



Department
for Environment
Food & Rural Affairs

Tests and Trials Evidence Report

Schemes for environmental land management

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We are the Department for Environment, Food and Rural Affairs. We are responsible for improving and protecting the environment, growing the green economy, sustaining thriving rural communities and supporting our world-class food, farming and fishing industries.

We work closely with our 33 agencies and arm's length bodies on our ambition to make our air purer, our water cleaner, our land greener and our food more sustainable. Our mission is to restore and enhance the environment for the next generation, and to leave the environment in a better state than we found it.



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1. Executive summary

This is the sixth in a series of evidence reports sharing the main findings from Tests and Trials between April 2022 to October 2022.

These findings originate from individual tests and trials. The findings have been categorised according to our 6 priority themes (Land Management Plans, Spatial Prioritisation, Collaboration, Role of Advice and Guidance, Payments, and Innovative Delivery Mechanisms).

This report has been compiled by the Department for Environment, Food and Rural Affairs (Defra) Tests and Trials Team and is a collation of the findings from across our Tests and Trials.

2. Highlight findings

This section will provide a short summary of the key learnings across each of the 6 themes. There is evidence of findings cutting across themes. These include concerns about the tax implications of changing land use and committing to long term agreements. The use of maps as visual tools to support effective decision making and the importance of local, trusted facilitators to bring groups together has also been consistently highlighted. Other cross-cutting findings include the challenges tenant farmers face with participating in schemes and the value of social networks created through channels such as farm clusters as a source of support and information.

Land Management Plan (LMP)

Farmers and land managers participating in Tests and Trials use a range of formats such as questionnaires, checklists, maps and spreadsheets for keeping LMPs simple to update and monitor. Some Tests and Trials have suggested that advice is needed to complete an LMP as some farmers and land managers do not have the skills, experience or time to complete these themselves. Other participants have highlighted the important role guidance plays for LMPs in highlighting the public goods on land holdings. Some farmers and landowners suggested that trusted, local individuals should carry out monitoring activities.

Tests and Trials participants have explored a range of tools to support the creation of LMPs. The benefits included consistency for reporting and monitoring activities and the ability to share LMPs between stakeholders. Maps were frequently used by participants as a visual indicator to support decision making. However, getting access to consistent, reliable, and local data was challenging. Long-Term Agreements (LTAs) can be viewed as barriers to entering schemes.

Role of advice and guidance

Tests and Trials participants continue to show a want for taking advice when applying to enter a scheme. Farmers and land managers take advice from a variety of providers such as arm-length bodies (ALBs), environmental non-government organisations (NGOs) and land agents. These Tests and Trials suggest that trust continues to be an important factor when it comes to selecting an adviser. One-to-one advice continues to be generally preferred. Other useful methods include advice or training in groups, which encourage informal peer-to-peer learning. Findings have also suggested that training could support farmers and land managers identify opportunities that benefit both the environment and farm business.

In general, farmers involved in Tests and Trials have expressed that they would like advice as part of a scheme and for this to be optional. However, some farmers and land managers were willing to pay for advice where there was a clear perceived benefit. There continues to be a perception from participating farmers and land managers that guidance is not a replacement for advice. There also continues to be a mixed view on adviser accreditation. Some participants have suggested that agricultural business knowledge is a more important attribute. However, other tests have suggested that accreditations could ensure advisers are of a sufficient standard.

Spatial prioritisation

Most farmers and land managers continue to want to be involved in the identification and agreement of local priorities. Tests and Trials have been exploring with stakeholders the effectiveness of different tools in supporting prioritisation activities across different scales and sectors. Evidence has suggested the use of maps to be an effective way of identifying and communicating local priorities. Participants have highlighted the value of local data sets when identifying priorities.

Collaboration

The use of farm clusters has been found to be an effective mechanism for encouraging collaboration. However, some farmers and land managers have said they are concerned payments will be withheld if not everyone in the group delivers the agreed outcomes. Most participants prefer an incentive to support collaboration. However, there is a mixed view on what form this should take. Examples include annual payments for collaborating, bonuses triggered by levels of participation and a free advice offering.

Tests and Trials continue to show support for the use of facilitators to encourage collaboration between farming groups. Some Tests and Trials have found maps to be a useful for collaborating at a landscape scale. Collaboration at a landscape scale is seen to be easier where there is common ground between farmers such as farm type and size. There continues to be evidence of the social benefits of collaboration and the sense of community this generates.

Payments

Some farmers and land managers have shown support for hybrid payment structures. This includes both a base payment for completing an action and a bonus or top-up payment for achieving a specific outcome. Most farmers and land managers who participated in Tests and Trials want payments to cover both capital and maintenance costs. Tests and Trials participants want payments to be responsive to market changes. Multiple tests have suggested index linked payments with regular reviews.

Some farmers and land managers have suggested that the costs of committing areas of land to Landscape Recovery could be reflected in payments as an incentive to participate. Examples included covering the costs of taking land out of production or the potential reduction in land value. Many farmers and land managers have continued to raise concerns on the tax implications of land use change by committing to the Landscape Recovery scheme. The potential of being exempt from Agricultural Property Relief (APR) has been highlighted by multiple tests.

Innovative delivery mechanisms

Tests and Trials have found that Payments by Results (PbR) have the potential to deliver better environmental benefits than conventional agri-environment schemes and are generally considered fairer than mainstream schemes. However, participants have suggested improvements to a purely outcomes-based model they would like to see reflected in schemes such as hybrid payment models. Tests and Trials examining reverse auctions have found that they can potentially be a cost-effective model but have been suggested to undermine collaboration between neighbours and encourage a 'race-to-the-bottom' approach.

In terms of blended finance, Tests and Trials have suggested farmers and land managers have a lack of knowledge about accessing private finance, as well as a lack of trust in the private sector. There is uncertainty from some farmers and land managers on the tax treatment of land and income in relation to Landscape Recovery. The perceived risk of being exempt from APR has been highlighted by multiple tests. Some Tests and Trials participants have highlighted the perceived risks of double funding and uncertainty around stacking finance.

Some farmers and land managers have raised issues around verification and monitoring as barriers to being paid for outcomes. Concerns around committing to LTAs within Landscape Recovery have also been raised, with some Tests and Trials highlighting that conservation covenants could be more attractive to private buyers than landowners.

In this report, we have brought together the significant findings between April to October 2022. The above provides a summary of the points of views from farmers and land managers who participated in Tests and Trials, with additional commentary from other Tests and Trials contributors. This report aims to provide more detail, supported with examples and case studies from completed and live Tests and Trials.

Tests and Trials is in place to provide evidence to policy teams to support the design of the future schemes. Throughout this report we will demonstrate for each theme how the findings are shaping policy.

3. Introduction and purpose

This report sets out the key findings from the Defra Tests and Trials from April 2022 to the end of October 2022. At the time of writing, we have 126 Tests and Trials underway including our early Tests and Trials (Annex A), with 80 of these having concluded. The findings in this report are collated from individual Tests and Trials.

This report does not aim to provide an analysis or evaluation of evidence. It is the sixth in a series of evidence reports as Tests and Trials continue to progress.

Tests and Trials have been running since 2018 and will continue throughout and beyond the pilots and introduction of the future schemes so we can understand if and why things do not work and improve operability, value for money and outcomes. This is essential as we move away from the Common Agricultural Policy (CAP), towards incentivising sustainable land management. Our goal is to recognise and support farmers to deliver environmental outcomes in alignment with food production.

We have used a phased approach which helps us to test, learn and adapt ahead of launching the schemes. This makes Tests and Trials a safe space to trial new ideas and ways of thinking. We select proposals that contribute to our understanding of one or more of the 6 priority themes. A key pillar of the programme is the use of co-design methods to ensure we are giving voice to and using the views of those directly impacted by farming and agricultural policy to help shape our approach. We continue to work with a range of participants across different geographies and sectors.

The Tests and Trials team provide real time evidence to policy teams and across Defra. Supporting the refinement of the schemes and continuing to be a safe space to trial innovative approaches. This report will demonstrate how our evidence from Tests and Trials are driving change.

4. Headline findings and evidence by theme

The following section outlines the findings gathered by each priority theme, with some additional findings drawn together in the final section. The 6 priority themes are:

1. Land Management Plans - what would be included in a plan, how long it should be and what information is needed to support the land manager or farmer.
2. Role of Advice and Guidance - the level and role of advice and guidance required to support farmers and land managers in the uptake and successful delivery of the future schemes.
3. Spatial Prioritisation - to test mechanisms to identify and agree local priorities.

4. Collaboration - to test how different mechanisms of collaboration would work to deliver environmental outcomes.
5. Payments - to test different approaches to valuing environmental outcomes and how these might work in practice.
6. Innovative Delivery Mechanisms - how these could be rolled out more widely and in what circumstances. For example, trialling payment by results and reverse auctions.

As of October 2022, 80 Test and Trials have completed and 46 are live. Over 5,000 farmers and land managers from across England have contributed to these findings through methods such as workshops, surveys, farm walks and one-to-one interviews. Figure 1 shows the location of our live and concluded Tests and Trials.



Figure 1: Map of England highlighting live and concluded test and trials

Land management plans

Eighty Tests and Trials have been working with farmers and land managers to test and develop land management plans (LMPs). This involved engagement with participants across a wide range of sectors and geographies. Our objective under this theme is to understand the form LMPs should take and whether LMPs are a valuable tool for helping farmers and land managers to plan and record which public goods they will deliver.

Findings

Tests and Trials continue to show that farmers and land managers use a range of formats for keeping LMPs simple to use and monitor over time. Our research suggests that most farmers and land managers want a format that will support effective decision making showing where actions can be implemented to achieve an outcome. The Foundation for Common Land (FCL) test explored a 'public goods checklist'. Commoners in this test felt a LMP should use visual aids such as maps, photos, colour coding and text. This was supported by the Lincolnshire Wildlife Trust test suggesting a LMP will need to be presented in different formats. The North Cumbrian Farmer Group test used a questionnaire to examine how farmers recorded species and habitats, their preferred methods to do so, and whether they used new technology. Most farmers in this test used a paper based LMP, with most citing personal preference and poor internet as reasons for not using online sources.

According to our research, there is a consistent ask for advice and guidance when completing a LMP. However, there was a varied view on the format this should take. The Lincolnshire Wildlife Trust test suggested that specialist advice was required to complete LMPs, particularly for pulling together habitat condition information. Most land managers expressed the need for support from farm advisers and Conservation NGOs to complete an LMP. This test found a farm adviser costs an average of £4.35 per hectare per year across the UK, based on average UK farm sizes. The Historic England test suggested that early consultation between advisers during the creation of LMPs will help avoid conflict between scheme objectives.

Most commoners in the FCL test who used guidance to set up an LMP said that it gave them a better understanding of public goods on their common. This was supported by the Historic England test, which suggested that guidance should be included in LMPs to provide land managers with a deeper understanding of the public goods delivered on their holdings. Whilst in the Bedfordshire, Cambridgeshire and Northamptonshire Wildlife Trust (BCNWT) test there were varying degrees of confidence in farmers and land managers' ability to prepare LMPs themselves, with some requiring help from an adviser. It was highlighted that smaller farms might not have the skills, experience or time to complete these on their own. They noted that larger estates are more likely to have the financial capability to pay for advice or have a LMP completed on their behalf with minimal intervention.

The Prowater test suggested that simple site based self-assessments can support modelling and monitoring, as well as giving farmers and landowners more control over possible changes. However, it was highlighted that monitoring is time consuming and is time away from farming activities. Aligning with previous Tests and Trials, farmers in this test suggested schemes should include a person responsible for monitoring across a cluster or scheme area. The Wensum Farmers test agreed and suggested schemes should have regular monitoring, clear communication of the rules and a well trusted adviser.

There was support by farmers and landowners for the use of trusted, local individuals to carry out monitoring activities. The Countryside and Community Research Institute (CCRI) suggested this would make scheme evaluation be seen as robust, legitimate and fair. This was agreed by participants in the Prowater test, who were supportive of a scheme funded facilitator or adviser. Commoners in the FCL test felt monitoring should be carried out with an annual review and commoner Annual General Meeting. The PbR trial, led by Natural England (NE), Yorkshire Dales National Park Authority (YDNPA) and University of Leeds, looked at using remote sensing data and identification apps for monitoring. This included Earth Observation, unmanned aerial vehicles, and the PlanetNet app. They found that whilst these were unlikely to replace the need for field surveys or inspections, there is potential for Earth Observation support for monitoring and risk-based verification.

The Lincolnshire Wildlife test examined barriers to producing an LMP with 23 farmers. A common barrier raised by farmers was the potential impact on farm business profitability. Examples included taking significant areas of land out of production, costs of new equipment and committing to long-term agreements that might devalue the land. It was suggested that these areas are reflected in payments.

There continues to be support for the use of tools in producing an LMP. Tests and Trials have seen a range of tools used. For example, the FCL test created a Commons toolkit which set out a step-by-step process to produce a LMP. The West Countries Rivers Trust (WRT) used Excel to record information collected by WRT's farm adviser visits, which can be looked at for potential investment packages and transferred into individual farm plans using a bespoke programme set up by the test. The Humberhead Levels test used the UK Habitat Classification System (UKHab) to classify habitats for baseline and alternative scenario assessments for LMPs. They found UKHab to be useful as it translates into many existing classification systems, allowing for consistency between reporting.

A common finding within Tests and Trials is the use of maps as a visual indicator to support decision making. The BCNWT test reported 60% of questionnaire respondents (12 farmers interviewed) agreed they would use mapping to support decisions on where to create habitats in the future, with all agreeing that habitat opportunity mapping showed information not previously known about a land holding. Participants in the Lancashire Wildlife Trust test were supportive of the use of a Nature Recovery Network map. They found the use of key species records to inform habitat value useful.

The LandApp has been cited for use by multiple tests to map LMPs. The Lincolnshire Wildlife Trust test reported this to be useful in creating site maps, identifying areas of

opportunity for delivering public goods and was accessible to those without mapping expertise. The Cheshire Wildlife Trust test and Irwell CSFF test agreed it was very useful, although a few participants stated some training or guidance would be useful. Participants in the FCL test suggested LandApp was easier to use than other software such as QGIS which was found to be difficult to use and slow once all data layers were downloaded.

However, challenges were found with the lack of access to consistent, reliable, and current data. The Lincolnshire Wildlife Trust test said the LandApp did not have the functionality of Geographic Information System (GIS) software and could not perform the natural asset assessments needed for payments against ecosystem services. Ground-truthing data and site visits were essential to delivering a full detailed plan.

Case study: How can a platform be effective in guiding participants to prepare a Land Management Plan?

The Sylva Foundation Test and Trial aimed to co-design with stakeholders an online Woodland Creation Platform that would meet their needs whilst supporting the requirements of the regulators and incentive schemes. This tool was developed within the Sylva Foundation's existing MyForest platform. 69 stakeholders over 2 years produced 51 woodland creation plans for sites across England.

The platform included a digital mapping interface with drawing and data tools, an inventory tool, and the ability to describe plans and operations. Feedback from Year 1 led to improvements and additions, which were included in Year 2. A standalone UKFS-compliant woodland creation plan was co-designed and tested by participants.

Most participants believed that the tool was either 'useful' or 'very useful'" (44% and 44%, respectively). On average, the Creator platform was perceived to save 5 hours (25% reduction) compared to developing plans without (11 to 15 hours compared with 16 to 20 hours). The highest ranked purpose for producing map outputs were to show a proposal to a client, followed by to support an England Woodland Creation Offer submission.

An Environmental Impact Assessment tool was also developed in the same Test and Trial, including a simple digital guide for participants to use to determine whether an EIA would be necessary for any creation project. The ability to produce detailed PDF maps which can be downloaded, emailed and printed was deemed an extremely important function. The integration of decision support tools was consistently deemed high priority, as was the development of new mapping tools.

In this test, the most frequently used data layers were Low Risk Areas (63%) and scheduled monuments (63%). Other popular data layers were nitrate vulnerable zones (47%), ancient woodland (47%), sites of special scientific interest (SSSI) (47%), and UK Soil Observatory (UKSO) peat (42%). MAGIC was the main source (78%) for gathering information outside the myForest Creator platform, followed by the Land Information Search (73%).

This test recommended that stakeholders across the sector are brought together to agree a format that is acceptable to all. It was suggested this would help to reduce confusion as to what is required from a woodland creation plan, as well as to ensure the projects brought forward are of a consistently high standard.

These Tests and Trials suggest that there continue to be challenges for farmers and land managers around participating in LTAs. These can be viewed as barriers to entering schemes, supported by 47 land managers in a workshop with Breckland Farmers Wildlife Network test in reference to the Landscape Recovery scheme. The CCRI test examined factors impacting the uptake of LTAs. This test found several perceived challenges including:

- tax uncertainty
- taking land out of food production
- conflict between land management schemes
- getting agreements between multiple parties
- changes in land tenure
- overlapping agreements

However, farmers in the Pilio test were positive about the Landscape Recovery projects being over 30 years, as there was an understanding this could achieve long term, large scale environmental change.

Tests carried out by the FCL, Lincolnshire Wildlife Trust and Breckland Farmers Wildlife Network agreed that LTAs would only be acceptable with review periods built in ranging from 5 to 10 years. Tenant farmers in the Wensum Farmers and Lincolnshire Wildlife Trust suggested more flexible terms of less than 5 years would be appropriate.

Participants in the Sheffield and Rotherham Wildlife Trust and Wensum Farmers tests suggested that Landscape Recovery projects would not be supported under most tenancies without changes. They also noted that relationships between landlord and tenants might not be supportive of Landscape Recovery projects, making delivery on tenanted land challenging. Participants in the Organic Research Centre test agreed stating that standards should be designed in a way to encourage involvement by tenant farmers whilst also protecting this group from being disadvantaged by schemes benefiting their landlords.

The Sheffield and Rotherham Wildlife Trust test recommended that a cooperation agreement or deed of variation was a good way to set out how responsibilities would be shared between the parties. Similarly, the Palladium test recommended that an ecosystem purchase agreement could set out how responsibilities and benefits will be shared between landlords and tenants.

How we're shaping policy

Tests and Trials provided 3 LMP templates to instigate LMP learning in the Sustainable Farming Incentive Pilot. The 3 templates showcased the diversity of templates received

and helped pilot participants to design their own plans to start the learning process. Learning from Tests and Trials has been used to help build the current pilot learning process, thanks to the abundance of information generated from Tests and Trials, identifying gaps in understanding, and informing the research agenda. We're looking to validate the LMP findings we've collated so far in the Sustainable Farming Incentive Pilot.

The policy question 'should a LMP be requested as part of the future environmental land management (ELM) schemes?' is still an outstanding question. Tests and Trials look to investigate whether the benefits of producing one are enough to compensate for the time spent completing and updating an LMP.

Role of advice and guidance

Over 80 Tests and Trials have been looking at advice and guidance. The purpose of this theme is to understand what support farmers and land managers need to make informed decisions when it comes to applying and delivering actions for schemes. Tests and Trials are exploring elements such as the role of advice, advice delivery, where and how people get advice, testing advice quality and chargeable advice.

Findings

Tests and Trials continue to provide evidence of the value of advice and guidance to farmers and land managers. Advisers can be key to decision-making and be involved in delivering environmental benefits alongside productive farm business. Access to clear, flexible, and practical guidance is useful for supporting activities without the need for advice.

Tests and Trials participants continue to show a desire to take advice when applying to enter a scheme. This can be advice on how to undertake paperwork, provide reassurance on options, or support commitment to greater ambitions levels. In the Agricultural Industries Confederation (AIC) test, farmers were reported as not having the time, inclination, or familiarity to do their own scheme applications, instead preferring to use external advisers. This was supported by 45% (out of 55 landowners) of participants from the Farming and Wildlife Advisory Group (FWAG) test, who required support to complete online contract agreements. Participants in the North Cumbria's Farmers Group and Rivers Trust tests agreed, saying they would need support to complete a scheme application. 70% of farmers in the latter test said they would need support from an adviser who understands their business to apply.

Tests and Trials demonstrate that advice is taken from a variety of providers including ALBs, environmental NGOs, and land agents. However, there is a mixed view on which is preferred. For example, in the North Cumbrian Farmers test, 76% of farmers would prefer a Natural England or a Farmer Network Facilitator over a land agent if they needed help preparing for a scheme, over a land agent. Whilst the AIC test found that farmers currently access advice from 3 main sources covering environmental NGOs, the internet and commercial independent advisers.

A continuing key finding of this research is that when it comes to using an adviser, trust is important. The AIC test found that advisers from outside a farmer's circle are often viewed with scepticism, unless recommended by someone the farmer trusts. This same test suggested there is a division between advice and regulation and that an individual from a non-profit or independent organisation was seen as being neutral and therefore trustworthy. Some participants in the FWAG test agreed, saying that a third-party facilitator is needed to overcome mistrust between farmers and advisory bodies such as Defra or ALBs.

Some farmers in the Pilio test expressed that designated local Defra advisers were a valued resource, especially when it comes to understanding the new schemes. Some land managers in the FCL test suggested that a local adviser from the Rural Payments Agency (RPA) or Defra, working in the local area to support the delivery of outcomes, would be an incentive for joining a scheme. Both this test and the Prowater test agreed that a benefit of a local adviser is streamlining communications from trusted advisers rather than through disjointed organisations.

Established relationships are valued, and where these are not present, farmers would prefer a recommendation from a trusted source. This was found in the Wensum Farmers group, DM Lowes and Sons, Yorkshire Dales National Park (YDNP) and FCL tests. All these tests said a farm group adviser or facilitator should have local knowledge, a long-term commitment to the area and an understanding of environmental opportunities.

Some Tests and Trials have suggested that advisers with a good understanding of the schemes are important for participation. Farmers in the Wensum Farmers Group test recommended that having a government-funded group adviser to present new opportunities, explain the schemes and help comply with the rules is key to scheme engagement. The Wessex Water and Entrade test stated that an adviser needs a broad understanding of all aspects of the scheme and to be able to sign-post where specific expertise is required.

According to this research one-to-one advice continues to be generally preferred. For example, all land managers in the Lancashire Wildlife Trust test favoured the bespoke one-to-one advice. This allowed specific or confidential aspects of the land and business to be discussed. Workshop participants in the Historic England test agreed when considering the use of heritage advice within whole farm plans. One-to-one advice was thought to be more effective than generic guidance. However, it was recognised that it is more resource intensive to provide one-to-one advice. In contrast, the Sylva Foundation test found that their woodland creation platform, which included built in regulatory guidance, videos, and technical handbooks, effectively supported participants. Only a minority required one-to-one support.

Other useful methods for information dissemination include advice or training in groups, which encourage informal peer-to-peer learning. This included farm visits and attending events. The CCRI and Pollardine Farm tests found that facilitation has the potential to build relationships and opportunities for mutual learning. Participants in the Organic Research Centre test also recommended funding for demonstration farms to encourage farmer-to-farmer knowledge exchange.

Findings have also suggested that training could support farmers and land managers with identifying opportunities that benefit both the environment and farm business. This includes which options they should focus on to deliver outcomes from schemes. The Aqualate Mere test looked at barriers and solutions to engagement with blended finance. They found that many farmers did not know the true value of their land from an environmental assessment perspective or what options are available to them from schemes. Similarly, when looking at nature-based solutions in the Prowater test, it was

found that there was a need for advice and capacity building in the farming community to enable informed decision making about future schemes. The CCRI test suggested that participant training to improve understanding of outcomes, as well as giving farmers more freedom over actions, results more ambitious intended environmental outcomes.

In general, Tests and Trials want advice as part of a scheme and for this to be optional, such as the BCNWT test, which suggested that advice around scheme options should be free. Farmers in this test were unwilling to pay for advice that did not directly relate to the farm finances. 70% of 36 survey responses in the DM Lowes and Sons test agreed there was a need for Defra funded advisers. This view was supported by the Pollardine Farm test, who suggested that if facilitator funding could be secured in future schemes, it might lead to more local empowerment and see more farmers and landowners taking on these roles.

However, some farmers and land managers pay for advice where there is a clear perceived benefit, such as tailored advice, which can lead to farm business efficiencies or achieving greater ambition levels. The BCNWT test found farm visits by an adviser to ground-truth work undertaken may be financially beneficial. This was supported by the Prowater test, who suggested that advisers are in a position where their advice can have direct financial impact. The AIC test identified concerns that free advice would not go much beyond basic farm compliance and not explore a farm's full potential. Similarly, participants in the Pilio test viewed that paid for advice encouraged 'out of the box' thinking.

The Lancashire Wildlife Trust supported a perception from previous Tests and Trials that paid for advice could provide little financial benefit to farms with smaller holdings when balancing against the costs of advice. When looking at the estimated costs to create an LMP, the Lincolnshire Wildlife Trust referenced work conducted by the RSPB, National Trust and Wildlife Trusts that advisers potentially cost an average of £4.35 per hectare per year across the UK based on the average UK farm size. Farmers in the Pilio test have suggested that using private advice should not be a requirement and free quality resources should be accessible.

Tests and Trials show farmers and land managers get guidance from a variety of sources, often depending on the type of support they need. For example, when looking to understand blended finance, participants in the Pollardine Farm test preferred video tutorials and group training over written guidance. However, there continues to be a perception among many that guidance is not a replacement for advice. Commoners in the FCL test found using the public goods guidance note alongside the public goods checklist gave them better understanding, but expert advice was still required. Participants in the Pollardine Farm test agreed with 82% (out of 10 farmers) answering 'no' to whether guidance can replace the need for advice.

Case study: Exploring potential model advice offers and the role of chargeable advice

The purpose of ELM Partnership in the Irwell Catchment (EPIC) test is to test the feasibility of convening a collaborative multi-sector 'partnership' to aid spatial prioritisation, target priority locations, advise farmers and develop land management plans to support environmental land management scheme agreements. As part of the above, this test sought to develop a model advice offer. This was in response to the suggestion that there may be increased demand for advice due to the complexity from Basic Payment Service (BPS) to Sustainable Farming Incentive, as well as the focus on climate change and nature emergency. The aim of this model was to recognise the above, as well as responding to needs for a solution to be flexible and responsive. The model (Figure 2) is based around an advice hub and local partnership, with hub services including communications, mapping, and 1:1 advice.

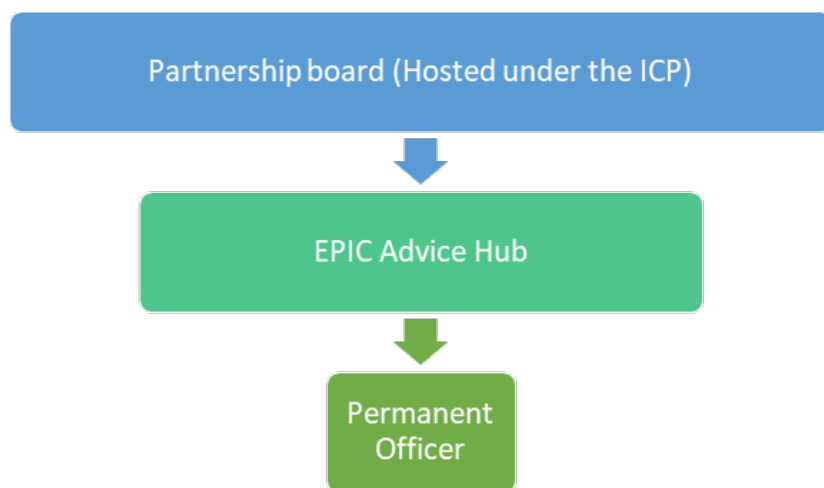


Figure 2: Irwell Catchment CSFF Advice Offer Model

There was broad support from partners and participants for an advice hub, particularly where it was specific to the locality and supported by partners. A need for local environmental organisations to be involved was also identified. Following workshop discussions with stakeholders and local farmers, it was found that delivering advice and guidance to landowners in the simplest, most accessible, and clearest way possible is important. Strong and regular communication with landowners were also found to be vital. Local knowledge from landowners and others was deemed to be incredibly valuable and should be weaved into LMPs and advice wherever possible.

Through the advice and guidance model, clear links need to be made with other schemes and policies, to minimise duplication and streamline advice. Ongoing funding will be needed to support this and to ensure sustainability. The benefits of collaborative, partnership working between partners and landowners need to be clearly established and shared.

This test then introduced a 'chargeable' service model to provide some idea of scale of resource required for partners to run the model. This was validated by 3 independent farmers who approved of the model.

The proposed funding structure of a hub included some support through existing funding and a mixture of chargeable and non-chargeable advice, including separate core (non-chargeable) funding for mapping, secretariat and training. The chargeable advice would include office-based advice for digital or printed mapping output, 1:1 phone advice and training (£60 per package, up to 200 enquiries per annum) and site-based – half day visit and overview report (£200 per visit or report in addition to office cost), using external approved contractors. Potential mechanisms to mitigate some costs were also suggested.

There was support for partners contributing to the costs of advice from a hub to landowners where there was a clear link to environmental outcomes, though some concerns were raised as to whether this was a better use of resources than the traditional route of paying an agent. Farming Project Board members felt that advice through the model should be free and that that this type of partnership approach could have value in delivery of scheme outcomes at the catchment level.

Further work by this test will include investigating potential funding opportunities available to pay for the advice and guidance required by farmers.

There continues to be a mixed view on adviser accreditation. For example, farmers in the Rivers Trust test emphasised the need for a pragmatic rather than process-based approach, highlighting agricultural business knowledge as the most valued attribute. On the other hand, workshop participants in the Organic Research Centre test suggested that accreditation could be a way of ensuring advisers are of a sufficient standard. The AIC test suggested that upskilling the existing trusted advisory community with accreditation opportunities for environmental specialisms, rather than creating new advisory bodies, would help farmers better deliver environmental benefits.

How we're shaping policy

The findings from Tests and Trials continue to support policy development around advice needed to support farmers in engaging with the future schemes. They are informing the development of current areas of policy interest and reinforce evidence from other sources.

The evidence continues to highlight the value placed on established, trusted relationships between farmers and their advisers. It is recognised by policy makers that it is important to farmers that they have a choice in the advisers they wish to work with and that many have long standing and trusted relationships, which will be considered during policy development.

Evidence highlighting the importance of advisers having the right set of skills will support development of approaches to training and quality assurance, including opportunities for the existing adviser workforce to develop their skills. We will be looking at the best ways of making sure that advisers in ALBs and the commercial sector have access to opportunities to develop skills, knowledge, and experience of sustainable farming practices within the context of a viable and productive business model. The appetite for land manager upskilling has also been fed into policy development to complement the use of advice.

Findings from Tests and Trials have shown a need for clarity on the Agricultural Transition Plan and what offers are available. We want to give all farmers as much certainty as possible. In response we have launched a [Future Farming Resilience Fund](#). The fund is specifically designed to provide free business support to farmers and land managers during the early years of the agricultural transition. It does this by awarding grants to organisations that help farmers and land managers to understand the changes that are happening and identify how, what and when they may need to adapt their business models. This would also help farmers and land managers access tailored support to help adapt their businesses.

In line with Test and Trials findings, the types of information to be provided to support scheme ambitions continue to be developed, with consideration of varying needs and preferences of land managers.

Spatial prioritisation

Seventy-seven tests and trials have been exploring how, and by whom, spatial prioritisation could be carried out, as well as identifying the most effective scales and mechanisms for targeting environmental outcomes.

Findings

When looking at the scale that decision making should be made at, our research suggests that many farmers and landowners continue to want to be involved in the identification and agreement of local priorities. This was shown by the Trust for Oxfordshire's Environment (TOE) test. When looking at the value of convenors for engagement activities to identify priorities, landowners and managers said that a locally agreed strategy with input from the bottom up would be preferred. 80% farmers in face-to-face interviews (24 in total) said they would like to be represented in setting local priorities, with farmer cluster groups being a popular tool to do so. The Lincolnshire Wildlife Trust test agreed, stating that spatial prioritisation requires information regarding existing ecosystem services at a farm scale as well as landscape.

Case study: what mechanisms are most effective at communicating local priorities with farmers, for both their local area and for their holdings?

The Trust for Oxfordshire's Environment worked with landowners and managers within Oxfordshire who have or are looking to enter land into a 30-year biodiversity net gain plan, acting as a local convenor for Biodiversity Net Gain (BNG) and promoting BNG and the opportunities it presents in meeting local priorities. The group comprises of a small number of biodiversity units pooled to support larger scale, joined up and sustainable nature recovery projects, rather than small, disjointed projects that offer little environmental benefits.

BNG is the process where any habitat loss caused by a new development is mitigated to ensure an overall increase in biodiversity post-development. This metric is presented as biodiversity units. Where on-site biodiversity isn't available, developers are required to find off-site areas to enhance biodiversity.

This test found that useful mechanisms for communicating local priorities with farmers included farm clusters, which were found to be highly effective at sharing local priorities and funding opportunities, both for the local area and at an individual holding level. Clusters generated the highest registration numbers for workshops compared to other advertising methods. This was seen through 50% of workshop participants hearing about them (workshops) via their farm cluster, and 3 follow up contacts from individuals in clusters looking to utilise biodiversity gain (BG) funding.

Face-to-face events were also found to encourage follow-up communications with landowners, leading to 2 expressions of interest being submitted as part of this test. 68% of workshop participants agreed they would appreciate a joint event showcasing a range of funders or projects.

Both mechanisms provided participants with the opportunity to share experiences within the farming community. Farmers appreciated the opportunity to learn from others to whom they can relate. This was shown by the high membership of participants in face-to-face and informal interviews in farmer clusters.

Participants also reported that it was important to have joined up communications delivered through a convenor on what financial and technical help for habitat creation is available. They preferred this to being contacted separately by multiple organisations.

The interest generated by TOE among land managers and the recommendation to share information using cluster groups has been interesting and contributed to requests to explore more in this area from policy. Cluster groups have been recommended previously in Tests and Trials and policy want to know more on what groups are already on the ground and how Defra could encourage collaboration at a scale that allows all groups to participate whilst leveraging funding and support from typical and alternative sources.

Tests and Trials have been exploring with stakeholders the effectiveness of different tools in supporting prioritisation activities across different scales and sectors. A cost benefit analysis (CBA) tool was developed in the Barningham Estate test that provides a new mechanism for setting Landscape Recovery payments. It was found that this tool could be used to identify opportunities for habitat creation and restoration at a wide scale and has increase farm profitability. It was suggested that this capability to review funding requirements at the outset might encourage take-up of higher ambition levels from land managers.

The Sylva Foundation test tested an Environmental Impact Assessment tool. This included a digital guide for participants to use to decide whether an assessment would be needed for a project. The ability to create detailed maps which could be downloaded, emailed and printed was seen by participants as important as a decision-making support tool. The Rivers Trust test, however, found that farmers prefer to use local knowledge and intuition rather than digital tools to spatially target interventions. The test highlighted that the only tool routinely used by farmers is MAGIC. MAGIC was found to provide data layers that impact the management decisions of farmers including flood risk zones and nitrate vulnerable zones. However, MAGIC was found to contain limited spatial targeting data and no narrative to help farmers use data to target their work.

Evidence has shown the use of maps to be an effective way of identifying and communicating priorities. The YDNP test developed a digital map that aims to show farmers and landowners' the type of habitat present on their holding, its importance in terms of habitat priority and the opportunities this can create for habitat creation, maintenance, and restoration. All farmers found the map useful and an easy planning tool.

The Irwell CSFF catchment test agreed with the value of using a map to support effective decision making.

The TOE test found a mapping system to produce a county scale map was effective to identify priority areas where BG could deliver against county and local level priorities. This means TOE will be able to proactively approve and instigate habitat creation and enhancement projects in response to demand from developers. The Wessex Water and Entrade test agreed that increasing the visibility of where and what type of projects deliver the greatest environmental outcomes could help landowners better identify priorities.

Some Tests and Trials have highlighted the value of local data sets for mapping. Both the Lincolnshire Wildlife Trust and the Irwell CSFF tests stated current datasets are generally high-level, at national or regional scales. These tests suggested these datasets are not valuable or meaningful to land managers at their land-holding scale. In many cases, the datasets are outdated. However, both the YDNP test and Lincolnshire Wildlife Trust tests stated the collection and availability of accurate data is critical to be support effective decision making. Participants in the YDNP test also recommended maps would need to be able to reflect where multiple options could be available on the same area of land.

How we're shaping policy

Reflecting our feedback, we're testing how we provide farmers with information about where to focus effort to achieve the environmental objectives most effectively. The aim is to empower them to build tailored agreements, choosing options that deliver on our national objectives in a way that is appropriate for their local landscapes. We are testing the best ways to do this, including the role of data and advice.

Through Tests and Trials, we're looking to evaluate the best scale at which to set local priorities and use the knowledge base of local groups. This approach will ensure we are setting priorities from the bottom-up.

Defra is looking generally at how to address data availability and consistency, considering Tests and Trials reporting difficulties in accessing data.

Collaboration

Thirty-three tests and trials have been gathering evidence on the various ways in which farmers and land managers collaborate effectively to deliver environmental outcomes. Tests will be looking at policy areas including drivers, mechanisms, incentives, and barriers for collaboration. The goal is to achieve a joined-up way of working within the farming community leading to sustainable outcomes for farmers and the environment.

Findings

Tests and Trials continue to show evidence for the support of collaboration as an important part of delivering social, economic, and environmental benefits. From opportunities such as peer-to-peer learning, sharing resources and risk, or the ability to carry out environmental work at a larger scale from a more joined up approach. 80% of 23 farmers in the Lincolnshire Wildlife Trust test believed working together could help to maximise the benefits of their actions. However, there are mixed views on the best way to approach and incentivise collaboration, leading to barriers which will be covered in this section.

Farm clusters have been found to be an effective mechanism for encouraging collaboration between farmers and land managers. Clusters have been found to build long-term relationships and networks between farmers. The Prowater, Aqualate Mere and Rivers Trust tests suggested that farmer groups can act as a catalyst for increased networking and environmental understanding. They also found that they improved information sharing and delivery of outcomes. Farmers in the Rivers Trust test said these groups are critical structures which give farmers more control and maximise collaboration by providing extra resources to farmers who might not have time to gather them otherwise. The Aqualate Mere test said groups could create a farming community that could work together to apply for grants. They suggested a minimum area of 200 hectares (ha).

Case study: how to incentivise land manager participation and collaboration in Landscape Recovery projects

When exploring ways to incentivise land manager participation and collaboration, the Pilio test explored farmer cluster groups as trusted networks of farmers and other landowners. All farmers in the test expressed that relationships with their neighbours were essential in discussing all aspects of farming from management practices to involvement in schemes. Farmer clusters were considered an important mechanism for accessing information, as well as bringing neighbouring farmers together, facilitating peer-to-peer learning, and creating space for greater communication.

One farmer cluster leader expressed they saw guidance as their primary role and stated they are trusted to distil information from organisations such as Defra into something farmers can digest and understand. They also noted farmers in their cluster trusted their opinion and look to them to critique new schemes and opportunities.

Another benefit of the cluster farms highlighted by this test has been their use as a point of contact. Cluster groups were used to signpost members to appropriate sources of advice and guidance. Having one point of contact within the local area helped create a sense of community within the farmers participating in the scheme. This was considered essential in Landscape Recovery. Participants also recommended providing training for farm cluster facilitators or members of the groups on information and resources on the future schemes. This would also help standardise information that farmers are receiving.

Cluster leaders and farmers stated that current clusters have some of the functions of the proposed delivery group. However, it would be a significant shift for these organisations to play this role. This is because farm clusters are often funded for a short period of time and would require business and legal advice to undertake projects. The amount of funding is variable across different clusters, depending on the funding source. Stakeholders would like consistency in who they are in contact with throughout a Landscape Recovery project, therefore farmer clusters would need more long-term funding and stability.

This test suggested that for farmer clusters to evolve and become the delivery group for Landscape Recovery projects, they will need funding and long-term stability. This would allow clusters to have the resources to upskill and recruit people who could fulfil the governance, legal and financial expertise requirements.

The Lincolnshire Wildlife Trust test recommended the ideal group size for collaborative working would depend on the goals of the group. For example, where the main aim is knowledge sharing, a group of 12 or more was appropriate. However, findings from the YDNP test found that a mixture of farmer and non-farming land managers could bring conflict over deciding the best use of land. In addition, 86% of 100 survey respondents in the FCL test agreed, stating the biggest challenge to managing commons was getting agreement from all parties.

A common theme is the perceived risk of penalisation from working with others. The Lincolnshire Wildlife Trust and the Breckland Farmers Wildlife Network tests found that some land managers were concerned that payments would be withheld due to someone in the group not meeting the agreed outcomes. This was supported by the Prowater test, where farmers raised a 'one out, all out' risk for collaborative schemes.

The BCNWT test suggested that, to encourage participation, the benefits of collaboration, such as the potential financial benefits and greater options available from group action, should be promoted at farmer meetings. Landowners in the FWAG test developed their own payment model and suggested a minimum annual payment of £500 to encourage participation and commitment to delivering outcomes. This was seen to ensure small landholdings got the same level of benefit as a larger farm to alleviate the risk of one individual not contributing. However, this increased costs by 18 to 25%.

Another mechanism explored by Tests and Trials is the use of facilitator to encourage collaboration between farming groups. All interview participants in the Dillington Hall Estate and farmers in the Wensum Farmers group tests supported the idea of a publicly

funded facilitator. Participants in the Dillington Hall Estate believed the role would help with administration activities, motivating projects, promoting collaboration and finding ways to make schemes work at scale. A continued theme among many Tests and Trials is the desire for facilitators to have certain characteristics. For instance, landowners in the Wensum Farmers group and YDNP tests who said that a facilitator should be trusted and have knowledge of the land.

Three Tests and Trials found visual maps to be a useful tool for collaborating at scale. The Lincolnshire Wildlife Trust and Pollardine Farm tests highlighted that being able to view and share public goods on their land was useful for improved collaboration and communications between farmers. Similarly, the Prowater test noted the ability to view the potential role of each parcel of land in the wider context of the catchment an important map feature to collaborate at a landscape scale.

Land managers in the YDNP test trialled an interactive map as a collaborative tool. The map detailed information on the type of habitat on their holding, its priority and the opportunities this can create for habitat creation, maintenance, restoration and financial value. All the land managers found the tool valuable. However, improvements were recommended, such as ensuring habitat data is accurate and the ability to be able to view where multiple options were available on the same area of land.

A common finding in Tests and Trials is that farmers and land managers prefer an incentive to support collaboration. However, there is a varied view on what format this should take. For example, participants in the FCL test said that group funding agreements strengthen collaboration, ownership and the sense of group achievement.

Two tests discussed the use of agreed payments for collaboration. The FWAG test suggested a base payment of £15/ha/annum for participation and an additional payment for self-managed collaboration was an effective incentive mechanism. Several participants in this test felt that that even if an outcome was not achieved, farmers should receive payments to recognise the time spent on the work. Similarly, participants in the Breckland Farmers Wildlife Network test suggested a bonus triggered by a certain level of participation. However, there was no consensus on where this could be fairly set. Another option raised was free, on farm advice from someone experienced in the local area.

The Rivers Trust test found collaboration at a landscape scale easier where the farm type and size are similar and there is a sense of common ground. Barriers to collaboration existed where farms are a range of sizes. Smaller farms were concerned about having to work in a way that suits larger farms. This was found to be more complex where land involved is tenant-farmed with owners being reluctant to join long-term commitments. This was particularly the case where land has been allocated for future development as these agreements might impact the value.

As with previous Tests and Trials, participants have highlighted the social benefits of collaboration. The Somerset Levels Lowland Peat test found landowners and farmers began to see themselves as a community united by a common purpose. This group have since began to develop their own tools for collaboration. Similarly, landowners in the

YDNP test said benefits of collaboration included good social interaction with other farmers, sharing risks, benefits, knowledge and skills. The CCRI test suggested that knowledge sharing from collaboration can provide learning opportunities. For example, the underlying benefits of conservation that might otherwise take time to note due to being intangible or difficult to measure.

How we're shaping policy

Tests and Trials' findings on facilitation and financial incentives have led to the decision to continue testing how we can pay for local join-up to achieve greater impact. There has also been a commitment to a new facilitation offer, with the goal being to make this more flexible and straightforward than the current offer.

Going forward, we aim to address a key gap in our collaboration Tests and Trials – how to construct agreements between tenants and landowners. We also aim to narrow down what type and level of financial incentive is needed. While most Tests and Trials refer to the need for funding, we still lack clarity on type of payment and exact costings.

Payments

Fifty-three Tests and Trials are addressing payments policy questions. Related findings from other Tests and Trials have also been included. The tests under this theme focus on methods of calculating payment rates, appropriate basis for payment, natural capital valuation approaches and preferences for payment triggers and frequency.

Findings

Farmers and land managers have shown support for hybrid payment mechanisms, which broadly covers a base payment for actions and top-ups for outcomes being achieved. For example, the Prowater test suggested a hybrid payment model to address challenges with predicting management costs. This included payments made on an income foregone basis plus 25% of the cost of ongoing management, with a regular review to adjust payments. Similarly, farmers in the Natural England PbR test preferred fixed base payments and PbR top-ups, as opposed to a prescriptive or solely PbR approach. This was deemed a suitable way to improve the PbR model. This same test suggested a basic criteria to meet the base payments, to support keeping schemes simple and providing management flexibility valued by farmers.

The Organic Research Centre suggested a tiered system of payments to support different levels of ambition. The same test recommended both outcome and action-based payments. Participants in this test thought this could reward existing good management practices and provide the ability to spread payments across the development phase of the project. This would potentially balance the need for both flexibility and security in payments.

The Breckland Farmers Network found that local pricing was seen as a good approach to setting payments, with income foregone as a starting point. They found that the average gross margin (the amount of profit left after costs) among 17 farmers sampled was £1430/ha, but that this had included a broad range from £471/ha to £2274/ha. In May 2022 the Countryside Stewardship rate, paid for cultivated margins, was £544. This was seen as an acceptable incentive for non-irrigated land. However, this was not a good incentive for many of Breckland's farm businesses. However, these figures have been generated from areas of land with high productivity and gross margins might vary across different areas.

Case study: can PbR be a mechanism that can be utilised at a whole farm scale?

Natural England explored the feasibility of remote monitoring and a 'hybrid' whole farm approach to PbR.

All farmers within this Test and Trial preferred a 'hybrid' approach. Feedback showed that base payments reduce risk, whilst retaining the management flexibility of a PbR approach. 'Hybrid' PbR scheme base payments were seen as an incentive to get more farmers interested in PbR. However, farmers reported that PbR payments need to be higher than base payments to do the required activities to make it more attractive and encourage take up. Farmers also reported that base payments should not be too high to incentivise participants to do more. The uptake evidence showed that initial training would be required for those new to PbR, with a potential for refresher training on an annual basis. When looking at the differences between arable and grassland farmers, the former saw a nil payment as more risk.

When exploring whether PbR can be an effective mechanism at a whole farm scale, all farmers reported that PbR options would be selected if available in a scheme. It was found that it was feasible for farmers to do self-assessments on a whole farm PbR. However, some would still look to at getting someone in to do it for them. Farmers also reported a risk of low uptake for options with more time-consuming assessments. Furthermore, the rate at which habitat changes should determine the frequency of verification assessments.

The use of remote sensing technology was explored to see if this could reduce the administration costs found in the first test and trial. Findings showed that there is potential for the use of consumer-level drones to map species. But there are challenges associated with regulation, weather and topography that currently limit the technology. Mobile phones, together with identification apps such as Pl@ntNet, were found to reliably automate the recording of species. Direct monitoring using research-grade field (SVC) spectral reflectance drone is not currently feasible.

The popularity of the hybrid PbR approach demonstrates the value of a system that offers both the security and flexibility desired by land managers. However, although PbR was perceived as both more attractive and more fair than conventional schemes in this trial, the barriers to calculating and implementing natural capital valuation have led it to be excluded

from the early roll-out of the new schemes. These barriers include the feasibility of self-assessment and remote monitoring approaches, as well as the associated administrative costs.

Some farmers and land managers have suggested that payments should cover capital and maintenance costs. For example, a key recommendation from the Organic Research Centre test was that schemes should support capital and shorter-term maintenance costs. This was seen as a way of achieving widescale uptake. They also noted that funding to facilitate knowledge exchange and monitoring would help to create an effective community of agroforestry practice among farmers in their test.

Participants in the Prowater test suggested that farmers time is factored into payments. This would include the time to complete administration, maintenance and monitoring activities. The same test highlighted that maintenance costs disproportionately affect smaller farms with limited resources which is not reflected in payments. Focus group participants in the Barningham Estate test suggested that if Defra funded the capital costs to set up a project, this would particularly benefit tenant farmers without long-term security.

Some farmers and land managers have suggested that to incentivise participation, the costs of committing areas of land to Landscape Recovery need to be reflected in payments. For example, participants in Ashdown Forest and Dillington Hall Estate test found that the longer commitment period for Landscape Recovery is perceived as more risky than similar schemes with shorter agreements. This would require higher payments. Farmers in the CCRI test agreed and were concerned about the risks of tying land into an agreement that could prove to be less profitable than agricultural production over the long term.

The Barningham Estate test found that the approach for setting payments should be aware of potential reductions in land value because of Landscape Recovery. However, 74% of 20 survey respondents in the same test suggested that they would consider land-use change in areas that were less productive. This test went on to highlight that Landscape Recovery might have lower than average land values as a result and could risk overpayment. 56% of participants indicated they would expect income from the scheme to exceed the level of income they are currently receiving from the same area of land. 39% suggested they would accept payments that matched their current income levels. When asked what increase in income they would expect, the majority said more than a 20% uplift. Land managers in the same test also raised the need to align funding security with the length of the commitment to land-use change. For example, where permanent change is anticipated, there needs to be a consideration of funding beyond 10 or 20 years.

However, in the Lincolnshire Wildlife Trust test it was suggested that the amount of land area taken out of production does not affect the willingness to accept a contract to deliver public goods. Instead, it was suggested that price and contract length significantly affected willingness to accept an agreement. For example, at £500 per hectare per year (/ha/year), 10 to 30% of farms would accept a contract to remove land from food production to supply public goods under both 5 year and 20-year contracts. Under a 20 year contract, this rose to 20 to 43% at £1500/ha/year, and to 33 to 67% at £2500/ha/year.

The CCRI test included feedback from Southern Water on LTAs and other issues. Southern Water noted that while paying the full 30-year cost upfront would be easier as the costs are coming from a single-year budget, it is a high-risk investment with unknown outcomes. However, committing to a 30-year agreement without paying up front is risky because the company does not know if they will be able to afford to fund it in 30 years' time.

To overcome reluctance to commit to LTAs with Landscape Recovery, the Breckland Farmers Network test suggested a sliding scale. Under this, farmers signing up to LTAs would be paid more. Another option was a sliding scale of flexibility, with more rigid agreements paying more. Workshop participants in the Dillington Hall Estate test suggested payment rates could be linked to the real costs experienced by farmers. They provided a suggested 30-year payment outline. In the first 5 years, payments would recognise the capital payments for making changes. From years 5 to 15, payments would continue and recognise continued contribution. For the remainder of the 30 year period, payments are boosted to encourage continued participation through the latter years of the scheme.

Some farmers and land managers have continued to raise concerns on the tax implications of land use change by committing to the Landscape Recovery scheme. This was cited by participants in the Pollardine Farm, Dillington Hall Estate, CCRI and TOE tests as key barriers to entering agreements.

The Lancashire Wildlife Trust test found that the market value of farmland for in assessments is typically high compared to its income potential. This makes inheritance tax an issue for owners' families. Changing land use might lead to challenges for those with established inheritance tax relief. Limited changes in land use with continued agricultural use is not likely to cause issues for landowners, but more substantial diversion of land into environmental uses may have tax implications. There are concerns from some farmers about whether they will be able to qualify for Agricultural Property Relief and Business Property Relief. This test recommended that policy looks to ensure rules on inheritance tax relief recognises environmental commitments.

80% of 13 survey responses in the TOE test were opposed to payments being made in full, with 50% agreeing that 10-yearly payments would be suitable. The DM Lowes and Sons test suggested that payments being provided at the end of a project could mean farmers experience high input costs and low income at the start of projects. Farmers and land managers in this test suggested having a secure funded income stream in this period is important for take-up. This follows the findings of previous tests and trials. All participants in TOE and CCRI tests had concerns about the tax implications of receiving a large value payment upfront, noting clear regulatory guidance was required on this.

An overarching finding in Tests and Trials is that farmers and land managers want payments to be responsive to market changes. This is to ensure that payments are reflective of the costs to produce environmental goods over time. Index linked payments have been suggested as an option to achieve this. The Breckland Farmers Network, Dillington Hall Estate and Prowater tests raised the importance of adjusting payments in

LTAs over time, and specifically linking them to an inflationary index. The Barningham Estate test suggested that projects fix payments for shorter periods with regular reviews to mitigate the risk of market volatility.

Including regular reviews to adjust payments in response to market changes was supported by participants in the Breckland Farmers Network, Prowater and Dillington Hall Estates tests. All farmers in the Pilio test stated they would need assurance that payments will be in line with inflation, with a review process built in every 5 years. This would also allow for changes in capital good prices.

When pricing biodiversity units, a measurement of an area's natural value, most participants in the TOE test were supportive of a fixed range of prices for each habitat types. In general, landowners in this test felt this would be more straightforward, consistent, transparent and said their costs would be easier to calculate. 70% of participants recommended higher prices for habitats which are more difficult to create and maintain. A completely fixed rate was unpopular, with concerns that costs would vary for creating different habitats in different contexts. They also cited the variation of market prices.

Tests and Trials have supported participants in investigating alternative payment models. For example, the BCNWT test looked at habitat opportunity mapping. Multiple farmers proposed a payment scale based on the number of ecosystem services or opportunities that would be delivered by habitat creation on specific land parcels. It was argued that this would lead to farmers prioritising habitat creation on land parcels delivering more public goods over those parcels delivering fewer public goods.

A 'green fund' was proposed by the Organic Research Centre test to provide loans to cover the costs of projects. This would be particularly beneficial to growers who will later provide high value crops from trees. The timing of first payments was raised as important, to ensure that winter planting seasons are not missed.

How we're shaping policy

Reflecting findings from Tests and Trials, the need for setting fair and effective payment rates to incentivise scheme uptake has been recognised. The approach to payments under the Sustainable Farming Incentive (SFI) has been updated to better reflect understanding of delivery costs, with payment rates based on up-to-date market data which provide a fair compensation to farmers delivering SFI actions. We have received a positive response from Tests and Trials that have tested these indicative rates.

We're also introducing a new additional 'SFI management payment' to recognise the administrative costs to farmers of taking part in the scheme. This will pay £20 per hectare (ha) for up to the first 50ha entered into SFI, up to £1,000 per year.

Tests and Trials' findings around maintenance payments have contributed to policy understanding that payments need to recognise the value of existing natural assets without unfairly disadvantaging those already protecting and enhancing these assets. This

is a key principle of scheme design across all 3 of the environmental land management schemes and will be achieved by paying for ongoing management and maintenance of existing assets.

Innovative delivery mechanisms

Forty-one Tests and Trials have been researching innovative delivery mechanisms. This theme examines payment mechanisms that have not been used in previous agri-environment schemes. These include reverse auctions, PbR and blended finance. These approaches are being trialled with farmers and land managers on the ground and we hope to understand the role these mechanisms could play in environmental land management. This includes how these could be rolled out more widely and in what circumstances, and if they work for all outcomes, sectors, and geographies.

Payment by Results findings

Tests and Trials have suggested that PbR has the potential to deliver better environmental benefits than conventional agri-environment schemes and are considered fairer. The PbR test looked at whether PbR is an effective payment mechanism in 4 different land types. These were: hay meadows, breeding waders habitat, pollen and nectar plots and winter bird food plots. This test found that environmental performance under PbR was at a similar level with conventional schemes such as Countryside Stewardship for 3 out of the 4 habitats reviewed and significantly better for the fourth.

However, farmers and land managers have suggested improvements to a purely outcomes-based model they would like to see reflected in schemes to encourage widescale take-up. Survey respondents for the Prowater test and farmers in the Pilio test found that whilst PbR was attractive, there were concerns that payment for outcomes could be withheld if factors outside of farmers control, such as weather, resulted in agreements not being completed.

Some farmers and land managers suggested action-based payments over results or value-based payments. For example, the Lancashire Wildlife Trust test found that 81% of participants preferred action-based payments. Participants in this test recommended an income-foregone plus incentive payment model. This is due to land managers suggesting that income-foregone rates would not be enough to offset the loss of income from BPS decline.

Similarly, workshop participants in the DM Lowes and Sons test were concerned that a purely outcomes-based payments could lead to land degradation. This is where individuals with good quality land could take action to worsen their land to gain financial benefits for improving it. The CCRI test found that farmers were not supportive of PbR being included in Landscape Recovery agreements. Participants in this test felt that their current farming practices were already providing environmental benefits. Farmers in this test were concerned that this would mean they would have a high baseline for environmental measures compared to other farms.

Some farmers and land managers have suggested a hybrid payment approach, with both fixed base payments and PbR top-ups. Workshop participants in the Breckland Farmers Network test recommended that public funds could pay a basic rate to cover the cost of environmental action with a PbR top-up paid by private funders. Similarly, participants in the PbR and Ashdown Forest tests suggested a 'base payment' to cover large scale management payments of land in agreements with bonus payments based on achievement of objectives. All the participants in Ashdown Forest agreed that the term 'base payment' should be replaced with the term 'management payment'. This is to make the strong distinction of specific land-based payments facilitating habitat creation and management.

Another variation of PbR was highlighted by workshop participants in the Barningham Estate test. They recognised the conflict between wanting security and the flexibility to respond to changes in the market. It was suggested that a blended finance approach with a public payment for management actions and a private outcome-based payment could resolve this conflict. They noted that public payments would have to be high enough to protect against market collapse. Similarly, workshop participants in the Breckland Farmers test suggested that public funds could pay a basic rate to cover the cost of environmental action, and that a 'Breckland Premium' or PbR, could be paid by private funders.

Reverse auctions findings

Reverse auctions are a competitive pricing model where farmers and land managers can bid for the sale of natural assets to private organisations.

Some Tests and Trials participants found reverse auctions to be a cost-effective model, as buyers are sharing the costs associated with delivering nature-based projects. The Wessex Water and Entrade test found that auctions increased payments to landholders as they received revenue for a wider range of environmental services. The online platform used for the auction was well-received by landholders. They expressed a preference for it compared to grant schemes like Countryside Stewardship, which is seen to have a higher administrative burden for both applications and reporting.

The RSPB test indicated that successful bidders in the reverse auction liked the flexibility of payments and being able to submit a bid that they thought was appropriate for their circumstances. However, this benefit was often outweighed by the uncertainty of whether their bid would be successful or not.

The Rivers Trust and Wessex Water and Entrade tests highlighted that Reverse Auctions could lead to a 'race-to-the-bottom' approach by encouraging competition between farmers. Similarly, the Breckland Farmers Network test found that reverse auctions could undermine collaboration between neighbours. This clashed with their farmers group ethos of encouraging collaboration and joining up. This test also suggested that reverse auctions were seen to drive down habitat improvement and prices. This was supported by the RSPB test, which found that farmers were uneasy about competing against each other in auctions, leading to participants not wanting to proceed. Similarly, the Wessex Water and

Entrade test suggested reverse auctions favoured buyers by leveraging buying power, which might not result in fair sharing of the value of projects between buyers and sellers.

To address these challenges, the Rivers Trust test suggested encouraging farmers to work together to put in combined bids and excluding farmers with a weak environmental record. Alternatively, the Wessex Water and Entrade test used a Uniform Price Auction. In this system the price for all successful project suppliers is set by the last successful offer in the market. Therefore, suppliers with offers less than this will receive the higher price, even if they were prepared to be paid less.

The FWAG test was initially meant to test reverse auctions for setting payments for land and water management. However, during landowner engagement it became clear this would not be appropriate as participants wanted to know what they would be paid for floodwater storage before agreeing to take part. This test found the perceived advantages of a fixed price over a reverse auction approach included simplicity, easier budgeting and fairness. Advisers in this test found that fixed prices were more transparent, made it easier to engage with farmers and reduced the risk of error when looking at different funding streams. Those who had experience with reverse auctions were frustrated by the IT requirements and found it a complex and time-consuming process. They reported that uncertainty about where to place the bid led to work being devalued.

Blended finance findings

Blended finance is the use of public and private funding to deliver mutually beneficial outcomes. Findings from previous Tests and Trials suggest there is a significant and largely untapped potential market for private investment in ecosystem services in the UK.

Whilst many Tests and Trials participants are supportive of blended finance, it is a new concept for many. This had caused varied views on most secure way to implement agreements. The Breckland Farmers Network test found that there was a lack of knowledge about how to access the private sector and blended finance among workshop participants. Similarly, the Pollardine Farm test found that understanding of blended finance varied greatly and that there was disagreement among participants around how the term 'blended finance' should be defined.

Some farmers and land managers have expressed a lack of trust in the private sector. When discussing funding for bespoke agreements, 6 land managers at a Wensum Farmers Group workshop agreed that they preferred government funding rather than private. This was supported by the Barningham Estate, Pilio and CCRI tests, with farmers in the latter having strict criteria for who they would enter into an agreement with. They said the organisation would have to be stable over the life of the agreement and express genuine environmental concern. Participants in the Kent Wildlife Trust and Aqualate Mere tests wanted an approved list of companies or guarantees that finances are secure, with an organisation such as Defra providing the guarantee. On the other hand, the TOE test saw the perceived benefits of private finance were improving financial returns and the potential environmental enhancements.

Some tests and trials incorporated the views from the private sector. Generally, there is a preference for investing in environmental services once the market has developed further. The CCRI test conducted a rapid evidence assessment for long-term agreements and blended finance for Landscape Recovery. This test suggested that political and bureaucratic uncertainty are major barriers for private sector investment. The agricultural sector was seen as risky and government action was as necessary to improve the underlying institutional framework. Blended finance models were found to be a way of enabling private sector investment.

Some Tests and Trials such as the Prowater test suggested bringing in facilitators who could understand the needs of buyers and sellers to create pathways to investment. This is corroborated by the Aqualate, Prowater and FWAG tests, with the latter suggesting that until the marker for environmental services has developed, cluster groups would be valuable to provide consensus on whether to participate in the market.

Some farmers and land managers cited the risk of payments not being made for ecosystem services as a result of not delivering agreed outcomes as a reason for not entering agreements involving private finance. The Prowater test suggested Landscape Recovery funded guarantee payments in the development phase of projects, to allow project outcomes to be achieved. The Palladium test recommended 'full demand-side accounting'. This would mean a market a regulator could ensure all loss of Ecosystem Services caused by a company are fully accounted for and compensatory payments equal to the value of loss are made. However, weaknesses were identified, such as the need for regulatory change and the additional risk on landowners on moving to outcomes-based payments.

A common finding in Tests and Trials is the uncertainty around the tax treatment of income. This was supported by the TOE, Lancashire Wildlife Trust, Barningham Estate, DM Lowes and Sons, Dillington Hall Estate and the CCRI tests. They found a key barrier to engaging in blended finance were the tax implications of changing land use and the potential loss of productive land for the next generation. Participants also cited regulatory and market uncertainty as barriers to entering into these agreements.

Case study: how to blend public and private finance to help fund projects and how to use different funding streams to support the delivery of different types of habitats

The Dillington Hall Estate test looked at using blended finance solution for sustainable land use change. The workshops identified critical success factors which the attendees considered vital to the success of Landscape Recovery.

Participants suggested that public funding should be used initially, with private finance used later to build projects. This would provide long term security to repay upfront investment, which would give investors' confidence in the market and potentially lower borrowing costs. Alternatively, some participants suggested public funding should be used to plug gaps where private funding is unlikely to provide a reliable return. Participants also

noted that private and public funds should bear equal risks. They emphasised the importance of ensuring that the public is not left to pick up the remains of an agreement if investments pull out or fail.

This test supported other Tests and Trials by highlighting the need for robust regulation to ensure both sides are aware of their responsibilities. It also recommended that there needs to be an agreed set of standards, measurements, and monitoring principles to facilitate accurate calculations of environmental benefits.

Another key area raised was the Agricultural Property Relief (APR) rules. There was a concern about how these tax rules leave landowners when businesses move between generations, and how to balance this against the risk of changing business activity. It recommended these rules are reviewed to enable a shift to support Landscape Recovery and stimulate private investment.

At the conclusion of the workshop, participants were asked to name their main uncertainty which would need to be clarified as part of the scheme design. They cited several reasons, including concern about the price and market for BNG and the lack of policy detail and clarity on stacking and bundling. Carbon was also an area which required clarity, specifically the reality of the carbon markets and how to measure this accurately, as well as understanding the carbon market and how to provide additionality. Monitoring for success, understanding how food security sits alongside Landscape Recovery schemes, and understanding social change and perspectives were also areas which required clarification.

Some farmers and land managers have suggested steps should be taken to alleviate the perceived risks of double funding and uncertainty around stacking finance. Participants in the Breckland Farmers Network test cited double funding as a barrier to entering blended finance agreements. To overcome this, land managers and buyers in the Lincolnshire Wildlife Trust test reported that they needed more information when it comes to stacking and bundling. The Prowater and Pilio tests suggested the rules on stacking benefits need to be clearly defined by regulators and codes or guidance should be put in place to allow a consistent approach.

Some Tests and Trials have referred to challenges with verification and monitoring when it comes to delivering outcomes in agreements. For example, the Pollardine Farm test found that farmers are interested in selling carbon in local markets but struggle to find a way to carry out carbon measurements. This included baseline measurements, which metrics to use, who performs the measurements and how to measure any improvements. The Pilio test wanted more clarity from Defra on financing and measurement requirements. Farmers in this test were concerned that there will not be financing available for capital payments or baselining work required for Landscape Recovery. This would potentially end up leaving farmers responsible for making this investment without knowing if it will be rewarded. The Aqualate Mere test suggested government backed standards for measurement of biodiversity, carbon and environmental services to help facilitate blended finance agreements.

Conservation covenants findings

Tests and Trials participants have suggested conservation covenants could be more attractive to private buyers than to landowners. Workshop participants in the Barningham Estate test stated that conservation covenants might be unpopular with landowners due to the loss of flexibility and risk of devaluing the land. The DM Lowes and Sons test suggested conservation covenants might deter landowners from participating in Landscape Recovery as it might cause a decline in the capital value of the land.

Both the Barningham Estate and DM Lowes and Sons tests suggested conservation covenants could be a useful tool to safeguard investments in a land use change project. Private organisations in the Barningham Estate test suggested they would be more likely to purchase and pay more for environmental benefits from a project if the land was in a conservation covenant.

The DM Lowes and Sons test also suggested a conservation covenant could allow the landowner to make a binding commitment to manage the land in a particular way, without overly detailed prescriptions. However, this could leave the landowner open to risk if there is a dispute, as the requirements would be open to interpretation which may go against the landowner's interest. The same test suggested one way to address this might be to draft the conservation covenants to outline broad positives (that is, what the landowner must do) and more specific negatives.

How we're shaping policy

The findings from these Tests and Trials highlight areas for further consideration, such as:

- developing our understanding of barriers and potential solutions for bringing in private finance
- facilitation mechanisms
- legal agreements
- how to determine the value of environmental outcomes
- how future schemes can be designed to 'crowd-in' private finance

Tests and Trials have provided a space to test mechanisms and innovative approaches to supporting the blending of public and private finance. They have looked at a range of challenges and opportunities, including how to set payment rates for environmental outcomes; evaluating the role of intermediaries; trialling governance models and examining contract structures. The evidence from these Tests and Trials have informed the Nature Markets Framework, which sets out how private investment in nature recovery and sustainable farming can be scaled up effectively.

Participants in Tests and Trials have consistently raised concerns surrounding the tax implications of scheme entry. As announced at Budget 2023, the government is exploring

elements of the tax treatment of ecosystem service markets and environmental land management. You can [read the call for evidence and consultation here](#). Part 2 of this document is a consultation about the scope of agricultural property relief from inheritance tax.

The aim of the consultation is to explore the extent to which the current scope of agricultural property relief may represent a barrier and, if necessary, potential updates to the scope of the existing land habitat provisions in the relief. The exercise will be run by HM Treasury and HMRC until 9 June. The responses will inform policy development before the government makes decisions on these issues, including whether to make any changes to current policy.

5. Conclusion

The evidence and learnings from the Tests and Trials programme continue to be essential to ensuring future policy and schemes include the views and experiences of farmers and land managers. The findings shared with us contribute to our goal to understand farmer and market behaviour, identify barriers and enablers to success.

From April to October 2022, Tests and Trials have added evidence on how environmental land management schemes could work on the ground with our stakeholders. We have already seen evidence from tests' impact on policy such as the call for evidence on tax implications and the SFI management fee. We will continue to work with our 6,000 farmers across different geographies and sectors to refine elements of the future schemes and provide a space to trial innovative approaches. One of our goals is to continue to be safe space to fail, learn and test.

In the coming year, we'll assess our current coverage of Tests and Trials to identify areas we can explore further. We'll also look at how we can aid scheme design in new areas including the new Countryside Stewardship Plus scheme, as well as the development of SFI and Landscape Recovery schemes. As part of this, we may look to issue a further call for Tests and Trials. We will announce further details of this call when appropriate.

6. Annex A: Headline findings by scheme

Land management plans

Sustainable Farming Incentive

- Some farmers and landowners suggested the use of trusted, local individuals to carry out monitoring activities.
- Maps were frequently used as a visual indicator to support decision making. However, challenges were found with the lack of access to consistent, reliable, and local data.

Landscape Recovery

- Long-Term Agreements (LTAs) can be viewed as barriers to entering schemes.

Universal findings

- Farmers and land managers use a range of formats such as questionnaires, checklists, maps and spreadsheets for keeping LMPs simple to update and monitor over time.
- Some Tests and Trials have suggested that advice is needed to complete an LMP as some farmers and land managers do not have the skills, experience, or time to complete these themselves. Other participants have discussed the role guidance plays for LMPs in highlighting the public goods on land holdings.
- Tests and Trials have supported participants with exploring a range of tools to support farmers and land managers to create LMPs.

Role of Advice and Guidance

Landscape Recovery

- Findings have suggested that training could support farmers and land managers with identifying opportunities that benefit both the environment and farm business.

Universal findings

- Tests and Trials participants continue to show a desire to take advice when applying to enter a scheme.
- Farmers and land managers take advice from a variety of providers such as arm-length bodies (ALBs), environmental NGOs, and land agents.
- Trust continues to be an important factor when it comes to selecting an adviser.
- One-to-one advice continues to be generally preferred. Other useful methods include advice or training in groups, which encourage informal peer-to-peer learning.
- In general, Tests and Trials want advice as part of a scheme and for this to be optional. However, some farmers and land managers paid for advice where there is a clear perceived benefit.

- There continues to be a perception from many farmers and land managers that guidance is not a replacement for advice.
- There continues to be a mixed view on adviser accreditation. Some participants have suggested that agricultural business knowledge is a more important attribute. However, other tests have suggested that accreditations could ensure advisers are of a sufficient standard.

Spatial prioritisation

Local Nature Recovery and Landscape Recovery

- Tests and Trials have been exploring with stakeholders the effectiveness of different tools in supporting prioritisation activities across different scales and sectors.
- Evidence has suggested the use of maps to be an effective way of identifying and communicating priorities.

Universal findings

- Many participating farmers and land managers continue to want to be involved in the identification and agreement of local priorities.
- When looking at the effectiveness of tools and maps participants have highlighted the value of local data sets when identifying priorities.

Collaboration

Landscape Recovery

- Generally, the use of farm clusters has been found to be an effective mechanism for encouraging collaboration.
- Some farmers and land managers have said they are concerned payments will be withheld if not everyone in the group delivers the agreed outcomes.
- Some Tests and Trials have found maps to be a useful for collaborating at a landscape scale.
- Collaboration at a landscape scale is seen as easier where there is common ground between farmers such as farm type and size.

Payments and Innovative Delivery Mechanisms

Landscape Recovery

- Some farmers and land managers have shown support for hybrid payment structures. This includes both a base payment for action and a bonus or top-up payment for achieving an outcome.
- Farmers and land managers want payments to cover both capital and maintenance costs.

- Tests and Trials participants want payments to be responsive market changes. Multiple tests have suggested index linked payments with regular reviews.
- Some farmers and land managers have suggested that the costs of committing areas of land to Landscape Recovery could be reflected in payments as an incentive to participate. Examples included covering the costs of taking land out of production or the potential reduction in land value.
- Farmers and land managers have continued to raise concerns on the tax implications of land use change by committing to the Landscape Recovery scheme. The potential of being exempt from Agricultural Property Relief (APR) has been highlighted by multiple tests.
- Farmers and land managers have highlighted concerns with committing to LTAs within Landscape Recovery.
- Some Tests and Trials have highlighted that conservation covenants could be more attractive to private buyers than landowners.

Universal findings

- Payments by Results (PbR) has the potential to deliver better environmental benefits than conventional Agri-environment schemes and are considered fairer than mainstream schemes. However, participants have highlighted improvements they'd like to see reflected in the schemes.
- Reverse auctions can potentially be a cost-effective model, but have been suggested to undermine collaboration between neighbours and encourage a 'race-to-the-bottom' approach.
- In reference to blended finance, Tests and Trials have suggested farmers and land managers have a lack of knowledge about accessing private finance, as well as a lack of trust in the private sector.
- Some Tests and Trials participants have highlighted the perceived risks of double funding and uncertainty around stacking finance.
- Farmers and land managers have raised issues around verification and monitoring as barriers to being paid for outcomes.

7. Annex B: List of live and concluded Tests and Trials

Organisation	Title	Location	Priorities: (Information on how the proposals will inform Test and Trial priorities)
Agricultural Industries Confederation	Evaluation of Animal, Crop Nutrition and Agronomy Advisors	Gloucestershire, Cambridgeshire, Kent. Bedfordshire, North Yorkshire, Lincolnshire, Northumberland, Suffolk, Utttoxeter Herefordshire.	Advice and Guidance
Wensum Farmers	To test and examine payment rates, issues, incentives and the role of advice and guidance in the delivery of Landscape Recovery outcomes.	The Upper Wensum river catchment area in North Norfolk	Advice and Guidance Payments and IDM
Foundation for Common Land	Development of a Commons Proofing Tool	Based in Cumbria, Dartmoor, Exmoor, Cumbria, New Forest, North York Moors and Cotswolds	LMPs
Pollardine Farm	Develop online platform to facilitate a blended finance	South Shropshire	Advice and Guidance Payments and IDM
Yorkshire Dales National Park Authority	Tested the role of a facilitator to bring together participants and agree local priorities.	Raydale/Wensleydale	LMP Collaboration Spatial Prioritisation

Organisation	Title	Location	Priorities: (Information on how the proposals will inform Test and Trial priorities)
Farming and Wildlife Advisory Group (FWAG)	Multi-functional land and water management on the Somerset Levels	Somerset Levels and Moors	Advice and Guidance Payments and IDM Spatial Prioritisation
Barningham Farmers Group	Explore the blending of finance between public and private funding, via a platform driving private sector investment into supporting land use change	Barningham Estate in Richmond, North Yorkshire	LMP IDM and Payments
RSPB	Investigating the potential for reverse auctions to deliver the recovery of priority species	South East England	IDM and Payments
The Wildlife Trust for Bedfordshire, Cambridgeshire and Northamptonshire	Delivering a catchment-based nature recovery network	Upper Nene Valley Catchment (Northampton to Peterborough)	LMP Advice and Guidance Spatial Prioritisation
En Trade	Tested the use of a reverse auction to blend private and public finance to incentivise farmers and land managers to make land-use and management changes within the Poole Harbour catchment.	Poole Harbour Catchment, Dorset	IDM and Payments Collaboration

Organisation	Title	Location	Priorities: (Information on how the proposals will inform Test and Trial priorities)
Organic Research Centre (ORC)	This proposal will Test the feasibility of mechanisms to support/increase agroforestry uptake in England.	National	Advice and Guidance Payments
South East Rivers Trust	Test the use of private finance within E.L.M. and associated payment mechanisms to blend public and private financing in line with Defra initiatives and environment outcomes.	Kent	LMP Payments
Lincolnshire Wildlife	Habitat restoration at landscape scale through a partnership driven market for integrated land and water management services.	South Lincolnshire	Payments and IDM Spatial Prioritisation
Irwell CSFF and Catchment Partnership	Investigate the feasibility of securing local stakeholder engagement with the farm planning process	Greater Manchester Peri-Urban areas	Spatial Prioritisation Collaboration LMP Advice and Guidance
Historic England	Integrating Heritage within Land Management Plans.	Shropshire	LMP Advice and Guidance

Organisation	Title	Location	Priorities: (Information on how the proposals will inform Test and Trial priorities)
Cloughton Hall Estate	Test individual LMP templates for the farms and woodland to understand how they can integrate into an estate wide, landscape scale LMP.	Garstang, Preston, Lancashire	LMP Advice and Guidance Collaboration
Sylva Foundation	To co-design and then assess a range of innovative methods for providing greater knowledge and improved management of woodland creation.	Northern Forest/National	LMP Advice and Guidance Spatial Prioritisation
The National Forest Company	Creating a payment model for a variety of woodland creation and management measures and benefits.	Derbyshire, Leicestershire and Staffordshire	Payments
Lincolnshire Wildlife Trusts	Humberhead Levels: a holistic approach to managing peat, water and habitat recovery at landscape scale	Humberhead Levels including Lincs, Notts and Yorks	LMP IDM Spatial Prioritisation
North Cumbria Farmers Group	To identify the advice and support needed to produce Land Management Plans and a Landscape Plan incorporating natural capital .	Cumbria	LMP Advice and Guidance Spatial Prioritisation

Organisation	Title	Location	Priorities: (Information on how the proposals will inform Test and Trial priorities)
Lancashire Wildlife Trust	Trialling how Environmental Land Management and net gain could help to deliver the Nature Recovery Network in peri-urban areas.	Greater Manchester Peri-Urban areas	LMP Collaboration Spatial Prioritisation Payments
Farm and Environment Consultancy	The Role of the County Convenor	The county of South Yorkshire covering the administrative areas of Sheffield, Rotherham, Doncaster and Barnsley	Collaboration Spatial Prioritisation
Trust for Oxfordshire's Environment	Explore the role of the convenor in engaging and advising landowners on biodiversity net gain and developing a tool to map environmental and other key data.	Oxfordshire	Payments Spatial prioritisation
Sheffield and Rotherham Wildlife Trust	How a blended finance approach can be created to deliver for the private company, the environmental land management scheme and biodiversity net gain.	South Yorkshire	LMP IDM and Payments
Kent Wildlife Trust	Test the role of blended finance in the delivery of landscape recovery projects.	Kent (Maidstone)	IDM and payments LMP

Organisation	Title	Location	Priorities: (Information on how the proposals will inform Test and Trial priorities)
Operation Wallacea	To develop and test a business-ready model for landscape recovery through rewilding using blended public and private funding.	East Midlands	IDM and payments LMP
Zodus Ltd	To co-design and test how private investment in nature-based solution ventures, can incentivise and reward land managers to collaborate as entrepreneurs on landscape recovery strategies.	North-east Bath	Payments Collaboration
The Rivers Trust	The test will harness contextualised farmers' views, experiences and appetite for approaches to Landscape Recovery.	Nationwide	LMP
North York Moors National Park	Testing opportunities for blending public and private finance.	North York Moors	Payments and IDM
Pilio	To test the development of a facilitation and delivery group model that would enable a blended finance approach to landscape recovery.	Evenlode catchment area in the Costwolds and the River Thames Catchment area in Oxfordshire and Buckinghamshire.	Payments and IDM LMP Advice and Guidance

Organisation	Title	Location	Priorities: (Information on how the proposals will inform Test and Trial priorities)
Conservators of Ashdown Forest	Wxamine how to build a landscape scale agreement between diverse landowners and managers.	South East (Sussex). Ashdown Forest and surrounding areas.	LMP Advice and Guidance
Knepp Estate	The Test will explore how to bring partners together – and incentivise new members to become involved – to develop group agreements, management plans and funding mechanisms for landscape recovery.	Southeast of England	LMP Payments and IDM Collaboration
Dillington Hall Estate	Using the Landscape Recovery scheme within a blended finance solution for sustainable land use change	Wending Beck catchment and surroundings, Norfolk	IDM and Payments Collaboration
DM Lowes and Sons	Develop and test 2 approaches to delivering Landscape Recovery.	Barningham Village, County Durham	Payments and IDM Advice and Guidance
Palladium International Ltd	To develop several options for mechanisms to blend public and private finance for nature restoration projects.	Nationwide	IDM and Payments Advice and Guidance Collaboration

Organisation	Title	Location	Priorities: (Information on how the proposals will inform Test and Trial priorities)
Aqualate Castle Holdings	Blending Public and Private Finance within Landscape Recovery.	Shropshire	IDM
Breckland Farmers Network	Investigate mechanisms to achieve Landscape Recovery objectives through collaboration.	Breckland Region	Advice and Guidance Spatial Prioritisation