



Department
for Environment
Food & Rural Affairs

Farming and Countryside programme annual report

1 April 2023 to 31 March 2024

Presented to Parliament pursuant to Chapter 1, Section 5 of the Agriculture Act 2020

Date: September 2024



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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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Contents

Introduction	6
The policy context	6
What FCP delivered in 2023 to 2024	6
What FCP spent in 2023 to 2024.....	14

Introduction

Chapter 1, Section 5 of the Agriculture Act 2020 places a duty on the Secretary of State to lay and publish an annual report providing information about the financial assistance given over the previous financial year.

This is the third annual report and relates to financial year 2023 to 2024.

The policy context

The agricultural transition began in 2021, with the Farming and Countryside programme (FCP) moving England away from the EU's Common Agricultural Policy (CAP) and phasing out subsidies for land ownership and tenure.

Delivery of the programme is critical for Defra to achieve its statutory Environment Act targets and Net Zero commitments. The programme pays farmers and land managers to deliver significant and important outcomes for climate mitigation, adaptation and the environment, alongside food production. These actions contribute to the goals set out in the [Environmental Improvement Plan](#), [Third National Adaptation Programme](#) and the [Net Zero Growth Plan](#). Throughout 2023 to 2024, the programme continued to maintain and introduce new offers to pay farmers to produce these outcomes.

From 2024, the Labour government will be taking the agricultural transition forward and will optimise the programme in an appropriate way. This will include the next spending review, which will conclude in October. Departmental budgets, including spending on farming, will be confirmed as part of this process.

What FCP delivered in 2023 to 2024

During 2023 to 2024, the agricultural transition was overseen by the previous Conservative government, with the first [Agricultural Transition Plan \(ATP\) Update](#) published in January 2024.

Details of what FCP delivered during 2023 to 2024 are set out below.

FCP's offers

In 2023 to 2024, FCP continued the phased roll out of the environmental land management (ELM) schemes and expanded the range of grant offers available to the sector. Table 1 shows what FCP funding delivered at scheme level in 2023 to 2024

Table 1: What FCP delivered in 2023 to 2024

Scheme	Total Scheme spend (£m)	What FCP delivered in 2023 to 2024
Basic Payment Scheme (BPS)	1,088	<ul style="list-style-type: none"> paid approximately 82,000 farmers for the 2023 scheme year, which represents 99.2% of eligible claimants delinked payments replaced the BPS in England
Lump Sums	9	<ul style="list-style-type: none"> continued payments to farmers who completed their exit from farming, totalling 1200 farmers since the start of the scheme in 2022
Total for Direct Payments	1,098	
Agri-environment schemes, including Environmental Stewardship (ES), Higher Level Stewardship (HLS) and Countryside Stewardship (CS)	700	<p>ES and HLS:</p> <ul style="list-style-type: none"> paid 7,779 agreement holders £114.2m in relation to claims received in 2023 This represents 97.91% of the claims received agreements extended to keep land in environmental agreements, pending the new ELM offer <p>CS:</p> <ul style="list-style-type: none"> across CS, there are 35,000 agreements. The scheme paid 30,149 agreement holders £374.5m in relation to claims received in 2023 which represents 98.33% of the claims received for Mid Tier and Higher Tier <p>CS Mid Tier:</p> <ul style="list-style-type: none"> 7,118 new applications received in 2023 which went live on 1 Jan 2024. These agreements offered a wide range of management and capital items to support local environments. Of these, 318 were in relation to the wildlife offers, delivering specific habitats for the protection of wildlife and preservation of the natural environment <p>New CS Higher Tier:</p> <ul style="list-style-type: none"> there were 1,101 new Higher Tier applications in 2023 which received agreements that went live on 1 Jan 2024. These agreements support our most environmentally significant sites including

Scheme	Total Scheme spend (£m)	What FCP delivered in 2023 to 2024
		sites of special scientific interest (SSSIs), commons and woodlands and can be tailored to individual sites
Sustainable Farming Incentive (SFI)	30	<ul style="list-style-type: none"> • user rating of the scheme improved, reflecting that new iterations of the scheme incorporate evaluation learnings • land management actions with high deadweight and lower value for money were removed between SFI22 and SFI23, and this continues to be the case as the scheme iterates • most participants reported that they were confident in delivering their agreements
Landscape Recovery	6	<ul style="list-style-type: none"> • provided ongoing support of the 22 Round 1 projects already in the Project Development Phase (PDP), working towards negotiating implementation agreements • completed enrolment for the 34 projects in Round 2 of the Landscape Recovery scheme (these projects are now in their PDP)
Nature for Climate Fund (NCF) Tree grants, including England Woodland Creation Offer (EWCO) and Biodiversity	23	<ul style="list-style-type: none"> • FCP funding helped to support the delivery of several NCF projects, including the Woodland Creation Accelerator Fund, Community Forests, Promotion and Engagement, Nurseries, Workforce and Skills, regulatory capacity, and uplifts to EWCO payment rates
Farming in Protected Landscapes	27	<ul style="list-style-type: none"> • 1,100 new projects approved, engaging approximately a further 2,000 farmers and land managers operating in and around the 44 Protected Landscapes in England • overall, the scheme awarded £22m in project grant funding for farmers and land managers to deliver positive outcomes for nature, climate, people, and place • scheme achievements included: <ul style="list-style-type: none"> ○ approximately 110,000 metres of new hedgerow planted ○ approximately 59,000 trees planted ○ 151 ponds created or restored ○ 354 projects to manage flood risk ○ 22 new permissive paths created ○ approximately 12,000 metres of dry-stone walling restored

Scheme	Total Scheme spend (£m)	What FCP delivered in 2023 to 2024
		<ul style="list-style-type: none"> approved projects delivered actions supporting wildlife rich habitat creation and restoration, including in peatland, wetlands, SSSI management, and species recovery farm technical advisers helped facilitate the creation of 82 farm clusters while supporting 107 existing ones
Piloting, Tests and Trials	16	<ul style="list-style-type: none"> 14 new Tests and Trials focused on supporting the design and delivery of the 3 schemes rewarding environmental land management funding of 48 Tests and Trials, testing ideas and components in a farming environment, with different user groups, across different geographies for potential incorporation into ELM and wider FCP policy completion of 27 tests providing valuable evidence to help inform policy design and delivery planning <p>SFI Pilot:</p> <ul style="list-style-type: none"> 781 live pilot agreements of which 266 also have a live SFI agreement pilot learnings improved the application process, guidance, and the compliance monitoring approach payments uplifted to reflect 2024 market conditions the online application service was redeveloped in response to pilot feedback, with users in SFI23 rating their early experience of the scheme more positively than those at the same point during the pilot (asked to rate their experience on a scale from 1 to 10, pilot users gave a mean score of 5.6, compared to the 6.9 given by SFI23 users) 'how to' guides were re-written SFI23 Handbook was introduced which reduced the number of locations guidance was stored and gave participants a printable document increased flexibility in actions (pick and mix approach for SFI23) resulted in more users reporting that SFI fits their farming system

Scheme	Total Scheme spend (£m)	What FCP delivered in 2023 to 2024
Environmental advice and facilitation	3	<ul style="list-style-type: none"> • a new partnership with Catchment Sensitive Farming (CSF) was formed, which will provide smoother referrals to on-the-ground advice
Total for Environmental Land Management schemes	806	
Animal Health and Welfare grants	13	<ul style="list-style-type: none"> • the Animal Health and Welfare Review (formerly known as the Annual Health and Welfare Review) provides funding for a farmer to have a vet on their farm to undertake testing for a priority disease or condition for their chosen species of livestock, and for a vet and farmer to spend 2 to 3 hours discussing the health and welfare of animals on the farm • 5525 farmers signed up to an agreement to have an Animal Health and Welfare Review ('the Review') • there were 2930 visits claimed for, meaning over £1.3 million was paid to farmers to help them improve the health and welfare of their animals • progress was made on developing a new service, 'get funding to improve animal health and welfare', which integrates the Review with additional support for reducing disease. This service offers specific disease testing, biosecurity assessments, and veterinary advice to help farmers improve the health and welfare of their livestock
Livestock Information Transformation Programme (LITP)	42	<ul style="list-style-type: none"> • UK View delivered national sheep information in a single service, bringing together traceability data from across the UK Administrations for the first time • Delivery of the Livestock Information Service (LIS) remained on track, with the agreed minimum viable technology platform due to be delivered by LI Ltd to enable cattle to be added to the service late 2025 • LITP became part of the Government Major Projects Portfolio (GMPP) • Vet Attestation implemented with industry on animal health visits, enabling ongoing EU exports

Scheme	Total Scheme spend (£m)	What FCP delivered in 2023 to 2024
		<p>of animal products and highlighting digital record-keeping benefits</p> <ul style="list-style-type: none"> Completed proof of technological concept to provide front line users across Defra Group, including APHA Inspectors, with livestock information in the field using an internal App Consultation undertaken to inform the reform of Cattle Regulations to review, refresh and simplify existing legislation LITP Outline Business Case approved by HMT
Total for Animal Health and Welfare	56	
Farming Investment Fund	34	<ul style="list-style-type: none"> launched the second round of the Water Management grant, Slurry Infrastructure grant and Improving Farm Productivity grant, in addition to competitions under Farming Equipment and Technology Fund (FETF) 2023 and FETF 2024, and the first round of the Calf Housing grant paid out £44.7m across all Farming Investment Fund productivity, slurry and animal health and welfare schemes (£33.2 million for FETF small grants and £11.5 million for large grant schemes) – this includes FETF Round 1, FETF 2023 Productivity and Slurry and Animal Health and Welfare competitions, and the first rounds of many of the large grant schemes (Improving Farm Productivity, Adding Value, Water Management and Slurry Infrastructure)
Farming Innovation Programme	17	<ul style="list-style-type: none"> launched 8 competitions under the Farming Innovation Programme, valued at £50.45 million, including a thematic competition on environmental resilience to tackle sector wide challenges, boost productivity, and enhance long-term environmental outcomes
Farm Resilience Fund	11	<ul style="list-style-type: none"> detailed business advice provided to approximately 7,400 farmers through our Future Farming Resilience Fund in 2023 to 2024
Institute for Agriculture and Horticulture	1	<ul style="list-style-type: none"> the Institute for Agriculture and Horticulture launched its full membership offer in January 2024, and agreed partnerships with major supply chain companies and charities

Scheme	Total Scheme spend (£m)	What FCP delivered in 2023 to 2024
Rural England Prosperity Fund	37	<ul style="list-style-type: none"> the Rural England Prosperity Fund was launched in April 2023 and all eligible rural local authorities have received their allocations from the Ministry of Housing, Communities and Local Government (MHCLG) totalling £33.5 million the fund is being delivered by local authorities in 114 eligible areas
Producer Organisation Support	36	<ul style="list-style-type: none"> through the Fruit and Vegetables Aid Scheme, 29 producer organisations were supported to a value of £38 million through the School Milk Scheme, approximately 13,250 schools were supported to a value of £2.2 million 1,752 quota and hemp licences were issued to approximately 191 customers 963 Attestations of Equivalence for hop growers were issued 1,371 VI-1 Wine export certificates were issued £294,000 was paid to the Animal and Plant Health Agency's National Bee Unit for the Apiculture Programme, supporting beekeepers through over 3,000 disease inspections and 71 bee health training events
Total for Productivity and Innovation	137	
Technical assistance	40	<ul style="list-style-type: none"> utilised technical assistance to support policy design, implementation, and IT improvements for funding applications, accounting for less than 2% of the 2023 to 2024 total spend
Total FCP spend 23/24	2136	

Changing services for farmers

In 2023 to 2024, several changes were made to how FCP operates with farmers and the services it provides, including adjustments to the regulatory system. FCP continued to collaborate closely with the Defra Group arm's length bodies (ALBs) to enhance services such as on-farm visits and communication with farmers.

Over 2023 to 2024 this included:

- ending cross compliance on 31 December 2023. FCP worked across the Defra group ALBs to ensure our farm regulatory regime continues to protect the environment, and animal health and welfare
- expanding the remit of the Farming Advice Service (FAS), so that it publishes and presents information relevant to farmers across a range of topics, including the agricultural transition (the helpline will soon provide a signposting service for SFI)
- our [rules for farmers page](#), published in March 2023, was viewed over 15,000 times in 2023 to 2024 (this single navigation page for rules for farmers and land managers on GOV.UK makes it easier to find information about relevant regulations)
- local authorities and other enforcers being able to issue penalty notices (PNs) since 1 January 2024 for certain criminal offences relating to animal health and welfare (PNs fill the gap between (i) advice and guidance and (ii) criminal prosecution; and contribute towards creating a fairer, more proportionate enforcement system that will provide domestic and trade assurance)
- continued support for the improvement and expansion of regulatory resource for the Environment Agency (EA). Through an FCP funded test and learn project we have worked with the EA to trial new approaches to driving compliance on farms. The EA delivered over 4,860 farm inspections with 4,518 completed improvement actions all based on supporting farmers to understand and undertake the right activities in the right areas, reducing the risk of pollution and helping to achieve compliance with regulation
- holding a 12-week consultation on protecting hedgerows in England between 28 June and 20 September 2023. This received 8841 responses and shaped legislation which was subsequently made in the year 2024 to 2025. This legislation puts good hedgerow management practices into law, protecting the hedgerows on agricultural land and the wildlife that use them

Working with, and learning from, farmers

In 2023 to 2024 FCP continued its engagement with farmers, experts and others in the farming sector. For instance, FCP has:

- delivered over 450 separate activities in 2023
- attended over 120 in person and virtual speaking events reaching audiences of over 13,000 people
- established a speaker event process to provide the most suitable colleagues and content
- developed a network of over 1,000 trusted intermediaries to engage with specific sectors
- used a data-driven approach, to engage farmers across 97 regional and stakeholder events in England
- produced 26 videos with 12,000 views and 4 podcast episodes with 4,900 downloads

- held 183 calls with stakeholders through bilateral account management calls
- established engagement plans for each policy area, scheme, and grant scheme

What FCP spent in 2023 to 2024

Financial commentary

The previous Conservative government had a manifesto commitment to spend an average of £2.4 billion per year across the parliament (2020 to 2021, to 2023 to 2024).

In 2023 to 2024, Defra planned to spend £2,267 million as part of our planned trajectory for the agricultural transition. Our actual spend was £2,136 million, of which £110 million was spent under the powers of the Agriculture Act 2020.

In addition to the £2,136 million spend, £11.4 million worth of SFI payments were paid out to farmers in 2023 to 2024 but will be accounted for in 2024 to 2025.

Annex 1 sets out total FCP spend under the previous Conservative government for years 2020 to 2021, 2021 to 2022, 2022 to 2023 and 2023 to 2024.

Table 2 sets out total scheme spend for 2023 to 2024. Other legislative powers includes Retained EU Law, NERC Act and Environment Act.

Table 2: Total scheme spend for 2023 to 2024 (£m)

Scheme	Total Spend (£m)	Agriculture Act Spend (£m)	Other legislative powers (£m)
Basic Payment Scheme	1,088	-	1,088
Lump Sums	9	9	-
Total for Direct Payments	1,098		1,098
Agri-environment schemes (ES and CS)	700	-	700
Sustainable Farming Incentive	30	30	-

Scheme	Total Spend (£m)	Agriculture Act Spend (£m)	Other legislative powers (£m)
Landscape Recovery	6	6	-
NCF Tree grants (including EWCO) and biodiversity	23	-	23
Farming in Protected Landscapes	27	-	27
Piloting, Tests and Trials	16	16	-
Environmental advice and facilitation	3	-	3
Total for Environmental Land Management schemes	806	52	754
Animal Health and Welfare grants	13	13	-
Livestock Information Transformation Programme	42	-	42
Total Animal Health and Welfare	56	13	42
Farming Investment Fund	34	34	-
Farming Innovation Programme	17	-	17
Farm Resilience Fund	11	11	-
Institute for Agriculture and Horticulture	1	-	1
Rural England Prosperity Fund	37	-	37
Producer Organisation Support	36	-	36

Scheme	Total Spend (£m)	Agriculture Act Spend (£m)	Other legislative powers (£m)
Total for Productivity and Innovation	137	45	92
Technical assistance	40		40
Total farming budget spend 23/24	2,136	110	2,026

Legal basis for spend

The programme continues to introduce new schemes based on domestic powers and close old schemes which rely on EU powers or in some case other domestic powers such as the Natural Environment and Rural Communities Act 2006. As that transition progresses, we will see an increasing level of spend through the powers provided by the Agriculture Act.

Annex 1: Spend over time

Table 3: Total FCP spend from 2020 to 2021 to 2023 to 2024

Scheme	Total Spend (£m) 2020 to 2021	Total Spend (£m) 2021 to 2022	Total Spend (£m) 2022 to 2023	Total Spend (£m) 2023 to 2024
Basic Payment Scheme	1,873	1,654	1,370	1,088
Lump Sums	0	0	14	9
Total for Direct Payments	1,873	1,654	1,384	1,098

Scheme	Total Spend (£m) 2020 to 2021	Total Spend (£m) 2021 to 2022	Total Spend (£m) 2022 to 2023	Total Spend (£m) 2023 to 2024
Agri-environment schemes (ES and CS)	427	448	558	700
Sustainable Farming Incentive	0	0	0	30
Landscape Recovery	0	0	1	6
NCF Tree grants (including EWCO) and biodiversity	0	0	14	23
Farming in Protected Landscapes	0	11	20	27
Piloting, Tests and Trials	6	3	16	16
Environmental advice and facilitation	0	11	13	3
Total for Environmental Land Management schemes	433	472	623	806
Animal Health and Welfare grants	0	0	0	13
Livestock Information Transformation Programme	11	23	25	42
Total Animal Health and Welfare	11	23	25	56
Farming Investment Fund	0	2	35	34
Farming Innovation Programme	0	3	15	17
Farm Resilience Fund	1	5	8	11
Institute for Agriculture and Horticulture	0	2	2	1

Scheme	Total Spend (£m) 2020 to 2021	Total Spend (£m) 2021 to 2022	Total Spend (£m) 2022 to 2023	Total Spend (£m) 2023 to 2024
Rural England Prosperity Fund	64	75	58	37
Producer Organisation Support	55	37	39	36
Total for Productivity and Innovation	120	125	157	137
Technical assistance	13	20	40	40
Total farming budget spend	2,450	2,294	2,230	2,136

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