



Making Environmental Land Management a Success: Investing in Higher Tier and Landscape Recovery

This briefing is on behalf of nature coalition Wildlife and Countryside Link ([Link](#)) and makes the case for swiftly improving the high-ambition Environmental Land Management schemes.

Introduction

The agricultural transition is meant to be well underway. Yet, four years into the development of the Environmental Land Management schemes (ELMs), the two high-ambition ELM schemes, Countryside Stewardship Higher Tier and Landscape Recovery are difficult to access and poorly funded.

A Defra briefing on the Budget on 30th October stated that Countryside Stewardship Higher Tier would open in early 2025 and that a third round of Landscape Recovery would open ‘in due course’. There are now reports that Higher Tier could be delayed further. An emergency ‘mirror’ system has had to be rolled out to support farmers with expiring Higher Tier agreements, and 1-2 year extensions for Higher-Level Stewardship agreements (the pre ELM tier of farm support for nature friendly farming), dashing the expectation that farmers with these agreements could smoothly transfer into the new Higher Tier.

This delayed, patchy system causing insecurity for farmers is a far cry from the expected post-Brexit farm support system of generous rewards for nature friendly farming. Much of the fault lies with years of under-investment in the two high-ambition ELM schemes, a trend that the Budget decision to maintain rather than increase the overall farming budget could perpetuate. In addition to reforms to the lower ambition part of ELM, Sustainable Farming Incentive¹, Defra should look to urgently widen access to Countryside Stewardship Higher Tier and Landscape Recovery, in order to at last realise the vision behind ELM.

Swiftly expanding the two higher ambition schemes could also help to secure and expand the wider farming budget. Treasury decisions on Defra budget allocations in the Spring 2025 Comprehensive Spending Review will be made based on demonstrable value for money and meaningful contribution towards the achievement of the Government’s environmental mission. The greatest contribution to that mission can be made by swiftly expanding Countryside Stewardship Higher Tier and Landscape Recovery.²

¹ See [Link briefing](#) on SFI improvements, November 2024

² See [scale of need report](#), July 2024



Countryside Stewardship Higher Tier

A decade ago, the Government was able to support 2,000-2,500 higher-level stewardship agreements a year, rewarding farmers for the most nature friendly actions. The plan had been to migrate this scheme over to an even better, bigger high ambition ELM scheme, Countryside Stewardship Higher Tier. Years of delay have seen the new scheme fail to fully emerge. The resulting uncertainty has, unsurprisingly, seen the amount of applications to join this tier of farming support drop to around 300-500 per year, an 80% drop on levels a decade ago.

Ongoing delays mean this damaging stagnation is likely to continue. At the time of writing, the new round of the Higher Tier scheme is reported to open at some point in 2025 (the latest official date, stated in the Budget, was early 2025). To add to this complexity, the picture of the Higher Tier's success so far is muddled. Many new Higher Tier agreements are renewals of existing agreements rather than bringing new land into the nature-friendly farming transition. Scaled-up access into this scheme has been historically obstructed by low capacity in Natural England to advise on and process applications. IT issues have also operated as a serious barrier to the opening of the Higher Tier to more applicants, with an ongoing lack of clarity about when these issues will be resolved.

Without appropriate investment in, and access to, the new Higher Tier offer, over 7,000 farmers are being left in limbo with the growing backlog of expiring Higher Level Stewardship agreements, many of which were due to expire 5+ years ago. Such legacy schemes are currently only offered as rollover extensions and have not benefitted from the Countryside Stewardship payment uplift. Many farmers are therefore stuck and at an economic disadvantage while awaiting Higher Tier access, something that Defra promised would not happen.

While experiencing the phase-out of Delinked Payments, without sufficient alternatives, some farmers in HLS agreements will have no alternative but to enter the SFI scheme – putting at risk past environmental gains and therefore undermining taxpayer value. There is also a risk of losing the natural assets paid for by HLS by moving them into less ambitious management (as seen with species rich grassland and permanent pasture being [put into the SFI herbal leys action](#)).

Only a small proportion of SFI actions contribute to the threshold of 10% of a farm being managed for nature, while Higher Tier is a vital tool in frontloading the transition to nature-friendly farming. A focus on SFI at the expense of the Higher Tier creates a significant 'just transition' concern and risks compromising the Government's climate and nature targets. Defra must urgently finalise the new Higher Tier and aim for efficient processing and support of 3-4,000 agreements a year. Without this level of support, farmers will not be able to undertake ambitious actions for nature.



Urgently needed: A fair deal for upland farmers

The updated payment rates in January 2024 put upland payment rates on par with lowland rates. However, some payment rates do not [yet accurately reflect environmental value](#) and hill farmers that want to keep land in food production while delivering for nature are facing further challenges to profitability, particularly with the phase-out of Delinked Payments. In the absence of a functioning Countryside Stewardship Higher Tier, the SFI upland actions are not currently a viable alternative for upland livestock farmers. The SFI UPL livestock on moorland actions in particular exemplify this challenge.

For example, it is difficult to predict what level of stock removal UPL actions will achieve. UPL1 ‘moderate livestock grazing on moorland’ can pay farmers to graze at 0.16 livestock units or above, a level that can be damaging. At these rates, the level of grazing pressure [contributes to](#) the decline of habitats by defoliating and trampling flora and overloading potentially already overloaded habitats with nutrients – in particular, where habitats are already in a state of decline:

- For example, UPL1 is eligible on all permanent grassland (SFI action PG01), including a wide range of land types, e.g., peat and blanket bog habitats. [Evidence](#) shows that certain habitats require rates under 0.16 grazing livestock units (GLU).
- Defra [guidance](#) also recommends a density of less than 0.16 GLU for most habitats.
- Natural England [analysis](#) demonstrates that nearly all stocking rates for different moorland habitats used under Higher Level Stewardship for maintenance and restoration are under 0.16 and 0.08 GLU. Most sites will require restoration rather than maintenance, meaning lower rates are necessary in these circumstances.

If SFI continues paying for this level of grazing, it will negatively impact Natural England’s ability to reduce flood risk from water coming off of slopes. Upland farmers might indicate this rate is still too low (they are unable to make sufficient income with that low stocking density), resulting in a ‘destocking’ of the uplands. However, the [evidence shows](#) that reducing stocking density to maximum sustainable output makes upland farming more profitable.

Hill farmers are facing challenging choices in the agricultural transition, and many of these difficulties are compounded by the absence of a functioning Higher Tier, with the SFI alone being [unable to deliver outcomes needed to meet targets](#) (which it was never designed to do). Opening up Higher Tier swiftly in 2025 and enabling full access for the uplands would mitigate some of the potential negative consequences of UPL1, and offer more support for upland farmers.



Landscape Recovery

Landscape Recovery is a high-ambition scheme that offers land managers a unique opportunity to enter a long-term, large-scale and bespoke agreement tailored to local land priorities, with immense potential to deliver for habitats, biodiversity, climate, animal welfare and other public goods such as access. Yet, Landscape Recovery is still not fully operational, and the financing arrangements remain uncertain and extremely limited in scope. This uncertainty leaves participants in limbo and creates a growing risk of scheme drop-out, particularly amongst smaller farmers who cannot feasibly take on the risk of covering costs should something go wrong.

Round 1 and 2 projects have stagnated due to the lack of appropriate funding sources for land managers delivering these projects, with the Government yet to outline how much public funding will be made available and private market opportunities in their infancy. Therefore, it remains unclear how these projects will move from the development to the delivery phases. Further complicating issues for applicants include insufficient resourcing for Landscape Recovery projects in National Parks and Landscapes³ and a lack of flexibility for land managers to create dynamic restored landscapes at scale.

The Government has restated its support for Landscape Recovery, including promising a Round 3, but it needs to provide long-term security in the financing of these projects, particularly upfront capital investment. Long-term resourcing, alongside protections to protect smaller farmers from taking on cost risks, will create a more equitable Landscape Recovery scheme and enable these projects to get off the ground and move from development to delivery. The Government should invest sufficient development time in Landscape Recovery (and other high ambition schemes) to avoid all spending being directed to the SFI scheme.

Support, monitoring and public/private financial frameworks should be much clearer and of a standard fit to meet the scheme's ambition. Reassurance is needed that the approach to matching funding from other sources such as National Highways or the National Lottery Heritage Fund will be allowed and made as straightforward as possible. The Government should be more explicit in providing a larger proportion of funds in earlier stages to buy participants more time to develop alternative sources of income. Furthermore, biodiversity and carbon should not be in competition with each other as the drivers of Landscape Recovery project outcomes. The Government must also consolidate and evaluate the lessons learned from these projects so that the Round 3 projects avoid similar pitfalls.

³ See Link [briefing on ELMs](#), July 2024



Setting the conditions for success: Recommendations for the high-ambition ELMs

To urgently support farmers and realise the potential of ELM to contribute to the Government’s environmental mission, we urge Defra to act swiftly to:

1. **Expand the schemes that reward early adopters and pay for the best outcomes.** The Government urgently needs to revisit the structure of the ELMs payment scheme⁴ scale up access and investment, and fix outstanding design, IT and staff resourcing issues, to ensure the full opening of Countryside Stewardship Higher Tier and facilitate the delivery of Landscape Recovery projects.

For example, the Government must urgently scale up CS Higher Tier to 3,000-4,000 agreements per year (with details on how payment rates will be more favourable than SFI to prevent backsliding in ambition). There is also an urgent need for guidance on how farmers can progress from HLS to Higher Tier for attractive, high-ambition actions on Sites of Special Scientific Interest within Higher Tier.

2. **Improve the broader landscape in which the high-ambition schemes operate.** The refresh of the Environmental Improvement Plan 2023 is an opportunity to explicitly link ELMs delivery pathways to the Environment Act 2021 targets and spending of the farming budget. The Government also needs to communicate a longer-term roadmap for the agricultural transition to 2030 and 2050, with appropriate benchmarking of success metrics (beyond uptake) linked to environmental targets.
3. **Develop an adequately-resourced nature-positive farm advisory service.** Free (or affordable), accessible and spatially-relevant advice is integral to the success of these schemes. Farm advisers need to be appropriately upskilled to advise farmers on the most suitable schemes for their farm business that *also* deliver the best long-term outcomes for the public and nature.

With the right improvements to their funding and design now, the high-ambition schemes can end the uncertainty about farm support that has worried farmers for years, drive progress towards statutory nature and climate targets, and contribute to the Government’s wider environmental mission. Defra should seize the opportunity to better support farmers, nature and climate through well-resourced, high-ambition schemes.

⁴ A recent report by the National Audit Office specifies that only 19% of the budget is forecast to be spent on the high-ambition schemes in 2024-25: <https://www.nao.org.uk/wp-content/uploads/2024/07/farming-and-countryside-programme-1.pdf>



Wildlife and Countryside Link (Link) is the largest nature coalition in England, bringing together 86 organisations to campaign for nature, climate, animal welfare and a healthy environment for everyone.

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