

National Assembly for Wales
Research paper

Agri-environment schemes in the UK

February 2015

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Agri-environment schemes in the UK

February 2015

Katy Orford

This paper presents a brief overview of agri-environment schemes operating in the United Kingdom with emphasis on how the 2014-2020 proposals differ to those that operated during the 2007-2013 RDP.

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Agri-environment schemes in the UK

1. Introduction

The aim of the Common Agricultural Policy (CAP) on its introduction in 1962 was to boost food production to alleviate post-war shortages. Since then the policy has evolved in many ways including by responding to EU citizens' concerns about the need to protect the environment. Agri-environment schemes were introduced into the policy in 1992 as a means for the integration of environmental concerns. The schemes are designed to encourage farmers to protect and enhance the environment on their land. Farmers voluntarily commit themselves, for a minimum period of five years, to adopt environmentally-sympathetic farming techniques that go beyond legal obligations. In return, farmers receive payments that provide compensation for the additional costs and income foregone resulting from applying environmentally-friendly farming practices in line with the stipulations of agri-environment contracts. Farmers and land managers make applications to different prescriptions of the schemes. Each element of the scheme has different eligibility criteria and applications are judged on a case-by-case basis. Although the schemes remain optional for farmers it is compulsory under EU legislation for Member States to provide agri-environment programmes under the CAP.

1.1. Legislative background to agri-environment schemes

Agri-environment measures began in a few Member States in the 1980s on their own initiative, and were taken up by the European Community in 1985 via the Council Regulation (EEC) No 797/85 on agricultural structures¹, but remained optional for Member States. In 1992 it was introduced for all Member States as an "accompanying measure" to the CAP reform. It became the subject of a dedicated Regulation (Council Regulation (EEC) No 2078/92)², and Member States were required to introduce agri-environment measures "throughout their territory". In 1999, the provisions of the agri-environment Regulation were incorporated into the Rural Development Regulation as part of the "Agenda 2000" CAP reform. The aim of their incorporation was to help achieve coherence within Rural Development Plans.³

¹ [OJ L 093, 30.3.1985](#) [accessed 3 December 2014]

² [OJ L 215, 30.7.1992](#) [accessed 3 December 2014]

³ European Commission, Directorate General for Agriculture and Rural Development, [Agri-environment Measures](#), March 2005 [accessed 3 December 2014].

1.2. Commitments covered by agri-environment schemes

Agri-environment measures may be designed at the national, regional, or local level so that they can be adapted to particular farming systems and specific environmental conditions. This makes agri-environment schemes a targeted tool for achieving environmental goals. Activities under agri-environment schemes go beyond the Basic Payment requirements to maintain land in Good Agricultural and Environmental Condition (GAEC)⁴ and the compulsory greening measures. Examples of commitments covered by agri-environmental schemes include:

- environmentally favourable farming;
- management of low-intensity pasture systems;
- integrated farm management and organic agriculture;
- preservation of landscapes and historical features such as hedgerows, ditches and woods; and
- conservation of high-value habitats and their associated biodiversity.⁵

1.3. Funding

Pillar 1 of the CAP, the direct payments, provides income support to farmers who keep their land in Good Agricultural and Environmental Condition and is the main agricultural subsidy scheme in the EU. Pillar 2, otherwise known as the Rural Development Pillar (RDP), provides support to farmers and land managers to deliver environmental goals and support rural economies and communities.

Agri-environment schemes are funded under the RDP with schemes co-financed by Member State or Regional governments. EU expenditure on agri-environment measures for 2007-2013 amounted to approximately €20 billion or 22% of the RDP expenditure.⁶ For the funding period of 2014-20, a minimum of 30% of RDP budgets must be allocated to environmental and climate measures including agri-environment schemes, forestry measures, support for organic farming and support for areas of natural constraint.⁷

⁴ GAECs form part of the requirements under Cross Compliance (a set of rules people claiming payment for the Single Payment Scheme or certain rural development schemes must follow). In the UK, the devolved governments of England, Wales, Northern Ireland and Scotland each define GAEC standards for their own region.

⁵ European Commission, [Agri-environment measures](#), 10 February 2014 [accessed 21 October 2014]

⁶ European Commission, [Agri-environment measures](#), 10 February 2014 [accessed 21 October 2014]

⁷ European Commission, [CAP Reform – an explanation of the main elements](#), 25 October 2013 [accessed 6 November 2014]

1.4. CAP Reform

CAP is undergoing significant reform with these changes covering the period from 2015-20 (with 2014 as a transition year). These reforms are currently being implemented in EU Member States after overall political agreement was reached on the main elements in June 2013.

The draft EU regulations for rural development were published by the European Commission on 12 October 2011 as part of the CAP reform proposals.⁸ The Commission has identified three long term strategic objectives for rural development within the 2014-20 period:

- 1 Improving the competitiveness of agriculture;
- 2 The sustainable management of natural resources and climate action; and
- 3 A balanced territorial development of rural areas.

Agri-environment schemes will mainly be responsible for addressing objective 2. The new agreements for the CAP reforms allow Member States and Regions an unprecedented amount of flexibility in terms of how they implement the CAP provisions to allow them to tailor the policy to their particular agricultural needs and approaches.⁹ Therefore reforms to the agri-environment schemes between the Member States and Regions are wide-ranging.

Key changes for Wales include improved support for upland areas under its agri-environment scheme Glastir, introduction of Glastir Organic and removal of the requirement to join Glastir Entry to gain access to Glastir Advanced. In England, the new agri-environment scheme, New Environmental Land Management Schemes (NELMS), is more targeted to deliver local environmental priorities and the wide-scale 'entry level' scheme has been removed. In Scotland, the new Agri-environment-Climate Scheme (AES) has an emphasis on more targeted investments with 'bespoke' management requirements for individual farms. In Northern Ireland, the new schemes are also designed to be more targeted with the number and range of options available to the farmer/landowner determined by the designation status or environmental quality of the land in question.

⁸ European Commission, [*Legal proposals for the CAP after 2013*](#), 12 October 2011 [accessed 3 December 2014].

⁹ The four countries of the UK are classed as regions for EU purposes. All elements of the CAP including the RDP and agri-environment schemes can be implemented regionally so within the UK England, Northern Ireland, Scotland and Wales all have different Rural Development programmes and agri-environment schemes.

Under the 2014-2020 RDP, 30% of the Pillar 1 budget will be used for a compulsory 'greening' payment.¹⁰ Member States/Regions can choose how to implement the greening payment. Farmers will have to comply with three criteria to get the payment:

- Arable farmers must grow a minimum number of crops which is determined by the area of arable land;
- Farmers will not be allowed to plough permanent grasslands designated under the Birds or Habitats Directives or to plough any additional environmentally valuable sensitive grasslands designated as such by Member States. In relation to other permanent grasslands, farmers may convert no more than 5% of permanent grassland to arable;
- Farmers with more than 15ha of arable land must dedicate at least 5% of this arable land for use as an ecological focus area (EFA) by 2015, rising to 7% by 2017 (subject to review).

There is a risk that farmers who are in agri-environment schemes and get a greening payment could be paid twice for doing the same thing. Payments from agri-environment schemes for measures equivalent to greening will therefore be reduced to avoid the risk of double funding.

Under the CAP reforms Member States and Regions were given the choice to transfer up to 15% of funds from Pillar 1 to Pillar 2 and vice versa. The extent to which the UK countries transferred funds into rural development (and therefore agri-environment schemes) varied significantly; the Welsh Government decided to transfer the maximum 15% to Pillar two whilst Northern Ireland transferred 0%. None of the UK countries transferred funds from Pillar 1 to Pillar 2 (Table 1).

¹⁰ [OJ L 347, 20.12.2013](#) [accessed 9 December 2014]

Table 1. Transfer of funding between Pillar 1 and Pillar 2 in the reforms

England ^{11,12}	Northern Ireland ¹³	Scotland ^{14,15}	Wales ^{16,17,18}
<p>From 2014–2019, 12% transfer from Pillar 1 to Pillar 2. A review will be held in 2016 into the demand for agri–environment schemes and the competitiveness of English agriculture with the intention of moving to a 15% transfer rate from Pillar 1 to Pillar 2 in 2018 and 2019.</p> <p>Zero transfer from Pillar 2 to Pillar 1.</p>	<p>A combination of lack of political consensus and legal intervention has meant that a zero transfer from Pillar to Pillar 2 has been registered for 2014–19. There is provision to revisit this issue by the no later than 1st August 2017, and if decision was made to increase the rate this would apply for the years 2018–19.</p> <p>Zero transfer from Pillar 2 to Pillar 1.</p>	<p>From 2015–20, 9.5% transfer from Pillar 1 to Pillar 2.</p> <p>Zero transfer from Pillar 2 to Pillar 1.</p>	<p>Maximum allowable transfer of 15% from Pillar 1 to Pillar 2 for 2014–2020.</p> <p>Zero transfer from Pillar 2 to Pillar 1.</p>

¹¹ Defra, [*Consultation on the implementation of CAP reform in England - Summary of responses and Government response*](#), December 2013 [accessed 3 December 2014]

¹² Defra, [*Consultation on the implementation of CAP reform in England - Summary of responses and Government response on remaining issues*](#), 14 February 2014 [accessed 3 December 2014]

¹³ DARD [*CAP Pillar 1 Direct Payments - Summary of Decisions*](#), 11th July 2014 [accessed 3 December 2014]

¹⁴ The Scottish Government [*Consultation on future CAP direct payments in Scotland from 2015*](#) December 2013 [accessed 3 December 2014].

¹⁵ Scottish Government, [*FAQ on Greening*](#), 7 October 2014 [accessed 3 December 2014]

¹⁶ Welsh Government, [*The Common Agricultural Policy Reform - Direct payments to Farmers: Decisions*](#) January 2014 [accessed 3 December 2014]

¹⁷ Welsh Government [*Cabinet Statement, Further Decisions on Pillar 1 of the Common Agricultural Policy*](#), 1 July 2014 [accessed 3 December 2014]

¹⁸ Welsh Government, [*Your Guide to the Basic Payment Scheme in Wales*](#), 14 July 2014 [accessed 3 December 2014]

The new rules for Pillar 2 provide a more flexible approach than under the 2007-2013 RDP. Under the 2014-2020 RDP measures are no longer classified at EU level into "axes" with associated minimum spending requirements per axis. Instead, it is up to Member States/Regions to decide which measures they use in order to achieve targets.

The following sections of this paper present a brief overview of agri-environment schemes operating in the United Kingdom with emphasis on how the 2014-2020 proposals differ to those that operated during the 2007-2013 RDP. **As countries' Rural Development Plans are yet to be approved by the European Commission this information is subject to change and will be updated to include further detail as appropriate.**

2. Wales

2.1. *Glastir*

Glastir is the Welsh Government's current agri-environment scheme. Launched initially in 2012 under the 2007-2013 RDP it replaced the five previous agri-environment schemes in Wales; Tir Gofal, Tir Cynnal, Tir Mynydd, the Organic Farming Scheme and Better Woodlands for Wales¹⁹. Six objectives make up Glastir:

- Manage soils to help conserve carbon stocks and reduce soil erosion;
- Improve water quality and reduce surface run-off;
- Manage water to help reduce flood risks;
- Conserve and enhance wildlife and biodiversity;
- Manage and protect landscapes and the historic environment; and
- Create new opportunities to improve access and understanding of the countryside.²⁰

Glastir will continue to be the primary delivery model for agri-environment, forestry and climate measures under the 2014-2020 RDP. The Welsh RDP for 2014-20 was submitted to the European Commission in July 2014 but has yet to receive final approval.²¹ The Welsh Government issued a consultation on proposed changes to Glastir in January 2014. Subsequently a summary and analysis of the 148 consultation responses it received has been published which outlines its final position on the proposals for change.²² The Welsh Government's changes to Glastir are designed to take into account of the compulsory greening requirements of the new RDP and the objectives included within the RDP regulation such as climate change and renewable energy.

There are 5,350 individual farm businesses currently participating in Glastir.²³ Successful applicants make a commitment to deliver environmental goods for five years under a legally binding contract.²⁴ The various elements of Glastir, and changes to the scheme under the 2014-2020 RDP, are detailed below.

¹⁹ Wales Audit Office, [Glastir](#), page 6, footnote 1 [accessed 27 October 2014]

²⁰ Wales Audit Office, [Glastir](#), page 11, box 1 [accessed 27 October 2014]

²¹ Welsh Government [The Wales Rural Development Programme 2014-2020 \(RDP\)](#) 16 October 2014 [accessed 3 December 2014]

²² Welsh Government, Consultation Analysis Document, [Proposals for the Glastir scheme, part of the Rural Development Plan for Wales 2014-2020](#) [accessed 21 October 2014]

²³ Welsh Government website, [Minister sets out the way forward for Glastir](#), 17 June 2014 [accessed 20 October 2014]

²⁴ Welsh Government, [Glastir Entry](#), 19 September 2014 [accessed 27 October 2014]

2.1.1. Glastir Entry

Glastir Entry is currently a whole-farm land management scheme with broad environmental goals open to all farmers and land managers throughout Wales.

Farmers are able to choose from a list of management options e.g. planting native trees, hedgerow management and retaining winter stubble with each option worth a certain amount of points. There is a points threshold and each applicant must meet or exceed the threshold to gain entry into the scheme. The number of points required will depend on the size of the farm, with a larger farm requiring more points. Glastir Entry currently has over 4,200 participants.²⁵

The revised set of options for Glastir Entry under the 2014-2020 RDP, is shown in Annex 5 of the consultation analysis document.²⁶ The quantity and the order of the options have been reviewed. Consideration has been given to flexibility for applicants to choose various options while removing low uptake and duplicating activities.²⁷ Under the 2014-2020 RDP funding will be moved away from Glastir Entry to more targeted schemes (Figure 1).

2.1.2. Glastir Advanced

Under the 2007-2013 RDP Glastir Entry provided a “gateway” to access Glastir Advanced. However the new RDP has removed the need to join Glastir Entry to gain access to Glastir Advanced. The rationale behind this decision is to help to achieve the Welsh Government’s environmental goals and provide more flexibility to land managers.²⁸ Under the 2007-2013 RDP, Glastir Advanced was a part-farm scheme. Under the 2014-2020 RDP the Welsh Government intends to apply a whole-farm code where necessary with the rationale that safeguards are needed to ensure the benefits achieved on one part of a farm are not lost elsewhere.²⁹

The scheme operates on a spatial basis offering support to farmers within geographical areas that can deliver the outcomes most needed.³⁰ Glastir Advanced is intended to deliver significant improvements to the environmental status of a range of habitats, species, soils and water. There are over 1 000 participants in

²⁵ Welsh Government, Alun Davies (Minister for Natural Resources and Food), [The future of Glastir under the Rural Development Programme](#), Cabinet Oral Statement, 17 June 2014 [accessed 3 December]

²⁶ Welsh Government, Consultation Analysis Document, [Proposals for the Glastir scheme, part of the Rural Development Plan for Wales 2014-2020](#) page 40 [accessed 21 October 2014]

²⁷ Welsh Government, Consultation Analysis Document, [Proposals for the Glastir scheme, part of the Rural Development Plan for Wales 2014-2020](#) page 16 [accessed 21 October 2014]

²⁸ Welsh Government, Consultation Analysis Document, [Proposals for the Glastir scheme, part of the Rural Development Plan for Wales 2014-2020](#) page 8 [accessed 21 October 2014]

²⁹ Welsh Government, Consultation Analysis Document, [Proposals for the Glastir scheme, part of the Rural Development Plan for Wales 2014-2020](#) page 8 [accessed 21 October 2014]

³⁰ Welsh Government, [Glastir Advanced](#), 8 October 2014 [accessed 27 October 2014]

Glastir Advanced.³¹ Under the new RDP increased funding is expected to be made available for Glastir Advanced (Figure 1).³²

2.1.3. Glastir Organic

Glastir Organic is a new element of the Glastir Scheme introduced under the 2014-2020 RDP. The new scheme will support both existing organic producers to continue farming organically and those converting conventional land to organic. Farmers were able to apply on-line for participation in Glastir Organic throughout October 2014 for contracts starting on 1 January 2015. Glastir Organic replaces the Organic Farming Conversion Scheme agreements.

2.1.4. Glastir Commons

Common grazing associations can apply to undertake options to reduce the impacts of over-grazing on commons. Glastir Commons now covers approximately 110,000 hectares (63%) of common land in Wales.³³ Under the 2014-2020 RDP there will be a single scheme for Common Land, combining the Glastir Common Land and Advanced elements of the 2007-2013 RDP. Under the new scheme there will be greater flexibility in stocking densities, negotiated with development officers to address the environmental needs of the common. The Welsh Government states that a single scheme will reduce bureaucracy and administration costs through offering at the outset either an Entry or Advanced Glastir contract. Advantages of a single scheme outlined by the Welsh Government include:

- having one stocking negotiation, giving Grazing Associations the opportunity to make an informed choice;
- offering the flexibility to switch from Entry to Advanced if Grazing Associations change their minds, as the Advanced stocking levels would already have been explained;
- the opportunity to increase the proportion of cattle in the uplands which would provide for a more diverse sward mix and improved potential for biodiversity; and
- more effectively targeted and tailored agreements.³⁴

³¹ Welsh Government, Alun Davies (Minister for Natural Resources and Food), *The future of Glastir under the Rural Development Programme*, Cabinet Oral Statement, 17 June 2014 [accessed 3 December]

³² Welsh Government, Consultation Analysis Document, *Proposals for the Glastir scheme, part of the Rural Development Plan for Wales 2014-2020* page 36 [accessed 21 October 2014]

³³ Welsh Government, Alun Davies (Minister for Natural Resources and Food), *The future of Glastir under the Rural Development Programme*, Cabinet Oral Statement, 17 June 2014 [accessed 3 December]

³⁴ Welsh Government Consultation Document *Proposals for the Glastir scheme, part of the Rural Development Plan for Wales 2014-2020* 23 January 2014 Page 23, [accessed 20 October 2014]

2.1.5. Glastir Woodland

Glastir Woodland is made up of two parts, Glastir Woodland Creation for funding new areas of woodland planting and Glastir Woodland Management for improved management of existing woodland.

Under the 2014-2020 RDP it is a requirement under Glastir that a Forest Management Plan or equivalent plan for woodland creation, which is consistent with the UK Forestry Standard, is prepared. Key points from the plan will be incorporated into all Glastir agreements for woodland.³⁵ This is proposed to increase the speed of new woodland planting and the extent to which existing woodlands are brought under active management.

Under the 2014-2020 RDP applicants who apply for the Native Woodland-Carbon option for their Woodland Creation proposal must register their scheme with the UK Woodland-Carbon Code. The intention is that this is an appropriate way to link woodland which is specifically created to lock up carbon to the UK's National Standard for this activity.³⁶

Under the new RDP, Glastir Woodland Management contracts will be awarded on a rolling basis throughout the year, with income foregone payments commencing at the beginning of the following calendar year.³⁷ Increased funding is expected to be made available for woodland elements of Glastir under the new RDP (Figure 1).³⁸

2.1.6. Small Grant Scheme and Habitat Network

The new RDP introduces a stand-alone Small Grant Scheme and Habitat Network to give greater freedom to farmers undertaking environmental works on only part of their farms. Although support for environmental capital works is funded through other elements of Glastir, the Welsh Government proposed that the most beneficial activities should be made available outside of wider farm agreements, for example smaller areas of tree planting.³⁹

During the consultation there was wide support for the Habitat Network scheme proposal as a good way of targeting those with a lot to offer, but outside of the target area hot spots for the Advanced scheme.

³⁵ Welsh Government, Consultation Analysis Document, [*Proposals for the Glastir scheme, part of the Rural Development Plan for Wales 2014-2020*](#) page 27 [accessed 21 October 2014]

³⁶ Welsh Government, Consultation Analysis Document, [*Proposals for the Glastir scheme, part of the Rural Development Plan for Wales 2014-2020*](#) page 27 [accessed 21 October 2014]

³⁷ Welsh Government, Consultation Analysis Document, [*Proposals for the Glastir scheme, part of the Rural Development Plan for Wales 2014-2020*](#) page 28 [accessed 21 October 2014]

³⁸ Welsh Government, Consultation Analysis Document, [*Proposals for the Glastir scheme, part of the Rural Development Plan for Wales 2014-2020*](#) page 36 [accessed 21 October 2014]

³⁹ Welsh Government Consultation Document [*Proposals for the Glastir scheme, part of the Rural Development Plan for Wales 2014-2020*](#) 23 January 2014 Page 34, [accessed 20 October 2014]

2.1.7. Improving upland resilience

In the absence of a proposal for a standalone Areas of Natural Constraint scheme⁴⁰ the Glastir consultation made a number of recommendations in relation to improving the support provided for upland areas through the Glastir scheme. A new upland stocking calculation method will be developed in co-operation with Natural Resources Wales (NRW). The Welsh Government is proposing to develop a support framework to encourage mixed grazing in the uplands.⁴¹ It is also proposing to support targeted bracken control by making a capital grant payment available for mechanical and other forms of bracken control through the proposed Small Grants Scheme.⁴² Under the new RDP the Welsh Government is proposing to prioritise applications to Glastir Advanced for those farmers within the 400m+ moorland zone.⁴³

2.1.8. Improving communication and advice

The Welsh Government expects to continue to deliver on the Glastir Strategic Communications Strategy, launched in January 2013.⁴⁴ The Welsh Government proposes that farmer-farmer support groups will be facilitated and funded, particularly for components of Glastir where co-operative approaches are being encouraged.⁴⁵

2.1.9. On-line applications and payments

The Welsh Government has opted to invest in the development of an online payment system, Rural Payments Wales online. The online forms will be available from February 2015 with paper based forms being withdrawn from 2016. Farmers will be able to submit applications for agri-environment schemes through this online system.⁴⁶

⁴⁰ A scheme which was designed to target those farming in moorland areas (defined as the Upland above 400m).

⁴¹ Welsh Government, Consultation Analysis Document, [*Proposals for the Glastir scheme, part of the Rural Development Plan for Wales 2014-2020*](#) page 23 [accessed 21 October 2014]

⁴² Welsh Government, Consultation Analysis Document, [*Proposals for the Glastir scheme, part of the Rural Development Plan for Wales 2014-2020*](#) page 23 [accessed 21 October 2014]

⁴³ Welsh Government, Consultation Analysis Document, [*Proposals for the Glastir scheme, part of the Rural Development Plan for Wales 2014-2020*](#) page 24 [accessed 21 October 2014]

⁴⁴ Welsh Government, Consultation Analysis Document, [*Proposals for the Glastir scheme, part of the Rural Development Plan for Wales 2014-2020*](#) page 11 [accessed 21 October 2014]

⁴⁵ Welsh Government, Consultation Analysis Document, [*Proposals for the Glastir scheme, part of the Rural Development Plan for Wales 2014-2020*](#) page 10 [accessed 21 October 2014]

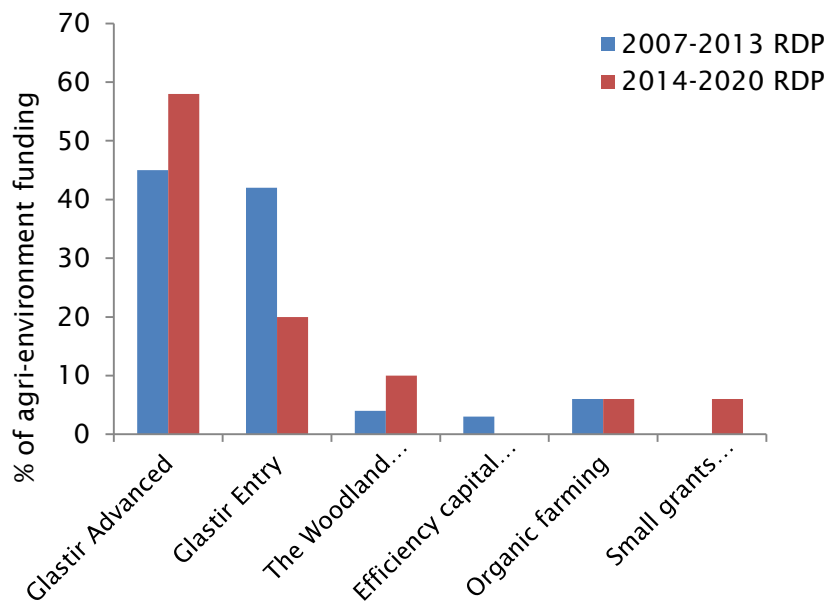
⁴⁶ Welsh Government, Consultation Analysis Document, [*Proposals for the Glastir scheme, part of the Rural Development Plan for Wales 2014-2020*](#) page 12 [accessed 21 October 2014]

2.2. Funding

The 2007-2013 RDP for Wales had an overall spend commitment of £795 million.⁴⁷ From the funding available for agri-environment spending under the 2007-2013 RDP, Glastir Entry received 42%, Glastir Advanced received 45%, the woodland planting and management schemes received 4%, Glastir efficiency capital grants received 3% and Organic farming received 6%.⁴⁸

Following the decision in 2014 to transfer 15% of the CAP budget from Pillar 1 to 2, the maximum permitted level, £953 million has been allocated to the RDP for 2014 - 2020.⁴⁹ The Welsh Government is proposing that from the available funding for agri-environment schemes in the 2014-2020 RDP; Glastir Entry will receive 20%, Glastir Advanced will receive 58%, the woodland schemes will receive 10%, the efficiency element is being removed from Glastir to be funded elsewhere⁵⁰. Organic farming will receive 6% and 6% will go to the new Small Grants Scheme (Figure 1).⁵¹

Figure 1. Agri-environment spending on the Glastir elements under the 2007-2013 and 2014-2020 RDPs. Source: Welsh Government- Glastir Consultation.⁵²



⁴⁷ Welsh Government, Elin Jones (Minister for Rural Affairs) [CAP. Reform Post - 2013](#) Cabinet Written Statement, 17 January 2011 [accessed 21 October 2014]

⁴⁸ Welsh Government Consultation Document [Proposals for the Glastir scheme, part of the Rural Development Plan for Wales 2014-2020](#) 23 January 2014, page 51, table 7 [accessed 23 September 2014]

⁴⁹ Welsh Government website, [Minister sets out the way forward for Glastir](#), 17 June 2014 [accessed 20 October 2014]

⁵⁰ Under the 2014-2020 RDP the Sustainable Production Grant (SPG) within the wider RDP will replace Glastir Efficiency Grants which were available to fund capital works to improve the resource efficiency of farms under the 2007-2013 RDP.

⁵¹ Welsh Government Consultation Document [Proposals for the Glastir scheme, part of the Rural Development Plan for Wales 2014-2020](#) 23 January 2014, page 51, table 7 [accessed 23 September 2014]

⁵² Welsh Government Consultation Document [Proposals for the Glastir scheme, part of the Rural Development Plan for Wales 2014-2020](#) 23 January 2014, page 51, table 7 [accessed 23 September 2014]

3. England

3.1. *New Environment Land Management Scheme (NELMS)*

The UK Government submitted its plans for its new RDP to the European Commission in June 2014.⁵³ Under the new RDP the New Environment Land Management Scheme (NELMS) replaces the Environmental Stewardship Scheme of the 2007-2013 RDP (which in turn replaced the Environmentally Sensitive Areas Scheme and the Countryside Stewardship Scheme). Since 2005 approximately 52,000 farmers and other land managers have signed up for the Environmental Stewardship Schemes, covering over 6.4 million hectares or 70% of farmland in England.

NELMS will generally offer five-year agreements, with the option of annual extensions for a further two years. In some cases, 10-year agreements will be offered where required to achieve environmental benefits.

The new scheme will include woodland and forestry management options and will also replace the English Woodland Grant Scheme (EWGS).⁵⁴ The UK Government states that the new scheme will be more targeted and focused than previous agri-environment schemes to deliver local environmental priorities.⁵⁵ Particular options will be prescribed to applicants according to targeted maps to ensure that synergies in areas and between options are optimised. Defra has highlighted the overall priority for NELMS is to promote biodiversity. It also covers water quality, soils, the historic environment, climate change, landscape, genetic conservation and educational access.

Known changes to English agri-environment schemes between the 2007-2013 and 2014-2020 RDPs are detailed below:

3.1.1. *No 'entry level' scheme*

Under the 2007-2013 RDP, Entry Level Stewardship (ELS) provided an approach for supporting the good stewardship of the countryside through simple land management. ELS was a points-based whole-farm agreement open to all farmers where farmers and land managers could choose from basic land management options to meet their points target (like in Glastir). ELS included Uplands ELS and Organic ELS.

⁵³UK Government, [Rural Development Programme for England: Outline of new programme](#) 10 June 2014 [accessed 3 December 2014]

⁵⁴ The Forestry Commission offered a number of grants through [EWGS](#), which was delivered by the RDP.

⁵⁵ Defra Press Release, [New environmental scheme for farmers to prioritise biodiversity](#), 26 February 2014 [accessed 3 December 2014]

Under the 2014-202 RDP, there will be no ‘entry level’ tier open to all land managers. NELMS will include ‘baseline’ measures which sit above cross compliance and greening, which all NELMS applicants will need to comply with, without payment. There will be two competitive tiers; ‘upper-tier’ and ‘mid-tier’ (detailed below).

3.1.2. The ‘upper-tier’

Under the 2014-2020 RDP, the upper-tier is targeted at the highest priority sites, such as Sites of Special Scientific Interest, but also includes all woodland agreements. The upper-tier is similar to Higher Level Stewardship (HLS) which existed under the 2007-2013 RDP. HLS agreements were competitive ten-year agreements involving more complex types of management and agreements than ELS and were tailored to local circumstances. HLS applications were assessed against specific local targets and agreements were offered where they meet these targets.⁵⁶

The upper-tier of NELMS under the new RDP has a similar range of options as HLS designed to deliver significant environmental benefits. Agreements will be by invitation only. Many HLS agreement holders will be able to transfer agreements to NELMS, although this will not be automatic with selection reflecting past performance and local scheme priorities.

3.1.3. The ‘mid-tier’

Mid-tier agreements will concentrate on delivering environmental gains at a landscape-scale with greater opportunities for coordination between clusters or groups of farmers. Natural England will provide direction on what the priorities are in each locality and will score applications on how well they meet those priorities. Only applications with the highest scores will be offered an agreement.

3.1.4. Small scale capital only grants

Small scale capital only grants, not linked to a multi-year agreement, will be introduced. Universal small-scale grants will be available nationwide for those unable to access NELMS agreements. Activities that can be undertaken under these grants include hedgerow laying, coppicing and stone wall restoration.⁵⁷

⁵⁶ Natural England, [NE350: Higher Level Stewardship: Environmental Stewardship Handbook](#), Fourth Edition, January 2013 [accessed 28 October 2014]

⁵⁷ UK Government [Rural Development Programme for England: Outline of new programme](#) 10 June 2014 [accessed 3 December 2014]

3.1.5. A single agreement per holding

The scheme is based on a single agreement with no separate strands for organic or upland farmers. Unlike ELS, it will not be a whole-farm scheme but will fund particular areas of the holding.

3.1.6. Ladder scale

The scheme will not be based on a points calculation like in Environmental Stewardship but rather on a 'ladder scale' where payments will be higher if more options are chosen.

3.1.7. Advice and support

Different levels of advice and support depending on the type of application/agreement. Advice will be provided by Natural England for the upper-tier contracts in a similar way to HLS. Advice will not be provided by Natural England to mid-tier applicants. Advice will be on-line or from third parties.

3.1.8. CAP IT system

A common CAP IT system will be used by all schemes, for online mapping and the application process.

3.2. Funding

The 2007-2013 RDP for England had a total budget of £3.7bn with 83% of the RDP designated to environmental land management.⁵⁸ Agri-environment schemes accounted for a significant proportion of this at £2.9bn.⁵⁹

The UK Government is expecting to spend £3.5bn under the 2014-2020 RDP and almost £3.1bn on the environment over the life of the new programme.⁶⁰ This will increase to £3.65bn and £3.2bn respectively if the transfer rate rises from 12% to 15% in the last 2 years of the CAP period (Table 1). With a 12% transfer the UK Government is planning to spend around 87% on the environment (compared with 83% in the 2007-2013 programme).⁶¹ £2.2bn of the RDP budget is already accounted for by current agri-environment agreements which do not expire until part

⁵⁸ Defra, [*CAP Reform in England: Status report on the new Rural Development Programme*](#) August 2013 [accessed 17 November 2014]

⁵⁹ Defra – Natural England, [*Environmental Stewardship Review of Progress*](#) May 2008 [accessed 17 November 2014]

⁶⁰ Defra, [*Consultation on the implementation of CAP reform in England - Summary of responses and Government response on remaining issues*](#), 14 February 2014 [accessed 29 October 2014]

⁶¹ Defra, [*Consultation on the implementation of CAP reform in England - Summary of responses and Government response on remaining issues*](#), 14 February 2014 [accessed 29 October 2014]

way through, or in some cases beyond, the next programme.⁶² Therefore less than £1 bn will be available for NELMS.

⁶²Defra, [*Consultation on the implementation of CAP reform in England - Summary of responses and Government response on remaining issues*](#), 14 February 2014 [accessed 29 October 2014]

4. Northern Ireland

4.1. Northern Ireland agri-environment scheme

The Northern Ireland Countryside Management Scheme (NICMS) and Organic Farming Scheme (OFS) were the two agri-environment schemes in Northern Ireland under the 2007-2013 RDP. NICMS was a whole-farm scheme open to all farmers and land managers with a minimum of 3ha of eligible land normally lasting for seven years.⁶³ OFS was a five-year agri-environment scheme encouraging and assisting farmers to convert to organic farming.

At the time of the consultation on the 2014-2020 RDP (September 2013) approximately 11,600 farmers were participating in Northern Ireland agri-environment schemes, with some 438,000 hectares of agricultural land being managed under scheme agreements.⁶⁴

The 2014-2020 RDP proposals were submitted to the European Commission for approval in October 2014 including some details of the proposed agri-environment scheme. The main aims of the new agri-environment schemes are to help to sustain and enhance biodiversity, improve the quality of water, air and soil, enhance the landscape, and increase woodland creation. The scheme also aims to help mitigate climate change by reducing greenhouse gas emissions and encourage farming practices that lead to carbon sequestration.⁶⁵

The new scheme is designed to be more targeted. The number and range of options available to the farmer/landowner will be determined by the designation status or environmental quality of the land in question. Under the scheme there are two distinct suites of options:

1. A suite of options which are designed to provide financial support for specific habitat/species management on designated sites or targeted areas. Designated sites include Special Areas of Conservation (SAC) and Special Protection Areas (SPAs) (both of which make up Natura 2000 land) and Areas of Special Scientific Interest (ASSIs). Other defined targeted areas will also be eligible if they are capable of delivering significantly on one or more of the primary objectives.

⁶³ Department of Agriculture and Rural Development website, [Northern Ireland Countryside Management Scheme \(NICMS\)](#) [accessed 3 November 2014]

⁶⁴ Department of Agriculture and Rural Development, [Consultation on the Rural Development Programme 2014 - 2020](#) September 2013 [accessed 3 November 2014]

⁶⁵ Department of Agriculture and Rural Development, [Consultation on the Rural Development Programme 2014 - 2020](#) September 2013 [accessed 3 November 2014]

2. A suite of more general options designed to provide financial support for habitat/species and water management to deliver benefits across the wider countryside. These targeted options will contain a variety of measures to enhance biodiversity and water quality. It is proposed to integrate small farm woodland creation measures within these themes.⁶⁶

The new agri-environment agreements will last for five years, with the potential of annual extensions after that period. This will provide greater flexibility for both farmers and the Department of Agriculture and Rural Development (DARD) as environmental priorities develop. In contrast to the previous NICMS, the RDP consultation states that the agri-environment agreements in the new scheme may not be whole-farm agreements.⁶⁷

DARD proposes that the new agri-environment schemes will also deliver an increased element of training and support to help farmers implement their agri-environment agreements and to raise awareness of environmental protection and enhancement requirements. Measures to address climate change and the carbon intensity of farming will be integrated within all agri-environment scheme agreements.⁶⁸

4.2. Funding

The 2007-2013 RDP for Northern Ireland had a total budget of £500 million.⁶⁹ The budget available for the agri-environment schemes was £180 million.⁷⁰

The 2014-2020 RDP for Northern Ireland has a total budget of £623 million⁷¹ with a potential spend on agri-environment schemes of £191 million.

⁶⁶ Department of Agriculture and Rural Development, [Consultation on the Rural Development Programme 2014 – 2020](#) September 2013 [accessed 3 November 2014]

⁶⁷ Department of Agriculture and Rural Development, [Consultation on the Rural Development Programme 2014 – 2020](#) September 2013 [accessed 3 November 2014]

⁶⁸ Department of Agriculture and Rural Development, [Consultation on the Rural Development Programme 2014 – 2020](#) September 2013 [accessed 3 November 2014]

⁶⁹ Department of Agriculture and Rural Development, [Rural Development Programme](#) [accessed 11 November 2014]

⁷⁰ Department of Agriculture and Rural Development, [Agri-environment Schemes](#) [accessed 11 November 2014]

⁷¹ Department of Agriculture and Rural Development, [Rural Development Programme 2014 – 2020 Summary of Proposed Measures](#) [accessed 11 November 2014]

5. Scotland

5.1. Agri-Environment-Climate Scheme (AEC)

Rural Stewardship Scheme (RSS) has been Scotland's main competitive agri-environment scheme under the 2007-2013 RDP.⁷² RSS was open to all those farming in Scotland and contracts lasted for a minimum of five years but could be up to 10 years.

The proposed RDP for Scotland 2014-2020 was submitted to the European Commission in June 2014 and included details of a new Agri-Environment-Climate Scheme (AEC).⁷³ Amongst responses to the Scottish RDP 2014-2020 Stage 1 Consultation⁷⁴, AEC measures were highlighted as a high priority for investment. Responses also emphasised the need for a simpler, streamlined, more accessible and flexible scheme.

The Scottish Government have outlined that the new AEC will play a part in:

- Implementing the EU Birds and Habitats Directives;
- Achieving favourable conservation status for designated nature conservation sites;
- Controlling the spread of introduced non-native plants and animals;
- Implementing the EU Water Framework Directive, the Nitrates Directive and the Groundwater Directive;
- Meeting Scottish Government's targets for reducing greenhouse gas emissions;
- Increasing carbon sequestration by natural systems;
- Assisting with the Scottish Government's Land Use Strategy Action Plan;
- Helping to meet the aims of the European Landscape Convention;
- Contributing to the Scottish Governments' National Performance Framework.⁷⁵

⁷² Scottish Government, [The Rural Development Scheme](#), 1 April 2004 [accessed 10 November 2014]

⁷³ Scottish Government, [Submitted SRDP 2014-2020 and Glossary](#), [accessed 3 November 2014]

⁷⁴ Scottish Government, [Scotland Rural Development Programme \(SRDP\) 2014-2020 Stage 1 Consultation](#) 1 May 2013 [accessed 3 November 2014]

⁷⁵ The Scottish Government, [Scotland Rural Development Programme \(SRDP\) 2014-2020 Stage 2: Final Proposals, Section 9: Agri-Environment-Climate Scheme](#), December 2013 [accessed 3 November 2014]

The competitive AEC schemes are targeted based on the following two-stage approach:

Stage 1 - The availability of each option will be restricted to a target area. To allow flexibility, applications outside target areas will still be considered where there is a strong justification e.g. where endorsed by the relevant Scotland's Environmental and Rural Services (SEARS) agency.

Stage 2 - Applications will be scored against targeting criteria in order to assess the benefit delivered by individual proposals, taking into account site-specific factors. These targeting criteria will be included within the scoring system.

For some options, which are broadly relevant across Scotland (e.g. support for organic farming), geographical targeting will not be necessary and targeting will be delivered through stage two assessment alone. All the approved applications will be subject to regulatory inspections to check management and eligibility.⁷⁶

Support will be available to land managers to encourage coordinated activities at a landscape- or ecosystem- scale. This includes to connect isolated fragments of biodiverse habitats to help species to disperse or to coordinate the management of diffuse pollution or flood water within a catchment. Payments will be made to a group of farmers or an organisation to facilitate the process in a specific area. All applicants will have to complete a monitoring diary as a secondary source of evidence to prove the relevant actions have been undertaken.

The rules and guidance governing the schemes' projects are said to have greater customer focus.⁷⁷ This will include improved contracts which can include 'bespoke' management requirements to achieve particular ecological objectives.

Capital payments for items such as fencing and habitat creation will also be available and will generally be paid for on the basis of standard costs. These payments will be subject to scrutiny at the application stage.⁷⁸

Under the 2014-2020 Scottish RDP, funding is available for the conversion and maintenance of organic farming within the AEC Scheme. There will be some interaction with the greening element for organic farmers. Crofters and small farms will be able to access funding for those AEC operations which are relevant for their area.

⁷⁶ The Scottish Government, [Submitted SRDP 2014 - 2020 and Glossary](#), [accessed 3 November 2014]

⁷⁷ The Scottish Government, [Scotland Rural Development Programme \(SRDP\) 2014-2020 Stage 2: Final Proposals, Section 9: Agri-Environment-Climate Scheme](#), December 2013 [accessed 3 November 2014].

⁷⁸ The Scottish Government, [Submitted SRDP 2014 - 2020 and Glossary](#), [accessed 3 November 2014]

The Scottish Government are providing an advisory service to assist farmers and land managers in developing proposals that take full account of the range of priorities that could be delivered on their land in order to deliver the best outcomes.

Activities which will be implemented under the AEC scheme include:

- arable – involving the creation and management of beneficial crops, including unharvested areas;
- grass buffers and water margins – principally for water quality, these areas will form barriers for run-off, whilst also delivering environmental and biodiversity benefits;
- crofting / HNV Farming – including the Cropped Machair, and commitments which reflect the economies of scale of extensive livestock production;
- habitat / grazing management – beneficial grazing management of particularly significant habitats including wetlands and species rich areas;
- moorland / upland management – including grazing management;
- species conservation – to support the conservation of important species such as corncrake, chough and corn bunting in Scotland;
- carbon efficiency in livestock sector to deliver climate change mitigation;
- natural flood management – including the restoration of flood plains, and inter-tidal areas.

5.2. Funding

The 2007-2013 RDP for Scotland had a total budget of £1.2 billion.⁷⁹ £404 million was allocated for agri-environment payments, including £45 million for organic production.⁸⁰

The 2014-2020 RDP for Scotland has a total budget of £1.3 billion. This budget will be divided between 14 support schemes and packages one of which is the AEC Scheme with a proposed allocation of £355 million (or 27% of the budget).

⁷⁹ The Scottish Government website, [Scotland Rural Development Programme \(SRDP\)](#) [accessed 10 November 2014]

⁸⁰ SPICe Briefing, [Scotland Rural Development Programme 2007-2013](#), 23 June 2008 [accessed 14 November 2014]



