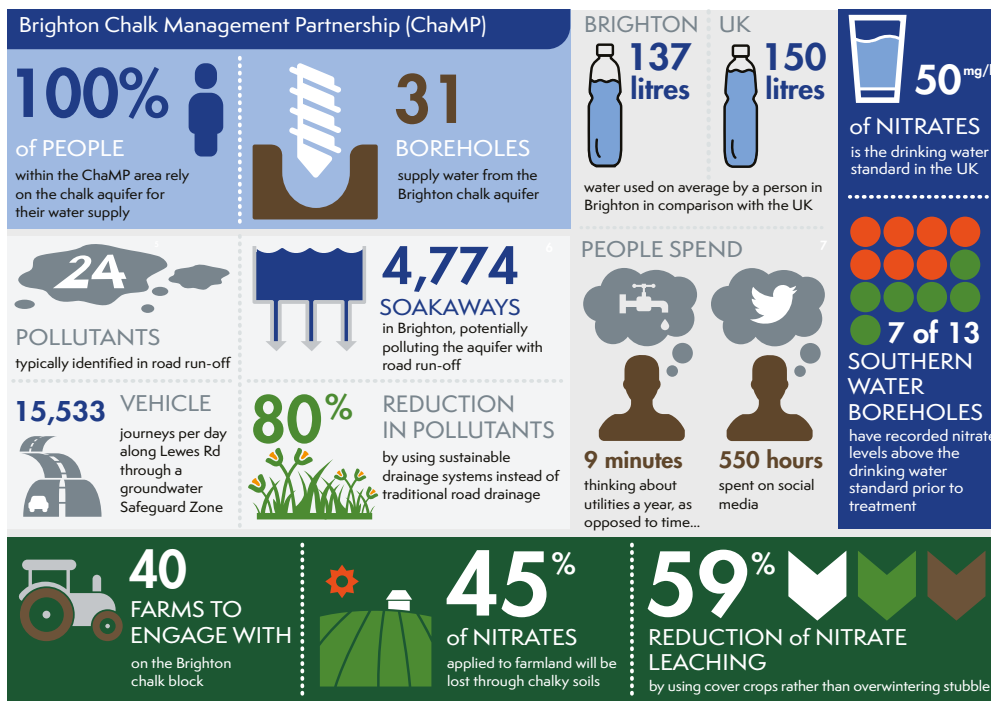
- We have established a Forestry Champions group, which includes the Forestry Commission, Woodland Trust and landowners, to address supply chain issues and connect smaller woodland owners with higher value markets for quality timber.
- We are working closely with the three water companies that overlap the National Park: Southern Water, Portsmouth Water and South East Water, gearing in private sector resources with trial schemes on catchment management, nitrates in aquifers and payments for ecosystem services and with Southern Water on the innovative Brighton Chalk Management Partnership (ChaMP) to improve water quality (see Figure 2.2).

FARMING THE FUTURE: SOUTH DOWNS NATIONAL PARK PILOT SCHEME

- The business to business portal southdownsfood.org.uk, a joint initiative of SDNPA, Natural Partnerships and the Southern Co-operative, already connects over 100 growers, producers, processors, pubs and restaurants to build markets for local produce in and immediately around the National Park.
- The *Partnership Management Plan* for the National Park is currently under review to identify “breakthrough actions” for 2019–24. It brings together the joint aspirations of farmers and landowners, NGOs, statutory agencies, rural economy partners, academics and communities.

- Our draft Local Plan, to be submitted to the Inspector in April 2018, is landscape-led and rural business friendly, with strong recognition of the importance of farming and rural enterprise.
- One of the three Local Enterprise Partnerships (LEPs) covering the National Park, Coast 2 Capital, is working with the SDNPA to bring sustainable growth, natural capital and the rural economy within its new Strategic Economic Plan, and has expressed its interest in working with Defra on the delivery of the 25 year plan.
- In addition to farmers and estates, the SDNPA works with the “Lawton Group” of environmental non-governmental organisations (NGOs), significant landowners in the National Park, to leverage in new sources of income. For example, ‘The Changing Chalk’ is a National Trust-led landscape-scale bid to the Heritage Lottery Fund (HLF), focusing on the condition of chalk grassland in the eastern Downs. A key priority is to work together with the communities and farmers on the urban fringe.
- Over 700 schools receive our learning enewsletter, 69 per cent of whom have visited a site in the South Downs during 2016/17. Our South Downs Network has over 100 providers of learning outside the classroom. We also held a major conference on health and wellbeing in October 2017 and are now starting to work with partners – including NGOs, farmers and key public sector landowners - to reframe existing delivery to effectively include health and wellbeing priorities.
- For all the above reasons, we feel that the ideal conditions are in place in the South Downs National Park for its farmers, with the support of the SDNPA and many partners, to test the future direction of public policy in more efficient and effective delivery of public goods in a populated lowland mixed farming and woodland landscape. The insights gained will be very relevant in other lowland areas.

FIGURE 2.2: ChaMP INFOGRAPHIC





### Case study: Selborne harvest mice

Before they became an official farm cluster, farmers in the Selborne area were already working together as the 'Selborne Landscape Partnership' in order to carry out and communicate action for biodiversity.

The first target species chosen was the harvest mouse, in part because it was first identified as a separate species by Gilbert White in Selborne during the late 1700s. They have decreased by 71 per cent in the UK over the last 18 years (*UK Mammals: Species Status and Population trends*) and a county record centre data search in summer 2014 showed just one nest record from 1999.

During November 2014 the group gathered local volunteers and farmers for a training session from the Game & Wildlife Conservation Trust where they learnt how to search for harvest mice nests. The first day's surveying found more than 50 nests across two farms – a fantastic result. The second year of surveying recorded 470 nests across 28km squares and revealed that their preferred habitats seem to be rough grass margins full of tussocky cock's-foot, and rough grass sown with wild bird seed mixes. Surveying continues but it looks like harvest mice are doing well on well-managed HLS land.

**2.10** The proposed South Downs Pilot Scheme builds on the special qualities of the South Downs National Park and the strength of existing partnership working. We are aware that pilots may be chosen elsewhere in England to test other aspects of a new environmental land management scheme. If desired by Defra, however, we would be very willing to develop a more comprehensive pilot scheme encompassing other elements (including management/work currently funded through existing schemes).

### WORK UNDERTAKEN TO DATE

**2.11** This proposal builds on a range of work undertaken by SDNPA and its partners over the past year including:

- three farmer workshops held during April–June 2017 which captured evidence and ideas to inform a future scheme in the South Downs<sup>9</sup>;
- preliminary Expression of Interest sent to DEFRA by SDNPA in October 2017;
- liaison with NPE and other NPAs regarding the National Parks' offer to DEFRA to pilot new schemes/initiatives;
- review and research into DEFRA's emerging priorities;
- three farmer breakfasts held in February 2018 during which farmers and facilitators confirmed their interest in participating in a pilot scheme; and
- Engagement with and endorsement by a range of partners as illustrated throughout this Expression of Interest and in Section 8.

<sup>9</sup> Cumulus Consultants (2017) *The Future of Farming in the South Downs National Park. Farmers' Workshops - Summary Report.*

# 3. CLUSTERS: FARMER-LED DESIGN AND DELIVERY FOR ENHANCED BENEFITS

## CONTEXT

**3.1** The farm cluster concept – whereby farm conservation is progressed by neighbouring farmers working together in a group – was initially developed by the Game and Wildlife Conservation Trust (GWCT) in association with NE. The South Downs National Park Authority has long established relationships with the farming community. Farm clusters in the South Downs

were encouraged and supported by SDNPA from an early stage and there are now six farm clusters in the South Downs National Park, involving 168 farmers and an area equivalent to two-thirds of the National Park (Figure 3.1). The clusters cover a range of farm types, farming systems, habitats and other environmental features of interest. Five of these are supported through NE’s Countryside Stewardship Scheme Facilitation Fund with the sixth supported by Portsmouth Water, see Table 3.1.

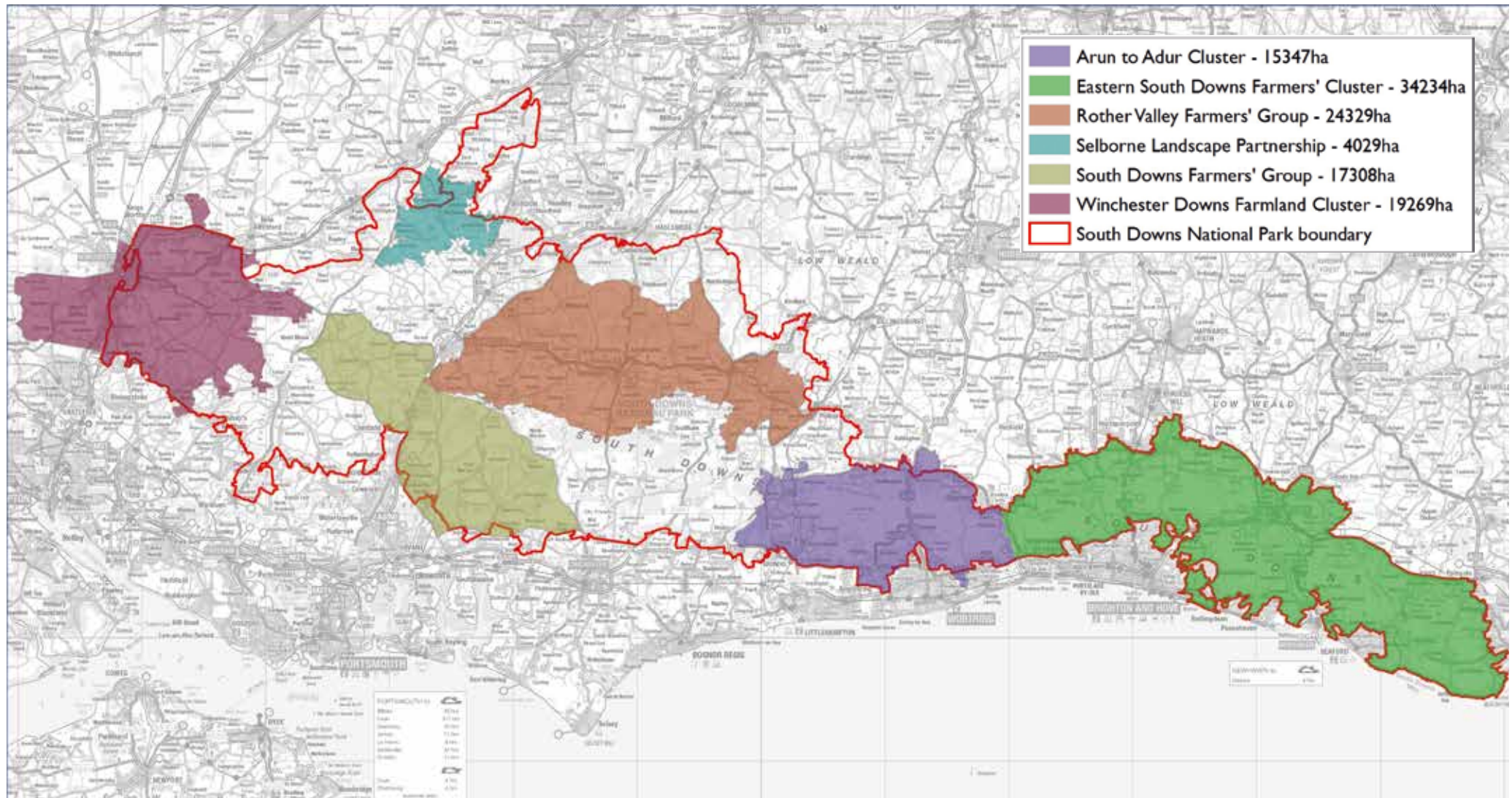


Grey partridge re-introduction training for Winchester Downs cluster



Visitors enjoy a tour of the Norfolk Estate, part of the Arun to Adur Farm Cluster

**FIGURE 3.1: FARM CLUSTERS AREAS**



**TABLE 3.1: FARM CLUSTERS IN THE SOUTH DOWNS NATIONAL PARK – CHARACTERISTICS**

Cluster	Area (ha)	No. of farmers currently in cluster	Source of Funding / Length / Dates	Main landscape types
<b>Arun to Adur Cluster</b>	15,347	28	Natural England Facilitation Fund (2015 to 2020)	Greensand Terrace, Major River Floodplains, Major Scarps, Major Valley Sides, Mixed Farmland and Woodland Vales, Open Downland, Scarp Foothills, Wooded Estate Downland
<b>Eastern South Downs Farmers' Cluster</b>	34,234	34	Natural England Facilitation Fund (2016 to 2021)	Major River Floodplains, Major Scarps, Major Valley Sides, Open Downland, Scarp Foothills, Shoreline
<b>Rother Valley Farmers' Group</b>	24,329	32	Natural England Facilitation Fund (2018 to 2021)	Chalk Valley Systems, Greensand Hills, Greensand Terrace, Low Weald, Major River Floodplains, Major Scarps, Mixed Farmland and Woodland Vales, Sandy Arable Farmland, Wealden Farmland and Heath Mosaic, Wooded Estate Downland
<b>Selborne Landscape Partnership</b>	4,029	19	Natural England Facilitation Fund (2016 to 2021)	Clay Plateau, Downland Mosaic, Greensand Terrace, Major Scarps, Mixed Farmland and Woodland Vales, Wealden Farmland and Heath Mosaic
<b>South Downs Farmers' Group</b>	17,308	20	Portsmouth Water (Ongoing)	Wooded Estate Downland, Downland Mosaic, Chalk Valley Systems, Major Scarps, Greensand Terrace, Mixed Farmland and Woodland Vales, Upper Coastal Plain
<b>Winchester Downs Farmland Cluster</b>	19,269	35	Natural England Facilitation Fund (2016 to 2021)	Open Downland, Downland Mosaic, Chalk Valley Systems

**3.2** The farm cluster approach has increased in popularity nationally with over 50 facilitated cluster groups around the country, working with approximately 1,000 farmers over 200,000 ha (500,000 acres)<sup>10</sup>. It has been widely praised by farmers, farming bodies, non-governmental organisations (NGOs) and Government:

*"We can learn from previous initiatives that have delivered landscape-scale change. Examples include ... the bottom-up farmer cluster concept, helping farmers collectively deliver greater benefits for soil, water and wildlife at a landscape scale, developed by the Game & Wildlife Conservation Trust with Natural England."*

**HMG (2018) A Green Future: Our 25 Year Plan to Improve the Environment (pages 37 and 60)**

<sup>10</sup> As of October 2017



**3.3** There is now a real opportunity to expand the scope of farm clusters from recording and monitoring wildlife, identifying suitable options, training, knowledge sharing and public engagement activities to the design and delivery of new agri-environment schemes and approaches which can address local priorities in a flexible and cost effective way.

*“We’ve have seen so many benefits from working together with other local farmers as part of the Selborne cluster. It’s a great opportunity to share work we’re already doing for the environment with our wider community – for example using our farm to share best practice in wild bird conservation. We’re interested in joining the pilot South Downs agri-environment scheme because we want to be at the forefront of change in British agriculture and being part of the National Park makes protecting wildlife habitats and the environment even more important.*

**Joe Edwards – Estate manager and member of the Selborne Landscape Partnership**

## AIM

**3.4** The aim of this element of the proposed South Downs Pilot Scheme is to apply the farm cluster approach to design and deliver agri-environment schemes at a landscape scale, thereby achieving long-lasting benefits for farmers, the farmed environment and the public, and improved value for money.

**3.5** This approach is closely aligned with DEFRA’s direction of travel as outlined in recent speeches and the 25 Year Environment Plan.

## DESCRIPTION

### PRINCIPLES

**3.6** The pilot scheme would be developed in line with the following principles; these are derived from feedback with farmers, landowners and stakeholders in the South Downs National Park and dovetail with the principles recently set out by the Government:

- Farmer-led and developed to address South Downs’ priorities.
- Based around farm clusters.
- Accessible to all farmers within the cluster areas.
- Encourages collaboration across farms within the clusters.
- Public money for public goods.
- Natural capital /ecosystem service approach.
- Addresses local priorities at landscape and catchment level i.e. a ‘targeted scheme’<sup>11</sup>.
- Integrates with and supports profitable, sustainable farming businesses.
- Simple, flexible and effective.
- Delivers ‘quick wins’ as well as contributing to medium/long term goals.
- Involves partners in terms of technical advice, guidance and support.
- Innovative, being informed by national and local research.
- Integrates public and private funding, including Payments for Ecosystem Services provided by water companies.
- Compatible with and not duplicating existing schemes – BPS and agri-environment schemes. Farmers would not be disadvantaged by joining; indeed they would have the opportunity to achieve more on the ground.

<sup>11</sup> HMG (2018) *A Green Future: Our 25 Year Plan to Improve the Environment*

**Potential priority issues (and example projects)**

Key local priorities which could be suitable for targeting include:

- Improving soil quality.
- Improving water quality.
- Enhancing priority habitats and species.
- Raising awareness and understanding, and education.
- Improving/managing recreational access.



**3.7** The South Downs Pilot Scheme aligns with the proposals set out in the policy discussion paper *'Farming in the English National Parks'* and would complement other National Park pilots.

**3.8** Improving soil quality is a national priority referred to in the 25 Year Environment Plan and would directly benefit participating farm businesses as well as delivering environmental outcomes. These and the other key priorities have been identified through discussion with farmers and a preliminary assessment of need and opportunity. They have been broadly endorsed by farmers and partners in recent meetings.

**3.9** It is important to stress however that farmers would make their own decisions about the priorities for their clusters, drawing on information and advice provided by partners and supported by facilitators. While one cluster such as the Rother Valley Farmers' Group might prioritise soil and water quality, another cluster, such as the Eastern South Downs Farmers' Cluster, may decide to focus on improving/managing recreational access.



**Case study: South Downs Farmland Bird Initiative**

The South Downs Farmland Bird Initiative (SDFBI) is a landscape-scale collaborative partnership between farmers, conservation organisations and government agencies. It provides a focal point for information and advice on how to integrate conservation management into modern farming businesses. Through the SDFBI farmers are learning about and sharing best practice, can receive free face-to-face farm visits and are contributing to monitoring the success of habitat management with data collected helping to track the fortunes of farmland specialists including skylarks, linnets and yellowhammers.

**3.10** Other possible priorities might include pollinators, landscape, cultural heritage, and health and well-being.

**3.11** Possible projects linked to and delivering these key priorities are set out in Table 3.2.

**TABLE 3.2: POTENTIAL PRIORITIES, PROJECTS AND OUTCOMES (THESE APPLY EQUALLY TO AGRICULTURE LAND AND FARM WOODLAND)**

Priority	Project examples	Target outcome examples
<b>Improving soil quality</b>	<ul style="list-style-type: none"> <li>Soil testing (eg soil organic matter) and helping to trial the emerging healthy soil assessment methodology announced in the 25 Year Plan, advice/planning, monitoring and benchmarking</li> <li>Field operations/applications/interventions to improve soil quality</li> <li>Permanent/temporary change in land use or management</li> <li>Machinery/equipment</li> <li>Infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>Soil organic matter % – average over area</li> <li>Soil health index (to be developed) – average over area</li> <li>Land vulnerable to soil erosion – ha or % of area</li> </ul>
<b>Improving water quality and natural flood management</b>	<ul style="list-style-type: none"> <li>Soil testing</li> <li>Fertiliser/pesticide application advice/planning</li> <li>Cover crops</li> <li>Grass buffers/areas</li> <li>Woodland creation in target areas</li> <li>In partnership with water companies, highways, utility companies, Network Rail and the insurance industry.</li> </ul>	<ul style="list-style-type: none"> <li>Watercourse classification – km or % of total by status (eg high or good)</li> <li>Groundwater quality – mean nitrate levels (mg/l)</li> </ul>
<b>Enhancing priority habitats and species</b>	<ul style="list-style-type: none"> <li>Habitat creation/restoration – expanding, improving or linking existing features ('bigger, better, more joined up') – eg woodlands, hedges, chalk grassland, wetlands.</li> <li>Improving profitability/sustainability of grazing on grazed semi-natural habitats. Include business planning, equipment, infrastructure for delivery at landscape scale.</li> <li>Species-specific interventions.</li> </ul>	<ul style="list-style-type: none"> <li>Habitat extent – ha by type</li> <li>Habitat condition – % of relevant SSSI area in favourable condition</li> <li>Habitat connectivity</li> <li>Species abundance</li> </ul>
<b>Raising awareness and understanding; education</b>	<ul style="list-style-type: none"> <li>Strengthening links between farm clusters and local rural/urban communities</li> <li>Farm and woodland visits by schools, community groups etc.</li> <li>Farm/cluster-based resources (eg web-based information, interpretation)</li> <li>Working locally with Forest Schools and rolling out the Royal Forestry Society's Teaching Trees programme in the south east.</li> </ul>	<ul style="list-style-type: none"> <li>People/children engaged – total number</li> <li>Farm visits hosted – total number</li> <li>Awareness and understanding change (evaluation/survey)</li> </ul>
<b>Improving/managing recreational access</b>	<ul style="list-style-type: none"> <li>New/improved facilities eg signage, interpretation, gates, , accessibility to public transport</li> <li>New permitted paths (links, circular)</li> <li>Recreation access resources (eg web-based material)</li> </ul>	<ul style="list-style-type: none"> <li>Permitted path length/condition</li> <li>Recreational access negative issues/incidences reported – total number</li> </ul>
<b>Small capital grants programme and best practice farm training</b>	<ul style="list-style-type: none"> <li>Many small-scale conservation grazing programmes are held back by lack of basic equipment (livestock trailers, mobile crushes) and training (eg trailer driver training)</li> </ul>	

## DELIVERY

**3.12** It is envisaged that the pilot scheme would be delivered along the following lines:

- The pilot scheme would be available/open to all six clusters operating in the National Park.
- The approach to delivering the scheme would be common to all farm clusters in order to avoid 're-inventing the wheel' and keep development/overhead costs to a minimum.
- Each cluster would decide on its own emphasis with guidance/advice from specialists and support from a facilitator.
- Projects could be developed:
  - pro-actively and collaboratively at cluster level; and/or
  - asking individual farmers or small groups of farmers to put forward their ideas in relation to agreed priorities.

**3.13** The project development route might depend on the scale/level of complexity of the project. An example of the former might be a water quality project developed for a whole catchment in conjunction with a water company. An example of the latter might be a visitor management project relating to a specific site.

- Where appropriate, projects would be informed by advice and research delivered by partners so they are as effective as possible and embrace innovation.
- Projects would be determined and funding allocated based on agreed criteria. These criteria would include those common to the scheme as a whole as well as locally-determined criteria.
- Project delivery/implementation would be overseen by each cluster.
- Clusters would provide regular progress reports to SDNPA.

**3.14** Each cluster would be allocated a budget for each year of the pilot scheme based on common, agreed criteria. These are likely to include:

- local need/priorities;
- proposed projects and their cost;
- co-funding available (eg water company funding, forest supply chain investment);
- proposed benefit (market value and natural capital value);
- size of cluster area; and
- number of participating farmers.

**3.15** There are a number of approaches under development nationally for calculating/making payments for public goods. These include:

- income foregone/additional cost (such as current agri-environment scheme annual payments);
- results-based payment (reflecting delivery of specific environmental outcomes);
- value-based payment (taking into account value to society);
- reverse auction based payment (price proposed by farmers to deliver a specific outcome); and
- capital grant (such as current agri-environment scheme capital payments or LEP funding for woodfuel).

**3.16** These approaches are not mutually exclusive. Some payment approaches will be suitable for certain projects but not others.

**3.17** The extent to which different payment approaches are piloted would be open to discussion. We are aware that certain innovative approaches are already being tested elsewhere and all payments of public money will need to have a robust basis (legal, economic etc.)<sup>12</sup> and be properly accounted for.

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<sup>12</sup> This will be dependent on timing (eg whether EU regulations need to be adhered to or not) and interpretation of relevant rules (eg WTO rules on agri-environment payments).



### Case study: Arun and Rother Connections

The River Rother runs west to east through the South Downs National Park joining the River Arun near Pulborough and together the rivers link woodland, wetland and farmland. The Arun and Rother Connections (ARC) was a landscape-scale project delivered by a partnership of seven organisations working alongside local communities aiming to promote a thriving river system in the Arun and Rother river catchment across a 77,000 hectare project area.

Before the project began, pollution, flooding, invasive species and declining wildlife threatened to ruin this important part of the National Park. Over the three years of the project the partnership, funded by the HLF, worked to promote a rich and thriving river system.

Over 1,100 local volunteers helped to restore a range of wetland habitats including floodplain meadows, fen, wet heath, wet woodland and saved three kilometres of globally rare chalk streams. The project also led to the creation of more than 250,000m<sup>2</sup> of open water habitat for vulnerable birds and wetland species.

## OUTCOMES

**3.18** Target outcomes are important to help gauge value for money and test whether the pilot scheme has achieved its objectives. It is not possible to define specific outcomes given the early stage of the pilot and the fact that farmer-led priorities and funding will affect outcomes. However some possible target outcomes linked to key priorities can be outlined, see Table 3.2.

**3.19** It is envisaged that a small number of target outcomes will be set for the pilot scheme as a whole, with clusters reporting on outcomes relevant to their area.

## 4. THE LAND APP: STREAMLINED FARMER APPLICATION PROCESS

**4.1** The mapping systems behind rural subsidy schemes in the UK have been a source of considerable inefficiency for more than a decade. As of February 2018, the mapping systems in use continue to cause significant problems for both farmers and Government. For example, farmers are still unable to apply online for CS schemes, which means NE “are reliant on legacy systems to produce an application map and continue to use paper application forms”<sup>13</sup>.

**4.2** Many in the agricultural industry agree that the UK’s decision to leave the EU represents a unique opportunity to reform our rural subsidy and agri-environment policy. It is also a unique opportunity to reform the mapping system that will underpin the successful delivery of any new scheme going forward. With this in mind, we would like to work with DEFRA to trial and test a new, farmer-friendly, online mapping system over the next three years. Piloting a new mapping system now that can be proven to work effectively will reduce risk, improve customer satisfaction and enhance value for money prior to launching any new agri-environment scheme.

*“It’s good to join up with other local farmers, whatever happens things are going to change for all of us. Right now it’s important to look to the future. I want my business to be at the forefront, which is why I’m interested in taking part in a pilot agri-environment scheme in the South Downs National Park.”*

**Stuart West – Farmer and member of the Eastern South Downs Farmers’ Cluster**

13 Natural England, *Written evidence submitted by Natural England (CSS0001)*, 3, Accessed 12 February 2018, <http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/environment-food-and-rural-affairs-committee/countryside-stewardship-scheme/written/48938.html>

**4.3** The need for a new farmer-friendly application process was highlighted in Michael Gove’s speech at the Oxford Farming Conference and the 25 Year Environment Plan:

*“On Countryside Stewardship, I want schemes simplified to the extent that any farmer – any farmer – can complete an application in a working day”.*

**Michael Gove, Farming for the next generation, 5 January 2018**

*“For future schemes, we will aim to keep bureaucracy to a minimum, as well as design a more user-friendly application process.”*

**HMG (2018) A Green Future: Our 25 Year Plan to Improve the Environment (page 37)**

### AIM

**4.4** The aim of this element of the proposed South Downs Pilot Scheme is to trial The Land App to assess if it has the potential to be the digital platform for the design, submission and management of all agri-environment schemes in the UK by 2024.

**4.5** The Land App can offer the following benefits:

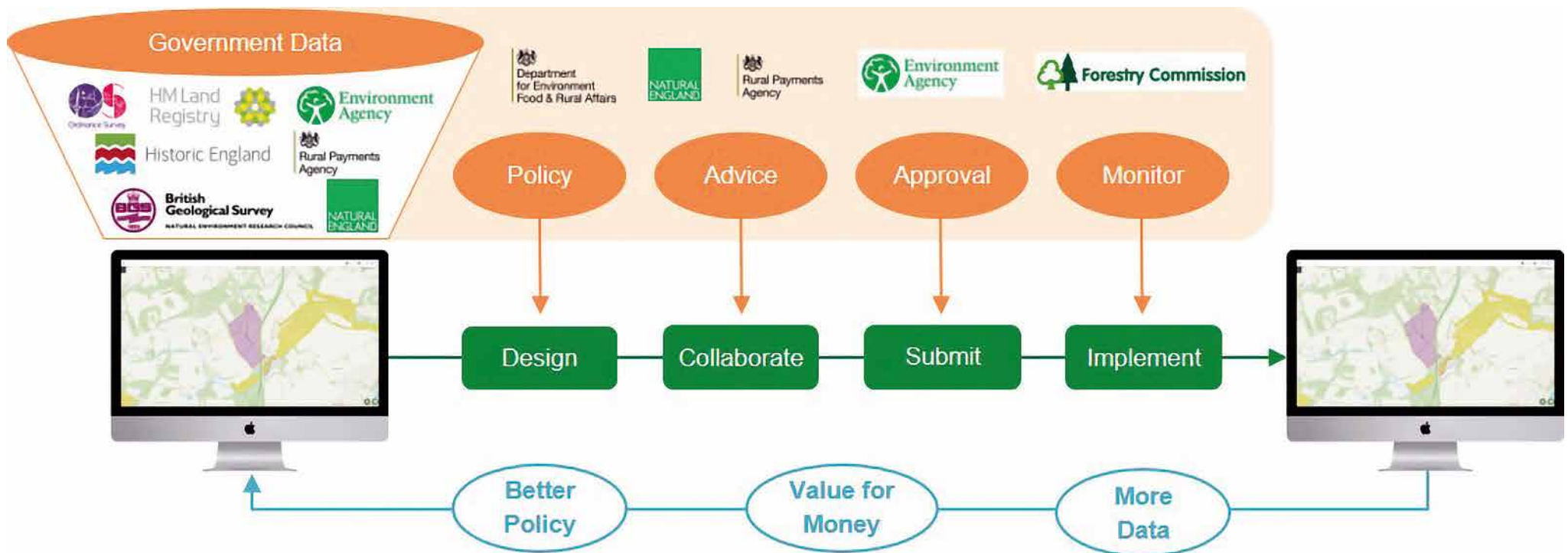
- **Economic** – supporting rural businesses to secure funding and reduce the risk of fines.
- **Environmental** – better quality scheme designs in accordance with local landscape priorities.
- **Social** – saving taxpayer money through lower administration costs and improved monitoring and evaluation of scheme delivery.

## DESCRIPTION

4.6 The Land App is an easy-to-use, collaborative, online mapping platform for people to design and manage land-based projects. Developed in partnership

with Ordnance Survey, The Land App connects all stakeholders in the rural industry on a single digital map of the land. It is unique in its ability to unlock the data value chain – from Government data providers to farmer back to Government – helping to deliver industry-wide efficiencies (see Figure 4.1).

**FIGURE 4.1: THE LAND APP UNLOCKS THE DATA VALUE CHAIN – FROM GOVERNMENT TO FARMER BACK TO GOVERNMENT – TO DELIVER PUBLIC BENEFITS**



**Farmers and woodland managers can:**

- Instantly view all relevant information about their land overlaid on a single digital map.
- Easily design CS schemes with intuitive drawing tools and interactive data.
- Quickly assess estimated scheme value with a dynamically calculated report.
- Engage land agents and government agencies for advice to improve the quality of application.
- Seamlessly submit applications with automatic form completion and online collaboration.
- Efficiently capture progress on-the-ground with geo-referenced photo uploads.
- Reduce the risk of incurring fines as schemes are designed over authoritative OS MasterMap base data.

**Government can:**

- Approve higher quality applications, more aligned with landscape-level priorities.
- Reduce administration costs by receiving applications in digital, rather than paper format.
- Improve monitoring of scheme progress as farmers can upload photo evidence captured on-the-ground.
- Communicate with farmers directly through the app in relation to specific options and land features.
- Enhance accuracy and currency of data as farmers upload geo-referenced photo evidence.
- Improve customer satisfaction by supplying more accurate data in time for annual claims and payments.

**4.7** It is proposed that The Land App is trialled on all new CS applications across the six clusters in the South Downs National Park over the next three years.

**DELIVERY**

**4.8** Farmers whose current ES agreements end during the pilot period will be encouraged to use The Land App for applying to CS. The number of ES agreements due to finish over the next 3 within each of the 6 clusters is 140 as shown in Table 4.1 1.

**TABLE 4.1: ENVIRONMENTAL STEWARDSHIP AGREEMENTS DUE TO FINISH BETWEEN 2018 AND 2024 (SEE APPENDIX 2)**

Cluster	2018	2019	2020	2021	2022	2023	2024	Grand Total
<b>Arun to Adur Cluster</b>	2	11	8	3	5	5	1	<b>35</b>
<b>Eastern South Downs Farmers' Cluster</b>	14	12	13	21	27	14	4	<b>105</b>
<b>Rother Valley Farmers' Group</b>	12	6	11	2	5	10	2	<b>48</b>
<b>Selbourne Landscape Partnership</b>	2	3	1	0	6	2	0	<b>14</b>
<b>South Downs Farmers Group</b>	8	5	9	8	5	4	0	<b>39</b>
<b>Winchester Downs Farmland Cluster</b>	12	4	7	8	8	8	3	<b>50</b>
<b>Total</b>	<b>50</b>	<b>41</b>	<b>49</b>	<b>42</b>	<b>56</b>	<b>43</b>	<b>10</b>	<b>291</b>



**4.9** In order to deliver this output the following activities will be carried out each year:

- Hold workshops and/or conduct one-on-one training with each farmer submitting an application.
- Hold user experience workshops with farmers in each cluster to regularly evaluate the product and identify further product development requirements.
- Develop the product to improve the user experience and reduce the time taken to design and submit an application.
- Liaise with DEFRA, NE and the Rural Payments Agency (RPA), to understand the requirements for the receipt of digital applications.
- Integrate with DEFRA, NE and RPA IT systems for the receipt of digital applications.
- Supply DEFRA, NE and the RPA with digital access to new CS agreements to monitor delivery.

**4.10** For 2018 CS, we would aim to focus attention on training and workshops with farmers in order to encourage applications. The functionality for the digital receipt of applications would therefore be a 'proof of concept' in Year 1, with more resources dedicated to improving this functionality in Years 2 and 3.

**4.11** Since 2015, The Land App has built relationships with a variety of key Government stakeholders, including NE's Facilitation Fund Manager, DEFRA's Digital Transformation Team, Ordnance Survey and Land Registry.

## OUTCOMES

**4.12** The expected outcomes for this element of the South Downs Pilot Scheme are as follows:

- The Land App enables farmers to complete CS applications in a single working day.
- The Land App allows DEFRA to efficiently monitor progress on the delivery of new CS agreements.
- The Land App proves its potential to be the online mapping platform used to administer a new agri-environment scheme beyond 2020.

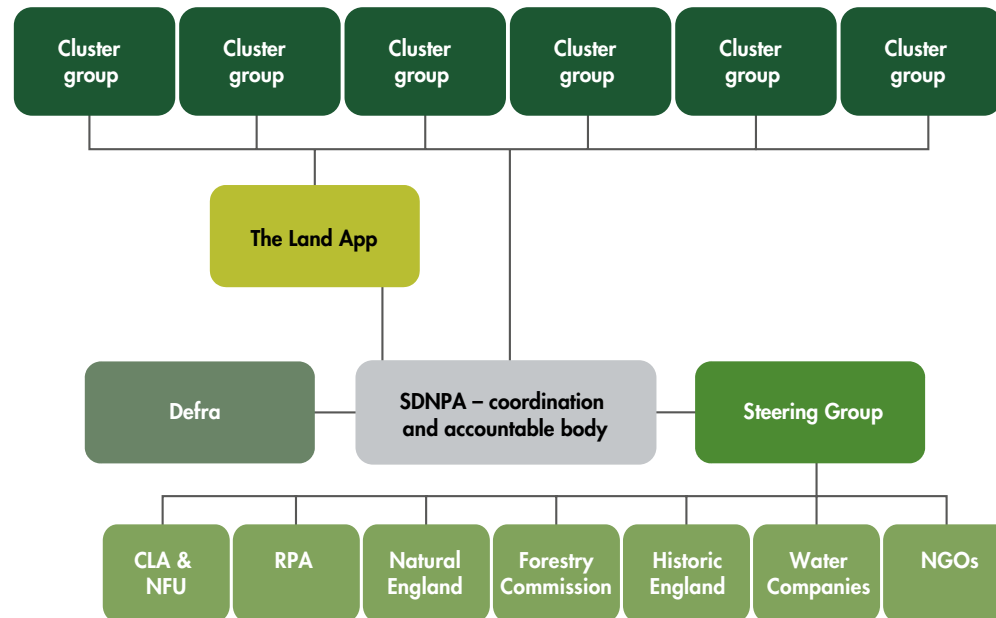
**4.13** Subject to agreement with DEFRA, the success of The Land App pilot will be measured using a number of key performance indicators (KPIs). This will ensure that the most pressing requirements are prioritised and appropriate targets are set. Some examples of the KPIs that could be used are:

- Number of CS applications designed on The Land App.
- % of CS applications submitted online via The Land App.
- % of farmers across the six farm clusters using The Land App to share geo-referenced photos of scheme delivery.

# 5. PROJECT MANAGEMENT AND DELIVERY

**5.1** The proposed project management and delivery structure for the South Downs Pilot Scheme is outlined in Figure 5.1 below.

**FIGURE 5.1: PROJECT MANAGEMENT AND DELIVERY STRUCTURE**



## CLUSTERS: FARMER DESIGN AND DELIVERY FOR ENHANCED BENEFITS

**5.2** The Cluster Groups form the frontline of the pilot scheme delivering agri-environment outcomes for society, as well as benefits for participating farm businesses. They include the farmers within the clusters and the facilitators.

**5.3** Given the number of farmers within each cluster (currently 19–35 farmers in each cluster), it is envisaged that each cluster would have a small management group, including the facilitator, to lead on the design and delivery.

**5.4** It is anticipated that the current facilitators (funded predominantly by NE) would require additional resourcing to support the scheme and co-ordinate the trialling of The Land App.

## THE LAND APP: STREAMLINED FARMER APPLICATION PROCESS

**5.5** The Land App team would be responsible for working with and training farmers in the clusters, liaising with DEFRA, NE and RPA counterparts, and undertaking required software development.

## PROJECT CO-ORDINATION

**5.6** SDNPA would be responsible for overall management and co-ordination of the pilot scheme, enabling and supporting the cluster groups and The Land App team to deliver as required.

**5.7** SDNPA would be the accountable body reporting to DEFRA and liaising with RPA in respect of public payments as required, including the SDNPA Farming Officer.

**5.8** SDNPA would also lead on providing technical advice, co-ordinating input from partner organisations as appropriate (eg NE, Forestry Commission, Historic England, Water Companies and NGOs).

**5.9** A SDNPA Pilot Scheme Officer would be appointed to manage and co-ordinate the pilot scheme, drawing in expertise of other SDNPA staff as required.

## PROJECT STEERING GROUP

**5.10** A Project Steering Group would guide the development and implementation of the pilot scheme. It would include representatives from relevant South Downs National Park partners and other key bodies. These would include those bodies listed in 5.7 and 5.8 above.

**5.11** It is envisaged that the Steering Group would meet on a regular basis (eg 2–4 times per annum) during the development and implementation phases.

## MONITORING, EVALUATION AND RESEARCH

**5.12** The pilot scheme would need to be properly monitored and evaluated. This would be achieved by developing a monitoring and evaluation plan at the beginning of the project, together with annual reviews, and a final evaluation at the end. It would be anticipated that monitoring would largely be undertaken by farmers and facilitators at cluster level. Independent evaluation would be undertaken by a consultancy and/or in conjunction with a local university/college.

**5.13** Alongside, or as part of the evaluation, it would be very beneficial to undertake research to estimate the change in natural capital and ecosystem

services provided and value this as far as possible in order to demonstrate public goods purchased through the public payments invested.

## PROJECT TIMEFRAME

**5.14 Clusters: farmer design and delivery for enhanced benefits.** The suggested project timeframe is one year's development (2018/19) followed by three years' implementation (2019/20 to 2021/22); although this is subject to discussion and agreement with DEFRA to fit in with national plans for proposed pilots. This would enable interim and final findings from the pilot scheme to feed into the development and implementation of a national environmental land management scheme.

**5.15 The Land App: streamlined farmer application process.** The suggested project timeframe is three years commencing from April 2018.

**5.16** An outline project plan covering both elements of the Pilot Scheme is set out in Table 5.1.

**TABLE 5.1: OUTLINE PROJECT PLAN**

Stage / Year	2018/19	2019/20	2020/21	2021/22
Pilot scheme development				
Clusters				
Cluster-based prioritisation				
Cluster-based agri-environment projects				
<b>The Land App – application and development*</b>				
Final evaluation and report				

**\*The Land App: streamlined farmer application process. The suggested project timeframe is three years commencing from April 2018.**

We plan for this element of the Pilot Scheme to support three years of CS applications in 2018, 2019 and 2020. The project will be divided into five phases, with a different emphasis on different activities in each phase as follows:

- **Phase 1: April to July 2018** – support farmers to apply for 2018 Countryside Stewardship agreements via workshops and/or one-on-one training.
- **Phase 2: August to December 2018** – hold user experience workshops with farmers, develop the product based on the feedback gathered during the 2018 application process and begin to integrate with DEFRA IT systems to support digital receipt of applications in 2019.
- **Phase 3: January to July 2019** – support farmers to apply for 2019 Countryside Stewardship via holding workshops and/or conducting one-on-one training.
- **Phase 4: August to December 2019** – conduct further user experience workshops and continue to develop the product in line with the feedback received during the 2019 application process.
- **Phase 5: January to July 2020** – support farmers applying for CS in 2020.

## 6. FINANCING THE PILOT SCHEME

**6.1** An indicative budget for the South Downs Pilot Scheme is around £1.86 million or £620,000 per year over the implementation phase. This is a preliminary estimate for the purposes of the Expression of Interest and is subject to discussions with DEFRA regarding the scope and timeframe of the Pilot Scheme and development of further detail.

**6.2** The indicative budget includes cluster-based agri-environment projects (management, capital work, equipment, infrastructure etc.), the piloting of The Land App, staff and facilitator support, evaluation and research. A breakdown of the indicative budget is set out in Table 6.1.

**6.3** For The Land App, the budget to deliver this element of the South Downs Pilot Scheme is £178,000. This comprises staff and consultant time to hold workshops with farmers, conduct one-to-one training, liaise with DEFRA, NE and RPA counterparts, and to manage the project. It also covers software development costs to build the required functionality, including user experience design, architecture, front end and back end development, mobile app and tablet development, infrastructure and quality assurance. A full budget breakdown by activity is available upon request.

**6.4** The proposed budget takes into account local priorities, need and opportunity and local capacity amongst participating farmers to plan and deliver additional outcomes.

**TABLE 6.1: INDICATIVE BUDGET**

Item	£/year	Total (3 YRS)
<b>Scheme development</b>		£50,000
<b>Six Clusters</b>		
<b>Agri-environment projects</b>	£450,000	£1,350,000
<b>Land App</b>		£178,000
<b>Staff /facilitators</b>		
<b>Pilot Scheme Officer</b>	£39,000	£117,000
<b>Facilitators (6) – additional resources</b>	£45,000	£135,000
<b>Travel &amp; subsistence</b>	£12,600	£37,800
<b>Training</b>		£2,800
<b>Evaluation and research</b>		£40,000
<b>Total</b>	£620,200	£1,860,600

**6.5** The budget should be seen in the context of current scheme expenditure in the South Downs National Park which is estimated to be £30.42 million per year, comprising an estimated £22.54 million through BPS<sup>14</sup> and £7.88 million through agri-environment schemes<sup>15</sup>. The pilot scheme budget would comprise 2 per cent of current expenditure.

<sup>14</sup> Estimated based on total farmed area of 115,594ha (DEFRA data for 2016, from January 2018) at £195/ha (non-SDA rate discounted to reflect ineligible land/features).

<sup>15</sup> Natural England data, August 2017 data, obtained February 2018

## FARMING THE FUTURE: SOUTH DOWNS NATIONAL PARK PILOT SCHEME

**6.6** The South Downs Pilot Scheme would comprise good value for money with new approaches and systems being tested, delivering national and local benefits, for a fraction of the cost of current schemes. It would also leverage in-kind support from public, private and voluntary sector partners. The pilot scheme would not disrupt existing schemes and agreements; indeed it would encourage participation in and enhance outcomes delivered through Countryside Stewardship.

**6.7** We understand that funding for this pilot scheme may be available via the proposed capping/tapering of BPS payments nationally.

*“We propose to progressively, transfer money away from BPS payments towards the payment of public money for the provision of public goods [...] We will guarantee all existing agri-environment agreements entered into before we leave the EU but, critically, we will also invite farmers, land owners and land managers to help us pilot new ways of investing in environmental enhancement and other public goods.”*

**Michael Gove, Secretary of State for Environment, Food and Rural Affairs**  
**‘A Brighter Future for Farming’ speech at NFU Farming Conference 2018**

## 7. CONCLUSION

**7.1** We hope this proposal sets out clearly what South Downs farmers and foresters, working with the SDNPA, statutory agencies and many others, can offer in helping Defra design and deliver a new Environmental Land Management Scheme for England. Table 7.1 overleaf summarises this.

**7.2** The next step would be to work with Defra and partners to develop a comprehensive project plan which addresses the needs, resources and timeframe of the department. This would include a detailed budget and resource plan, timeline and critical path with clear milestones, as well as mechanisms for monitoring and evaluation so that the lessons learned can be effectively captured and quickly and widely shared.



Farm workers near Elsted

**TABLE 7.1: HOW THE SOUTH DOWNS PILOT PROPOSAL ADDRESSES GOVERNMENT PRINCIPLES FOR NEW SCHEME**

The new environmental land management system/scheme will:	The South Downs proposal would contribute by
Pay farmers public money for public goods, with the principal good to be invested in being environmental enhancement	Testing the effectiveness of farm cluster based payments for environmental enhancements, enabling delivery of public benefits at a landscape scale over and above any national universal level..
Be based on a natural capital approach which values the benefits of the environment and uses the most effective incentives.	Developing and refining the existing high-level natural capital account for the National Park, applicable in all lowland landscapes by ground truthing it with farm clusters
Incentivise and reward land managers to restore and improve natural capital and rural heritage. It will also provide support for farmers and land managers in the move towards a more effective application of the 'polluter pays' principle, and include mitigation of and adaptation to climate change.	Developing cluster-based incentives for outcomes not covered by existing schemes, such as soil management, cultural heritage, access and education. Encourage landscape scale action on mitigation and adaptation to climate change.
Be accessible to almost any landowner or manager.	Offering a wider range of elements and piloting The Land App.
Provide flexibility, putting more management decisions in the hands of farmers.	Incentivising groups of farmers within a cluster to put together bids to deliver joint outcomes, develop prescriptions that work and have local ownership, and get more involved with the monitoring, reporting, and communication of successes.
Keep bureaucracy to a minimum, and include a more user-friendly application process.	Piloting a new, streamlined and innovative way for farmers to prepare applications using The Land App
Provide technical advice to support farmers and land managers in delivering the outcomes and to help them to work together to achieve benefits at landscape and catchment level.	Building on and deepening the existing farm cluster approach. Offering enhanced advice and support for existing schemes and new piloted outcomes through the six farm clusters.
Explore where capital grants could support the adoption of long-term sustainable land management practices and explore new and innovative funding and delivery mechanisms.	Working with partners such as the Forestry Commission and LEPs using the Local Industrial Strategies.



## 8. SPEAKING IN SUPPORT OF THE SOUTH DOWNS PILOT

*“As part of the wider mixed farm landscape in the SE, our members in the South Downs already deliver lots of benefits over and above the all-important production of food, so we welcome initiatives which can test out how a new scheme sitting above the universal one could reward farmers for delivering these extra benefits and encourage them to work together through the farm clusters”.*

**William White, Regional Director of NFU**

*“Our farming and rural businesses already provide a wide range of public benefits and are increasingly diversifying their activities. We support the proposal for a South Downs National Park pilot scheme, working with farmer led clusters, which will help to test new ways of providing public support for the public goods we can deliver across our countryside”.*

**Robin Edwards Director (South East) CLA**

*“Our members are already demonstrating best practice and setting high standards for agriculture and woodland management in the South Downs. We back this proposal because we are committed to enhancing wildlife, soils and water and providing opportunities for people to access, understand and enjoy the National Park”.*

**Dr William Wolmer, Chair of South Downs Land Management Group**

*“Natural England has worked closely with farmers in the South Downs for many years through existing schemes. We are actively supporting farm clusters in the National Park and can already see what our landowners can achieve working together. We’re working with the SDNPA to find better ways to deliver existing agri-environment schemes and would welcome the opportunity to test out ideas in a pilot scheme.”*

**James Seymour, Natural England**

*“Agriculture and the food and drink sector are a major driver for the rural economy across the whole area of the LEP, and have the potential to create more high-value, highly-skilled jobs whilst delivering more public benefits. This proposal would test new ways of supporting groups of farmers to respond to the changes in the market and contribute more to our local economy and environment in line with the priorities we are identifying as we develop our new Strategic Economic Plan for the Coast to Capital area.”*

**Jonathan Sharrock, Chief Executive of Coast to Capital LEP**

*“The proposal to pilot farm cluster based schemes to improve water quality sits perfectly with, and would complement, our catchment-level approaches across the South Downs area, blending public and private sector investment to deliver better outcomes for the environment and local communities.”*

**Ian McAulay, Chief Executive, Southern Water**

*“The environmental NGO sector is a significant manager of land in the South Downs and is also working in parallel with private owners to find new ways of delivery landscape scale improvements to natural capital and the benefits that flow from this, such as pollination, cleaner water and improved soil management. The proposal for the South Downs National Park pilot takes us significantly closer to achieving this.”*

**Tony Whitbread, Chair of South Downs Network**

*“As the most wooded National Park in England the South Downs offers unparalleled opportunities for forest owners and farmers to bring their woodlands into more profitable and sustainable management, whilst generating fibre and timber products, cutting GHG emissions, storing carbon, reducing flooding and providing cleaner water, helping wildlife and providing great opportunities for people. This proposal will help test in practice how woodland owners, managers and businesses might be rewarded for delivering multiple benefits.”*

**Alison Field, Area Director Forestry Commission:**

*“Leaving the EU presents an opportunity to establish an ambitious and environmentally responsible farming policy. We need to create a situation in which sustainable and forward-looking farm businesses can thrive and deliver what the nation and the public want, within a framework of protection and restoration of all aspects of our precious natural and historic environment. This pilot would test this approach at local level, for example on the Eastern Downs where through our Changing Chalk landscape partnership, we are aiming to attract new funding to work with farmers and local communities to raise awareness of the heritage of chalk grassland, to test new economic models to farm and graze this landscape, and to encourage communities to think local when sourcing food.”*

**Patrick Begg, National Trust Rural Enterprise Director**

## APPENDIX 1

Letter from Margaret Paren, SDNPA Chair to The Lord Gardiner of Kimble, Minister of State for Agriculture, Fisheries and Food, DEFRA dated 13 October 2017.



13 October 2017

The Lord Gardiner of Kimble  
Minister of State for Agriculture, Fisheries and Food  
Defra  
Nobel House  
17 Smith Square  
London  
SW1P 3JR

Dear John

### South Downs Pilot Scheme – contributing to a new UK / England agricultural policy

When we last met we discussed the idea of National Parks as test-beds for developing a new UK / England agricultural policy, associated programmes and schemes. I hope you do not mind me writing to you ahead of next week's meeting in my capacity as Chair of the South Downs National Park Authority (SDNPA).

As you are aware the SDNPA, like other NPAs, is keen to play its part by developing and implementing a pilot(s) scheme over the next two to three years. This would explore approaches of relevance to the wider country, as well as those specific to National Parks, linking in with the ideas set out in the policy discussion paper 'Farming in the English National Parks'. Such an approach is also in synergy with the NFU policy, which supports the idea of pilot schemes ahead of 2022. In the case of the South Downs this could explore approaches relevant to lowland protected landscapes as well as to those specific to this National Park.

The South Downs is the only National Park with a significant area of lowland farmland. It has a diverse range of farm businesses and farming systems and has a variety of important and threatened lowland habitats along with many significant species which exist within the farmed landscape. Its farms and estates manage important natural capital and deliver valuable ecosystem services which benefit more than two million people who live inside and within five km of the boundary, as well as visitors from further afield. Its farmers therefore deliver many public benefits but also manage huge pressures due to its location in the south-east of England. Three water companies are already actively working with landowners in catchment and aquifer management, and Whole Estate Plans are being developed for many larger rural businesses, so private sector investment is already being unlocked to complement public spending on agriculture. For all these reasons the South Downs National Park provides an ideal place to test "public funding for public goods" in a lowland landscape, where the insights gained will be very relevant in other populated lowland protected landscapes.

Like other protected landscapes, we have actively encouraged and supported farm clusters and now over half the National Park is now covered by six farm clusters (four of which are part of Natural England's Countryside Stewardship Facilitation Fund programme). Any pilot(s) within the South Downs would therefore be farmer led / developed and shaped around the actual environmental benefits and natural goods offered by each farm within a cluster. It would

be a pre-requisite for establishing a successful pilot(s) that this would provide better value for money and increased environmental outcomes at both farm and cluster levels from the present system of agricultural support. It would also need to provide continuity and security from the existing system to the new system and a clear 'parachute' into any new arrangement in order to exploit to the full the considerable enthusiasm demonstrated by the farmers within the South Downs National Park to work and co-operate at a cluster level.

From the six farm clusters within the National Park, the SDNPA organised a series of farmer workshops last summer to start building an evidence base to shape a future agriculture / agri-environment scheme and discuss how it could be market tested. There was widespread support for a South Downs pilot(s) from the 50 farmers and advisers who attended the workshops and a clear indication of a willingness to respond to departmental guidance which they understand could change as the pilot(s) develops (as long as they are provided with consistent and secure income for their farms throughout any such changes). This means that the pilot(s) will be a flexible tool to test out departmental priorities that might change as the Brexit negotiations progress.

A South Downs National Park pilot(s) would take a holistic approach to encompass areas currently covered by Pillars I and II and link the delivery of public goods and services to benefit local people and the rural economy. The pilot(s) would be place-based, addressing specific issues in the South Downs, but aspects would be easily replicable in other lowland protected landscapes and beyond. This is a particular advantage that is offered by the South Downs as a lowland National Park Authority. The pilot(s) would also demonstrate how an NPA can facilitate more robust audit and governance arrangements.

My team would welcome the opportunity to meet your officials to discuss this proposal in more detail, obtain your feedback and discuss the availability of funding to provide support. The detail of the scheme could then be worked up for implementation in the 2018/19 financial year.

I very much hope we can lure you down to the South Downs before too long to enable you to see on the ground how we are working with our farmers, and how we could help Defra carry forward this crucial area of work.

Yours sincerely

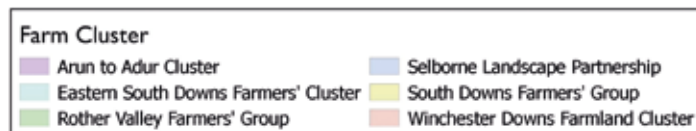
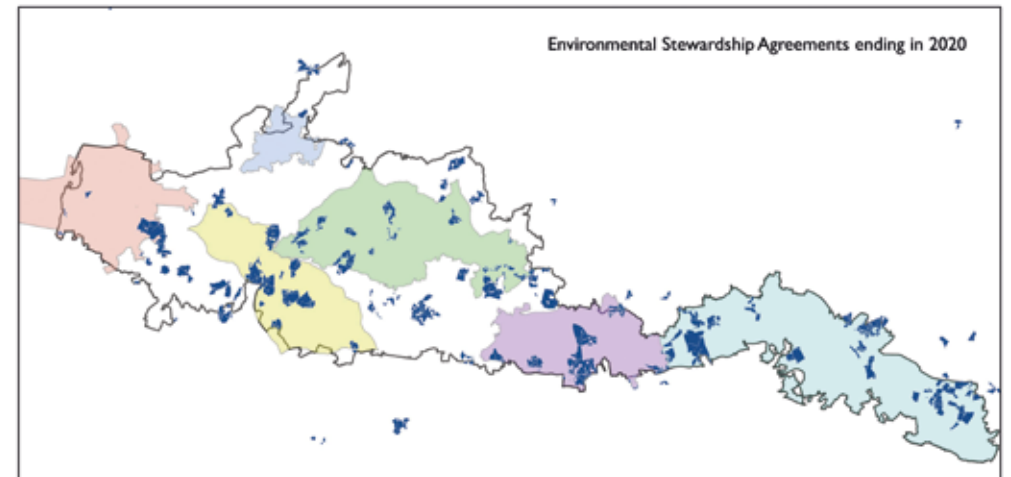
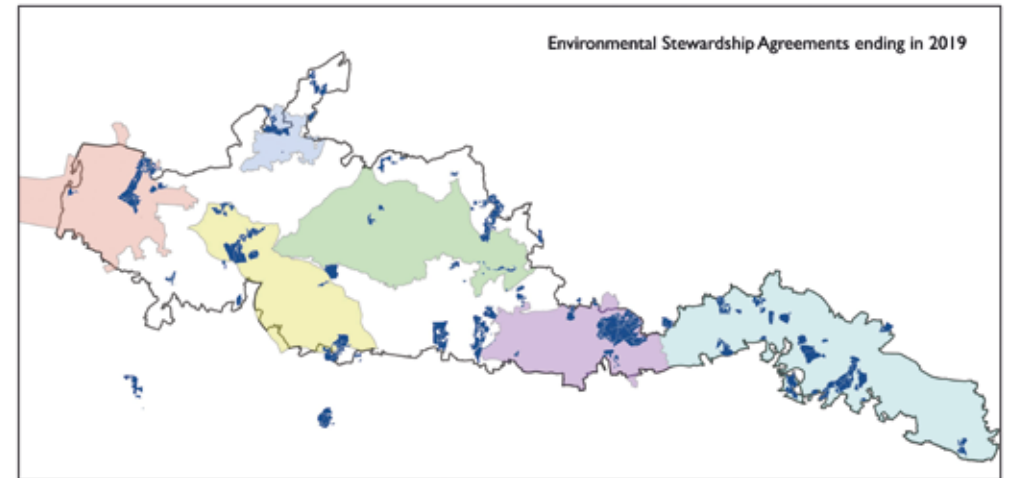
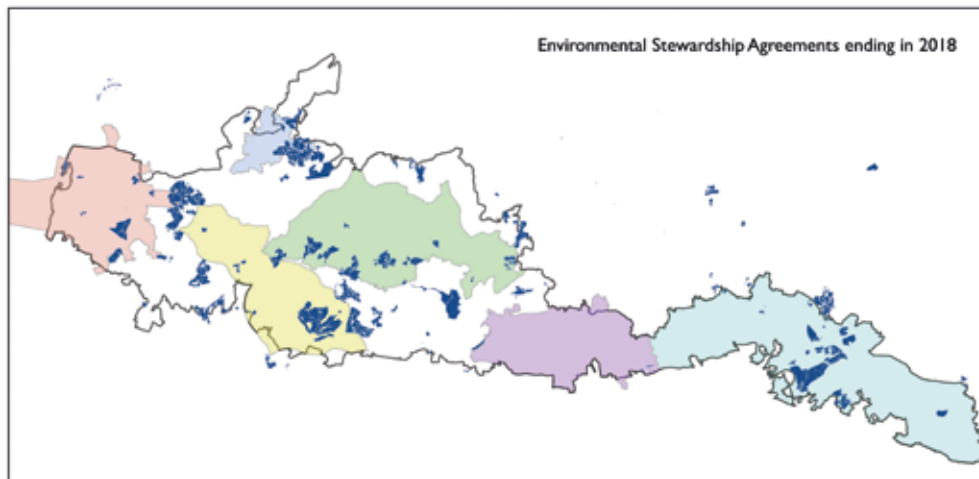
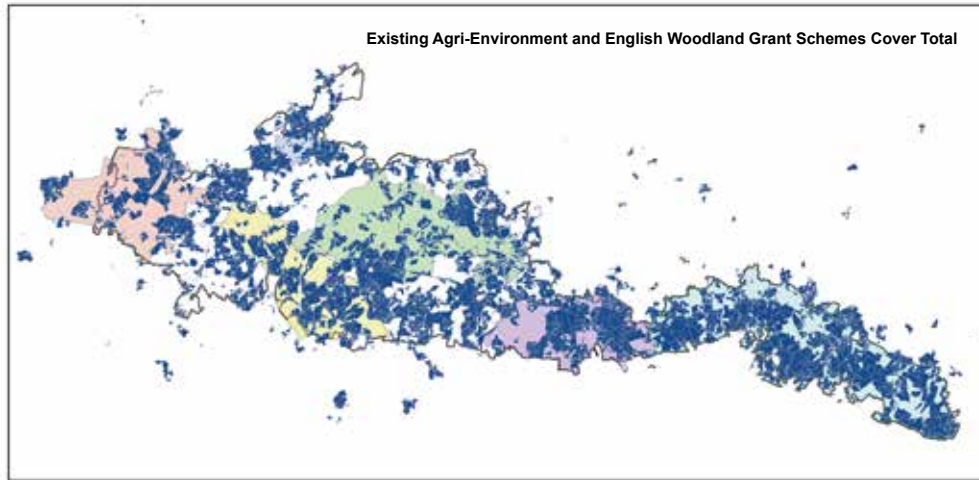
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Chair  
South Downs National Park Authority

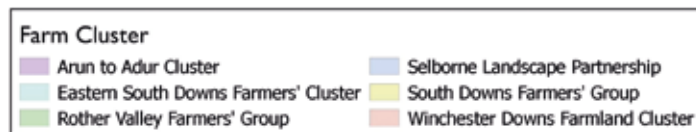
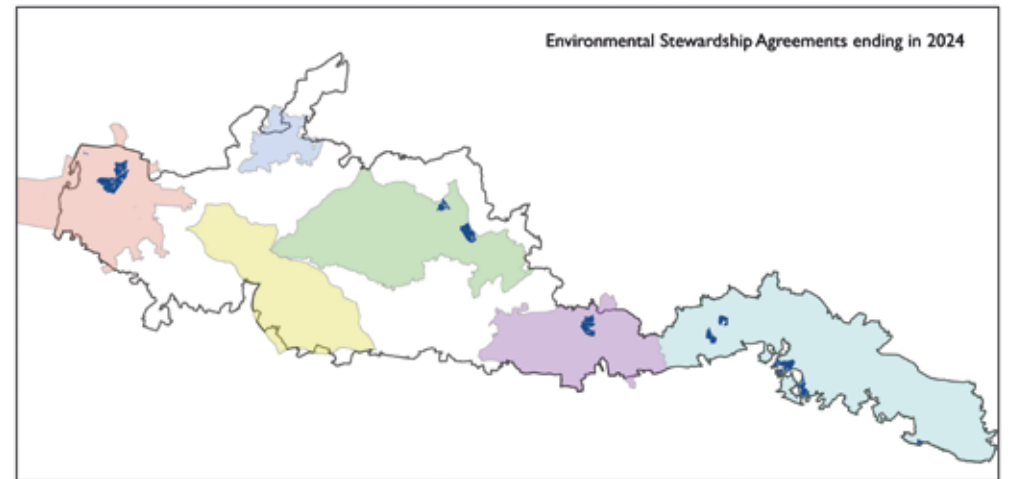
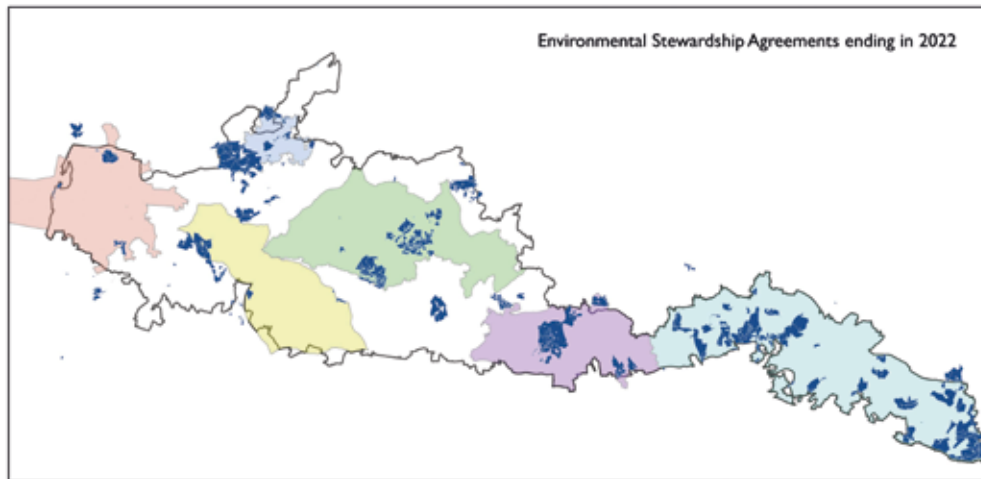
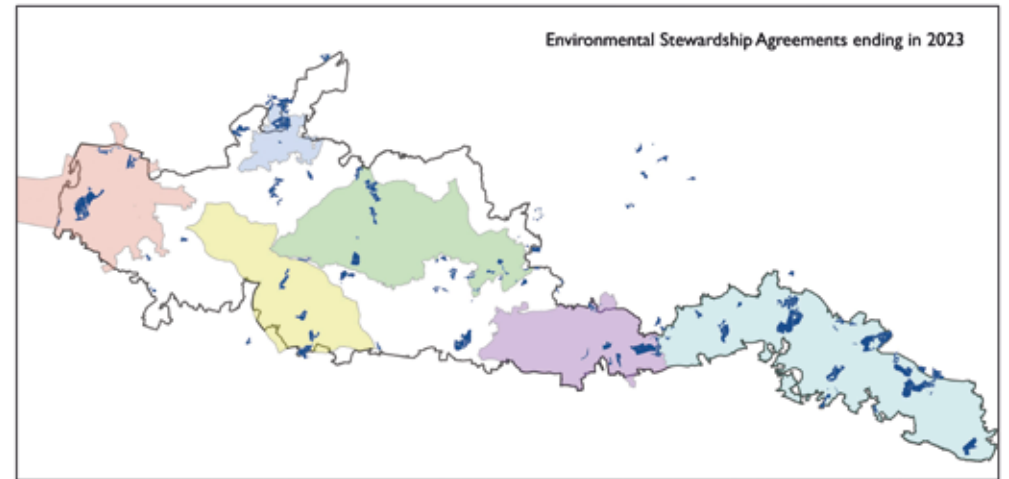
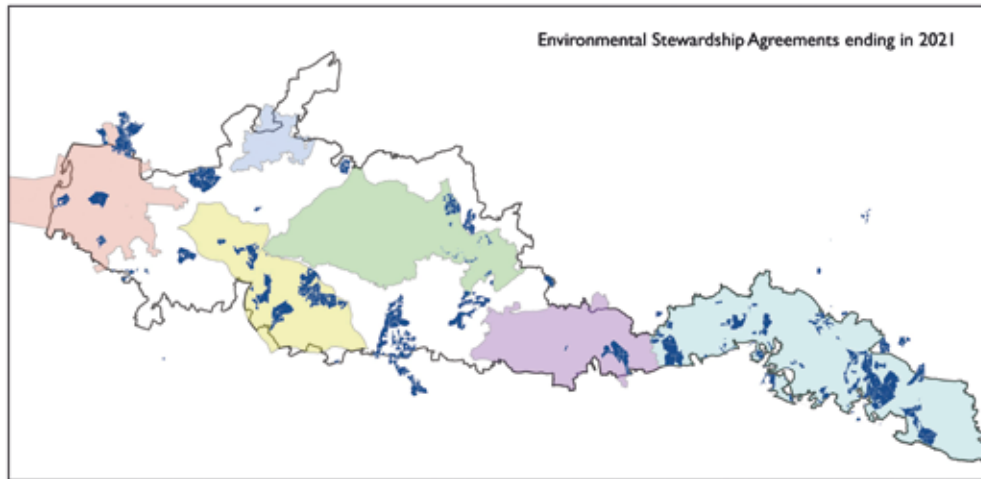
Cc Jim Bailey – Chair, Future of Farming Group  
Kevin Bishop – Future of Farming Group  
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## APPENDIX 2

Maps of number of farmers in current schemes and numbers exiting schemes over next few years











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## **FARMING IN THE ENGLISH NATIONAL PARKS – Policy Discussion Paper**

### **Ideas from the National Parks England Task and Finish Group on the Future of Farming**

#### **1 Our Vision**

- 1.1 EU Exit provides an exciting opportunity to shape a new approach to sustainable land management, enabling farmers within our National Parks to be proactive environmental managers whilst helping our rural economies to become more sustainable and supporting the vibrancy of our communities.
- 1.2 Our vision is for the *National Parks of England to be recognised and celebrated as living, working landscapes where sustainable farming systems deliver a wide range of public benefits and the farmers and land managers doing this work are fairly rewarded for these services. It is important that future agri-environment/land management schemes encourage and enable farmers to be effective stewards or custodians of our National Parks – harnessing their expertise so that the environment and cultural heritage is as much a part of their farm businesses as high quality food production. We want to ensure that farming in our National Parks continues to support jobs and growth in the broader rural and visitor economy too. National Park Authorities are well placed to play a central role in shaping the future of farming and land management in the Parks and to do this in ways that lead to a 'triple dividend': enhanced environment, improved productivity and more vibrant communities.*
- 1.3 This document sets out some initial ideas about how we might use the opportunity of EU exit to achieve this vision.

#### **2 Farming in the English National Parks**

- 2.1 Most of the land in the English National Parks is used for farming<sup>1</sup> and it is predominantly the impact of agriculture and woodland management on the natural features of these areas that has shaped the present landscapes and

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<sup>1</sup> We have used the phrase farming but in so doing are cognisant that we are talking about land management by land owners and farmers (who might be tenants, owner occupiers and/or commoners)

their cultural heritage; led to their designation as National Parks; and helped create many of their special qualities.

- 2.2 There are approximately 7,150 commercial holdings in England's National Parks covering 63% of the total area of the National Parks. The farmed area ranges from 27% in the New Forest to 82% in the Peak District. Around 55% is owner occupied and 45% rented, although again this varies significantly between National Parks (from 18% rented in the Broads to 75% in Northumberland National Park). Key farm types include Less Favoured Area (LFA) grazing livestock farms (54% by number) and lowland grazing livestock farms (16%). The main land uses are permanent grassland (54% of the farmed area) and rough grazing (27%), although again there are wide variations with arable farming being a key element in the South Downs landscape. 72% of farms are under 100ha in size (33% are under 20ha).
- 2.3 We estimate that public expenditure on farm support within the English National Parks is worth in excess of £160m per annum: agri-environment scheme payments account for £67m (based on 2016 figures) and the Basic Payment Scheme for £94m (based on 2015 figures).
- 2.4 Agri-environment schemes have been a particularly important tool for conservation in our National Parks. Indeed, the concept of agri-environment agreements originated from work undertaken in Exmoor National Park and the Broads. In 2016 over 52% of the utilisable agricultural land area in the English National Parks was in a Higher Level Stewardship agreement. This figure does not include agreements under the new Countryside Stewardship Scheme.
- 2.5 Public investment in farming is essential for the economic sustainability of many National Park farms. Basic Payment Scheme and agri-environment agreement payments equate to over 90% of farm business income for LFA grazing livestock farms on average and 70% for lowland grazing livestock farms. Despite this investment many farmers in the National Parks, especially the upland National Parks, only just break even and breaking-even is not sustainable in the medium to long term – farm operation requires continual re-investment to remain viable.
- 2.6 Farming is an important part of the local economies of our National Parks. Agriculture, forestry and fishing account for around 24% of all businesses and nearly 10% of total employment in the English National Parks, supporting around 13,500 FTE jobs. Farming also contributes – through the management of the National Park landscape, the culture and traditions of our communities – to the wider visitor economy which is worth in excess of £4bn per annum.

- 2.7 History tells us that more recent farming systems can be negative, as well as positive, for the environment. It is important that the policy and financial framework within which farming operates is clearly focused on sustainability in environmental, economic and social terms. Significant public investment in farming and agri-environment support over the last 30-40 years has been an essential ingredient in helping to sustain our National Park landscapes but there are opportunities for improvement to address such issues as:
- Degraded soils
  - Falling biodiversity
  - Lower resilience to flood and drought
  - Marginal returns for traditional farm systems
  - Increasing disconnect between 'town' and 'country' / 'people' and 'nature'
- 2.8 The UK's forthcoming exit from the EU offers a real opportunity to rethink policy approaches. We recognise that the £3bn plus annual investment in farm support by the taxpayer will be under much closer scrutiny than ever before but it is essential that we sustain and improve the supply of public goods produced by our National Parks (including, high quality landscapes, biodiversity, carbon storage, water management, opportunities for public access, enjoyment and understanding). Public and private investment in 'high value farming systems' in the National Parks is essential to the maintenance of these treasured places: imagine the Yorkshire Dales without stone walls or barns; The Broads without grazing marshes; or Dartmoor and the New Forest without the tradition of common grazing or the South Downs without chalk grassland?
- 2.9 Our current systems of delivery are:
- Silo-based - with different funding streams poorly integrated. The architecture of the Common Agricultural Policy and its two 'Pillars' has shaped our delivery arrangements: environmental payments separate from farm productivity and wider rural development.
  - Management by prescription rather than empowerment – too often our agri-environment schemes seek to impose management 'by prescription' rather than empowering the farming community to deliver the environmental and cultural products that society seeks.
  - Risk adverse rather than stimulating innovation and productivity – we focus on processes that are designed to minimise risk rather than on delivering outcomes and promoting innovation and productivity.
- 2.10 We believe there is a better way to achieve environmental outcomes, a more productive rural economy and vibrant communities and set out below the

outline of a new system of integrated, place-based delivery that focuses on the outcomes that society seeks from the National Parks.

2.11 Our proposals are centred around three, linked components:

- A National Park FARM (Farming and Rural Management) Scheme to provide a base or foundation level of environmental husbandry and public goods.
- FARM Plus – locally-led agri-environment schemes for each National Park.
- Wider Rural Development – local resources for wider rural development.

2.12 We recognise that this is not a complete description of an English replacement of the Common Agricultural Policy and that other important elements, such as, volatility measures will need to be addressed at a national level, whilst tariff and non-tariff trade issues and gaining a 'level playing field' will be at least as important to the future viability of farming systems in our National Parks.

### **3 National Park FARM (Farming and Rural Management) Scheme**

3.1 It is important that we have a base level of environmental management and retain the skills of the farming community to deliver this stewardship. We envisage a 'National Park FARM Scheme'. It could be in the form of a 'certification scheme' – voluntary for farmers to sign up to. In return for a base level payment there would be certain management obligations (tailored to each National Park) and elements of cross compliance.

3.2 People who enter into this scheme would also be eligible for farm business advice to produce an integrated farm plan (linking environment and business) and to act as a baseline for the scheme. This builds on the experience of the Dartmoor and Exmoor Hill Farm Projects and work in the Yorkshire Dales and North York Moors on farm business plans and innovation. It integrates economy and environment and addresses one of the weaknesses of the current delivery system.

3.3 The Scheme would seek to develop the National Park brand ie those signing up could use the National Park logo to symbolise that they are contributing to the management of our National Park landscapes; building a link between the farmers who manage the land and the millions who enjoy the landscape. Thus, this FARM Scheme could develop the National Park food economy –

supporting local food chains and enhancing 'sense of place' for both producers and consumers, including visitors to the National Parks<sup>2</sup>.

- 3.4 There is an opportunity to promote this FARM Scheme (and the locally-led agri-environment scheme [see below]) through the public engagement work of the National Park Authorities. Ensuring that the 90m visitors to our National Parks each year understand the role that the farming community play in managing the National Parks for the benefit of all; building a renewed relationship between those who manage the landscape and those who come to enjoy it.

#### **4 National Park 'FARM Plus' - Locally-led Agri-environment Schemes**

- 4.1 As part of the FARM Scheme we propose a higher level, locally-led agri-environment scheme – FARM Plus. The foundation level FARM scheme would be open to all and ensure a base level of good environmental management and husbandry. FARM Plus would be focused on enhanced levels of environmental management to deliver public goods.
- 4.2 These schemes would be focused on delivering multiple environmental benefits with options that allow for delivery of:
- Landscape
  - Biodiversity and geodiversity
  - Carbon management
  - Water management
  - Woodland management (and creation)
  - Historic environment
  - Access and education
  - Whilst also facilitating the production of high quality food through sustainable farming systems
- 4.3 The aim is to maximise delivery across all these benefits rather than a narrow focus on one or two and to allow local flexibility in setting priorities.
- 4.4 The scheme should:
- Be focused on local needs and opportunities whilst recognising national priorities.

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<sup>2</sup> The Government's [8-Point Plan for Englands National Parks](#) (2016) contains a set of ambitions relating to National Parks as food destinations and increasing the number of protected food names and exports.

- Encourage collaboration between farmers or within farm clusters to deliver sustainable improvements at a landscape scale.
- Be outcome focused – engaging with farmers to involve them in agreeing environmental outcomes that they will deliver mechanisms and take part in the monitoring of outcomes.
- Be evidence-based – ensuring that monitoring results are understood and used by the farming community to inform management in a virtuous circle of innovation and learning and offering reassurance to the public that they are delivering the agreed outcomes or identifying actions to address any concerns.
- Be proportionate – as far as possible light touch, easy to understand and to sign up to, with common sense flexibility on measurement and reporting.
- Offer multi-year agreements with the length of agreements related to the outcomes being delivered (ie long-term agreements for complex landscape-scale delivery on areas such as commons).
- Include the potential for capital as well as revenue payments (eg capital payments for key landscape features such as stone walls and hedgerows or investment in water source protection and natural flood management).
- Provide the opportunity to integrate private sector payments for natural capital/ecosystem services alongside public payments, following the Natural Capital Committee’s recommendations and practice already being developed in National parks such as the Lake District, Exmoor and South Downs.
- Integrate with other environmental and rural support programmes to multiply benefits and avoid perverse incentives.

4.5 In developing our ideas we recognise that there is a real challenge: to sustain the farming systems that help deliver the National park landscapes that millions enjoy and cherish will require sustained funding. The local approach provides an opportunity for savings and efficiencies through:

- Greater ‘ownership’ of schemes by the farmers delivering them with agreed progress reviews to ensure that targets are delivered and less risk of failing agreements.
- A more clearly targeted focus on public payments for public benefits, locally communicated and understood, leading to greater public understanding and support for the policy.
- Innovation and learning in delivery of environmental and other targeted outcomes.
- Greater transparency.
- Potentially lower administration costs.

4.6 Within this locally led approach there is the opportunity to evaluate new systems:

- environmental contracts – whereby farmers bid to deliver rather than sign up for certain management options, this could help reduce costs and reward collective or landscape-scale action;
- payment by results – building on the work in the Yorkshire Dales; and
- private payments alongside public investment.

## **5 Wider Rural Development**

5.1 A key part of our vision is for local delivery of integrated solutions to deliver a triple dividend: enhanced environment, improved productivity and more vibrant communities. To achieve this would mean resources for wider rural development. Too often England has developed a linear, top-down approach to rural development. Our collective experience of delivering the Sustainable Development Fund, facilitating partnerships to agree a vision for each National Park and a management plan to deliver that vision, demonstrates the value of networked rural partnerships. National Park Authorities are well placed to facilitate community-led local development programmes that link environment, economy and community. These programmes would include grants but should also include loans (ie a revolving fund rather than one-off injections of capital). There should also be the opportunity for revenue spend.

5.2 In terms of farm businesses and the farmed landscape this means having the ability, capacity and funding to 'make the connections', for example:

- Farm business innovation groups that bring together farm businesses, research institutions and other businesses; making sure that the high environment value of many National Park farming systems is of market value.
- Programming of spend to maximise the local economic impact eg programmes for the restoration of stone walls, hedgerows are linked to an apprenticeship/skills programme to ensure there is local skilled labour.
- Healthy livestock initiatives that improve the quality of the livestock and help address wider health concerns eg tick-based disease.

## **6 What Next?**

- 6.1 We are keen to work with Government to realise the opportunities that will arise through EU Exit, to use our expertise, experience and passion to design and implement a more effective approach to environmental management and rural development. We have developed a deep understanding and close working relationship with the farming and wider land management community in our Parks over many years. We would like to help develop a system that:
- Rewards farmers for the environmental and cultural products that farming can provide, as well as the food we need.
  - Engages and empowers the farming community in design and delivery of innovative and locally responsive new schemes.
  - Steers the farming sector in a more sustainable direction: working with nature for mutual benefit.
  - Provides a greatly enhanced range of public benefits from our National Parks.
  - Integrates environment, economy and community to demonstrate the integrated delivery that the Government's 8-Point Plan seeks.
- 6.2 This document outlines our initial ideas and, we hope, provides a basis for a more detailed discussion with Government. We are ready and able to help the Government achieve its challenging environmental ambitions:
- To integrate farming and environmental policy, enhancing the environment and improving rural productivity<sup>3,4</sup>
  - To leave the environment in a better state for future generations<sup>5</sup>
  - To conserve and enhance our precious National Parks<sup>6</sup>.
- 6.3 Our National park landscapes are enjoyed by millions and contribute significantly to the national economy. But to sustain the farming and land management systems that have shaped and still maintain the Parks requires far-sighted, co-ordinated policies, understood and supported by the public and continued investment. It would be a tragedy with far-reaching consequences if the opportunity to achieve this in a post-Brexit settlement were missed.

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<sup>3</sup> The Government's [8-Point Plan for Englands National Parks](#) (2016) contains the following ambition '...to champion integrated management of the natural environment, showcasing the benefits that designated landscapes can bring.

<sup>4</sup> Defra and H M Treasury (2016) [Rural Productivity Plan](#), Defra and H M Treasury, London.

<sup>5</sup> The [Conservative Party Manifesto](#) (2015) contained a specific commitment to be 'the first generation to leave the natural environment of England in a better state than that in which we found it'.

<sup>6</sup> The [Conservative Party Manifesto](#) (2015) contained a commitment to maintain National Parks.



**NPE****Item 11**

Thursday 25<sup>th</sup> January 2018

Dave Burges/Kevin Bishop/Paul Hamblin

**FARMING AND RURAL DEVELOPMENT POLICY: PROGRESS TO DATE AND PROPOSED NEXT STEPS**

**Purpose:** To summarise the range of NPE activity to date on progressing the *Farming in the English National Parks* paper, and to highlight key issues and actions in the next six to twelve months.

**Recommendations:**

The NPE Board is asked to:

- (a) Offer any comments on or add to the analysis presented here;
- (b) Consider the next steps and recommendations at Section 4.

**1. Introduction**

- 1.1 It is something of an understatement to say that post-Brexit agri-environment support is - and will continue to be - influenced by a wide range of factors for some time to come. Whilst we should of course focus only on those factors that we can realistically influence, the broader perspective will ultimately determine what is possible “on the ground” in the National Parks, and so is significant to our thinking.
- 1.2 With that in mind this paper aims to:
  - (i) summarise NPE activity on progressing the *Farming in the English National Parks* work, mostly at a national level but briefly noting individual Park initiatives too;
  - (ii) describe the broad political and policy backdrop against which that NPE activity has been taking place over the past year, and looking forward to the next two to four years, and;
  - (iii) set out what we believe should be the next steps for NPE in this rapidly changing environment, and invite the Board to comment on those proposals.

**2. Summary of NPE actions to date**

- 2.1 In the period following the EU Referendum in 2016, the Board will recall NPE producing both a *Brexit Narrative*, and submitting evidence on the likely impacts of Brexit on the Parks’ interests to the House of Commons Environmental Audit Committee. These documents

highlighted the implications of anticipated changes in agri-environment support arising as a result of the UK leaving the EU. They have formed the foundation of much of our activity since then.

- 2.2 The key initiative was the establishment of the Future of Farming Group which produced the document [Farming in the English National Parks](#) . This set out the English Parks' view on a new agri-environment and rural development framework, specifically tailored to meet the needs of the Parks after the UK leaves the EU. This paper has been vital in ensuring NPE access to civil servants and Ministers to discuss our proposals.
- 2.3 It has been very well received by many other organisations ranging from the NFU and the CLA to the major environment NGOs, and has been the basis for productive meetings with them. Broadly speaking the NPE proposals fit well with those put forward by these organisations, especially in terms of the level of agreement on public payment for public goods. The details of delivery may differ somewhat - but DEFRA are receiving a mostly consistent message from farming and land management organisations. The key questions that have been asked of *our proposals* centre on “why a specific scheme for only 10% (by area) of England?”, and “what happens around the edges?” if either, a farm has land inside *and* outside a National Park; or that neighbouring farms are treated significantly differently under a broader, successor national scheme that comes into effect after the current Common Agricultural Policy (CAP)-derived schemes expire.
- 2.4 In addition to securing the National Parks' voice in the national debate, the *Farming in the English National Parks* paper has also provided the springboard for individual Parks to initiate discussions with local farmers and land managers on what local schemes could look like to restore, maintain and enhance the particular qualities of individual Parks. At the time of writing, we are aware of at least six Parks that have local proposals at various stages of preparation. Some have yet to be formally signed off so are not yet in the public domain. All are characterised by thorough discussions with local stakeholders, and especially the farming communities in each Park, producing detailed Park-specific proposals. Until DEFRA's direction of travel is clearer, these proposals can only be developed so far, but the considerable amount of work undertaken to date puts the National Parks in a good position for future discussions with civil servants and ministers.
- 2.5 It follows that NPE have suggested that DEFRA may wish to consider the National Parks as ideal locations to test their (DEFRA's) ideas on new agri-environment schemes by establishing a number of pilot schemes. Kevin Bishop and Robin Milton (as a NFU representative) attended a meeting with DEFRA and Natural England on 22<sup>nd</sup> January to discuss future agri-environment schemes and the potential for pilots. The key points from this meeting were:
  - (i) The new scheme will look at a wider array of benefits than Countryside Stewardship, and whilst no decisions have been taken about future scheme(s), Ministers are keen on a universal offer with local tailoring and different ways to deliver and fund. We understand that there is active discussion of a 'higher tier' that could provide opportunities for local tailoring/delivery;

- (ii) DEFRA are keen to work with stakeholders to test ideas and pilot after the Agriculture Command Paper is published. We understand that there may be a period of 'dry testing' (ie desk-based modelling and discussion), followed by a practical piloting phase which is likely to be post December 2020, when DEFRA will look at capping Basic Payment Scheme and using the money saved to fund pilots;
- (iii) National Park Authorities were urged to submit ideas for testing/pilots to DEFRA by the end of February 2018.

- 2.6 In parallel key DEFRA officials are part way through a programme of visits to National Parks which are providing a valuable opportunity to discuss agri-environment and rural development proposals in the field with both National Park staff and a range of stakeholders.
- 2.7 In summary, the National Parks have been able to share their ideas very effectively with a mix of both on-the-ground farming and land management experience - and policy expertise - to make the case for our preferred shape of new agri-environment schemes. Despite some queries around the specificity of a National Park scheme, our proposals have met with widespread support and enabled us to contribute to DEFRA's thinking on the detail and delivery of new schemes. It should be emphasised that much of the work to date has focussed on agri-environment measures, and rather less on rural development. Board Members and NPOs may wish to consider whether we undertake further work in this area (see Section 4.)

### **3. Government/Parliamentary activity & policy during 2017/18**

- 3.1 Our work in 2017 was set against the backdrop of an extremely busy period in UK politics. It is probably helpful to briefly review that here to illustrate how the final shape of new agri-environment and rural development schemes could be affected by factors well beyond our ability to influence over the next four years or so. These factors will impact on any future schemes.
- 3.2 Key events in 2017 were the unexpected General Election in June, and the new Government's programme centred on the Brexit negotiations with the EU and the passage of the European Union Withdrawal Bill through its initial House of Commons stages. The National Parks do not take a view on the merits of Brexit and the progress of UK/EU negotiations *per se*, but we need to be mindful of how these wider debates may impact on our interests in the medium to longer term.
- 3.3 The implications of the General Election, the UK/EU negotiations, the Parliamentary debate on Withdrawal Bill and a new, proactive Secretary of State for Environment, Food and Rural Affairs have opened up opportunities that were not on the Government's agenda even seven months ago. These have been framed by and/or include, amongst other things:
- the Secretary of State's [The Unfrozen Moment](#) speech in July 2017;
  - the Government's intention to bring forward an [Agriculture Bill](#) and an Agriculture Command paper in Spring 2018;
  - the Government's intention to bring forward an Environment Protection Bill, establish and Environmental Regulator and enshrine key environmental principles in new guidance [Hansard 15th November 2017, Col. 489](#);

- the Secretary of State's [Farming for the Next Generation](#) speech at the 2018 Oxford Farming Conference;
- the publication of the Government's [25 Year Environment Plan](#) (see item 9), and;
- the publication of the Government's new [Countryside Stewardship offers](#) on 15<sup>th</sup> January 2018.

- 3.4 The net effect of this activity has been to put the environment much closer to centre stage in the Government's priorities than it had been up to this point. With respect to agri-environment and rural development support specifically, the Government is clearly now very supportive of "public payment for public goods". These developments appear to bode well – in principle - for the types of schemes proposed by the National Parks.
- 3.5 We have some information on the detail of how the Government intends to proceed. The Government has said that it will adhere to the Common Agricultural Policy framework until December 2020, and maintain the overall level of investment until 2024. We assume that there will be some sort of transition period between old and new schemes. As has been widely stated, the Basic Payment Scheme will go, but it is not yet clear if the successor scheme will be based on regulation, or a voluntary code or certification.
- 3.6 So whilst a new universal environmental land management scheme seems certain, it is not clear, for example, what the balance might be between "essential" management and "enhancement", nor whether there is scope for tailoring the scheme to meet local priorities. Similarly it is not clear which public benefits would be eligible, whether capital projects would be funded, and what sort of advice (if any) might be available. It is worth noting that a number of Parks are now involved in the delivery of the [Traditional Farm Buildings Grant option under Countryside Stewardship](#) and it is important to be able to demonstrate that this works and something similar could be carried forward into new schemes.
- 3.7 The possibility of an enhanced upper tier (to address local tailoring for example) is under active discussion in DEFRA, with the focus on the nature of the funding mechanism. This could include payment by results, covenants, performance-related or value-based payments. It is this area which holds the best prospect of meeting the National Parks' objectives.
- 3.8 Despite these uncertainties and perhaps complexity, the Secretary of State expressed the wish in his [Farming for the Next Generation](#) speech that an application could be completed in a day.
- 3.9 Looking at the bigger picture, what could be possible in the UK will inevitably depend on progress in and the outcomes of UK/EU negotiations on the expected (roughly two year) transition period after 2019, and the nature of any UK/EU future trade deal *could have* very significant impacts on UK agriculture. A "no deal" outcome in which the UK leaves the EU and reverts to World Trade Organisation (WTO) rules, *could* present an even more challenging environment for UK agriculture, and it is hard to see how agri-environment support could mitigate such an outcome, at least in the short to medium term.
- 3.10 An approximate timetable for UK national legislation and regulation, including agri-environment measures, and the Brexit negotiations as currently understood is included at

Annex 1 to this paper. This could of course be subject to significant change, but it illustrates the complexity of the political and legislative landscape, and the need for the National Parks to be both flexible and play a “long game” in securing bespoke agri-environment schemes.

#### **4. Summary and recommendations**

4.1 As things stand, the English National Parks are well placed to consolidate the position we have established through our advocacy around the *Future of Farming in the English National Parks* paper. This has secured access to Government officials and Ministers, enjoyed the support of many other organisations, and provided the basis for detailed individual Park initiatives. To realise the potential of the individual Park schemes we will need to continue our engagement with DEFRA civil servants and Ministers.

4.2 In particular we should address the following:

- (i) National Park Authorities who have ideas that they want to test/pilot should submit these to DEFRA by the end of February 2018 and copy to National Parks England;
- (ii) Given the number and broad similarity across the range of agri-environment/rural development proposals currently being promoted by many organisations, we may need to build a more robust consensus with some of those organisations on the merits of distinctive, bespoke schemes for the English National Parks;
- (iii) Although we considered wider rural development issues in the *Farming* paper, we have not, as yet, discussed these in detail with DEFRA. It is important that rural development support is not “lost” from any new scheme, and we should consider carefully how we make the case for its inclusion;
- (v) We should continue to offer Park visits to DEFRA officials and Ministers to illustrate the benefits of individual Park schemes in the long term, and the opportunities for the establishment of pilot schemes in the short term;

DB/KB/PH

January 2018

**Annex 1. Timetable of anticipated key events in UK politics/legislation and UK/EU negotiations up to 2022.**

**2018**

- EU Withdrawal Bill receives Royal Assent in “Spring”
- Agriculture Command paper followed by Agriculture Bill in “Spring”
- Consultation on new Environment Regulator, new “Nature Conservation Guidance” and new Environment Protection Act (?)
- UK Parliament votes on Withdrawal Agreement late 2018
- European Parliament votes on Withdrawal Agreement late 2018 & EU Council concludes process (?)
- Start of negotiations on future trade deal (?)

**2019**

- The UK leaves the EU on 29<sup>th</sup> March 2019 and transition period starts

**2020**

- The transition period concludes in December 2020 (?)
- DEFRA agri-environment scheme pilots (?)

**2022**

- Current UK agri-environment schemes expire (current value of investment maintained until 2024)
- New agri-environment schemes phase in
- Probable General Election

13 October 2017

The Lord Gardiner of Kimble  
Minister of State for Agriculture, Fisheries and Food  
Defra  
Nobel House  
17 Smith Square  
London  
SW1P 3JR

Dear John

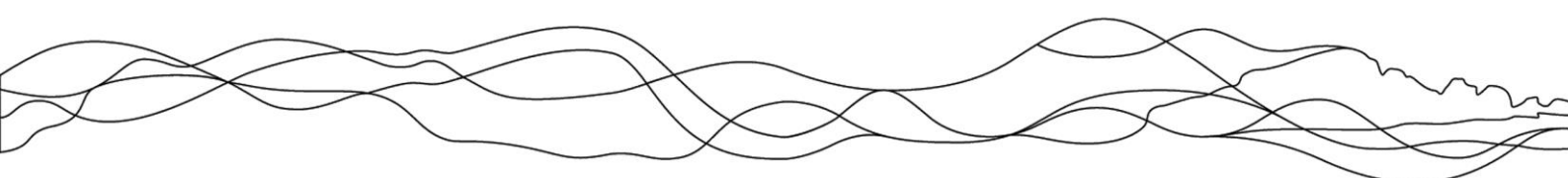
**South Downs Pilot Scheme – contributing to a new UK / England agricultural policy**

When we last met we discussed the idea of National Parks as test-beds for developing a new UK / England agricultural policy, associated programmes and schemes. I hope you do not mind me writing to you ahead of next week's meeting in my capacity as Chair of the South Downs National Park Authority (SDNPA).

As you are aware the SDNPA, like other NPAs, is keen to play its part by developing and implementing a pilot(s) scheme over the next two to three years. This would explore approaches of relevance to the wider country, as well as those specific to National Parks, linking in with the ideas set out in the policy discussion paper 'Farming in the English National Parks'. Such an approach is also in synergy with the NFU policy, which supports the idea of pilot schemes ahead of 2022. In the case of the South Downs this could explore approaches relevant to lowland protected landscapes as well as to those specific to this National Park.

The South Downs is the only National Park with a significant area of lowland farmland. It has a diverse range of farm businesses and farming systems and has a variety of important and threatened lowland habitats along with many significant species which exist within the farmed landscape. Its farms and estates manage important natural capital and deliver valuable ecosystem services which benefit more than two million people who live inside and within five km of the boundary, as well as visitors from further afield. Its farmers therefore deliver many public benefits but also manage huge pressures due to its location in the south-east of England. Three water companies are already actively working with landowners in catchment and aquifer management, and Whole Estate Plans are being developed for many larger rural businesses, so private sector investment is already being unlocked to complement public spending on agriculture. For all these reasons the South Downs National Park provides an ideal place to test "public funding for public goods" in a lowland landscape, where the insights gained will be very relevant in other populated lowland protected landscapes.

Like other protected landscapes, we have actively encouraged and supported farm clusters and now over half the National Park is now covered by six farm clusters (four of which are part of Natural England's Countryside Stewardship Facilitation Fund programme). Any pilot(s) within the South Downs would therefore be farmer led / developed and shaped around the actual environmental benefits and natural goods offered by each farm within a cluster. It would



be a pre-requisite for establishing a successful pilot(s) that this would provide better value for money and increased environmental outcomes at both farm and cluster levels from the present system of agricultural support. It would also need to provide continuity and security from the existing system to the new system and a clear 'parachute' into any new arrangement in order to exploit to the full the considerable enthusiasm demonstrated by the farmers within the South Downs National Park to work and co-operate at a cluster level.

From the six farm clusters within the National Park, the SDNPA organised a series of farmer workshops last summer to start building an evidence base to shape a future agriculture / agri-environment scheme and discuss how it could be market tested. There was widespread support for a South Downs pilot(s) from the 50 farmers and advisers who attended the workshops and a clear indication of a willingness to respond to departmental guidance which they understand could change as the pilot(s) develops (as long as they are provided with consistent and secure income for their farms throughout any such changes). This means that the pilot(s) will be a flexible tool to test out departmental priorities that might change as the Brexit negotiations progress.

A South Downs National Park pilot(s) would take a holistic approach to encompass areas currently covered by Pillars I and II and link the delivery of public goods and services to benefit local people and the rural economy. The pilot(s) would be place-based, addressing specific issues in the South Downs, but aspects would be easily replicable in other lowland protected landscapes and beyond. This is a particular advantage that is offered by the South Downs as a lowland National Park Authority. The pilot(s) would also demonstrate how an NPA can facilitate more robust audit and governance arrangements.

My team would welcome the opportunity to meet your officials to discuss this proposal in more detail, obtain your feedback and discuss the availability of funding to provide support. The detail of the scheme could then be worked up for implementation in the 2018/19 financial year.

I very much hope we can lure you down to the South Downs before too long to enable you to see on the ground how we are working with our farmers, and how we could help Defra carry forward this crucial area of work.

Yours sincerely



**Margaret Paren**

Chair

South Downs National Park Authority

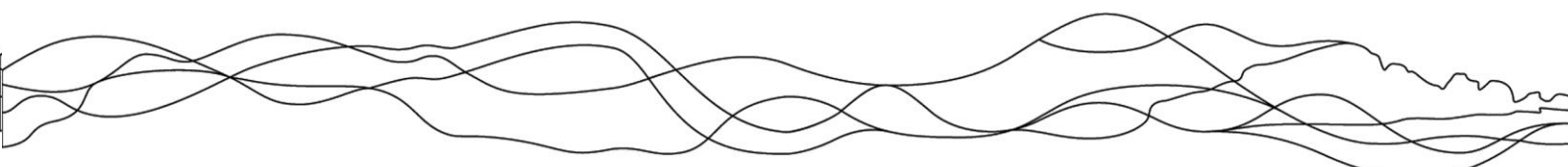
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2<sup>nd</sup>  
November 2017

*Dear Margaret,*

Thank you for your letter of 13 October, proposing a South Downs National Park pilot scheme contributing to a new agricultural policy.

I have been heartened by the work that National Park Authorities and National Parks England have already undertaken in setting out a vision for the role National Parks can play in a new system of support for agriculture, land management and the wider rural economy. I am clear that National Parks – through the Park Authorities, and the farmers and land managers who act as stewards of these special landscapes – are important stakeholders in this process.

When we discussed National Park England's proposals in July this year, I gave you my assurances that Defra would engage with you as we deliver future policy. I know that you have a meeting with the relevant officials on 6 November. This will provide an opportunity to engage in greater detail on your proposals.

I look forward to visiting you and hearing more about your ideas at first hand when I visit the South Downs National Park. My office suggest Friday 01 December for a visit, if this is suitable.

*Yours sincerely,*  
*John*