

# RPA Update the Future of Farming: BPS, Countryside Stewardship and ELMS

THE PASSING OF THE AGRICULTURE ACT 2020 ANTICIPATES A FORMAL MOVE FROM THE BPS AREA PAYMENT TO THE 'PUBLIC MONEY FOR PUBLIC GOODS' OF THE ENVIRONMENTAL LAND MANAGEMENT SCHEME.

THE Act allows funding for practices aimed at improving biodiversity, air and water quality and soil health. The Rural Payments Agency have since released details of their Sustainable Farming Incentive and the Agricultural Transition Plan 2021 to 2024. These include details on the de-linking and phasing out of BPS in England, the setting up of ELMs and schemes aimed at improving productivity and technology in farms.

## ENVIRONMENTAL LAND MANAGEMENT SCHEME

DEFRA have described the Environmental Land Management Scheme as 'the cornerstone of the Government's new agricultural policy'. It is currently undergoing a series of tests and trials with National Pilot schemes due to start from October 2021 and run until 2024. There will therefore shortly be three experimental schemes, the 'Environment Plan Pioneers' running from 2016-2024, 'Tests and Trials' from 2019-24 and the aforementioned National Pilot schemes. Led by the Environment Agency, Natural England and the Marine Management Organisation the 'Environment Plan Pioneers' informs the development and implementation of the ELM programme. The experimental schemes will assess the viability and value for money of implementing certain schemes. The 'National Pilot' will guide ELMs' incentives, construction and underlying scheme mechanics. Defra expect 1,250 land managers to be involved in experimental schemes in 2022 with the figure rising to 8,125 in 2023 with 15,000 by 2024. The aim for 2028 is to have 82,500 involved in both the experimental schemes and the actual ELM scheme when it is expected to be launched in 2024. Despite these targets there is relatively little information on how these targets will be hit. The payment rates for the National Pilot, are to be published by June 2020.

## BASIC PAYMENT SCHEME

Whilst ELMs remain a work in progress, the RPA have updated the rules for both BPS and Countryside Stewardship throughout this transition period. From 2021, BPS will have all three of its 'Greening requirements' removed including crop diversification, Ecological Focus Areas, and the permanent grassland rules. Cross border applicants will no longer need to inform the RPA about land they also claim on in Scotland, Wales and Northern Ireland. Applicants with less than the minimum 5 ha land in England but claiming on enough land in all regions to make up the difference will be exempt from the minimum claim rule. The two-year entitlement usage rule no longer applies from 2021 but will still apply for entitlements unclaimed for 2019 and 2020. There is now more leeway for force majeure exceptional circumstances with the time limit on informing the RPA extended from 15 days to 8 weeks, supporting documents and the amendment of applications can now continue until 11th June. Inspections are intended to be fairer and more streamlined with a list of records required provided before the inspector turns up. Penalties for non-compliance will supposedly be "more proportionate to the offense", meaning a reduced penalty for small overclaims.

The key change is of course the phasing out of the BPS altogether through a series of progressive reductions based on overall claim value, higher reductions being applied to each section of a claim that is in a higher band before 2028. A "retirement" scheme is expected next year, subject to consultation which could involve a payment of over £600/ha if the claimant surrenders their entitlements to the National Reserve and makes no further claims. Also for consultation this summer is a mandatory de-linkage (de-coupling) pay-out expected from 2024 when the BPS scheme could end before 2027



Hugh Townsend, FRICS, FAAV, FCI Arb. is the land agent/surveyor expert of the WMN Farming supplement and he may be contacted on 01392 823935 or [htownsend@townsendcharteredredsurveyors.co.uk](mailto:htownsend@townsendcharteredredsurveyors.co.uk)

but with annual or a one-off payment, maybe worth £300/ha in total. The amount of these payments are yet to be announced.

## COUNTRYSIDE STEWARDSHIP

Countryside Stewardship should proportionally receive a higher percentage of funding as the overall farming budget remains the same whilst BPS funding is reduced. The RPA have stated that they will be rewording options, making it clearer what needs to be delivered. Inspections will focus on assessing how the environmental aims are delivered and that all advice and guidance has been followed. Agreements from before January 2021 will still

be judged by the old EU rules whilst all agreements since will be judged on the new criteria. A wider range of capital items including water capital, hedgerows, boundaries and air quality will be available. Woodland management under Woodland Capital Grants will include bracken control and stone wall maintenance. Applications for Woodland Management Planning Grants, Woodland Creation Grants and Woodland Tree Health Grants are open throughout the year. The RPA have reiterated that some Agroforestry is compatible with claiming BPS if certain conditions are met. Cross compliance rules will not change for 2021, remaining a condition for Countryside Stewardship, similar to BPS. However penalties will

supposedly be "more proportionate" with increased use of warning letters. Those entering Countryside Stewardship now, can exit early to enter an ELMs without penalty.

The Agriculture Act aims to encourage, through grants and subsidies, the reshaping of agriculture according to the government's environmental objectives. However, the key question moving forward is will ELMS' payments prove sufficient to encourage and support farmers and landowners in signing up for these schemes? However, we suspect that the lowest tier of ELMs will have a "something for everyone" and could end up being similar to area payments in their effect.