Department
for Environment
Food & Rural Affairs

Test and Trials Evidence Report

Schemes for environmental land management

December 2021

Version: 1.0

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Executive summary

The purpose of this report is to synthesise evidence from April 2021 to the end of September 2021. This is the fourth in a series of evidence reports.

These findings originate from individual tests and trials as well as discussion points from stakeholders participating in our third round of Thematic Working Groups (TWGs). The findings have been categorised according to our six priority themes (Land Management Plans, Spatial Prioritisation, Collaboration, Role of Advice and Guidance, Payments, and Innovative Delivery Mechanisms). A summary of the high-level findings is presented below, and an overview of high-level findings categorised by scheme is provided at annex A. We will continue to add to this throughout the lifecycle of tests and trials.

Highlight findings

This section will cover the key learnings from each of the six themes.

Land Management Plan

- There is a strong base of evidence highlighting the **benefits of producing land management plans** (LMP).
- Building on past evidence reports there is also further **support for some self-assessment** of the LMP.
- There is continued agreement that the LMPs must be **simple and work at all scales.**
- Further support for use of **apps and tools has been demonstrated in several Tests and Trials**
- Building on evidence from previous report, there has been mixed feedback on including **farming business information** in the LMP.

Role of Advice and Guidance

- There is further evidence that adviser support can help farmers and land managers to get maximise the delivery of environmental benefits on their land
- Where **innovative approaches** are being tested evidence shows that advice available from local trusted advisers is seen as an important driver behind changes to land management.
- There is support for expert advice to be **integrated into scheme** funding.
- The use of **Farmer Ambassadors** is shown to be successful in providing recommendations from the farming community on advisers who are knowledgeable about the area and provide sound practical advice.
- **Peer-to-peer** exchanges could be a powerful tool in engaging farmers who have not previously been in Agri Environment Schemes (AES).
- Guidance may be more useful when **created by farm clusters** and iterated from user feedback rather than top-down documents.

Spatial Prioritisation

- Several test and trials workshop participants evaluating the **Local Nature Recovery Strategies** (LNRS) pilots and the role of the local convener agreed a county scale strategy was important. However, they felt county based local conveners would have too much work and spread too thinly to engage with farmers and land managers on the ground.
- In response to this concern different approaches were suggested, such as engaging with **cluster facilitators** rather than individual farmers; working at smaller scales such as catchments; creating a **local delivery board** to assist the convener.
- Tests and trials preferred either a descriptive or a mixed approach to representing priorities, **combining narrative sections with maps**.

Collaboration

- Tests and trials have continued to **explore different models of collaboration**, such as bottom-up approaches, peer-to-peer/farmer ambassador approaches, and hybrid approaches.
- A **local liaison officer/coordinator/ facilitator** (supported by a 'lead farmer' and/or small committee of local farmers) was found to be useful to facilitate collaborative activities.
- Many tests and trials valued the **farm cluster model for collaboration.**
- We have received further evidence on the need for **financial incentives to encourage collaboration**
- The **main benefits of collaboration include sharing of knowledge, skills, and experience.**

Payments

- Feedback continues to demonstrate that **Income Forgone plus Costs** (IF + Costs) is an insufficient incentive.
- Tests and trials have also found that **payment rates should reflect variations in costs experienced**.
- Some test and trials compared a **natural capital payment approach** with IF+C rates used in existing AES reporting that current rates do not remunerate farmers for all the benefits that they provide.
- However, there were also barriers and concerns around providing reliable natural capital values in practice.
- A **points-based approach to Sustainable Farming Incentive standards was developed and favoured by farmers in one test and trial.**

Innovative Delivery Mechanisms

- Reverse auctions were found to be most **cost effective for simple, familiar interventions delivered on a larger catchment scale**
- Test and trials have used the EnTrade and NatureBid reverse auction platforms

- Perceptions on whether Payment by Results (PbR) mechanisms would increase uptake in future schemes remain varied.
- Participants in the PbR Natural England trial liked the freedom, flexibility, control, lack of paperwork and being trusted to use their skills, experience and judgement to manage how results were delivered.
- To facilitate blended finance, one test found that it would be beneficial if Government could define what can be traded and provide support in setting a value-based system for the assets and accreditation for the delivery of those solutions.

Introduction and purpose

The purpose of this report is to synthesise and share the key findings from Defra tests and trials arising from **April 2021** to the end of **September 2021**. At the time of writing this report, we have 80 test and trials underway (see Annex A), with 36 of these having concluded. The findings detailed in this report originate from individual tests and trials as well as discussion points from test and trial stakeholders participating in Thematic Working Groups (TWGs). In this report we have also provided case study examples of how the work of tests and trials is informing thinking on the three environmental land management schemes.

This report is intended to collate evidence and not analyse or evaluate findings. It is the fourth in a series of evidence reports as we continue to progress the tests and trials programme. 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.

We have used a phased approach to delivery and have selected proposals that contribute to our understanding of one or more of the six priority themes, which are Land Management Plans, Role of Advice and Guidance, Spatial Prioritisation, Collaboration, Payments and Innovative Delivery Mechanisms. We have reached an exciting new stage with our new environmental land management schemes, with the Sustainable Farming Incentive pilot now underway. Test and trial findings continue to feed into scheme development. To demonstrate how test and trial findings may influence policy development we have provided an overview of high-level findings mapped across each of the schemes at annex A. We will continue to build on these findings throughout the lifecycle of tests and trials.

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 themes are as follows:

- **Land Management Plan (LMP)** - what would be included in a plan, how long it should be and what information is needed to support the land manager or farmer
- **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
- **Spatial Prioritisation** - to test mechanisms to identify and agree local priorities
- **Collaboration** - to test how different mechanisms of collaboration would work to deliver environmental outcomes
- **Payments** - to test different approaches to valuing environmental outcomes and how these might work in practice
- **Innovative Delivery Mechanisms** - how these could be rolled out more widely and in what circumstances. For example, trialling payment by results and reverse auctions

A wide range of farmers and land managers from across England have contributed to these findings through workshops, surveys, farm walks and one-to-one interviews. We have engaged with over three thousand farmers and land managers across a range of sectors to date.

Land Management Plans

There are currently 23 live tests and trials focusing on LMPs. The key focus for these tests and trials is to determine whether the LMP is a useful tool for helping farmers and land managers to plan and record which public goods they will deliver.

Findings

There is a strong base of evidence highlighting the **benefits of producing land management** plans. In this reporting period, tests and trials found that producing an LMP helped to educate farmers in delivery of unfamiliar management practices (Integrated Pest Management). Building on past evidence there is further **support for self-assessment** as a method of monitoring the agreement. Where farmers completed self-assessment based on guidance for measuring wildlife public goods, there was a high degree of correlation (77-95%) between farmer assessments and conservation advisers. However, it was noted that self-assessment should not replace a formal monitoring/inspection programme.

There is continued agreement that the LMPs must be **simple and work at all scales**. LMPs often work best when they are tailored to the needs of the local context. Maps, tables and matrices cross-referencing actions with public goods are popular and keep the LMP relevant by allowing the farmer to carry out actions suitable to their farm. Five test and trials used maps to show natural capital and simplify plans.

There has been support for mapped baseline data, which can set the tone for farmers and advisers when creating plans. Checklists, inventories, and multiple-

choice questionnaires continue to be **popular format options** for keeping the LMP simple and accessible. There has also been support for using excel spreadsheets in keeping the LMP concise and allowing participants to easily navigate and quickly complete the LMP. However, **horticultural growers** found checklists too simplistic for their sector. The Landworkers' Alliance found a LMP public goods audit needs sufficient capacity to accommodate and reflect the complexity of agroecological systems involving crop rotation, polycropping and circular systems for managing natural resources.

Participants in several test and trials said that agreements should be **more flexible** to account for contextual differences such as dynamic land ownership in urban and peri-urban areas, where a rigid set of options is less appropriate. Over 80% of participants in the Cornwall Wildlife Trust test asked for agreements to be more flexible.

Computer/tech literacy continues to present barriers to accessing apps/digital tools. In the Pollardine Farm test, 7/10 participants required input from family members to create Google My Maps. However, despite concerns and accessibility issues, there was still a high demand and evidence supporting the use of digital tools for producing LMPs. All participants in the Cornwall Wildlife Trusts Horticultural test supported digital LMPs rather than hard copies, with the ability to submit amendments digitally.

Case Study: How can land managers harness the benefits of digital apps when developing LMPs?

Through stakeholder engagement and co-design, Sylva Foundation is assessing the level of support that farmers and land managers might need when considering woodland creation as part of LMPs. Information gained from has been used to build and test a new woodland creation platform through an iterative co-design process. The use and efficiency of the decision support tool is being assessed by a wide range of participants (amateur to expert) in the field.

The concept of an online woodland creation platform has been widely welcomed by landowners, private sector advisers, environmental NGOs and government regulators, fulfilling the need for simple yet powerful online tools and advice.

A working beta version of the woodland creation platform, with free OS mapping, a plan editor and inventory tool, and creation plan output, has scored highly among users for usability and outputs.

Access to datasets should be straightforward and consistent for users, helping to overcome difficulties and complexities in responding to requirements of designing new woodlands. However, some technical barriers remain in enabling access to the best datasets for users.

Tools an outputs need to be consistent for users with a raft of requirements from statutory bodies, which creates difficulties for us in presenting these, particularly with

fast-moving policies and incentives. This highlights the requirement for an online service which can present tools and outputs simply for the user.

The co-design of a new UKFS-compliant Woodland Creation plan has been a powerful process. It has been presented to a wide range of stakeholders during online seminars and workshops, during which valuable feedback has been collected that will be used to make improvements during the second year. Its inclusion within the platform in terms of what data is required, was not identified as a barrier by any users.

This case study provides evidence that using digital apps facilitates the development of an LMP by providing support with mapping and the date required to complete a plan

Further support for use of **apps and tools has been demonstrated in several test and trials.** Consolidating information about environmental management in one place allowed participants to use LMPs as the central hub of information for their land/farm, in addition to providing a single location for documentation. Using apps can streamline the process of ground truthing and self-assessment. There is scope to upskill the farming community using apps and tools. Further information on using apps for LMPs can be found in the case study above.

The need for **plain language and clarity** of policy definitions was confirmed by two tests and trials to prevent misunderstanding. Disconnect between terminology and farmer understanding can mean farmers are less likely to sustain management efforts. In addition to plain language, evidence suggests this issue can be addressed by using facilitators/advisers and a glossary of terms.

There is further support for **earned recognition** in the LMP for members of existing schemes/standards. Additionally, it has been suggested in the NFU Net Zero test and trial that methods for reducing carbon footprints should be part of the new schemes, including hydrogen/biofuel, solar panel installation, electric vehicles, rewilding and reducing use of diesel and artificial fertiliser.

There has been mixed feedback on including **farming business information** in the LMP. Farming business information was shown to be important in keeping LMPs relevant to the farmer and ensuring that business realities are considered when recommending how natural capital and public goods can be improved. However, only 41% of participants in the North Devon Pioneer test and trial found farming business information useful or essential to LMPs. Some participants said farming business information was useful but only when supplemented by discussions with farm business advisers.

The NFU found that participants who receive a higher level of interaction and personal guidance generally produce more complete LMPs. Moreover, the National Trust found that ground truthing LMP maps with an **adviser** can help farmers to develop a sense of ownership over the plan and increase understanding of what natural capital/public goods are and how they could be integrated into the farm business. Additionally, explaining the rationale behind proposed actions was shown to have a positive impact on participant attitudes towards the schemes.

Lack of feedback to farmers from Defra was recognised as a flaw of previous environmental schemes. In some instances, allowing farmers to fulfil scheme requirements but not deliver high quality environmental outcomes. There has been support for a public register of LMPs, that could help identify interests and support co-ordination and collaborations across users.

Role of Advice and Guidance

We have 37 live tests and trials that are working with a range of farmers and land managers to test what advice and guidance would be needed to help farmers and land managers identify and deliver public goods. We are looking at the role of the adviser, the format of advice, stages advice that may be needed, and how to quality assure advice provision.

Findings

There is further evidence that advice should be **optional for entry** to the schemes but is likely to be needed as complexity and ambition increase. A test involving 110 NFU members highlighted the complexity of previous schemes as a barrier to initial entry. Over 90% of participants in the Cornwall Wildlife Trust test stated they would require additional advice and guidance around scheme eligibility and content. This supports previous findings that administrative burden, IT skills, lack of resource and technical skills were significant barriers to entry into schemes.

There is further evidence that adviser support can help farmers and land managers to get the most out of an agreement and **make schemes more effective** – from bringing in natural capital investment to supporting and enhancing collaboration. Two test and trials have found that the presence of adviser support increases likelihood they will select more complex/higher options.

Where **innovative approaches** are being tested evidence shows that advice available from local trusted advisers is seen as an important driver behind changes to land management. An additional rationale for using an adviser was the element of risk involved in getting plans wrong.

One-to-one advice has been a popular format for advice delivery. There are contrasting views around online meetings, with one test and trial indicating lower attendance than at in-person events, whilst another test reported that online engagement worked better than expected but was limited for resolving complex issues. Two tests have suggested that the need for advice may decrease over time. Advisers are likely to be needed at many **different stages** of an agreement, but particularly during development of LMP/initial stages of setting up an agreement.

Farmers and land managers want to be able to **choose their own adviser** and would like to have options. For example, North Devon Pioneer found that farmers favoured advice from Natural England or a specialist wildlife adviser, although a variety of adviser options should be available. Having a continued relationship with an adviser is important for building trust and respect.

Several tests and trials support the idea of adviser **certification,** as a means of standardising advice quality and level, and as a mechanism of building adviser/land manager confidence in delivering good applications and schemes. However, Exmoor National Park Authority reported that no one certificate could meet all requirements. An additional two test and trials reiterated concerns raised previously over a shortage of competent farm environment/conservation advisers, which might limit accessibility of the future schemes to farmers.

Feedback continues to be varied regarding farmers willingness to pay for advice and the method or means that the payment occurs through. Two tests found the most common sources of paid advice are **agronomists and land agents**. There is evidence to support that farmers are willing to pay for advice where they can see the benefit, for example to supplement knowledge gaps and decrease their administrative burden. Evidence is more varied when it comes to the preferred methods of payment/funding to support chargeable advice in the schemes. One test found a minority of farmers perceived paid advice as more trustworthy and more respected.

There are calls for expert support and advice to be **integrated into scheme** funding, often as a hidden payment or part of core payment costs . In line with previous findings, participants in the Kent and Sussex Wildlife Trust test stated that costs of advice should be covered by the future schemes. The North Devon Pioneer test has suggested **free or subsidised advice** as potentially the most cost-effective method of using advice, as it would facilitate more effective implementation and targeted actions within schemes.

Collaborative groups, such as farm clusters are powerful models for disseminating advice to multiple farmers/land managers. **Facilitation funds** have also been cited as an effective method of delivering advice. Supporting previous recommendations, the Surrey Hills AONB reported the positive impacts of facilitation fund groups in enabling learning and skills development through a combination of face to face and online training sessions, providing farmers with consistent, quality advice.

Findings from the Blackdown Hills AONB indicate that farmers are more open to innovative ideas when shared in a group. **Peer-to-peer** exchanges could be a powerful tool in encouraging farmers who have not previously been in AES, to engage with the future schemes, with farming credibility being particularly important to farmers with previous negative experiences. This supports findings from the NFU, that show peer-to-peer as a common source of free advice. Additionally, the use of **Farmer Ambassadors** in the Blackdown Hills AONB was shown to be successful in providing recommendations from the farming community on advisers who are knowledgeable about the area and provide sound practical advice.

There is feedback that farmers are willing to receive information and guidance through **varied media**. An NFU test found that farmers use the internet, the press and self-study as tools to increase their knowledge of environmental issues, citing NFU briefings, the farming press, research articles and YouTube as additional sources of advice and information.

There has been support for incorporating guidance as part of the online LMP tool, which can provide support from the outset. Additionally, guidance may be improved if it can be updated to reflect user feedback, with one test and trial suggesting guidance **created by farm clusters** might be more useful than top-down documents. However, other tests have seen low uptake in guidance offered. Advisers might still be used, even when guidance is available, this is likely because guidance provides general support in contrast to the more bespoke nature of high-quality 1-1 support and advice.

Case study: digital guidance for the Sustainable Farming Incentive

The effectiveness of digital methods in delivering information was examined by the Organic Research Centre (ORC) test. Evidence highlighted that farmers tend to prefer information and advice delivered face to face preferably by trusted sources including peers or known advisers. However, digital methods, such as videos, podcasts and live interactive events can be effective methods of information delivery, with benefits including reduced time and resource requirements compared to in-person events and increased scope for national and international knowledge transfer.

Based on participants preferences for receiving information, videos and podcasts should seek to recreate some hallmarks of trusted, in person advice delivery i.e., delivered by trusted individuals.

The main motivation for farmers using videos to learn was identified as visualisation of actions – being able to see what other farmers are doing, how specific techniques are performed and seeing practical application in the field.

Poor rural connectivity was identified as a barrier to digital methods: whilst 66% of survey participants currently use videos to gain knowledge and 84% of these farmers stated their internet connection allowed them to easily action videos, the test also highlighted findings from a 2018 study which reported that only 16% of 800 surveyed NFU members had superfast broadband and 19% had reliable mobile phone signal. Farmers involved in the test were clear that Defra should account for different learning styles and differing abilities or willingness to access online content, so face to face delivery of information will always be important.

Spatial Prioritisation

We have 45 tests and trials 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

There is further support for priorities to be developed through a **bottom-up approach**. Farmers are keen to be included in the identification of local priorities. Where top-down approaches have been used, there is evidence that farmers and land managers are not as well engaged in the process. In the Cuckmere and Pevensey Levels Catchment test, priorities that were developed collaboratively – even generally unpopular ones such as access – had resonance with farmers and were picked up in their LMPs.

We have received feedback that **commons** may not have up-to-date registers, governance structures or finance systems in place to operate effectively under the new schemes. A whole spectrum of arrangements exist on different commons and a broad suite of skills and resources are required for commons to organise themselves effectively.

Local Character Areas were found to be of limited use as they do not map onto natural processes, administrative boundaries, locally understood areas or neighbourhoods. There have been mixed responses around what scale **local conveners** should operate. Evidence from the Broads test and trial found that the most suitable geography for a convener to work at was the **county level**, although the role was still considered to be a large amount of work – the local board would be necessary support the work. Further feedback suggested where the convener is made up of a board, more coherent decisions could be made on local and national priorities.

Several test and trial workshop participants evaluating the **Local Nature Recovery Strategies** (LNRS) pilots and the role of the local convener in five pilot areas across England, agreed a county scale strategy was important. However, they felt county based local conveners would have too much work and spread too thinly to engage with farmers and land managers on the ground. It was also felt that a county scale could miss some important local features. Participants also accepted that whilst they would like more farmer engagement in the LNRS process, it would be exceedingly difficult if not impossible to engage with everyone.

In response to this concern different approaches were suggested, such as engaging with **cluster facilitators** rather than individual farmers; working at smaller scales such as catchments; creating a **local delivery board** to assist the convener. This finding was reiterated in the Cumbria Pioneer test. Participants felt that a convener should be local and possibly part of the farming community.

The Broads National Park worked with 12 farmers, land managers and stakeholder organisations from a wide range of lowland sectors in Norfolk and Suffolk to trial the creation of a local management board. Three main functions were established: leading prioritisation; overseeing the use of resources/funding for environmental land management; coordinating advice. Participants also suggested that the local board could create and host a ‘Toolkit’ for local advisers and land managers to help with prioritisation. This toolkit would comprise of a series of local priorities and signposting to the datasets and information that would allow good decision making for land-use change. The test found that bringing stakeholders together under the

framework of the board generated a collective desire to get things done, make decisions and move forward. The board's terms of reference and decision-making framework were trialled through the allocation of funding under the Farming in Protected Landscapes scheme and found to be effective.

There is growing support for **using written descriptions or statements** to depict local priorities in addition to maps. Providing a description of the landscape character area and priorities for management was welcomed as a clear and simple way of covering natural capital, key habitats and species and landscape in easy-to-read format.

Tests that have developed strategic landscape scale plans felt that these should: cover all public goods; provide an accurate baseline to measure changes; give an overview of the landscape with multiple layers; include aspirational mapping; cover heritage; assets (which at present are often not included); and accurately recognise conflict between public goods delivery.

Exmoor National Park found that using **layered heat maps** was an effective way of representing priorities. However, the Forest of Bowland AONB found that a **map-based approach** to prioritisation is divisive and whilst some farmers found it extremely useful, others did not. The Cuckmere and Pevensey Catchment Partnership test have recommended a **combination of narrative and mapping** approaches to representing priorities. The Cumbria Pioneer test and trial tested two approaches to creating a landscape scale plan; one bringing individual farm plans together, and the other agreeing landscape priorities to be fed into individual farm plans; the latter was found to be more effective. This adds to the evidence supporting a context-based delivery of land management plans.

There is further evidence that whilst abundant, current sources of information/data are **scattered across many organisations**, difficult to identify and expensive to access, including data on farming itself. One test concluded that free and widely available biological records can provide **sufficient information to predict species distributions** at a fine scale, allowing identification of key areas for conservation when targeting a large farm cluster group. Opportunity maps such as Working with Natural Processes (Environment Agency) and Habitat Networks (Natural England) were also found to be useful. However, public data sets such as MAGIC have multiple **gaps in priority habitat data** and there is no opportunity for input from farmers. Data and maps for **commons** are not necessarily stored in one place and often not up to date. Different formats, technical language and issues around accessing and interpreting files digitally are barriers to gaining an overview of the public goods on commons and their condition.

Farming and Wildlife Advisory Group Southwest (FWAGSW) used the **UKHab classification** system to systematise and combine multiple data sources and strategies, verify these with farmers and produce an environmental baseline which could be used for collaboration and blended finance, via the involvement of a FWAG SW adviser. They successfully used it to deliver tree planting across 12 farms, pulling together funding from multiple sources, and enabling collaboration with local volunteers to deliver the environmental outcomes. However, feedback indicated that

UKHab codes are limited, as they struggle to reflect the benefits of management type on landscape characteristics. Additionally, as they focus on ecological features, information on other characteristics such as soil type, or cultural landscape values is missed.

Using **natural capital accounts** (NCA) to inform spatial planning was found to have a range of key limitations. However, the NCA approach was useful for identifying untapped natural assets on the Barningham Estate and providing a snapshot which could be used as a baseline for monitoring purposes.

Barningham also developed and tested a **cost-benefit analysis tool** to assess the value for money of different potential interventions and prioritise them accordingly. The tool was found to be effective for assessing where investment could deliver the greatest benefits and could be used to make an investment case for a project seeking funding. However, it was only able to calculate natural capital benefits delivered over changes of broad habitat type across a given area, and not changes in habitat condition or land management.

University of East Anglia developed a **spatial prioritisation tool** which was tested by 52 members of the Breckland Farmers Wildlife Network. It used freely available species distribution modelling software, such as machine learning software MAXENT and ArcGIS, to predict fine-scale distribution of priority species. The tool was used to generate maps at cluster scale and indicate the most appropriate areas to link habitats; it was well received by participants, with 28 out of 36 land managers who responded to a survey stating that they would adopt its recommendations.

Collaboration

We have 22 tests and trials with approximately seven hundred farmers and land managers addressing how they can collaborate and deliver outcomes under the new environmental land management schemes. The evidence below demonstrates the key findings from exploring different models, incentives, barriers, and benefits of collaboration.

Findings

Tests and trials have continued to explore different **models of collaboration**. There appears to be an emerging preference for **bottom-up approaches**. Some of these tests and trials found support for **peer-to-peer/farmer ambassador approaches** and **hybrid approaches**. A peer-to-peer farmer ambassador approach in particular was found to successfully involve farmers that have not engaged with agri-environment schemes before.

In particular, a hybrid approach was preferred where farmers faced time-constraints from running their individual businesses. A **local liaison officer/coordinator/ facilitator** (supported by a ‘lead farmer’ and/or small committee of local farmers) was found to be useful to facilitate collaborative projects.

The farmer group 23 Burns Collective tested a collaboration approach with 52 farmers and found support for a **farmer-owned structure** that would manage and deliver collaboration, via an appointed contractor. The structure would be co-funded by Defra and private farmers; this would guarantee farmer buy-in and accountability by the steering group and contractors.

Many tests and trials valued the **farm cluster model for collaboration**. This model would enable the farmer group, assisted by the facilitator, to draw in expert advisers, such as a farm business consultant and an environment adviser as well as other technical experts dependent upon the specific needs of the farmer group and their farm businesses. The Turtle Dove Reverse Auction trial found that collaboration and competitive processes, such as reverse auctions, do not align well in practice, where risks such as submitting uniform bid price were highlighted.

The Broads National Park found that their participants thought that the greatest environmental gain in the Broads could be achieved from collaborating on predator control, specific species management tasks, water level management and the buffering of habitats.

There is continued support for **facilitation**, specifically where there are different power dynamics in play. A test working with 31 participants from the horticultural sector found that facilitation would be needed to negotiate joint agreements between landlord and tenant.

We have further evidence that **financial incentives** would encourage farmers to collaborate. The type of funding varies between sectors and geographies, with some favouring uplift payments and others stressing the need for capital grant funding. Some tests and trials also supported the idea of a government funded collaboration payment or a bonus payment, which pays landowners for delivering the recommendations of a landscape plan, reflecting the extra effort, time and resources required to achieve between-farm coordination, as well as the greater likelihood of conservation success.

Other than financial incentives, the provision of opportunities for local farmers to get to know one another, was found to be an incentive for collaboration. Participants from test and trials also reported that the main **benefits** of collaboration included sharing of knowledge, skills and experience. Farmers continue to see a wide range of benefits to collaboration, including increased landscape connectivity, creating wildlife corridors, gaining access to higher payments, and sharing equipment. Some participants also reported that collaboration could help resolve conflicts at a local scale.

Case study: testing new governance models for Local Nature Recovery

There has been a strong preference amongst tests and trials for future schemes to be administered locally. The Broads Authority worked with 12 farmers and stakeholder organisations to test the role of a local management board and local convener. They created the Broads Land Management Board, aimed at overseeing the use of funding

for environmental land management, coordinate advisers, and signpost to information that would support decision making for land-use change. The trial found that bringing stakeholders together under the framework of the board generated a collective desire to get things done, make decisions and move forward. They also used the board to allocate funding under the Farming in Protected Landscapes scheme (FiPL); it was found to be effective. The Board's farmer members acted as ambassadors for FiPL, and successfully involved farmers who have not previously engaged in agri-environment schemes before.

The trial also found support for the concept of a local convener, described as someone who would bring stakeholders together and provide local leadership. The most suitable geography for a convener to work at was the county level, although the role was still considered to be a large amount of work; a local board would act as a support structure within the county.

How it's shaping the future schemes:

A variety of tests and trails have shown that environmental delivery happens in local places and is generated by local people, and that different structures are successful in different areas; at times, a partnership approach is needed. The delivery of 25YEP and net zero targets will require people on the ground who can generate enthusiasm, coordinate actions, develop opportunities and drive progress. The Local Nature Recovery scheme will aim to foster new and enhance established groups and networks, amplify existing players and enable them to support environmental delivery that is bigger, better and more joined up. Over the coming months, the Local Nature Recovery team wants to work with test and trials to understand what the consistent needs are and what role government has to support and enable them.

Different farmer groups continue to identify similar perceived **barriers to collaboration**. Lack of trust and leadership, not sharing the same objectives and power struggles between members were identified as key barriers to collaboration.

Payments

We have 36 test and trials addressing payments The test and trials under this theme focus on the financial incentives needed for the delivery of environmental interventions, methods of calculating payment rates, appropriate basis of payment, natural capital valuation approaches and preferences for payment triggers and frequency.

Findings

There is further support for a **revised Income Foregone + Cost (IF+C) approach** as feedback continually states that the IF+C approach used for Countryside Stewardship are an insufficient incentive. Natural England Payments by Results (PbR) utilised the IF+C method and factored in additional costs not currently included

within conventional AES payment rate calculations such as self-assessment training and conducting self-assessment of results, which was found to be effective.

Test and trials have suggested **alternative payment rates** for a range of measures which are generally all higher than current rates and include consideration of an 'incentive' element. The Country Land and Business Association (CLA) reported that higher payment rates are required to **incentivise woodland creation** due to larger opportunity costs, financial and non-financial barriers for tree planting and management. The perception that land is devalued once planted with trees may have to be reflected in higher payment rates if landowners are to be incentivised from more profitable land uses. Thirteen East Devon AONB farmers have suggested payment rates for a range of measures which include consideration of an incentive uplift: £500/ha for planting woodland, £500/ha for maintenance of unimproved grassland.

Tests and trials have also found that **payment rates should reflect variations in costs experienced**. Exmoor National Park found enabling farmers and land managers to adopt environmental practices, payments need to include a share of the whole-enterprise fixed costs (such as land, machinery, and core labour costs).

Workshop participants from the Pollardine Farm test involved in investigating payments for hedgerow management, suggested that a fair payment is required for maintaining as well as creating hedgerows, and support maintenance payment rates being calculated over a multi-annual period. This was supported by Forestry Commission participants who identified that concerns around current and **future maintenance costs** were a barrier to urban forestry uptake. Participants suggested funding should accurately reflect costs and support the full project duration.

Comparing a **natural capital payment approach** with the total Countryside Stewardship payment over a period of 10 years, led Cornwall AONB to conclude that previous IF+C rates do not remunerate farmers for all the benefits that they can provide. However, there were also barriers and concerns around providing reliable natural capital values in practice. Cornwall AONB used primary valuation studies to estimate the values of public goods and estimated a margin of error associated with the valuation of the ecosystem services. Additionally, the Clinton Devon Estates test have reported difficulty in assigning natural capital values to biodiversity and soil carbon sequestration. However, they found it useful to baseline natural capital and track performance of natural capital conditions and benefits. Exmoor National Park Authority also found that cultural benefits such as wildlife, landscape character and the historic environment were difficult to value due to variations in willingness to pay studies from which benefit transfer values could be applied.

Test and trial participants varied in their preference of payment frequency and triggers. Natural England’s PbR trial participants preferred **annual payments,** triggered by adviser validation of self-assessments and payments made based upon the results of an annual self-assessment, rather than based on change of habitat quality from the start of the agreement. Northumberland National Park workshop participants and seven North Pennine AONB upland farmers supported bi-annual or quarterly payments.

We also have evidence on **public access funding** from two tests and trials. Kent Downs Access test and trial suggested the following access related payment rate estimates:

New permissive access (recommended as part of Local Nature Recovery and Landscape Recovery), where per meter payments were considered the fairest, annual payments of £250 per 100m for first 1000m, £150 per 100m for subsequent length of permissive route

Enhancing existing access (recommended as part of Sustainable Farming Incentive and Local Nature Recovery): Upgrading footpath to permissive bridleway annual payment of £250 per 100m for the first 1000m, access for people with reduced mobility annual payment of £400 per 100m

Education visits (recommended as part of Local Nature Recovery): Educational access base payment of £1000 per holding per annum plus payments per session (£300 per session for up to 15 people, £450 per session for up to 30 people)

The Trails Trust found that the provision of permanent access using green infrastructure can be incentivised by offering landowners fair and reasonable rewards, which accounts for the local and recreational value, set legal costs, capital works and annual works payments. 90% of participants in this test and trial supported area-based valuations for open access land, with 68% of participants suggesting that additional factors such as user impact, operational loss and recreational value be considered in addition to land value when determining payment rates.

A **points-based system for Sustainable Farming Incentive standards**, which provides flexibility to choose different combinations of options and receive payments based on scientifically verified impacts of results, was the favoured payment option amongst 19 of 32 Landworkers' Alliance participants in the Horticulture sector. The approach was credited by both small and large-scale horticultural growers as being fair, clear and simple. A detailed example of the points-based option was provided to participants and therefore may have been better understood than the other four payment options presented. Other payment options offered includes natural capital/ecosystems services approach, Payment by Results, IF+C, and Flexing.

Case Study: Testing indicative payment rates for Sustainable Farming Incentive Standards

The North Devon Pioneer Trial farmers tested indicative payment rates for Sustainable Farming Incentive standards, with three farm plan scenarios developed for each participating farm. The basic scenario included all the relevant introductory level standards. The medium scenario included all the relevant intermediate level standards, and the high scenario had all the relevant high level standards.

Implementing these scenarios were found to result in higher profits or smaller losses from farming for most participants; on average, the high scenario resulted in a £20K improvement in profit. All nine farmers who selected the high scenario are currently

in either Higher Level Stewardship or Mid-Tier Countryside Stewardship agreements, which suggests the advanced level standards aren't too much of a step change for these farms.

On average, the farmers on this trial are either seeing higher profits or smaller losses from farming after implementing the three scenarios. Much of the land on the 27 farms was of moderate/high risk soil erosion and run-off, and most of the farmers payments were uplifted by additional Sustainable Farming Payments for grassland or arable land that is on high/moderate risk land. Without these additional payments, the payments would have been much lower.

The intermediate scenario was the most popular option amongst farmers when considering the financial impact to their farm business, with the additional profit provided by the high scenario insufficient incentive for some to undertake the additional work associated with the high scenario.

How it is shaping future schemes:

Across all three of the environmental land management schemes, rewarding farmers / landowners for undertaking activities that help deliver our environmental outcomes is one of key principles of scheme design. The feedback from the trial will form part of the wider evidence base we use as we develop the Sustainable Farming Incentive standards and payment rates to ensure they align with our key principles of:

We will set payment rates to encourage wide participation, while fairly and effectively paying farmers for achieving environmental and climate outcomes.

We want payments that, as far as possible, recognise and pay for outcomes that can be delivered through a wide range of activities.
We want payments that recognise the value of existing natural assets and do not unfairly disadvantage those who are already protecting and enhancing these assets to achieve good environmental and climate outcomes &
We want payments that form part of a growing market for environmental outcomes, where scheme participants can earn income from public and private sector sources.

Innovative Delivery Mechanisms

We have 22 tests and trials exploring the innovative delivery mechanisms. This theme will examine novel financial delivery mechanisms, such as reverse auctions, results-based approaches and blended finance.

Findings

Reverse Auctions

To date, 129 farmers have participated in six **reverse auctions** to trial the end-to-end process. Reverse auctions were found to be a suitable mechanism for delivering a range **of water quality and flood risk related interventions** across different geographies and landscapes by the Environment Agency's NatureBid Auction Trials. Auctions were found to be most **cost effective for simple, familiar interventions**,

as simple measures attracted the highest volume of bids, most competition on price, and consequently the lowest final bid price. The Nature Bid Auction Trial also found that auctions operate most effectively at a **larger scale (e.g., County)** as spatially targeting interventions in a small area such as sub-catchments resulted in insufficient bids.

Reverse auctions were also found to be **capable of delivering multiple environmental outcomes**. For example, the Wessex Water and EnTrade trial were able to deliver the following environmental outcomes: carbon sequestration, nitrogen abatement, soil erosion protection, biodiversity, connectivity of habitats, and natural flood management. The auction enabled buyers to purchase individual 'stacked' environmental services, with payments being made for the individual services delivered.

Test and trials have trialled the EnTrade and NatureBid reverse auction platforms. Feedback from the Wessex Water trial on the EnTrade bidding platform indicated that it was straightforward to use, simple to select measures and to obtain a breakdown of the value of the environmental services that the measure would provide. However, RSPB participants initially experienced significant technical issues in relation to the functionality and performance of the EnTrade platform. Improvements and updates to the platform were implemented and no technical issues were experienced during the second auction. Most bidders from the Environment Agency's NatureBid auction trials (around 75% on average) found that NatureBid provided an easy and less time-consuming way for them to engage with and secure funding for sustainable land management. Younger farmers who are in general more used to working with online tools found the platform easier to use.

However, reverse auctions **were found to be unsuitable in some circumstances.** Sixty-three CLA participants were unsupportive of reverse auctions as a mechanism for creation and management of new woodland, citing disadvantages as; reluctance to enter an auction due to uncertainty over bid success, 'race to the bottom' mentality, unsuitability for wide uptake and high transaction costs. Northumberland National Park also found that reverse auctions may favour large farms and estates who can deliver more cheaply and efficiently due to economies of scale. Additionally, the ability of a reverse auction to attract **private funding** is dependent on the networks, relationships, and ambitions of the local intermediary/delivery partner.

The nature of collaborative groups might **undermine** reverse auctions, which rely on competitiveness. The case study provided at the end of this section details some of the practicalities and difficulties found in setting up reverse auctions.

Payment by Results (PbR)

The participants in the Natural England PbR trial reported that they found it possible to achieve environmental outcomes under PbR agreements without complex sets of prescriptions. **Perceptions on whether PbR mechanisms would increase uptake in future schemes remain varied.** Two-thirds of Natural England's PbR trial participants indicated they would be more likely to apply for a scheme if PbR was included. Participants liked the freedom, flexibility, control, lack of paperwork and

being trusted to use their skills, experience and judgement to manage how results were delivered. Some of the 24 farmers from Northumberland National Park view PbR as **risky** due to factors outside of farmers control impacting results and the lack of defined principles and metrics for assessing public goods.

Natural England have proposed that a **hybrid PbR scheme**, combining fixed and performance-based payments, could reduce financial risk to participants. This concept will be explored further with PbR trial participants.

Blended Finance

The lack of return on investment for the private sector was found to be a key barrier to blended finance for ecosystem services. To address this concern, Cornwall AONB has produced a natural capital prospectus outlining a proposal for how blended finance could be achieved within Landscape Recovery, detailing the possibility for the AONB Trust acting as the **investment vehicle** brokering biodiversity and carbon offsetting investments. The Aqualate Mere test and trial identified some key concerns raised by participants, where it was identified that the government needs to play a role in defining what can be traded and, provide support in setting a value-based system for the assets and accreditation for the delivery of those solutions.

The Forestry Commission have identified a range of 'animation activities' (e.g., forest school support, website development) which could be financed privately and recommended the **land management plan** as a useful tool for demonstrating potential outcomes and public good delivery to investors.

There is evidence from test and trials that **blended finance can be incorporated into reverse auctions.** With public funding from Defra and the Environment Agency successfully blended with private funding from Wessex Water during a reverse auction in the Poole Harbour Catchment; private finance provided the vast majority of the £287k spent at auction, with only 17% originating from public finance. Wessex Water report that buying bundled measures from farmers and selling stacked benefits to buyers is an effective means of blending finance, removing double funding risks and issues with additionality.

Case study: Reverse Auctions for landscape recovery species restoration (RSPB)

The Turtle Dove Reverse Auction Test and Trial aims to investigate the use of reverse auctions to drive the bespoke management necessary to recover threatened and declining farmland species such as the Turtle dove and determine whether this mechanism in this context could form a component of a future environmental land management system.

The trial is being delivered in four zones across Norfolk and Suffolk and is a partnership between the RSPB, academics from the University of Oxford with expertise in auction design, consultants DotEcon who have developed the auction software, and EnTrade who provided the online auction platform and experience in running similar reverse auctions.

The trial found difficulties in running the first of the two auctions, where submission of a uniform price because of collusion by cluster members participating in the auction were found. This was mitigated in the second auction by providing information on 'anti-trust' considerations. The second issue found by this trial in the first auction was the technical issues found in the auction platform, which was resolved and mitigated for the second auction. These were also issues on IT literacy flagged in the usage of the auction platform, where the use of paper forms was preferred by few older participants.

Due to the novel approach of the project, a predetermined maximum price had not been set prior to the results analysis and was ultimately defined by the project team who made the decision, by considering the blow:

What constituted a reasonable maximum price when compared to equivalent schemes, gross margins of commercial crops, the short nature of project payments when compared with CS schemes, and the 'hassle factor' of engaging with a new approach

What total budget spend would allow for a reasonable number of winning bids based on the assumption it will be easier to extract detailed learning from winning project participants

How to ensure the project resulted in some local impact for Turtle Doves through the provision of feeding plots given the potential reputational risk to both Defra and the RSPB if the project result in low numbers of bids and resulting feeding plots

A number of participants however expressed a clear preference for being provided with a set rate so they could decide more easily if they wanted to participate or not – defining their own rates has clearly proved difficult for many unsure of sensible price bands at which to bid.

Case Study: Private investment within Landscape Recovery

The Cornwall Area of Outstanding Natural Beauty (AONB) Partnership engaged a working group of farmers to develop and test a Landscape Recovery Framework which outlined the environmental objectives and targets for the Lizard Peninsula.

A Natural Capital Investment Prospectus was then designed as a mechanism to attract investment from alternative sources which could be matched with public Landscape Recovery funding. The prospectus provided potential funders with detail of the investment area and highlighted the potential value of the offer set out by farmers in the Landscape Recovery Framework.

Numerous opportunities for investment in the Landscape Recovery Framework were recognised. These included; mitigation of future risks such as flooding, biodiversity and carbon offsetting, philanthropic investment, and opportunities for private sector organisations to invest into corporate social responsibility.

The AONB have identified the opportunity for the Cornwall AONB Trust to act as the investment broker for funding received for the Lizard Peninsula project, establishing a Landscape Recovery Fund into which investment can be made at any time. Theoretical case studies were developed as examples of future investments the AONB Trust could facilitate. These were focused on Biodiversity Net Gain offsetting for developers and the sale of carbon credits through the Woodland Carbon Code.

How is the evidence shaping future schemes?

We are aware of private market models such as Natural Infrastructure Schemes (NIS) and Landscape Enterprise Networks (LENs) which highlight the value of aggregating environmental outcomes to achieve a scale that is more appealing to private investment. Aggregation can help lower transaction costs for both sides of an agreement and can result in economies of scale for monitoring and verification on the supply side. There are examples where facilitators have helped achieve this and such a role could be fulfilled by locally established trusts, as recommended by Cornwall AONB.

If facilitators are to navigate markets on behalf of land managers and source additional funding, as suggested by the test and trial, it is important that they are trusted by land managers. This is more likely to be the case due to inherent benefits and requirements for trusts compared to specialist teams from Local Authorities, namely that they are more likely to attract funding, investment and donations, and are overseen by the Charities Commission.

Conclusion

The evidence and learning from tests and trials contributes to the wider evidence base to inform policy and future scheme design. From April to September 2021, tests and trials have continued to add evidence on how environmental land management schemes could work on the ground with our stakeholders. Since the last report, eight test and trials have finished and two have started.

Early this year, we also launched a call for further test and trials to co-design mechanisms by which we can achieve landscape recovery. We now have nearly 26 tests and trials in delivery. We will be reporting on evidence gained through these in the next synthesis report.

The Tests and Trials Team seeks to build a culture of learning. We are starting to build a growing evidence base, and our learning strategy is supporting the effective dissemination of our evidence. We are also working across Defra group to review evidence gaps and emerging issues that can be met through future phases of tests and trials, and we will start sharing the application of learnings with the sector and policy plans going forward.

Annex A: headline findings by scheme

Land Management Plans

Universal Findings	Sustainable Farming Incentive	Local Nature Recovery	Landscape Recovery
A LMP helped educate farmers in delivery of unfamiliar management practices There was support for self-assessment for monitoring the agreement but there should also be a formal monitoring/inspection programme LMPs should be simple Maps, tables, and matrices cross-referencing actions with public goods are popular and keep the LMP relevant Checklists, inventories, and multiple-choice questionnaires were popular format options There has been support for excel in keeping the LMP concise and easy to navigate Horticultural growers found checklists too simplistic and wanted flexibility in a public goods audit Flexibility needed to accommodate dynamic land ownership	A LMP should work at all scales	LMPs should be tailored to the needs of the local context Maps were used to show natural capital and simplify plans	There has been support for mapped baseline data to set the tone for farmers and advisers when creating plans

Role of Advice and Guidance

Local Nature Recovery	Landscape Recovery
Farmers participating in a Wildlife Trust test identified that one-to-many advice may take the role of a co-ordinator or facilitator maintaining a “birds-eye view” of a defined locality, facilitating public goods delivery at a landscape scale, and supporting farmers to target Local Nature Recovery and Landscape Recovery schemes. There was some overlap between the characteristics of effective advisers identified across a range of test and trials and the skills required by a convener, as discussed by participants in the Broads test and trial, including local knowledge and credibility, technical knowledge, and effective communication skills. There was, however, a greater emphasis on co-ordination and strategic skills when considering the role of a convener, working at a county scale to pull strands of Defra policy together locally.	There are deficits in farmer agroforestry knowledge related to general, conceptual, practical, and economic knowledge. Enhancing knowledge exchange through advice, peer-to-peer mentoring services and education is recommended.

Spatial Prioritisation

Universal Findings	Local Nature Recovery and Landscape Recovery
Evidence from a further three trials highlights that farmers want to be involved in the identification of priorities and that bottom-up approaches to prioritisation are more effective. Five tests and trials have used publicly available data and maps to	A range of formats are being used to develop landscape scale plans, with mixed responses to map-based approaches. A trial in Cuckmere and Pevensey found that a combination of narrative and mapping approaches to representing priorities was most suited to a farmer audience. It also highlighted that not all public goods can be portrayed in mapped form – while some

Universal Findings	Local Nature Recovery and Landscape Recovery
develop landscape scale plans and/or inform prioritisation. Clear gaps include habitat condition assessments are on commons; carbon sequestration capacity of grassland habitats; and hedgerow data.	data is easy to show cartographically, such as the presence of habitats, other data such as water quality is more difficult. As part of the Broads test and trial, 12 stakeholder organisations representing over 200 farmers provided feedback on the role of a convener. There was support for the concept of a local convener. Participants felt that a convener should be able to build trust and integrity quickly, and that they should be employed by the local authority. They found the most suitable geography for a convener to work at was the county level, although the role was still considered to be a large amount of work. It was highlighted that the local board would be necessary to support the work. There was some overlap between the characteristics of effective advisers identified across a range of test and trials and the skills required by a convener, as discussed by participants in the Broads Authority trial, including local knowledge and credibility, technical knowledge, and effective communication skills. There was, however, a greater emphasis on co-ordination and strategic skills when considering the role of a convener, working at a county scale to pull strands of Defra policy together locally.

Collaboration

Universal Findings	Local Nature Recovery and Landscape Recovery
The Northumberland National Park Authority test and trial found that long-term funding would be required for collaboration, to cover	11 of 14 farmers testing a scorecard template in a trial led by Dartmoor National Park agreed with the statement that commons agreements would automatically fall within Local Nature Recovery or

Universal Findings	Local Nature Recovery and Landscape Recovery
the cost of extra management time and resources. Similarly, a farmer-led trial involving 10 participants in Shropshire reported that the financial incentives for collaboration need to be more attractive than for individual work. 16 farmers in an RSPB-led test thought that collaboration could help resolve conflicts at a local scale. Blackdown Hills AONB found that a peer-to-peer approach was successful in involving farmers with no previous experience of agri-environment schemes in collaboration activities.	Landscape Recovery schemes as they would involve farmers collaborating across a landscape, implying a perception that commons agreements will not be eligible for the Sustainable Farming Incentive. One farmer group felt that the best incentive would be access to capital funding. Access to capital funding rather than a direct payment for collaboration. This might be due to the fact that a number of the group's farms are upland holdings with numerous boundaries to maintain. A trial working with 75 farmers found they favoured bottom-up approaches to collaboration rather than top-down initiatives. There is support for collaboration being coordinated via a facilitator, linking holding-level LMPs, rather than personally convening with neighbours and agreeing formal collaborative activities. Farmers from Barningham Estate were concerned that joint agreements could impact upon how they managed their land and wider business. They therefore supported an approach whereby objectives would be agreed across holdings and would inform the design of each individual's agreement.

Payments and Innovative Delivery Mechanisms

Universal Findings	Sustainable Farming Incentive & Local Nature Recovery	Landscape Recovery
Further evidence that blended finance can be incorporated into reverse auctions with public funding from	Further support for a points-based approach to payments for horticulture standards under the Sustainable Farming Incentive.	Cornwall AONB has produced an investment prospectus outlining a proposal for how

Universal Findings	Sustainable Farming Incentive & Local Nature Recovery	Landscape Recovery
Defra and the Environment Agency successfully blended with private funding from Wessex Water during a reverse auction in the Poole Harbour Catchment. Strong consensus from participants in the Northumberland National Park Authority test and trial that future schemes should provide incentive above income forgone and for payments to reflect regional variations in costs. Further feedback that IF+C is a poor incentive for farmers and land managers. One test has found that 2 out of 3 natural capital-based payment rates were higher than comparable Countryside Stewardship rates. 40 out of 46 farmers in an Environment Agency trial confirmed that they would bid in a future NatureBid auction , with the majority finding the platform 'somewhat easy' or 'extremely easy' to use. In comparison, RSPB initially experienced significant technical issues with	27 farmers who tested indicative payment rates for Sustainable Farming Incentive standards felt that the rates for the waterbody buffering standard were too low. Whilst the indicative rates had been increased to include costs associated with payment for mains water supply, farmers remained concerned about the practicality of this standard and 11 out of 24 questionnaire respondents would not apply for it. There were mixed views from participants in the CLA test on the acceptability of the proposed Sustainable Farming Incentive payment rate of £49/ha for the woodland management standard. The majority of participants suggested £51-120/ha as an acceptable payment, with a range of £0 (for basic management activities) to £2,470/ha/yr. Uncertainty over the future schemes was deemed to be a greater barrier to engagement in woodland management than the payment rate itself. The Cornwall Wildlife Trust test have co-designed suggested Sustainable Farming Incentive payment rates, recommending inclusion of Cornish hedges within hedgerow management attracting a payment rate of £24/100m per side of hedge Exmoor National Park Authority have developed an improved IF+C payment rate calculation for Sustainable Farming Incentive and Local Nature Recovery which considers reduction in potential	blended finance could be achieved within Landscape Recovery, detailing the possibility for the AONB Trust acting as the investment vehicle brokering biodiversity and carbon offsetting investments. 24 Northumberland National Park farmers suggested that auctions will favour larger farms which can deliver efficiently at a lower cost due to economies of scale. It was suggested that auctions could be useful for bespoke projects incurring higher costs.

Universal Findings	Sustainable Farming Incentive & Local Nature Recovery	Landscape Recovery
the functionality and performance of the Entrade platform. Improvements and updates to the platform were required prior to the second auction	gross margin, required allocation of fixed costs, cost of additional inputs and an incentive element. 8 Blackdown Hills AONB farmers have co-designed suggested payment rates for a range of Sustainable Farming and Local Nature Recovery related measures calculated using an IF+C plus public benefit incentive element.	

Annex B: List of live and concluded Tests and Trials

Organisation	Title	Location	Priorities: (Information on how the proposal will inform Test and Trial priorities)
23 Burns Collective	Development of Land Management Plans	Northumberland coastal strip from Bamburgh to Howick	Land Management Plans Advice Payments Collaboration
Broads National Park	Proposal/idea for the Broads	The Norfolk Broads and Broadland Rivers Catchment in Norfolk and NE (Natural England). Suffolk.	Spatial Prioritisation Advice Payments
Buglife	Testing Monetary Incentives for delivering Landscapes for Pollinators	England	Land Management Plans Advice & Guidance Payments Spatial Prioritisation Collaboration

Organisation	Title	Location	Priorities: (Information on how the proposal will inform Test and Trial priorities)
CLA	Wildlife Estates	Ford & Etal Estate, Northumberland. Woodhall Park Estate, Hertfordshire. Monkton Farleigh, Wiltshire. Holkham Estate, Norfolk. Knepp Estate, West Sussex. Tregothnan Estate, Cornwall	Land Management Plans Advice & Guidance Collaboration
CLA	Incentivising sustainable farming and forestry practices that deliver public benefits	National - workshops held in North Yorks, Cumbria, Somerset, Devon, Hampshire, Norfolk, Bedfordshire, Worcester, Leicestershire, Surrey, West Yorks	Land Management Plans Potential learning for Advice & Guidance, Payments, and Innovative Mechanisms
Lanhydrock Estate/Cornwall Isles of Scilly LEP	Respryn Natural Capital Project "A bridge between Economic and Environmental Delivery"	This covers 5000 hectares in Cornwall around the Respryn Bridge area and Fowey catchment	Advice & Guidance Payments Prioritisation Land Management Plans
Cotswolds Conservation Board, Cotswolds AONB	Researching and piloting the need for local payment rates and options to achieve outcomes in the Cotswolds	The Cotswolds AONB	Land Management Plans: Advice: Local Prioritisation: Payments
Dartmoor National Park	To test and trial a plan-based approach, building on our experience of Dartmoor Farming Futures	Dartmoor National Park	Spatial Prioritisation Land management plans: Payments: Innovative Delivery Mechanisms

Organisation	Title	Location	Priorities: (Information on how the proposal will inform Test and Trial priorities)
Exmoor National Park	Using natural capital to deliver the 'broadly accessible scheme' in upland and pastoral landscapes	Exmoor National Park	Land Management Plans Local prioritisation Local delivery Payments
Farming and Wildlife Advisery Group (FWAG)	Multi-functional land and water management on the Somerset Levels	Somerset Levels & Moors	Advice Spatial Prioritisation. Innovative Delivery Mechanisms
Farming and Wildlife Advisery Group (FWAG) and Partners	Integrated Local Delivery Framework	Upper Thames Catchment, Gloucestershire	Collaboration Spatial Prioritisation, Advice, Land Management Plan
Foundation for Common Land	Development of a Commons Proofing Tool	Based in Cumbria and collaborating across commons countrywide including Dartmoor, Exmoor, Cumbria, New Forest, North York Moors and Cotswolds	Land Management Plans Spatial prioritisation Collaboration
Forestry Commission	Urban woodland creation	The test will focus on Great Manchester, Merseyside, Cheshire, and Great London Authority areas.	LMP Spatial Prioritisation Advice Payments Innovative Delivery Mechanisms
Forestry Commission	Upskilling the sector	Three mixed use estates in Southeast England	Land management plans Advice

Organisation	Title	Location	Priorities: (Information on how the proposal will inform Test and Trial priorities)
Linking Environment and Farming (LEAF)	LEAF Demo Farms and LEAF Marque as an environmental land management platform	Geographically dispersed regions: Somerset Wiltshire Cambridgeshire Northumberland Norfolk Hampshire Kent Northamptonshire East Yorkshire Hertfordshire North Yorkshire Lincolnshire Essex Suffolk	Land management plans, advice
NAAONBs	Farming for the Nation: Areas of Outstanding Natural Beauty (AONBs) as test beds for a new Environmental Land Management System	Blackdown Hills, East Devon, Kent Downs, Surrey Hills, Cornwall, Cranborne Chase, Tamar Valley, Dorset, Quantock Hills, Forest of Bowland, Nidderdale, North Pennines	Land management Plan Advice Spatial Prioritisation Collaboration Payments
National Trust	Developing a farmer led Nature Recovery Network.	Bude to Newquay	Local/Spatial Prioritisation Collaboration Payments
National Trust	Proposal for a 'Payments for Outcomes' Trial	The Yorkshire Dales	Land Management Plan & Design Advice Innovative Delivery Mechanisms
National Trust	Whole Farm Plans - Proposal to 'test' the process of plan development and implementation	Shropshire hills	Land Management Plans Advice Spatial Prioritisation Collaboration Payments

Organisation	Title	Location	Priorities: (Information on how the proposal will inform Test and Trial priorities)
National Trust and Green Alliance	Test of the Natural Infrastructure Scheme concept through integration with LENS and EnTrade (the 'Eden Model')	The Petteril & Ullswater Catchments, Cumbria	Innovative Delivery Mechanisms
Northumberland National Park	Curlew Contracts	Northumberland National Park	Land Management Plans Spatial Prioritisation Role of Expert Advice Payments
Ordnance Survey	N/A	Upper Thames Catchment, Gloucestershire, Northumberland National Park, and Cornwall LEP	New & Innovative Mechanisms Spatial Prioritisation
Peak District National Park	Using the White Peak National Character Area (NCA) for testing and trials ideas	Peak District National Park – White Peak NCA, Dark Peak and Southwest Peak	Land Management Plans Spatial Prioritisation Advice Payments
RSPB	Developing and testing a local collaborative environmental land management offer to support and maintain species recovery in South Devon	South Devon	Spatial Prioritisation, Collaboration Payments
RSPB	Investigating the potential for reverse auctions to deliver the	Southeast England	Innovative Delivery Mechanisms, payments, collaboration.

Organisation	Title	Location	Priorities: (Information on how the proposal will inform Test and Trial priorities)
	recovery of priority species		
RSPB	Developing and testing self-assessment of environmental land management scheme options	Cambridgeshire fens arable farms and the Broads	LMP Advice
Small Woods Association	Small Woodland management option - Strategic networks for sustainable woodland management	Cumbria; Churnet Valley & SW Peak; Eastern Clay lands; Surrey Hills; Cotswolds; North Devon; Marches	Advice Land Management Plans, Collaboration
Soil Association and Partners	Testing the Public Goods Tool for environmental land management	Exe Valley [Simons bath to Exmouth] The Clun [Craven Arms to Church Stretton]	Land Management Plans Advice Prioritisation
Sustainable Food Trust	Harmonisation of standards	25 individual farm tests across England.	Land Management Plan Advice Collaboration
Wildlife Trusts	A facilitated, farmer-led approach to the delivery of environmental public goods on a landscape scale across Gloucestershire, Worcestershire, Berkshire, Buckinghamshire, Oxfordshire, Hampshire, and the Isle of Wight	Gloucestershire, Herefordshire, Worcestershire, Berkshire, Buckinghamshire, Oxfordshire, the Hampshire, and Isle of Wight.	Land Management Plan Advice

Organisation	Title	Location	Priorities: (Information on how the proposal will inform Test and Trial priorities)
Wildlife Trusts	A natural capital base, farmer-led model of the delivery of environmental public benefit on a landscape scale in the uplands - Cheshire Wildlife Trust	Upper River Dane catchment, Cheshire, Peak District National Park	Land Management Plans Advice Spatial Prioritisation
Beds, Cambs and Northants (BCN) Wildlife Trust	Delivering a catchment-based nature recovery network - The Wildlife Trust for Bedfordshire, Cambridgeshire, and Northamptonshire	Upper Nene Valley Catchment (Northampton to Peterborough)	Land Management Plans, Advice and Guidance, Spatial Prioritisation
Wildlife Trusts	Delivering environmental land management at a landscape scale through Farmer Clusters - Kent and Sussex Wildlife Trusts	Cross Kent and Sussex borders	Advice Collaboration Payments
Cornwall Wildlife Trust	Development of a Natural Capital assessment tool and App.	Cornwall CWT reserves and nearby farms	Land Management Plan Spatial Prioritisation
Cornwall Wildlife Trust	Incentivising environmental land management for contract farmers – Cornwall Wildlife Trust	West Cornwall	Land Management Plan Payments

Organisation	Title	Location	Priorities: (Information on how the proposal will inform Test and Trial priorities)
North Yorks Moors National Park	North York Moors National Park Authority (NYMNPA) building on the success of previous schemes to achieve better collective outcomes	North Yorks Moors National Park	Spatial Prioritisation Payments
GWCT (Game and Wildlife Conservation Trust)	Practitioner-led farm monitoring	South of England (Wiltshire)	Land Management Plan
Clinton Devon Estates	Catchment Co-design in East Devon: testing collaborative approaches to landscape planning and ecosystem service delivery	Beer & Lower Otter Catchments, East Devon	LMP, advice and guidance, spatial prioritisation, payments
En Trade	EnTrade/Wessex Water Proposal	Poole Harbour Catchment, Dorset	Innovative Delivery Mechanisms, payments, collaboration.
Cuckmere & Pevensey Levels Catchment Partnership	Cuckmere & Pevensey levels land management pilot	Cuckmere & Pevensey Catchment [From High & Low Weld in the North to the South Downs], East Sussex	Land Management Plans Advice Collaboration Spatial prioritisation Innovative Delivery Mechanisms
Organic Research Centre (ORC),	Agroforestry in England	National Test across England, which will represent regional variation and will include grassland-based livestock systems in the southwest, lowland arable systems in East Anglia,	Advice and Guidance Payments

Organisation	Title	Location	Priorities: (Information on how the proposal will inform Test and Trial priorities)
		horticultural systems in southeast and flood prone upland areas in the northwest.	
Natural England	Catchment Sensitive Farming	The Rivers Mease, Humber, Wye & Till; East Suffolk Rivers	Advice & Guidance
Environment Agency (EA)	EA NatureBid	Somerset; Kent & Cheshire; Dartmoor National Park; Tamar Catchment, Devon [TBC Northamptonshire; West Rother Catchment, South Downs & Greater Manchester Combined Authority]	Innovative Delivery Mechanisms, payments.
Landworkers' Alliance and Growing Communities	A Horticulture Environmental Land Management Scheme	Virtual pending confirmation	Land Management Plans, Advice and Guidance, Payments
Cholderton Estate	The Cholderton Estate Pilot	This test will cover an area of approximately 2,500 acres on the Hampshire/Wiltshire border.	Land Management Plans Advice and Guidance Payments
Aqualate Castle Holdings	Blending Public and Private Finance within Landscape Recovery	5,000 hectares of Aqualate Mere Catchment Group in Shropshire	Innovative Delivery Mechanisms

Organisation	Title	Location	Priorities: (Information on how the proposal will inform Test and Trial priorities)
Aqualate Castle Holdings	Aqualate Mere Farmer-led Catchment Land Management Plans	Aqualate Mere, Staffordshire/Shropshire Border	Land Management Plans, Collaboration, Advice, Spatial Prioritisation
ELM Convenor Partnership	Establish a non-statutory advisery board to help the public sector develop a LMP for Hampshire & assist in securing delivery	Hampshire	Spatial Prioritisation, Innovative Delivery Mechanisms, Advice and Guidance, Collaboration
The Trails Trust	How to incentivise green infrastructure access and biodiversity creation	Mendip Hill AONB and surrounding area	Land management plan Advice and guidance Collaboration Payments
Lincolnshire Wildlife Trust with South Lincs Water Partnership and University of Lincs	Habitat restoration at landscape scale through a partnership driven market for integrated land and water management services	South Lincolnshire	Spatial Prioritisation Innovative Delivery Mechanisms Payments
Breckland Farmers Network		Breckland Region	Spatial Prioritisation Payments
Irwell CSFF (Countryside Stewardship Facilitation Fund) and Catchment Partnership	Investigate the feasibility of securing local stakeholder engagement with the farm planning process	Greater Manchester Peri-Urban areas	Collaboration, Spatial Prioritisation, Advice, LMPs

Organisation	Title	Location	Priorities: (Information on how the proposal will inform Test and Trial priorities)
NFU West Midlands	Test approaches to natural capital delivery in a network of mixed farming businesses in north Shropshire and north-west Staffordshire	North Shropshire/Staffordshire and South Shropshire	LMPs Advice & Guidance
Pollardine Farm	A farmer-driven approach for wildlife corridors	Gatten Valley, Shropshire	Land Management Plan Spatial Prioritisation Payments
Claughton Hall Estate	Claughton Hall Estate	Garstang, Preston, Lancashire	Land management plan Advice and guidance Collaboration
Sylva Foundation	Woodland Creation Software	Northern Forest	Land Management Plans Advice 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	1. Land Management Plans: (What information and support is required) 2. Spatial Prioritisation: (What building blocks are required to achieve a consensus approach to identifying local priorities to support the development of a Nature Recovery Network?) 3. Innovative Delivery Mechanism: (Opportunities for a blended finance approach to the delivery of public goods and the information and mechanisms required to enable this)
North Cumbria Farmers Group		Cumbria	Land Management Plan Advice and Guidance Spatial Prioritisation

Organisation	Title	Location	Priorities: (Information on how the proposal will inform Test and Trial priorities)
Plant Life	Plant Life	Herefordshire, Hampshire, Duchy of Cornwall, Worcestershire, and Sandringham Estate	1. Land management plans: Co-design, develop and test a prototype online interactive tool which enables farmers and land managers to create Land Management Plans to plan and record the delivery of public goods? 2. Collaboration: Gather feedback on incentives to encourage collaboration at landscape scale, what those incentives might be and how these should be captured within a Land Management Plan 3. Innovate Design Mechanisms: To assess the impact and benefits of online DIY advisery methods and whether this reduces the need for face-to-face advice.
NFU	NFU IPM	Across England	LMPs Advice & Guidance Payments Collaboration
Barningham Farmers Group	To test an innovative cross-holding, collaborative system for planning and delivering environmental management on land that encompasses a variety of farming systems and a tapestry of nationally and internationally	Barningham Estate, North Yorks	LMP Natural Capital Accounting and Collaboration

Organisation	Title	Location	Priorities: (Information on how the proposal will inform Test and Trial priorities)
	important habitats.		
The Organic Research Centre	Agricology	Spatially targeted cover of England for the surveys and focus groups. The priority is to focus on a mixture users and non-users of audio and video and to prioritise different farming systems and farm types while also attempting to get a geographical spread across England, by ensuring there is a spread of samples and individuals from different regions in England.	Advice New and Innovative Mechanisms
NFU	Net Zero	National	Land Management Plans Advice and Guidance
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	Collaboration Spatial Prioritisation Land management Plan Innovative Delivery Mechanisms

Organisation	Title	Location	Priorities: (Information on how the proposal will inform Test and Trial priorities)
Shropshire Wildlife Trust	Connecting the Clees: Shropshire Wildlife Trust	This test will cover an area of approximately 300 km2 in the south-eastern hills of Shropshire, which includes part of the Shropshire Hills AONB (Clee Hills)	Land management Plan Spatial Prioritisation
Brown and Co.	Develop partnerships between agriculture and polluter industries to realise, promote and attribute a monetary value to land management practices promoting carbon capture and storage through a polluter pays principal.	York to Oxford	Advice Payments
Agricultural Industries Confederation	Evaluation of Animal, Crop Nutrition and Agronomy Advisers	Slimbridge, Gloucestershire. St Neots, Cambridgeshire. Isle of Sheppey, Kent. Milton Ernest, Bedfordshire. Bellerby, North Yorkshire other locations tbc	Advice
NFU Southeast	Farmer Group Plans - How to achieve more, bigger, better, more joined up	East Sussex, West Sussex, Hampshire, and Kent	LMP Spatial Prioritisation Advice Collaboration

Organisation	Title	Location	Priorities: (Information on how the proposal will inform Test and Trial priorities)
Farm and Environment Consultancy	Test a mechanism for identifying the Hope Valley's most important natural capital assets	The county of South Yorkshire covering the administrative areas of Sheffield, Rotherham, Doncaster, and Barnsley	Spatial Prioritisation (Testing the role of the convener)- How can we use local conveners to engage with local stakeholders, to identify local priorities? What tools and methods are most effective at communicating local priorities with farmers, for both their local area and for their holdings? And how should local convener's best co-ordinate facilitators and advisers?
Black Sheep Countryside Management	To develop the next generation of collaborative initiatives	Wiltshire	Spatial Prioritisation Collaboration Advice
Trust for Oxfordshire's Environment		Oxfordshire	Innovative Delivery Mechanisms Payments – How do we utilise private finance? What is the best approach to setting payment rates for specific sectors? Spatial Prioritisation – How can we use local conveners to engage with local stakeholders, to identify local priorities, whilst feeding into the LNRS local priority setting process? What mechanisms are most effective at communicating local priorities with farmers, for both their local area and for their holdings? What are the skills required of a local convener and who is most likely to have them?
23 Burns Collective	Testing Collaboration Mechanisms	Northumberland coastal strip from Bamburgh to Howick	Collaboration Spatial Prioritisation Advice
Broads Authority	Testing the use of a Local Delivery Board as a steering board	The Norfolk Broads and Broadland Rivers	Spatial Prioritisation Collaborations

Organisation	Title	Location	Priorities: (Information on how the proposal will inform Test and Trial priorities)
	supporting a local convener	Catchment in Norfolk and NE. Suffolk.	
South Downs National Park (A)	South Downs Farm Clusters	South Downs National Park	
South Downs National Park (B)	South Downs Land App	South Downs National Park	Land Management Plan Role of expert advice Spatial prioritisation
CLA	Investigating incentives and payment rates for sustainable farming and forestry across 3 components of Environmental Land Management.	Nationwide	Payments
Natural England & Yorkshire Dales/Norfolk	Payment by Results	Yorkshire Dales National Park	Innovative Delivery Mechanisms, Payments
Environment Agency and Lake District National Park Authority	Cumbria Catchment Pioneer	Upper Derwent Catchment area and Waver Wampool	Land Management Plan, Spatial Prioritisation
Natural England	North Devon Landscape Pioneer	The Trial will cover the North Devon DEFRA Management Unit comprised of 3 operational catchments: River Torridge, River Taw, Hartland, and Clovelly. This is also the Landscape Pioneer boundary and the terrestrial extent of the UNESCO Biosphere Reserve.	Land Management Plan, Spatial Prioritisation, Advice, Payments,

Organisation	Title	Location	Priorities: (Information on how the proposal will inform Test and Trial priorities)
NE PbR	PbR at a Whole Farm Scale		