

# Environmental Stewardship Information Note

24 January 2012

## Managing Environmental Stewardship up to the end of the current RDPE programme

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### Introduction

As the current Rural Development Programme for England (RDPE) draws closer to its December 2013 end date, plans are well advanced to make the most of the remaining time and funding to maximise the environmental benefits delivered through Environmental Stewardship (ES). This note summarises information on a number of significant changes that have been made over recent months and aims to equip farmers, land managers, agents and stakeholders with a clear understanding of the pertinent issues and the key deadlines for the remainder of the current programme.

### Timetables for 2012/13 and 2013/14 delivery

We have produced ES calendars for the [2012/13](#) and [2013/14](#) delivery years to summarise the steps to be taken by farmers, agents and Natural England up to the

end of the programme. These will be particularly useful for customers who have expiring Environmentally Sensitive Area (ESA) or Countryside Stewardship (CSS) agreements in the next two years as they clarify the steps to be taken to avoid a gap between the old and new agreements and set out the timings for HLS Pipeline clinics (i.e. the mechanism for establishing the suitability of holdings for Higher Level Stewardship (HLS) or Entry Level Stewardship (ELS)) and the deadlines for submitting applications and finalising agreements.

### **HLS planning and flexibility**

Demand for HLS remains high and the competition is strong, especially with the increasing amount of ESA and CSS land that will leave the old schemes and enter ES.

We have radically changed the way in which we plan future HLS offers. We have brought forward the planning of the HLS programme explicitly to allow stakeholders the chance to influence the programme. Instead of stakeholders learning of the HLS programme once the planned agreements actually start, we are now starting to consult on the programme a year in advance. This will enable us to be more responsive to new opportunities as they arise.

HLS delivery is proactively targeted to achieve the greatest environmental benefits. This allows us to project what environmental benefits we will be delivering, e.g. how much priority habitat (as identified from the Biodiversity Action Plan) will be secured by the planned HLS, and if necessary to adjust those plans in light of that.

Government want to see a more outcome focused approach to HLS delivery, so this planning is critical to our ability to achieve that.

### **3-Tier HLS – latest developments**

Since 1<sup>st</sup> July 2011, all HLS applications have been processed under one of three HLS tiers: fast-track, standard and complex. The [3-Tier approach](#) has speeded up the process of completing HLS agreements, especially through the rapid “fast track tier”, so that the lead-in times for agreements can be significantly reduced. We can now turn round agreements more quickly than before. This allows us to be more responsive to new opportunities.

Natural England local team advisers are in the process of inviting registered HLS / FEP agents to attend HLS Pipeline Clinics for the 2013/14 HLS programme – the

clinics are being run between now and 8<sup>th</sup> March. The criteria for fast track applications has been revised with immediate effect for the 2013/14 HLS Pipeline – the latest criteria are set out in the revised [Holdings Complexity Decision Tree](#) and the [Holdings Complexity Criteria](#) document.

HLS represents a big investment of time and resources by Natural England and the farmers involved. HLS relies on field survey (FEPs), the production of which is seasonal: they normally have to be carried out in the spring or summer before an agreement is due to start. HLS will also often involve significant changes for the farm business and these changes must be considered as part of farm business planning. This reinforces the need for early planning of HLS.

### **HLS budgets**

Within each of the four Land Management regions, the combined HLS programmes in any financial year are managed to deliver the greatest environmental outcomes. The HLS budget for this is delegated to the Regional Managers on the basis of their proposed programmes and within the constraints of the overall budget available. The budget allocations for 2011-12 are set out below. We currently expect the national HLS budget to be similar in 2012-13 and 13-14.

<b>South West</b>	<b>East, London &amp; South East</b>	<b>Midlands</b>	<b>North</b>	<b>Total</b>
£10,266,154	£9,762,916	£7,095,576	£13,875,354	<b>£41,000,000</b>

By focusing more on key objectives we are able to offer more agreements within the HLS budget than ever before (now over 2,000 new agreements worth £41m each year).

All this has been done against a background of savings in NE staff costs - we are delivering more agreements for more farmers and stakeholders with fewer land management staff. We are also now delivering HLS more efficiently than ever, we project that the savings will be circa 20% for this year.

### **HLS targeting and delivery**

HLS continues to be a discretionary scheme with applications judged against the environmental benefits that they will secure. Competition for HLS funding will continue to be high over the remainder of the current programme. All HLS

applications are judged against the published [HLS Targeting Statements](#) which cover both spatial target areas, where there are concentrations of key environmental assets, and eight thematic targets which occur on a more dispersed basis (e.g. Theme 2: Reversing the decline of farmland birds). In addition, since the Spending Review in 2010, all HLS applications are judged against [refocusing guidance](#) to ensure that we maximise the environmental benefits from the funding available for HLS.

There may be some revisions to targeting statements in the future as a result of wider government policy, e.g. the [Natural Environment White Paper](#) (2011). The [Nature Improvement Areas \(NIAs\) Programme](#) with funding of £7.5 million was announced in the Natural Environment White Paper. NIAs are places where a shared vision for the development of the natural environment exists among a wide partnership of local people, including statutory and voluntary sectors. A process is currently underway to determine the location of the NIAs - simply being in an NIA will not guarantee HLS funding. However where NIAs overlap with HLS target areas, subject to funding availability, we will seek to maximise the contribution by HLS. Proposed agreements that demonstrate good environmental management for both the NIA and the Target Area are the most likely to be successful and being a member of an NIA will be taken into consideration in the decision making process.

We are striving for the right balance between planning far enough ahead to make HLS delivery quick and efficient for farmers and stakeholders, and being responsive to new opportunities, such as NIAs. By having the basic HLS delivery planned and in-hand already, we are in a better position to respond to new suggestions. We are now looking at what additional resources we could muster for new opportunities that arise in 12/13, for example through NIAs.

### **Expiring ESA and CSS agreements**

Over the next few years, there are a large number of agreements in the Environmentally Sensitive Areas (ESA) scheme and the Countryside Stewardship Scheme (CSS) coming to an end. We are working to ensure the environmental benefits from these agreements are maintained and to support customers in entering into ES. All customers will be contacted well ahead of their agreement end date, and provided with information on their options in respect of joining ES (see [Timetables for 2012/13 and 2013/14 delivery](#) above).

Where we consider part or all of their holding meets the standard for HLS, we will deal with that in exactly the same way as any other prospective HLS application. Where it is unlikely that a holding will meet the standard for HLS, we will be offering advice and information through the ELS Training & Information (ETIP) programme to encourage customers to enter into ELS using the most beneficial options. At the moment 85% of the land coming out of CSS and ESA is coming into Environmental Stewardship (ELS, OELS, UELS and HLS), with on average 47.75% coming into HLS.

We are able to accept applications for HLS up to 16-months in advance of the start date for the agreement. We are using this where we judge this to be essential to secure the continued high standard of environmental management and certainty to our customers during periods of high demand.

We have produced a set of [Rationales for expiring ESAs](#) to provide clarity on the basis on which we make decisions as to which expiring ESA agreements are suitable for transfer into HLS and which are more appropriate for ELS/Uplands ELS. These rationales will identify how relevant HLS option(s) match the previous ESA options where that is appropriate. They aim to provide national consistency, clarity and openness around how we do this.

### **ELS delivery and support**

ELS remains open to all. Spending on ELS is expected to remain at similar levels to the past year between £150m - £160m per annum. The emphasis for ELS is now on uptake of appropriate ELS priority options to maximise the environmental outcomes delivered by the scheme. To do this there is a move away from the simple area based target (70% of Utilisable Agricultural Area in AE schemes) to increasing the number of points from [priority ELS options](#). The target is to increase from 114.7 million points in 2011 to 120.4 million points (a 5% increase) by December 2012.

Customers with holdings suited to ELS can receive support and advice by Natural England contractors through the ELS Training and Information Programme, either through group events on farm or via an individual one to one farm visit. Contractors can provide guidance on the most suitable options and where best to locate them to maximise the environmental benefits delivered by ELS whilst supporting the existing farming business.

### **Making Environmental Stewardship More Effective (MESME)**

New and amended ELS options are due to be implemented from 1 January 2013, as part of the [Making Environmental Stewardship More Effective](#) (MESME) Project. These changes are designed to improve the environmental value delivered by the scheme, and will apply to new agreements and renewals starting in 2013 and beyond. These changes are still to be approved by the European Commission before implementation in 2013 - as and when the changes are approved the details will be published. Existing ELS agreements will not have to be amended to comply with the option changes.

### **Transition to the next RDPE programme (2014-20)**

Farmers and stakeholders are naturally concerned about how transition to the next Rural Development Programme (RDP) will work and how this will affect existing agri-environment agreements that they have and which will continue beyond 2013. The next RDP is due to start from 1 January 2014 and run until 2020. Defra have produced an [Information Note and Q&A](#) which focuses on new legal requirements which have clarified how RDP changes are likely to affect ELS/OELS and Uplands ELS agreements which start in 2012 or 2013.

In a [Defra Press Release](#) on 12/12/11, Jim Paice (Minister for Agriculture) pledged to make sure that English farmers who are thinking about entering or renewing agri-environment agreements could choose to opt out without penalty if they had to make changes to their agreements as a result of CAP greening.