





(Credit: Alison Day)

Sustainable Farming Incentive (SFI) Handbook for the SFI 2023 offer

www.gov.uk/defra/sustainablefarmingincentive

Contents

Contents

About	this SFI handbook	7
Section	on 1: Find out what's available in SFI	8
What	t you can get paid to do under SFI	8
SFI a	agreements for environmental land management actions	9
•	How we've improved SFI for 2023	9
•	Summary of the SFI actions you can apply for in the SFI 2023 offer	9
•	Applying for an SFI agreement	12
•	About SFI agreements and payments	12
•	Future SFI actions to be introduced from 2024	12
•	What the SFI 2023 offer means for existing SFI 2022 standards agreements	13
SFIa	nnual health and welfare review of livestock	13
Section	on 2: Details of the SFI actions	14
2.1 S	FI actions you can do on different eligible land types and features	16
2.2 S	FI actions for soils	24
•	SAM1: Assess soil, produce a soil management plan and test soil organic matte	er .25
•	SAM2: Multi-species winter cover	29
•	SAM3: Herbal leys	33
2.3 S	FI action for moorland	36
M	OR1: Assess moorland and produce a written record	37
2.4 S	FI actions for hedgerows	40
•	HRW1: Assess and record hedgerow condition	40
•	HRW2: Manage hedgerows	42
•	HRW3: Maintain or establish hedgerow trees	45
2.5 S	FI actions for integrated pest management	48
•	IPM1: Assess integrated pest management and produce a plan	49
•	IPM2: Flower-rich grass margins, blocks, or in-field strips	51
ΙP	M3: Companion crop on arable and horticultural land	55
ΙP	M4: No use of insecticide on arable crops and permanent crops	59
2.6 S	FI actions for nutrient management	62
•	NUM1: Assess nutrient management and produce a review report	62

	•	NUM2: Legumes on improved grassland	66
	•	NUM3: Legume fallow	70
2	.7 SF	l actions for farmland wildlife on arable and horticultural land	74
	•	AHL1: Pollen and nectar flower mix	75
	•	AHL2: Winter bird food on arable and horticultural land	80
	•	AHL3: Grassy field corners or blocks	85
2	.8 SF	l actions for farmland wildlife on improved grassland	90
	•	IGL1: Take grassland field corners or blocks out of management	91
	•	IGL2: Winter bird food on improved grassland	94
2	.9 SF	l actions for buffer strips	97
	•	AHL4: 4m to 12m grass buffer strip on arable and horticultural land	97
	•	IGL3: 4m to 12m grass buffer strip on improved grassland	102
2	.10	SFI actions for low input grassland	106
	•	LIG1: Manage grassland with very low nutrient inputs (outside SDAs) LIG2: Magrassland with very low nutrient inputs (SDAs)	
Se	ction	3: Applying for an SFI agreement	111
3	.1 Wh	at to do before you apply for an SFI agreement	111
	3.1.	1 Read the mandatory scheme requirements	111
	3.1.2	2 Check you're eligible to apply for an SFI agreement	112
	3.1.3	3 Check your land is eligible and it's up to date on your digital maps	113
	3.1.4	Check your contact details and permissions	115
3	.2 Ap	ply for an SFI agreement	116
	3.2.	1 When to apply for an SFI agreement	116
	3.2.2	2 How to apply for an SFI agreement	116
	3.2.3	3 What happens after you've applied	117
Se	ction	4: Eligible land for an SFI agreement	118
4	.1 Wh	nat land is eligible for an SFI agreement	118
	4.1.	1 Management control of land	119
	4.1.2	2 Land that's eligible for the SFI actions	121
	4.1.3	3 How we define eligible land types and features for SFI	122
	•	Arable land	122
	•	Permanent crops	123
	•	Permanent grassland	123

Moorland	123
Hedgerows	125
4.2 Eligibility of land for an SFI agreement that's used for other scheme sources	
4.2.1 When land used for other schemes and funding sources can be ente	
4.2.2 Basic Payment Scheme	125
4.2.3 Countryside Stewardship	127
4.2.4 Environmental Stewardship	127
4.2.5 SFI pilot	128
4.2.6 Landscape Recovery	128
4.2.7 Farming in Protected Landscapes	128
4.2.8 Private sector schemes	128
4.3 Regulatory issues and consents that could affect you and the land i agreement	
4.3.1 What regulatory issues and consents to check	129
4.3.2 Historic and archaeological features, including scheduled monumer	nts129
4.3.3 Sites of special scientific interest (SSSIs)	130
4.3.4 Cross compliance	131
4.3.5 Protected species	131
4.3.6 Work affecting water	131
4.4 Eligibility of commons and shared grazing land for an SFI agreemen	າt132
4.4.1 Definition of common land and shared grazing	132
4.4.2 Applying for an SFI agreement on common land	132
4.4.3 Eligibility to enter common land into an SFI agreement	132
4.4.4 Additional payment for a single entity on common land	134
4.4.5 Common land eligibility	134
4.4.6 Entering into an SFI agreement on common land	136
Section 5: About SFI agreements and payments	137
5.1 How your SFI agreement works	137
When your SFI agreement will start	137
What you're agreeing to do	137
Requesting changes to your SFI agreement	137
5.2 Getting paid for your SFI agreement	139
What you must do to get paid	139

How we'll calculate your payment	139
When you'll be paid	141
Submitting an annual declaration	141
SFI payment principles	142
5.3 Checking you're complying with your SFI agreement	142
5.3.1 What we may check	142
5.3.2 How we may check you're complying with your agreement	142
What happens if you find you cannot comply with your agreement	143
How you could breach your agreement	144
What happens if there's been a suspected breach	145
What happens if we confirm there's been a breach	145
Good reasons for a breach	146
What action we may take when there's a breach	147
Terms and Conditions	148
The Sustainable Farming Incentive	148
About your Agreement	150
Management Control of the Agreement Land	151
Common Land and Shared Grazing	152
What is Common Land and Shared Grazing	152
Annual Declaration	152
Changes to your Agreement	153
Change of Circumstances	155
Transfers of Agreement Land	156
Payments	157
Undue payments or overpayments	158
Checking you are complying with your Agreement	158
A breach of your Agreement	159
Good reasons for a breach	161
Reconsideration of Decisions and Determinations	161
Termination of an Agreement	162
Intellectual property rights	163
Data protection	163
Freedom of information	163

Co	ntact the RPA about SFI	173
_		
	The role of an RPA field officer	168
	Labelling photographs	168
	Photographic evidence quality	167
Α	nnex A: How to take photographic evidence for SFI actions	167
	Definition of terms used in the SFI agreement terms and conditions	165
	Other Terms	165
	What information we may publish about you	164
	What accounts and records you must keep	164

About this SFI handbook

This Sustainable Farming Incentive (SFI) handbook includes the scheme information for SFI agreements containing the environmental land management actions in the SFI 2023 offer.

In August 2023, we published some updates in this SFI handbook (version 2). Those are identified in highlighted blue text.

If you already have an SFI standards agreement containing the 3 existing SFI standards for soils and moorland we introduced in June 2022 (the 'SFI 2022 standards'), you should read the guidance for existing SFI 2022 standards agreement holders.

To help us develop the main SFI scheme for environmental land management actions, we're piloting SFI. The SFI pilot is closed for applications. If you've got an SFI pilot agreement, read the SFI pilot guidance.

Guidance we'll publish to help you

We'll also publish guidance to help you. This will cover:

- how to do the SFI actions, which you may find it helpful to read, but you do not have to follow
- how to apply for an SFI agreement, including a video to explain the online application process
- how to check and accept your SFI agreement offer in the Rural Payments service
- how and when to submit an annual SFI agreement upgrade request in the Rural Payments service
- how and when to submit your annual declaration in the Rural Payments service

Section 1: Find out what's available in SFI

This information gives an overview of what you can get paid to do under SFI, the actions you can do under an agreement for the SFI 2023 offer, applying for an agreement, eligible land, how agreements and payments work, and SFI actions we'll introduce from 2024.

What you can get paid to do under SFI

SFI pays farmers to adopt and maintain sustainable farming practices that can protect and improve the environment.

You can apply for a 3-year SFI agreement to do environmental land management actions to help you manage your land in a more sustainable way.

You can also get paid for:

- a vet to visit your farm annually to review the health and welfare of your livestock and give you advice about improvements you could make, which will help you increase farm productivity and resilience
- environmental land management actions under <u>Countryside Stewardship (CS)</u> which pays for more targeted actions relating to specific locations, features and habitats CS is being improved, instead of developing a new Local Nature Recovery scheme
- environmental land management actions under <u>Landscape Recovery</u> which pays for bespoke, longer-term, larger scale projects to enhance the natural environment

Read the <u>ELM update we published in January 2023</u>, to find out about the land-based environmental land management actions we'll pay for under SFI and CS by the end of 2024.

SFI does not currently include any payments for capital items to help you complete the actions. However, you can access one-off payments to buy equipment or other capital items from existing offers, such as Countryside Stewardship capital grants and the Farming Investment Fund.

Find out more about what other funding is available for farmers, land managers and foresters in the guidance about <u>funding for farmers and land managers</u> on GOV.UK.

SFI is run by the Rural Payments Agency (RPA) on behalf of Defra.

SFI agreements for environmental land management actions

This SFI handbook replaces the information about the SFI 2023 offer that was in the <u>ELM</u> <u>update we published in the January 2023</u>. We've made improvements to the SFI 2023 offer since we published that information.

How we've improved SFI for 2023

We've learned from the SFI pilot and early rollout of SFI that farmers want as much flexibility as possible, so they can choose:

- what combination of standalone 'pick and mix' actions they want to do
- which area of land to do each action on

This has helped us to improve the SFI 2023 offer to give farmers this flexibility. Farmers will also be able to do more SFI actions and other environmental land management options, such as Countryside Stewardship (CS), on either the same area of land or a different area in the same land parcel.

We've also:

- brought forward many actions into the SFI23 offer which were previously scheduled for 2024
- decided to apply the new SFI management payment to all land-based SFI actions, including the action for moorland (MOR1)
- updated the payment rate for the SFI action for low input grassland in the Severely Disadvantaged Area, so the payment rates are the same in the upland and lowland areas

• Summary of the SFI actions you can apply for in the SFI 2023 offer

The table below summarises the standalone 'pick and mix' SFI actions which will be available in the SFI 2023 offer.

We're introducing new actions for soils and moorland which replace the SFI standards for soils and moorland we launched in June 2022 (the 'SFI 2022 standards').

3 actions from the SFI 2022 soils standards will not be available in the SFI 2023 offer (add organic matter, single species winter cover and minimise bare ground). This is because they only work when they're grouped together with other actions, and done on a required percentage area of land, as was the case in the SFI soils standards – but they don't work as standalone 'pick and mix' actions. Section 1.2.7 explains what the SFI 2023 offer means for existing SFI 2022 standards agreements.

Read the details of the SFI actions (section 2) for more information about each action.

Table 1: Summary of the SFI actions in the SFI 2023 offer

Code	SFI action	Annual payment						
Actions	for soils							
SAM1	Assess soil, test soil organic matter and produce a soil management plan	£6.00 per hectare (ha) and an additional payment of £97 per agreement						
SAM2	Multi-species winter cover crops	£129 per ha						
SAM3	Herbal leys	£382 per ha						
Actions	for moorland							
MOR1	Assess moorland and produce a written record	£10.60 per ha and an additional payment of £272 per agreement						
Actions	for hedgerows							
HRW1	Assess and record hedgerow condition	£5 per 100 metres (m) – one side						
HRW2	Manage hedgerows	£13 per 100m – one side						
HRW3	Maintain or establish hedgerow trees	£10 per 100m – both sides						
Actions	for integrated pest management							
IPM1	Assess integrated pest management and produce a plan (this action applies to an SFI agreement, rather than a specific area of land (an 'agreement level SFI action')	£1,129 per year						
IPM2	Flower-rich grass margins, blocks, or in-field strips	£798 per ha						
IPM3	Companion crop on arable and horticultural land	£55 per ha						
IPM4	No use of insecticide on arable crops and permanent crops	£45 per ha						
Actions	for nutrient management							
NUM1	Assess nutrient management and produce a review report (agreement level SFI action)	£652 per year						
NUM2	Legumes on improved grassland	£102 per ha						
NUM3	Legume fallow	£593 per ha						

Code	SFI action	Annual payment								
Actions	for farmland wildlife on arable and horticultural land									
AHL1	Pollen and nectar flower mix	£739 per ha								
AHL2	Winter bird food on arable and horticultural land	£853 per ha								
AHL3	Grassy field corners and blocks	£590 per ha								
Actions for farmland wildlife on improved grassland										
IGL1	Take improved grassland field corners or blocks out of management	£333 per ha								
IGL2	Winter bird food on improved grassland	£515 per ha								
Actions	for buffer strips									
AHL4	4m to 12m grass buffer strip on arable and horticultural land	£515 per ha								
IGL3 4m to 12m grass buffer strip on improved grassland £235 per hectare										
Actions	for low input grassland									
LIG1	Manage grassland with very low nutrient inputs (outside SDAs)	£151 per ha								
LIG2	Manage grassland with very low nutrient inputs (SDAs)	£151 per ha								
Addition	nal payments									
	al common land payment (*if a group of 2 or more apply for an SFI agreement on common land)	£7 per ha*								
SFI management payment - for the first year of your agreement, the SFI management payment will be £40 per hectare per year, for up to the first 50 hectares entered into your SFI agreement. This means that the maximum SFI management payment will be £2,000 for each farm business (SBI) for the first agreement year. If you have multiple SFI agreements, the management payment will be paid on the first live agreement only and calculated on eligible SFI actions entered in this agreement (see page 135 for further details). For the second and third years of your agreement, the SFI management payment will be £20 per hectare.										

Applying for an SFI agreement

You can apply for an SFI agreement if you're a farmer who's eligible for the Basic Payment Scheme (BPS). Read the guidance on applying for an SFI agreement (section 3) to find out what this means and for more information on:

- what to do before you apply
- · when to apply
- how to apply

• Eligible land for an SFI agreement

You can enter land into an SFI agreement if it's in England and:

- you expect to have management control of the land for the duration of the 3-year SFI agreement, including land you occupy under a tenancy on a 'rolling' year-byyear basis
- it's eligible for the SFI actions you choose

Find out more about what land is eligible in the information on eligible land for an SFI agreement (section 4).

About SFI agreements and payments

An SFI agreement lasts for 3 years from its start date. It can be 'upgraded' annually to add more actions and eligible land.

Your SFI agreement's total annual payment is based on:

- the area of land or length of hedgerows you enter into the SFI actions
- the SFI management payment will be £40 per hectare per year, for up to the first 50 hectares entered into your SFI agreement in the first year of your SFI agreement. This means that the maximum SFI management payment will be £2,000 per year for each farm business (SBI) for the first agreement year. If you have multiple SFI agreements, the management payment will be paid on the first live agreement only and calculated on eligible SFI actions entered in this agreement (see page 135 for further details). For the second and third years of your agreement, the SFI management payment will be £20 per hectare
- the additional payment for common land of £7 per hectare if a group of 2 or more people apply for an SFI agreement on common land

The total annual payment is paid in quarterly instalments. The first instalment will usually be made in the fourth month after your agreement starts.

Read the information about SFI agreements and payments (section 5) to find out more, including how the SFI management payment works.

Future SFI actions to be introduced from 2024

We're rolling out SFI environmental land management actions incrementally. As the

scheme expands each year, more SFI actions will be introduced, so the full set is available by the end of 2024. You'll be able to add more actions and eligible land to your SFI agreement each year.

We'll publish more details later in 2023 about the future SFI actions to be introduced by the end of 2024.

What the SFI 2023 offer means for existing SFI 2022 standards agreements

We want to make sure farmers with agreements for SFI 2022 standards can fully benefit from the improvements we've made to the SFI 2023 offer.

The SFI 2022 standards do not give the same flexibility as the SFI 2023 offer, and they limit the number of new SFI actions that can be done on the same area of land.

If you applied for the SFI 2022 standards before we temporarily closed applications on 21 June 2023, and you haven't already entered into an SFI standards agreement, we'll offer you an agreement if your application is eligible. You can either accept or reject it.

We previously said that farmers who entered SFI 2022 standards agreements would not lose out as we developed the scheme further. We'll write to farmers with existing agreements for the SFI 2022 standards to explain how we'll meet this commitment and make sure they can fully benefit from the improvements we've made to the SFI 2023 offer.

Farmers with existing agreements for the SFI 2022 standards should <u>read the SFI scheme</u> <u>information for existing SFI 2022 standards agreement holders</u>. That contains the requirements you must follow if you've entered into an SFI 2022 standards agreement.

SFI annual health and welfare review of livestock

Eligible livestock keepers can get paid for a vet, or team chosen by a vet, to visit their farm and carry out an annual health and welfare review of eligible livestock. You do not need to have an SFI agreement for environmental land management actions to apply for an annual health and welfare review payment.

Read more about the <u>SFI annual health and welfare review of livestock</u>.

Section 2: Details of the SFI actions

This section contains the mandatory requirements for the SFI actions. They are part of your SFI agreement.

You can choose which SFI actions to do and what area of eligible land or length of eligible hedgerows to do them on. There are no mandatory combinations of actions.

What we explain in each SFI action

The details of each SFI action explain:

- the action's aim
- where you can do the action this includes what land is eligible, whether it's a rotational or static action, and which other environmental land management actions or options you can do on the same area within a land parcel (noting that it may also be possible to do part-parcel actions on another area within the same land parcel)
- what you need to do for the action
- when to do the action
- how to do the action which is up to you, as long as it's done in a way that could reasonably be expected to achieve the action's aim
- what evidence to keep

SFI actions with an area limit

There are some actions in the SFI 2023 offer that:

- take land out of food production
- are intended to be done on a small proportion (up to 25%) of the farm, as part of a sustainable system – the actions are unlikely to deliver their intended aims if they're done on more than 25% of the farm

For SFI applications submitted on or after 26 March 2024, there are 6 SFI actions which must only be done on a proportion of your farm. These actions are referred to as 'limited area' actions and include:

- IPM2: Flower-rich grass margins, blocks, or in-field strips
- AHL1: Pollen and nectar flower mix (which should be growing in blocks or strips in a land parcel)
- AHL2: Winter bird food on arable and horticultural land (which should be growing in blocks or strips in a land parcel)
- AHL3: Grassy field corners or blocks
- IGL1: Take improved grassland field corners or blocks out of management
- IGL2: Winter bird food on improved grassland

You can choose as many of these 'limited area' actions as you wish, but the total eligible area you enter into them must not be more than 25% of the total agricultural area of your farm. This does not apply to existing agreements or applications submitted before 26March 2024. You can use the calculator to determine what your area limit is and how much you can put into your application.

For example, if the total agricultural area of your farm is 50ha, this means you must only

enter up to a total of 12.50ha of eligible land into any combination of one or more of these 'limited area' actions.

If you exceed the limit, you will not be offered an SFI agreement. We will write to let you know how you have exceeded the limit and ask you to resubmit your SFI application.

For the purpose of these 'limited area' actions:

- 'farm' means all the land parcels that are linked to your SBI at the point you apply for an SFI agreement these parcels are shown on your digital maps
- 'agricultural area' means the area in each of the land parcels that's registered with an arable, permanent grassland or permanent crops land cover

Rotational SFI actions

If you choose a rotational SFI action, you'll tell us the area and location of that action for the first year of your SFI agreement in your application.

It will be possible for you to vary the coverage of rotational actions, so they work with your crop rotation and different sizes of land parcels. This means that in the second and third years of your agreement, you'll be able to do the action on:

- a larger area than you entered into the action for the first year of your SFI agreement
- a lower area, as long as it's at least 50% of the area you entered into the action for the first year of your agreement for example, if you enter 10ha into a rotational action for the first year, you can decrease that area to 5ha for the second year and then either keep it as 5ha for the third year or increase it again

You need to complete a 'rotational actions declaration' to tell us the area and location of your rotational SFI actions for the second and third years of your SFI agreement. We cannot pay you for the relevant agreement year until you submit your rotational actions declaration.

Your rotational actions declaration will be available in the Rural Payments service once you've submitted your annual declaration (read section 5.2.4 'Submitting an annual declaration'). We'll tell you when it's available.

To complete your rotational actions declaration:

- sign into the Rural Payments service
- from your 'Business overview' screen, click on 'Sustainable Farming Incentive 2023'
- select the green 'Rotational Actions Declaration' button

If you do not want to change the area or location of your rotational SFI actions, complete:

- Section 1 'Confirm if you want to make a Rotational Actions Declaration' and select 'No,
 I do not wish to make changes to my rotational actions'
- Section 3 'Review and submit your rotational actions declaration'

If you want to make changes to any of your rotational SFI actions, complete:

- Section 1 'Confirm if you want to make a Rotational Actions Declaration'
- Section 2 'Confirm rotational actions'
- Section 3 'Review and submit your rotational actions declaration'

2.1 SFI actions you can do on different eligible land types and features

The table below sets out which SFI actions you can do on different types of eligible land and features (read section 4.1.3 to find out how we define eligible land and features). The land type must be eligible for the SFI action(s) you choose at the start of your SFI agreement. If the land type changes because you're completing the SFI action(s) this will not affect eligibility. You'll continue to be paid for the SFI action(s).

For each SFI action, the table also sets out:

- which actions are rotational, so they can move to different areas of land each year of your SFI agreement, and which ones are static, so must be done on the same area for the duration of your 3-year SFI agreement
- if you can do the action on the total 'SFI available area' within a land parcel or part of it the SFI available area for each action is automatically calculated in the SFI application service to show you what area within a land parcel may be eligible for each action (read section 4.1.2 for more information on how we'll calculate the SFI available area for each action)
- the annual payment for each action

Table 2: SFI actions you can do on different land types and features

		Rotational	Total or part SFI	SFI	Annual payment	Ara	ble land	Permane	ent crops	Permaner	nt grassland		
Code	SFI action	or static action	available	limited area action		Arable crops	Temporary grassland	Horticultural	Non- horticultural	Improved	Low input	Moorland	Hedgerows
Actions	for soils												
SAM1	Assess soil, test soil organic matter and produce a plan	Static	Total only	No	£6.00 per ha and additional payment of £97 per agreement	√	√	√	√	√	√		
SAM2	Multi- species winter	Rotational or static	Total or part	No	£129 per ha	√	\checkmark	\					

	cover										
	crops										
SAM3	Herbal leys	Rotational or static	Total or part	No	£382 per ha	\checkmark	\checkmark		\		

		Rotational	Total or	SFI limited area action	Annual payment	Arable land		Permanent crops		Permaner	nt grassland				
Code	SFI action	or static action				Arable crops	Temporary grassland	Horticultural	Non- horticultural	Improved	Low input	Moorland t	Hedgerows		
Actions	for moorland		idiid parcer												
MOR1	Assess moorland and produce a written record	Static	Total only	No	£10.60 per ha and additional payment of £272 per agreement							√			
Actions	for hedgerows														
HRW1	Assess and record hedgerow condition	Static	Not applicable	No	£5 per 100m – one side	Not a	ւpplicable – lineն	ar SFI action whic	ch can be done	on the bound	laries of these	e land types	✓		
HRW2	Manage hedgerows	Static	Not applicable	No	£13 per 100m – one side	Not a	Not applicable – linear SFI action which can be done on the boundaries of these land types								
HRW3	Maintain or establish hedgerow trees	Static	Not applicable	No	£10 per 100m – both sides	Not a	ipplicable – linea	ar SFI action whic	ch can be done	on the bound	laries of these	e land types	√		
Actions	for integrated per	st manageme	ent												
IPM1	Assess integrated pest management and produce a plan	Not applicable	Not applicable – agreement level SFI action	No	£1,129 per year	√	✓	√	√	√	√				
IPM2	Flower-rich grass margins, blocks, or in- field strips	Rotational or static	Total or part	Yes	£798 per ha	√		√	✓						

IPM3	Companion crop on arable and horticultural	Rotational or static	Total or part	No	£55 per ha	\	\checkmark			
	land									

	SFI action	Rotational	Total or	SFI limited area	Annual payment	Ara	ble land	Perman	ent crops	Permaner	nt grassland		Hedgerows
Code		or static action	part SFI available area in each land parcel	action		Arable crops	Temporary grassland	Horticultural	Non- horticultural	Improved	Low input	Moorland	
IPM4	No use of insecticide on arable crops and permanent crops	Rotational or static	Total only	No	£45 per ha	✓		✓	✓				
Actions	for nutrient mana	agement											
NUM1	Assess nutrient management and produce a review report	Not applicable	Not applicable – agreement level SFI action	No	£652 per year	√	√	√	√	√	✓		
NUM2	Legumes on improved grassland	Rotational or static	Total or part	No	£102 per ha		\checkmark			✓			
NUM3	Legume fallow	Rotational or static	Total or part	No	£593 per ha	\	\	\					
Actions	for farmland wild	llife on arable	and horticultu	ral land									
AHL1	Pollen and nectar flower mix	Rotational or static	Total or part	Yes	£739 per ha	√	\checkmark	√					
AHL2	Winter bird food on arable and horticultural land	Rotational or static	Total or part	Yes	£853 per ha	√	√	√					

AHL3	Grassy field corners and	Static	Total or part	Yes	£590 per ha	✓	 ✓			
	blocks									ı

		Rotational	Total or	SFI limited area action	a Annual	Arable land		Permanent crops		Permanent grassland			
Code	SFI action	or static action	part SFI available area in each land parcel	action	payment	Arable crops	Temporary grassland	Horticultural	Non- horticultural	Improved	Low input	Moorland	Hedgerows
Actions	for farmland wild	life on impro	ved grassland										
IGL1	Take grassland field corners or blocks out of management	Static	Total or part	Yes	£333 per ha		√			✓			
IGL2	Winter bird food on improved grassland	Rotational or static	Total or part	Yes	£515 per ha					√			
Actions	for buffer strips												
AHL4	4m to 12m grass buffer strip on arable and horticultural land	Static	Total or part	No	£515 per ha	✓		√					
IGL3	4m to 12m grass buffer strip on improved grassland	Static	Total or part	No	£235 per ha		✓			✓			
Actions	Actions for low input grassland												
LIG1	Manage grassland with verylow nutrient inputs (outside SDAs)	Static	Only total SFI available area, unless done with IGL1	No	£151 per ha		outside SDAs			√	✓		

LIG2	Manage grassland with very low nutrient inputs (SDAs)	Static	Only total SFI available area, unless done with IGL1	No	£151 per ha		SDAs below moorland line			SDAs below moorland line	SDAs below moorland line		
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2.2 SFI actions for soils

The SFI actions for soils are focused on improving soil health, structure, organic matter and biology.

They include:

- SAM1: Assess soil, produce a soil management plan and test soil organic matter
- SAM2: Multi-species winter cover crops
- SAM3: Herbal leys

These actions can help with the long-term productivity and resilience of the soil to benefit food production. They can also provide environmental benefits, such as better water quality, improved climate resilience and increased biodiversity.



Multi-species winter cover to improve soil health (Credit: Tom Hicks, Natural England)

• SAM1: Assess soil, produce a soil management plan and test soil organic matter

How much you'll be paid

You'll receive £6.00 per hectare and £97 per SFI agreement per year.

This action's aim

This action's aim is that you:

- understand the condition of your soil
- effectively plan how to increase the long-term health, productivity and resilience of your soil

Where you can do this action

You can do this action on eligible agricultural land located below the moorland line. The table below sets out what land is eligible for SAM1.

For land above the moorland line, you can do MOR1 to complete a survey to identify, assess and record the soil, vegetation and historic and archaeological features.

Table 3: Eligible land for SAM1

Eligible land type	Eligible land use code	Compatible land cover
	Arable crops	Arable land
Arable land, including temporary	Leguminous and nitrogen-fixing crops	Arable land
grassland	FA01	Arable land
	TG01	Arable land
Permanent crops – horticultural and non-horticultural	Permanent crops	Permanent crops
Permanent grassland – improved and low input	PG01	Permanent grassland

The glossary (annex C) explains what we mean by land types, land use codes and compatible land covers.

The SFI application service will automatically calculate what area may be eligible for this action in each land parcel. This is called the 'SFI available area'. You must check this area is an eligible land type. Find out how the SFI available area is calculated in the information on land that's eligible for the SFI actions (section 4.1.2).

You can only apply for this action on the total SFI available area in each land parcel shown in your SFI application. You cannot apply for it on part of that area.

This action is static. You must do it on the same area of eligible land each year of your 3-year SFI agreement.

Other land management actions or options you can do on the same area as SAM1

The table below sets out which other SFI actions, CS management options, ES revenue options and SFI pilot standards can be located on the same eligible area within a land parcel as SAM1.

Table 4: Actions or options that can be located on the same area within a land parcel as SAM1

Scheme	Action or option codes that can be located on the same area as SAM1
SFI 2023	All SFI actions, except MOR1
	Arable CS options: AB1, AB2, AB3, AB4, AB5, AB6, AB7, AB8, AB9, AB10, AB11, AB12, AB13, AB14, AB15, AB16
	In-field tree CS options: BE1, BE2
	Traditional orchard CS options: BE4, BE5
	Grassland CS options: GS1, GS2, GS3, GS4, GS5, GS6, GS7, GS8, GS9, GS10, GS11, GS12, GS13, GS14
CS	Historic environment CS options: HS3, HS4, HS7, HS9
	Lowland heathland CS options: CT1, CT2, CT3, CT4, CT5, CT7, LH1, LH2, LH3, WT6, WT7, WT8, WT9, WT10
	Organic CS options: OP1, OP2, OP3, OP4, OP5, OR1, OR2, OR3, OR4, OR5, OT1, OT2, OT3, OT4, OT5
	Water quality CS options: SW1, SW2, SW3, SW4, SW5, SW6, SW7, SW8, SW9, SW10, SW12, SW13, SW15, SW16, SW17, SW18, WT1, WT2
	Uplands CS options: UP2 (if located below the moorland line)
ES	All ES revenue options
	SFI pilot arable and horticultural land standard – all levels
	SFI pilot improved grassland standard – all levels
SFI pilot	SFI pilot low and no input grassland standard – all levels
	SFI pilot water body buffering standard – all levels
	SFI pilot hedgerows standard – all levels

Use the CS grant finder to search for the CS option codes shown above.

The SFI actions for hedgerows (HRW1, HRW2 and HRW3) and CS option BE3 can be done on the eligible boundaries of a land parcel entered into SAM1.

If an action or option cannot be located on the same area within a land parcel as SAM1, this is because it's not an eligible land type, or the activities are incompatible, or you would

be paid twice for doing the same activities on the same land. In this case, that area will be automatically removed from the affected land parcel's SFI available area in your SFI application.

Read the information about eligibility of land used for other schemes and funding sources (section 4.2) to find out more.

What to do

You must:

- assess the soil for all the land parcels entered into this action and produce a written soil management plan which covers that land
- test the soil organic matter (SOM) on all the land parcels entered into this action within the last 5 years

If you already have a soil management plan written in the last 12 months, informed by a soil assessment, you can use it to meet this action. You can also use existing SOM test results that are not more than 5 years old to meet this action.

To test the SOM for small land parcels, you can combine them into a single sample area if the soil type and past management is similar. This means you can take soil from each land parcel and combine it into a single sample to test the SOM.

If you need to take soil samples on areas within a land parcel containing historic or archaeological features, including scheduled monuments, you must:

- request an SFI Historic Environment Farm Environment Record (SFI HEFER), as explained in the information about historic and archaeological features (section 4.3.2)
- meet the requirements for taking soil samples on these areas, as explained in the information about completing SFI actions on land containing historic and archaeological features (section 4.3.2)

To help us improve national data on the condition of England's soils, we may ask you to provide some information about your soil assessment and SOM testing results during your 3-year SFI agreement.

This data is one of the public goods that this action is paying for and part of wider government measures in relation to our soils policy and strategy. We'll publish guidance on GOV.UK about what information is needed and how to supply it to us.

When to do it

For the soil assessment and soil management plan, you must:

 complete the soil assessment and produce the written soil management plan within the first 12 months of your SFI agreement review the soil management plan in each subsequent year of your 3-year SFI agreement, adding any new soil analyses

For the SOM testing, each year of your 3-year SFI agreement you must:

- make sure you've tested the SOM on all the land parcels entered into this action within the last 5 years
- retest that land if your existing SOM test results reach 5 years old

If the timing meets the requirements above, you can do the SOM testing at the same time as your other routine soil testing required in the <u>farming rules for water</u>.

If you enter land into this action which has not been tested for SOM within the last 5 years, you should try to do the SOM testing on that land during the first 12 months of your SFI agreement.

If the laboratory that tests your soil samples does not have capacity to do the tests during the first 12 months of your SFI agreement, you must:

- get the tests done as soon as possible
- make sure you've tested the SOM on all of these land parcels within the last 5 years by the end of your SFI agreement
- keep evidence of why it was not possible to complete the tests in the first 12 months, so you can provide it to us if we ask for it

How to do it

It's up to you how you complete this action, as long as you do it in a way that can reasonably be expected to achieve this action's aim.

You may find it helpful to read the voluntary guidance on <u>how to assess soil, produce a soil</u> <u>management plan and test soil organic matter</u>, but you do not have to follow it.

You can record the soil management plan on paper or digitally.

What evidence to keep

You must keep:

- the written record of your soil management plan, including your soil assessment
- the SOM test results

You must supply this evidence when we ask for it.

SAM2: Multi-species winter cover

What you'll be paid

You'll receive £129 per hectare per year.

This action's aim

This action's aim is that there's a well-established multi-species cover crop over the winter months. The purpose of this is to:

- protect the soil surface
- provide root growth that benefits soil structure, supports soil biology and minimises nutrient leaching, soil erosion and runoff

Where you can do this action

You can do this action on eligible land located below the moorland line. The table below sets out what land is eligible for SAM2.

Table 5: Eligible land for SAM2

Eligible land type	Eligible land use code	Compatible land cover
	Arable crops	Arable land
Arable land, including temporary	Leguminous and nitrogen- fixing crops	Arable land
grassland	FA01	Arable land
	TG01	Arable land
Permanent crops – horticultural	TC01	Permanent crops

The glossary (annex C) explains what we mean by land types, land use codes and compatible land covers.

The SFI application service will automatically calculate what area may be eligible for this action in each land parcel. This is called the 'SFI available area'. You must check this area is an eligible land type. Find out how the SFI available area is calculated in the information on land that's eligible for the SFI actions (section 4.1.2).

You can apply for this action on either the total SFI available area in each land parcel shown in your SFI application, or part of that area.

This action is rotational. You can do it on the same area of eligible land each year of your 3-year SFI agreement, or you can move the area each year.

Other land management actions or options you can do on the same area as SAM2

The table below sets out which other SFI actions, CS management options, ES revenue options and SFI pilot standards can be located on the same eligible area within a land parcel as SAM2.

Table 6: Actions or options that can be located on the same area within a land parcel as SAM2

Scheme Action or option codes that can be located on the same area as SAM2				
SFI 2023 SAM1, IPM1, IPM3 (if companion crop is not present during the win months), IPM4, NUM1				
CS	AB11, AB12 AB14, HS3, HS9, OP3, OP5, OR3, OR4, OT3, OT4, SW17			
ES	No ES revenue options			
SFI pilot	No area-based SFI pilot standards			

Use the CS grant finder to search for the CS option codes shown above.

The SFI actions for hedgerows (HRW1, HRW2 and HRW3), CS option BE3 and the introductory level of the SFI pilot hedgerows standard can be done on the eligible boundaries of a land parcel entered into SAM2.

If an action or option cannot be located on the same area within a land parcel as SAM2, this is because it's not an eligible land type, or the activities are incompatible, or you would be paid twice for doing the same activities on the same land. In this case, that area will be automatically removed from the affected land parcel's SFI available area in your SFI application.

If this is the case, you may be able to do the action on a different area in the same land parcel if:

- it's an eligible land type for the action or option
- it's a part-parcel action or option
- the area used for the action or option does not overlap with the area used for SAM2

Read the information about eligibility of land used for other schemes and funding sources (section 4.2) to find out more.

What to do

You must establish and maintain a well-established multi-species cover crop over the winter months on land entered into this action. Read 'When to do it' to find out what we mean by winter months.

To establish the multi-species cover crop you must sow a mix containing at least 2 species from one or more of these plant families:

- brassicae
- legumes
- · grass or cereals
- herbs

You can choose any mix that works for your farm. Using a more varied mix, containing multiple species with different characteristics, will normally bring greater benefits to your soil.

If you're doing this action on land with peaty soil, you should not use legumes as part of the multi-species mix. Peaty soil means there's around 20% or more organic matter to a depth of 40cm or more. The SOM test results from completing action SAM1 will tell you if this is the case.

The multi-species cover crop must be established early enough so it can reasonably be expected to meet this action's aim. This means there should be leafy vegetation that's sufficiently well grown so the cover crop is well-established to protect the soil surface for the duration of the winter months.

If the multi-species cover crop is not sufficiently well-established to protect the soil surface for the duration of the winter months, for example, due to prolonged adverse weather, you must let us know about this. Read the information about what happens if you find cannot comply with your SFI agreement (section 5.3.3).

You must not mechanically apply any fertilisers or manures on the areas of multi-species cover crops.

You can graze the multi-species cover crop, but it still needs to be well-established over the winter months

You can maintain existing areas of multi-species cover crops to meet this action if they:

- meet the requirements explained above
- are not already being paid for under another environmental land management scheme option

When to do it

Each year of your SFI agreement, you must have a well-established multi-species cover crop that's present for the duration of the winter months. The winter months will usually include December, January and February.

If your agreement starts too late for you to complete this action, you can complete it within 12 months of your agreement's start date.

After the winter months, you can destroy the multi-species winter cover crop if you choose.

You may destroy the multi-species winter cover crop before the end of the winter months if you're establishing an early-sown spring crop. This includes grazing the cover crop with livestock. You must not do this more than 6 weeks before you establish the early-sown spring crop.

When you destroy the multi-species winter cover crop, you should try to minimise risks such as compaction, poaching, soil runoff or erosion.

How to do it

It's up to you how you complete this action, as long as you do it in a way that can reasonably be expected to achieve this action's aim.

You may find it helpful to read the voluntary guidance on how to establish and maintain multi-species winter cover, but you do not have to follow it.

What evidence to keep

You should keep evidence to show what you've done to complete this action. This will help if it's not clear that you've completed the action in a way that could reasonably be expected to achieve this action's aim. You must supply this evidence if we ask for it.

This evidence could include photographs and other documentation to show what you've done to complete this action. It could also include field operations at a land parcel level and associated invoices. If you choose to take photographs, read the guidance on how to take photographic evidence (annex A).

• SAM3: Herbal leys

What you'll be paid

You'll receive £382 per hectare per year.

This action's aim

This action's aim is to provide varied root structures. This purpose of this is to help improve and maintain the soil's structure, carbon, biology and fertility.

Where you can do this action

You can do this action on eligible agricultural land located below the moorland line. The table below sets out what land is eligible for SAM3.

Table 7: Eligible land for SAM3

Eligible land type	Eligible land use code	Compatible land cover
	Arable crops	Arable land
Arable land, including temporary	Leguminous and nitrogen- fixing crops	Arable land
grassland	FA01	Arable land
	TG01	Arable land
Improved permanent grassland	PG01	Permanent grassland

The glossary (annex C) explains what we mean by land types, land use codes and compatible land covers.

The SFI application service will automatically calculate what area may be eligible for this action in each land parcel. This is called the 'SFI available area'. You must check this area is an eligible land type. Find out how the SFI available area is calculated in the information on land that's eligible for the SFI actions (section 4.1.2).

You can apply for this action on either the total SFI available area in each land parcel shown in your SFI application, or part of that area.

This action is rotational. You can do this action on the same area of eligible land each year of your 3-year SFI agreement, or you can move the area each year.

You must not enter any area within a land parcel into this action that:

• is a site of special scientific interest (SSSI), because herbal leys are not appropriate for these settings and can cause significant damage

 contains historic or archaeological features identified in your SFI HEFER – read the information about historic and archaeological features, including scheduled monuments (section 4.3.2) to find out more about the SFI HEFER

You should also not enter any area of land into this action that has peaty soil because this action could damage peat. Peaty soil means there's around 20% or more organic matter to a depth of 40cm or more. The SOM test results from completing SAM1 will tell you if this is the case.

Other land management actions or options you can do on the same area as SAM3

The table below sets out which other SFI actions, CS management options, ES revenue options and SFI pilot standards can be located on the same eligible area within a land parcel as SAM3.

Table 8: Actions or options that can be located on the same area within a land parcel as SAM3

Scheme	Scheme Action or option codes that can be located on the same area as SAM3			
SFI 2023	SAM1, IPM1, NUM1			
CS	OR3, OT1, OT3, OR1			
ES	No ES revenue options			
SFI pilot	No area-based SFI pilot standards			

Use the CS grant finder to search for the CS option codes shown above.

The SFI actions for hedgerows (HRW1, HRW2 and HRW3), CS option BE3 and the introductory level of the SFI pilot hedgerows standard can be done on the eligible boundaries of a land parcel entered into SAM3.

If an action or option cannot be located on the same area within a land parcel as SAM3, this is because it's not an eligible land type, or the activities are incompatible, or you would be paid twice for doing the same activities on the same land. In this case, that area will be automatically removed from the affected land parcel's SFI available area in your SFI application.

If this is the case, you may be able to do the action on a different area in the same land parcel if:

- it's an eligible land type for the action or option
- it's a part-parcel action or option
- the area used for the action or option does not overlap with the area used for SAM3

Read the information about eligibility of land used for other schemes and funding sources (section 4.2) to find out more.

What to do

You must establish and maintain herbal leys with a mixture of grasses, legumes, and herbs on the land entered into this action.

You can maintain an existing herbal ley to meet this action. However, you can only do this if it's not already being paid for under another environmental land management scheme option.

When to do it

If you're doing this action on the same area of land for the 3-year duration of your SFI agreement, you must:

- establish the herbal leys within the first 12 months of your SFI agreement
- maintain the area of herbal leys in each subsequent year of your SFI agreement

If you're rotating this action around your farm, each year of your SFI agreement you must do it for a period of time that could reasonably be expected to achieve this action's aim.

How to do it

It's up to you how you complete this action, as long as you do it in a way that can reasonably be expected to achieve this action's aim.

You may find it helpful to read the voluntary guidance on how to establish and maintain herbal leys, but you do not have to follow it.

What evidence to keep

You should keep evidence to show what you've done to complete this action. This will help if it's not clear that you've completed the action in a way that could reasonably be expected to achieve this action's aim. You must supply this evidence if we ask for it.

This evidence could include photographs and other documentation to show what you've done to complete this action. It could also include field operations at a land parcel level and associated invoices. If you choose to take photographs, read the guidance on how to take photographic evidence (annex A).

2.3 SFI action for moorland

The SFI 2023 offer includes 1 action for moorland (MOR1: Assess moorland and produce a written record). It combines the 3 actions from the introductory level of the SFI moorland standard we introduced in 2022.

From 2024, we will introduce more actions and payments, beyond those already available in environmental land management schemes, which will pay you to carry out activities on the moorland that maintain or enhance the environmental benefits it provides.

Moorland areas may also be eligible for other funding, such as:

<u>Countryside Stewardship</u>, which has a range of options for moorland areas <u>Farming in Protected Landscapes</u> <u>Landscape Recovery</u> private sector schemes



(Credit: Ian Condliffe)

Assess moorland habitat

MOR1: Assess moorland and produce a written record

How much you'll be paid

You'll receive £10.60 per hectare and £272 per SFI agreement per year.

This action's aim

This action's aim is that you understand how your moorland contributes to providing environmental benefits and how it could provide more in the future.

Where you can do this action

You can do this action on eligible land located above the moorland line. You can check MAGIC to find out if your land is above the moorland line.

The table below sets out what land is eligible for MOR1.

Table 9: Eligible land for MOR1

Eligible land type	Eligible land use code	Compatible land cover
Moorland	PG01	Permanent grassland
Non-agricultural areas, such as scrub, scree, bracken and bog	Non-agricultural	Other (non-agricultural)

The glossary (annex C) explains what we mean by land types, land use codes and compatible land covers.

The SFI application service will automatically calculate what area may be eligible for this action in each land parcel. This is called the 'SFI available area'. You must check this area is an eligible land type. Find out how the SFI available area is calculated in the information on land that's eligible for the SFI actions (section 4.1.2).

You can only apply for this action on the total SFI available area in each land parcel shown in your SFI application. You cannot apply for it on part of that area.

This action is static. You must do it on the same area of eligible land each year of your 3-year SFI agreement. You cannot move the area around each year.

You cannot enter land above the moorland line into this action if it's:

farmyards used for turf or peat production

You also cannot enter a land parcel into this action if the majority of its area is located below the moorland line or it's permanent grassland below the moorland line.

Other land management actions or options you can do on the same area as MOR1

The table below sets out which other SFI actions, CS management options, ES revenue options and SFI pilot standards can be located on the same eligible area within a land parcel as MOR1.

Table 10: Actions or options that can be located on the same area within a land parcel as MOR1

Scheme	Action or option codes that can be located on the same area as MOR1	
SFI 2023 No other area-based SFI actions, as they cannot be done above the		
3F1 2023	moorland line	
CS	All CS management options (if located above the moorland line)	
ES	All ES revenue options (if located above the moorland line)	
SFI pilot	No SFI pilot standards	

Use the CS grant finder to search for the CS option codes shown above.

The SFI actions for hedgerows (HRW1, HRW2 and HRW3) and CS boundary options can be done on the eligible boundaries of a land parcel entered into MOR1.

Read the information about eligibility of land used for other schemes and funding sources (section 4.2) to find out more.

What to do

You must complete a survey to identify, assess and record the soil, vegetation and historic and archaeological features across the moorland area entered into this action.

To do this, you must divide the moorland area you enter into this action into blocks of around 10ha. You must then select a sample point within each 10ha block that's broadly representative of the block's main vegetation and soil types.

At each sample point, you must identify, assess and record:

- soil types and condition, including the depth and wetness of any peat
- vegetation types and condition, including their height and structure
- the extent of bare ground
- the presence of historic and archaeological features these will be identified in your SFI HEFER – read the information about historic and archaeological features, including scheduled monuments (section 4.3.2) to find out more about the SFI HEFER

You must use the information you've collected during your survey of the moorland to identify and record:

environmental benefits the moorland is already providing

 opportunities to maintain, enhance or restore the moorland to keep providing environmental benefits or provide more

These environmental benefits include carbon storage, water storage and flow, biodiversity and heritage.

You can use a survey you've previously done of your moorland to meet this action, if it:

- meets the requirements explained in this action
- was done in the last 12 months

When to do it

Within the first 12 months of your SFI agreement you must:

- survey and record the required information for one sample point in each 10ha block of the moorland
- use the information from the survey to assess and record the environmental benefits the moorland already provides
- use this information to produce a record of opportunities to maintain or enhance the moorland to keep providing environmental benefits or provide more

In each subsequent year of your SFI agreement, you must:

- repeat the survey at a different sample point within each 10ha block, trying to do this at about the same time each year
- use the further surveys to review your record of the environmental benefits the moorland already provides
- review your record of the opportunities to maintain, enhance or restore the moorland to keep providing environmental benefits or provide more

How to do it

It's up to you how you complete this action, as long as you do it in a way that could reasonably be expected to achieve this action's aim.

You may find it helpful to read the voluntary guidance on how to assess moorland and produce a written record, but you do not have to follow it.

What evidence to keep

You must keep a written record of your:

- survey of the moorland
- assessment of the environmental benefits the moorland is already providing
- assessment of opportunities to maintain, enhance or restore the moorland to keep providing environmental benefits or provide more

You must supply this evidence when we ask for it.

2.4 SFI actions for hedgerows

The SFI actions for hedgerows are focused on improving their management to provide well-developed hedgerows and hedgerow trees.

These actions include:

- HRW1: Assess and record hedgerow condition
- HRW2: Manage hedgerows
- HRW3: Maintain or establish hedgerow trees

These actions should help to:

- · maintain and strengthen the contribution of hedges to landscape character
- provide shelter and nesting cover, as well as flower and berry food resources for insects, birds and mammals
- increase resilience to climate change and contribute to improving local air quality
- provide shelter from wind and the elements for livestock and crops, which can help improve productivity
- form part of an IPM approach

HRW1: Assess and record hedgerow condition

How much you'll be paid

You'll receive £5.00 per 100 metres for one side of an eligible hedgerow per year.

This action's aim

This action's aim is that you:

- understand the condition of your hedgerows
- effectively plan how they can be managed to improve their condition

Where you can do this action

You can do this action on one side or both sides of an eligible hedgerow. Read section 4.1.3 to find out how we define an eligible hedgerow for SFI.

You can choose what total length of eligible hedgerows to enter into this action,

Other land management actions or options you can do with HRW1

The table below sets out which other SFI actions, CS management options, ES revenue options and SFI pilot standards you can do in land parcels with eligible boundaries entered into HRW1.

Table 11: Actions or options that can be done with HRW1

Scheme	Action or option codes that can be done with HRW1	
SFI 2023	All SFI actions	
CS	All CS management options, including BE3 (management of hedgerows)	
ES	All ES revenue options	
SFI pilot	All SFI pilot standards, including all levels of the SFI pilot hedgerows standard	

What to do

You must:

- assess the condition of all the hedgerows entered into this action
- produce a written hedgerow condition assessment record for these hedgerows

If you've already assessed these hedgerows and produced a written hedgerow condition assessment record in the last 5 years, you can use it to meet this action.

When to do it

You must:

- assess the condition of the hedgerows and complete a written hedgerow condition assessment record within the first 12 months of your SFI agreement
- review the condition of the hedgerows and update the hedgerow condition assessment record in each subsequent year of your SFI agreement

How to do it

It's up to you how you complete this action, as long as you do it in a way that can reasonably be expected to achieve this action's aim.

You may find it helpful to read the voluntary guidance on how to assess and record hedgerow condition, but you do not have to follow it.

You can record the hedgerow condition assessment on paper or digitally.

What evidence to keep

You must keep a written record of your hedgerow condition assessment. You must supply this evidence if we ask for it.

HRW2: Manage hedgerows

How much you'll be paid

You'll receive £13 per 100 metres for one side of an eligible hedgerow per year.

You can also apply for <u>CS Capital Grants</u> to help you manage the eligible hedgerows you do this action on, including hedgerow laying (BN5), hedgerow coppicing (BN7) and hedgerow gapping up (BN7).

This action's aim

This action's aim is that you manage hedgerows so there's a range of different heights and widths to provide:

- habitat for wildlife
- pollen, nectar and berries for mammals, birds and insects

Where you can do this action

You can do this action on one side or both sides of an eligible hedgerow. Read section 4.1.3 to find out how we define an eligible hedgerow for SFI.

You'll need to enter both sides of an eligible, fully-established hedgerow into this action if you're managing it in a coppicing or laying rotation.

You can choose what total length of eligible hedgerows to enter into this action.

You cannot enter hedgerows into this action if they're used for CS option BE3 (management of hedgerows), because this action pays for substantially the same actions as BE3.

Other land management actions or options you can do with HRW2

The table below sets out which other SFI actions, CS management options, ES revenue options and SFI pilot standards you can do in land parcels with eligible boundaries entered into HRW2.

Table 12: Actions or options that can be done with HRW2

Scheme	Action or option codes that can be done with HRW2	
SFI 2023	All SFI actions	
CS	All CS management options, except BE3 (management of hedgerows)	
ES	All ES revenue options, apart from boundary options	
SFI pilot	All SFI pilot standards, except the SFI pilot hedgerows standard	

What to do

What you must do to manage the hedgerows entered into this action depends on whether they're:

- fully established, which will usually be the case around 5 years after they're planted
- · newly planted, or not fully established

You must manage fully established hedgerows. You can choose which of the following management approaches to use on different fully established hedgerows in your SFI agreement:

- cut each hedgerow incrementally
- on a rotation, cut each hedgerow no more than once every 3 years, cutting no more than one third of hedges each year
- on a rotation, cut each hedgerow no more than once every 2 years, cutting no more than half the hedges each year
- managing them in a coppicing or laying rotation, which may mean they're left uncut for the duration of your 3-year SFI agreement

If the hedgerows are newly planted, or not fully established, you must lightly trim them incrementally.

When to do it

If you're cutting fully established hedgerows incrementally, you must do this each year of your 3-year SFI agreement during the autumn and winter months.

If you're cutting fully established hedgerows on a rotation, you must cut each hedgerow no more than either:

- once every 3 years in during the autumn and winter months, cutting no more than one third of hedges each year
- once every 2 years in late winter, cutting no more than half of the hedges each year

These timings will usually mean:

- September, October and November for the autumn
- December, January and February for the winter
- January and February for late winter

Newly planted hedgerows, or hedgerows which are not fully established, must be lightly trimmed incrementally during the autumn and winter months. You must do this until they're fully established.

How to do it

It's up to you how you complete this action, as long as you do it in a way that can reasonably be expected to achieve this action's aim.

You may find it helpful to read the voluntary guidance on <u>how to manage hedgerows</u>, but you do not have to follow it.

What evidence to keep

You should keep evidence to show what you've done to complete this action. This will help if it's not clear that you've completed the action in a way that could reasonably be expected to achieve this action's aim. You must supply this evidence if we ask for it.

This evidence could include photographs and other documentation to show what you've done to complete this action. If you choose to take photographs, read the guidance on how to take photographic evidence (annex A).

HRW3: Maintain or establish hedgerow trees

How much you'll be paid

You'll receive £10 per 100 metres for both sides of an eligible hedgerow per year.

This action's aim

This action's aim is that you maintain or establish hedgerow trees to help provide:

- habitat for wildlife
- · carbon storage benefits

Where you can do this action

You can only do this action on both sides of an eligible hedgerow. You cannot enter one side of a hedgerow into this action.

This means you must have management control of both sides of the hedgerow and adjacent land. The only exception to this is if it's a roadside hedgerow – you can enter that hedgerow into this action if you can meet the requirements explained below. Read the information about management control (section 4.1.1).

You can choose what total length of eligible hedgerows to enter into this action.

Read section 4.1.3 to find out how we define an eligible hedgerow for SFI.

Other land management actions or options you can do with HRW3

The table below sets out which other SFI actions, CS management options, ES revenue options and SFI pilot standards you can do in land parcels with eligible boundaries entered into HRW3.

Table 13: Actions or options that can be done with HRW3

Scheme	Action or option codes that can be done with HRW3	
SFI 2023	All SFI actions	
CS	All CS management options, including BE3 (management of hedgerows)	
ES	All ES revenue options, apart from boundary options	
SFI pilot	All SFI pilot standards, except the SFI pilot hedgerows standard	

What to do

You must make sure there's an average of at least 1 hedgerow tree per 100m over the total length of hedgerows entered into this action. This means some 100m lengths can contain no trees, as long as you meet this average.

You can do this action by:

- · maintaining existing trees growing within the hedgerow
- establishing new hedgerow trees

To establish a new hedgerow tree, you must either:

- select an existing sapling in the hedgerow with a single straight stem
- plant a new sapling you can apply for <u>CS Capital Grants</u> to plant a hedgerow tree
 (TE1) and protect it with a tree guard (TE6)

You must identify each newly established hedgerow tree by tagging it or using another method to identify it clearly, so it can be avoided when managing the hedgerow.

You can include dead and dying trees when counting how many hedgerow trees are in a given length of hedgerow. This decaying wood can provide a habitat for invertebrates, nesting birds and bats. This does not include newly planted tree saplings that die before they become established.

You must not do the following to the hedgerow trees that are being maintained or established to complete this action:

- damage them
- cut them, unless there's a clear need for example, to prolong the life of the tree, for health and safety reasons (such as removing branches that pose a risk to people), or because it's a tradition in the local landscape (such as coppicing or pollarding willow)

When to do it

By the end of your SFI agreement, you must have done this action so it meets the requirements explained above.

How to do it

It's up to you how you complete this action, as long as you do it in a way that can reasonably be expected to achieve this action's aim.

You may find it helpful to read the voluntary guidance on how to maintain or establish hedgerow trees, but you do not have to follow it.

What evidence to keep

You should keep evidence to show what you've done to complete this action. This will help if it's not clear that you've completed the action in a way that could reasonably be expected to achieve this action's aim. You must supply this evidence if we ask for it.

This evidence could include photographs and other documentation to show what you've done to complete this action. If you choose to take photographs, read the guidance on how to take photographic evidence (annex A).

2.5 SFI actions for integrated pest management

The SFI actions for integrated pest management are focused on:

- increasing knowledge and identifying opportunities for an integrated pest management (IPM) approach
- creating habitats for natural crop pest predators
- using companion cropping to suppress weeds, reduce diseases and provide protection from crop pests
- minimising use of insecticides

They include:

- IPM1: Assess integrated pest management and produce a plan
- IPM2: Flower-rich grass margins, blocks, or in-field strips
- IPM3: Companion crop on arable and horticultural land
- IPM4: No use of insecticide on arable crops and permanent crops

These actions should help with managing crop pests, diseases and weeds more sustainably to minimise use of pesticides.

This can help improve farm productivity by reducing costs and risks. The actions can also provide a range of environmental benefits, such as:

- increased biodiversity
- improved water, soil and air quality



Create habitats to support an IPM approach

• IPM1: Assess integrated pest management and produce a plan

How much you'll be paid

You'll receive £1,129 for the assessment and plan per year.

This action's aim

This action's aim is that you:

- understand the benefits, costs, impacts and risks of your current approach to crop pest, weed and disease management for your land
- effectively plan how to adopt a range of integrated pest management methods appropriate to your farm

Where you can do this action

You can do this action on all agricultural land located below the moorland line.

IPM1 is an agreement level SFI action. Once you've included this action in an SFI agreement, you cannot apply for it again until that 3-year agreement ends. You cannot apply for it in multiple SFI agreements.

This means you do not enter specific areas of land into this action in your SFI application. The assessment and IPM plan should cover all of the relevant areas of your farm.

To apply for this action, at least 1 land parcel needs to be linked to your Single Business Identifier (SBI), so it shows on your digital maps in the Rural Payments service.

Other land management actions or options you can do with IPM1

The table below sets out which other SFI actions, CS management options, ES revenue options and SFI pilot standards you can do with IPM1. This is only possible if the requirements explained under 'Where you can do this action' above are met.

Table 14: Actions or options that can be done with IPM1

Scheme	Actions or options that can be done with IPM1	
SFI 2023	All SFI actions, except MOR1	
CS	All CS management options	
ES	All ES revenue options	
SFI pilot	All SFI pilot standards	

What to do

You must arrange for a member of the BASIS Professional Register who's qualified with the relevant BASIS Certificate in Crop Protection for the crops you're growing (a 'BASIS qualified adviser') to visit your farm to:

- assess your current approach to crop pest, weed and disease management for your land
- identify and discuss opportunities for using IPM on that land
- help you to produce a written IPM plan

You must make sure that the BASIS qualified adviser does what's required above.

If you're a BASIS qualified adviser, as defined above, you can complete this action yourself.

If you already have a written IPM plan, informed by an IPM assessment, carried out by a BASIS qualified adviser, you can use it to meet this action if it was written within the last 12 months.

When to do it

You must make sure that a BASIS qualified adviser visits your farm to:

- complete the IPM assessment and help you produce a written IPM plan within the first 12 months of your SFI agreement
- reassess your approach to crop pest, weed and disease management and review your written IPM plan in each subsequent year of your SFI agreement

How to do it

It's up to you how you complete this action, as long as you do it in a way that can reasonably be expected to achieve this action's aim.

You may find it helpful to read the voluntary guidance on how to complete an integrated pest management assessment and produce a plan, but you do not have to follow it.

What evidence to keep

You must keep:

- a written record of your IPM plan, including the IPM assessment
- evidence that the adviser is a BASIS qualified adviser, such as their name and BASIS registration number.

You must supply this evidence if we ask for it.

IPM2: Flower-rich grass margins, blocks, or in-field strips

What you'll be paid

You'll receive £798 per hectare per year.

This action's aim

This action's aim is that there are grass margins, blocks or in-field strips containing flowering plants during the summer months into early autumn.

The purpose of this is to:

- encourage natural crop pest predators as part of an IPM approach if located close to cropped areas
- provide habitat and foraging sites for invertebrates, including natural crop pest predators, wild pollinators such as bumblebees, solitary bees, butterflies and hoverflies, and farmland birds

Where you can do this action

You can do this action on eligible agricultural land located below the moorland line. The table below sets out what land is eligible for IPM2.

Table 15: Eligible land for IPM2

Eligible land type	Eligible land use code	Compatible land cover
Arable land, including temporary grassland	Arable crops	Arable land
	Leguminous and nitrogen- fixing crops	Arable land
	FA01	Arable land
	TG01	Arable land
Permanent crops – horticultural and non-horticultural	Permanent crops	Permanent crops

The glossary (annex C) explains what we mean by land types, land use codes and compatible land covers.

The SFI application service will automatically calculate what area may be eligible for this action in each land parcel. This is called the 'SFI available area'. You must check this area is an eligible land type. Find out how the SFI available area is calculated in the information on land that's eligible for the SFI actions (section 4.1.2).

You can apply for this action on either the total SFI available area in each land parcel shown in your SFI application, or part of that area. However, this action is normally intended to be done on part of a land parcel as a margin, block or in-field strip.

For SFI applications submitted on or after 26 March 2024, this is a 'limited area' action. The total eligible area you enter into any combination of one or more of the 'limited area' actions must not be more than 25% of the total agricultural area of your farm.

Read the guidance on 'SFI actions with an area limit' (at the start of section 2) for more information and a list of the 'limited area' SFI actions.

This action is rotational. You can do it on the same area of eligible land each year of your 3-year SFI agreement, or you can move the area each year.

You must not enter any area within a land parcel into this action if it contains historic or archaeological features identified in your SFI HEFER. Read the information about historic and archaeological features, including scheduled monuments (section 4.3.2) to find out more about the SFI HEFER.

Other land management actions or options you can do on the same area as IPM2

The table below sets out which other SFI actions, CS management options, ES revenue options and SFI pilot standards can be located on the same eligible area within a land parcel as IPM2.

Table 16: Actions or options that can be located on the same area within a land parcel as IPM2

Scheme	Action or option codes that can be located on the same area as IPM2	
SFI 2023	SAM1, IPM1, NUM1	
CS	OR3, OR4, OR5, OT3, OT4, OT5, SW17	
ES	No ES revenue options	
SFI pilot	No area-based SFI pilot standards	

Use the CS grant finder to search for the CS option codes shown above.

The SFI actions for hedgerows (HRW1, HRW2 and HRW3) CS option BE3, and the introductory level of the SFI pilot hedgerows standard can be done on the eligible boundaries of a land parcel entered into IPM2.

If an action or option cannot be located on the same area within a land parcel as IPM2, this is because it's not an eligible land type, or the activities are incompatible, or you would be paid twice for doing the same activities on the same land. In this case, that area will be automatically removed from the affected land parcel's SFI available area in your SFI application.

If this is the case, you may be able to do the action on a different area in the same land parcel if:

- it's an eligible land type for the action or option
- it's a part-parcel action or option

• the area used for the action or option does not overlap with the area used for IPM2

Read the information about eligibility of land used for other schemes and funding sources (section 4.2) to find out more.

What to do

You must establish and maintain flower-rich grass margins, blocks or in-field strips on land entered into this action.

To establish the flower-rich grass margins, blocks or in-field strips, you must sow a seed mix containing at least:

- 4 grass species, which must not include ryegrass, with the grass component not exceeding 90% of the total seed mix by weight
- 10 wildflower species, with no individual flower species exceeding 25% of the total wildflower species component by weight

The flower-rich grass margins, blocks or in-field strips will usually be established from the second spring after sowing.

Once established, you must maintain the flower-rich grass margins, blocks or in-field strips, throughout your SFI agreement, in a way that could reasonably be expected to achieve this action's aim.

You must not do the following on the flower-rich margins, blocks or in-field strips once they're established:

- cut or graze them with livestock in a way that means this action's aim cannot reasonably be expected to be achieved
- mechanically apply any fertilisers and manures
- use pesticides, except for herbicides to weed wipe or spot treat for the control of injurious weeds, invasive non-native species, nettles or bracken

You can maintain existing flower-rich grass margins, blocks or in-field strips to meet this action, if they:

- meet the requirements explained above
- are not already being paid for under another environmental land management scheme option, such as CS option AB8 (flower rich margins and plots)

When to do it

If you're doing this action on the same area of land for the 3-year duration of your SFI agreement, you must:

- establish the flower-rich grass margins, blocks or in-field strips during the first 12 months of your SFI agreement – this may involve a preparatory year to remove weeds before the flower-rich seed mix is sown
- maintain the area of flower-rich margins, blocks or in-field strips in each subsequent

year of your 3-year SFI agreement

If you're rotating this action around your farm, each year of your SFI agreement you must do it for a period of time that could reasonably be expected to achieve this action's aim.

How to do it

It's up to you how you complete this action, as long as you do it in a way that can reasonably be expected to achieve this action's aim.

You may find it helpful to read the voluntary guidance on how to establish and maintain flower-rich grass margins, blocks, or in-field strips, but you do not have to follow it.

What evidence to keep

You should keep evidence to show what you've done to complete this action. This will help if it's not clear that you've completed the action in a way that could reasonably be expected to achieve this action's aim. You must supply this evidence if we ask for it.

This evidence could include photographs and other documentation to show what you've done to complete this action. It could also include field operations at a land parcel level and associated invoices. If you choose to take photographs, read the guidance on how to take photographic evidence (annex A).

IPM3: Companion crop on arable and horticultural land

What you'll be paid

You'll receive £55 per hectare per year.

This action's aim

This action's aim is that you establish a companion crop. The purpose of this is to do one or more of the following:

- support an IPM approach by acting as a trap crop for pests or by supressing weeds
- provide a habitat for birds and invertebrates, including pollinators and natural crop pest predators
- manage nutrient efficiency
- protect soil and improve its condition

Where you can do this action

You can do this action on eligible agricultural land located below the moorland line. The table below sets out what land is eligible for IPM3.

Table 17: Eligible land for IPM3

Eligible land type	Eligible land use code	Compatible land cover
Arable land, including temporary grassland	Arable crops	Arable land
	Leguminous and nitrogen-	Arable land
	fixing crops	Alabic land
	FA01	Arable land
	TG01	Arable land
Permanent crops – horticultural	TC01	Permanent crops

The glossary (annex C) explains what we mean by land types, land use codes and compatible land covers.

The SFI application service will automatically calculate what area may be eligible for this action in each land parcel. This is called the 'SFI available area'. You must check this area is an eligible land type. Find out how the SFI available area is calculated in the information on land that's eligible for the SFI actions (section 4.1.2).

You can apply for this action on either the total SFI available area in each land parcel shown in your SFI application, or part of that area.

This action is rotational. You can do it on the same area of eligible land each year of your 3-year SFI agreement, or you can move the area each year.

Other land management actions or options you can do on the same area as IPM3

The table below sets out which other SFI actions, CS management options, ES revenue options and SFI pilot standards can be located on the same eligible area within a land parcel as IPM3.

Table 18: Actions or options that can be located on the same area within a land parcel as IPM3

Scheme	Action or option codes that can be located on the same area as IPM3	
SFI 2023	SAM1, SAM2 (only if IPM3 is done during the summer months), IPM1, IPM4,	
3F1 2023	NUM1, AHL2 (only if IPM3 is done during the summer months)	
CS	HS3, HS9, OP1, OR3, OR4, OR5, OT3, OT4, OT5, SW6, SW17	
ES	No ES revenue options	
SFI pilot	SFI pilot arable and horticultural soils standard – all levels	

Use the CS grant finder to search for the CS option codes shown above.

The SFI actions for hedgerows (HRW1, HRW2 and HRW3), CS option BE3 and the introductory level of the hedgerows standard can be done on the eligible boundaries of a land parcel entered into IPM3.

If an action or option cannot be located on the same area within a land parcel as IPM3, this is because it's not an eligible land type, or the activities are incompatible, or you would be paid twice for doing the same activities on the same land. In this case, that area will be automatically removed from the affected land parcel's SFI available area in your SFI application.

If this is the case, you may be able to do the action on a different area in the same land parcel if:

- it's an eligible land type for the action or option
- it's a part-parcel action or option
- the area used for the action or option does not overlap with the area used for IPM3

Read the information about eligibility of land used for other schemes and funding sources (section 4.2) to find out more.

What to do

You must establish the companion crop on land entered into this action, so it's growing with the main arable or horticultural crop.

The companion crop does not have to be present for the full growing period of the arable or horticultural crop, as long as it's managed in a way that can reasonably be expected to achieve the action's aim and its intended purpose.

You can establish the companion crop by:

- trap cropping sowing a trap crop to attract crop pests away from the main arable or horticultural crop
- inter-cropping sowing the companion crop with the main arable or horticultural crop
- undersowing sowing a companion crop to form a living mulch beneath the arable or horticultural crop

You must avoid growing deep rooted species of companion crop on any area within a land parcel that contains historic or archaeological features identified in your SFI HEFER. Read the information about historic and archaeological features, including scheduled monuments (section 4.3.2) to find out more about the SFI HEFER.

If you're doing this action on land with peaty soil, you should not use legumes as the companion crop, because this could damage the peat. Peaty soil means there's around 20% or more organic matter to a depth of 40cm or more. The SOM test results from completing SAM1 will tell you if this is the case.

If you've already established a companion crop, so it's growing with the main arable or horticultural crop, you can use it to meet this action. This is only possible if it meets the requirements explained above.

When to do it

You must do this action each year of your 3-year SFI agreement.

If your SFI agreement starts too late for you to complete this action, you can complete it within 12 months of your agreement's start date.

For example, if you've already sown the main arable or horticultural crop before your SFI agreement starts, you can establish the companion crop within the first 12 months of your agreement.

How to do it

It's up to you how you complete this action, as long as you do it in a way that can reasonably be expected to achieve this action's aim.

You may find it helpful to read the voluntary guidance on how to establish a companion crop on arable and horticultural land, but you do not have to follow it.

What evidence to keep

You should keep evidence to show what you've done to complete this action. This will help if it's not clear that you've completed the action in a way that could reasonably be expected to achieve this action's aim. You must supply this evidence if we ask for it.

This evidence could include photographs and other documentation to show what you've done to complete this action. It could also include field operations at a land parcel level and associated invoices. If you choose to take photographs, read the guidance on how to take photographic evidence (annex A).

IPM4: No use of insecticide on arable crops and permanent crops

What you'll be paid

You'll receive £45 per hectare per year.

This action's aim

This action's aim is that you do not use plant protection products containing insecticide. The purpose of this is to:

- support an IPM approach by managing crops pests in a more sustainable way
- improve water and air quality
- increase biodiversity

Where you can do this action

You can do this action on eligible agricultural land located below the moorland line. The table below sets out what land is eligible for IPM4.

Table 19: Eligible land for IPM4

Eligible land type	Eligible land use code	Compatible land cover
Arable land, excluding	Arable crops	Arable land
temporary grassland and fallow land	Leguminous and nitrogen- fixing crops	Arable land
Permanent crops – horticultural and non-horticultural	Permanent crops	Permanent crops

The glossary (annex C) explains what we mean by land types, land use codes and compatible land covers.

The SFI application service will automatically calculate what area may be eligible for this action in each land parcel. This is called the 'SFI available area'. You must check this area is an eligible land type. Find out how the SFI available area is calculated in the information on land that's eligible for the SFI actions (section 4.1.2).

You can only apply for this action on the total SFI available area in each land parcel shown in your SFI application. You cannot apply for it on part of that area.

This action is rotational. You can do it on the same area of eligible land each year of your 3-year SFI agreement, or you can move the area each year.

Other land management actions or options you can do on the same area as IPM4

The table below sets out which other SFI actions, CS management options, ES revenue options and SFI pilot standards can be located on the same eligible area within a land parcel as IPM4.

Table 20: Actions or options that can be located on the same area within a land parcel as IPM4

Scheme	Action or option codes that can be located on the same area as IPM4	
SFI 2023	SAM1, SAM2, IPM1, IPM3, NUM1, AHL2	
	*Arable CS options: AB1, AB2, AB4, AB5, AB8, AB9, AB15, AB16	
CS	Historic environment CS options: HS3, HS9	
C5	Organic CS options: OP1, OP2, OP5, OR3, OR4, OR5, OT3, OT4, OT5	
	Water quality CS options: SW5, SW6, SW17	
ES	No ES revenue options	
SFI pilot	SFI pilot arable and horticultural land standard – all levels	
	SFI pilot arable and horticultural soils standard – all levels	

(*the other Arable CS options not contained in the table above prohibit the use of insecticides as part of the CS option, so cannot be located on the same area as IPM4 as they're either incompatible or you'd be paid twice for doing the same activity)

Use the CS grant finder to search for the CS option codes shown above.

The SFI actions for hedgerows (HRW1, HRW2 and HRW3),CS option BE3 and the introductory level of the SFI pilot hedgerows standard can be done on the eligible boundaries of a land parcel entered into IPM4.

If an action or option cannot be located on the same area within a land parcel as IPM4, this is because it's not an eligible land type, or the activities are incompatible, or you would be paid twice for doing the same activities on the same land. In this case, that area will be automatically removed from the affected land parcel's SFI available area in your SFI application.

If this is the case, you may be able to do the action on a different area in the same land parcel if:

- it's an eligible land type for the action or option
- it's a part-parcel action or option
- the area used for the action or option does not overlap with the area used for IPM4

Read the information about eligibility of land used for other schemes and funding sources (section 4.2) to find out more.

What to do

You must not apply any plant protection products, including seed dressings, containing insecticide on land entered into this action. For the purposes of this action, insecticide includes nematicides and acaricides.

You can apply other plant protection products such as herbicides, fungicides or plant growth regulators, but not insecticides.

If something happens which means you cannot complete this action, you must tell us about this as soon as possible. Read the information about what happens if you find you cannot comply with your agreement (section 5.3.3).

When to do it

You must do this action each year of your 3-year SFI agreement.

How to do it

It's up to you how you complete this action, as long as you do it in a way that can reasonably be expected to achieve this action's aim.

You may find it helpful to read the voluntary guidance on how to manage arable and horticultural crops without using insecticide, but you do not have to follow it.

What evidence to keep

You should keep evidence to show what you've done to complete this action. This will help if it's not clear that you've completed the action in a way that could reasonably be expected to achieve this action's aim. You must supply this evidence if we ask for it.

This evidence could include photographs and other documentation to show what you've done to complete this action. It could also include field operations at a land parcel level and associated invoices. If you choose to take photographs, read the guidance on how to take photographic evidence (annex A).

2.6 SFI actions for nutrient management

The SFI actions for nutrient management are focused on:

- increasing nutrient management knowledge
- supporting more efficient use of nutrients
- encouraging more effective use of organic sources of crop nutrition

They include:

- NUM1: Assess nutrient management and produce a review report
- NUM2: Legumes on improved grassland
- NUM3: Legume fallow

These actions should help to optimise use of nutrients and manage them more efficiently, reducing costs and waste and helping to improve farm productivity and resilience. They should also provide a range of environmental benefits, including:

- improved water and air quality
- increased biodiversity
- reduced emissions (through reduced use of inorganic fertilisers)

NUM1: Assess nutrient management and produce a review report

How much you'll be paid

You'll receive £652 for the assessment and review report per year.

This action's aim

This action's aim is that you assess your current approach to nutrient usage and effectively plan how to:

- manage your nutrient usage more efficiently and effectively
- optimise your use of organic sources of crop nutrition

Where you can do this action

You can do this action on all agricultural land located below the moorland line.

NUM1 is an agreement level SFI action. This means you do not enter specific areas of land into this action in your SFI application. The assessment and nutrient management review report should cover all of the relevant areas of your farm.

Once you've included this action in an SFI agreement, you cannot apply for it again until that 3-year agreement ends. You cannot apply for it in multiple SFI agreements.

To apply for this action, at least 1 land parcel needs to be linked to your SBI, so it shows on

your digital maps in the Rural Payments service.

Other land management actions or options you can do with NUM1

The table below sets out which other SFI actions, CS management options, ES revenue options and SFI pilot standards you can do with NUM1. This is only possible if the requirements explained under 'Where you can do this action' above are met.

Table 21: Actions or options that can be done with NUM1

Scheme	Action or option codes that can be done with NUM1
SFI 2023	All SFI actions, except MOR1
CS	All CS options
ES	All ES options
SFI pilot	All SFI pilot standards

What to do

You must arrange for a member of the BASIS Professional Register who's qualified under the Fertiliser Advisers Certification and Training Scheme (a 'FACTS qualified adviser') to visit your farm to:

- assess your current nutrient use and needs for your farm
- identify and discuss opportunities to increase efficiency of your nutrient usage, and maximise the use of natural sources of crop nutrients on that land
- help you produce a written nutrient management (NM) review report

You must make sure that the FACTS qualified adviser does what's required above.

If you're a FACTS qualified adviser, as defined above, you can complete this action yourself.

If you already have a written NM review report, informed by an NM assessment, carried out by a FACTS qualified adviser, you can use it to meet this action if it was written within the last 12 months.

If you need to take soil samples on areas within a land parcel containing historic or archaeological features, including scheduled monuments, you must:

- request an SFI Historic Environment Farm Environment Record (SFI HEFER), as explained in the information about historic and archaeological features (section 4.3.2)
- meet the requirements for taking soil samples on these areas, as explained in the information about completing SFI actions on land containing historic and archaeological features (section 4.3.2)

When to do it

You must make sure that a FACTS qualified adviser visits your farm to:

- complete the NM assessment and help you produce a written NM review report within the first 12 months of your SFI agreement
- reassesses your nutrient use and needs for your land and review your NM review report in each subsequent year of your SFI agreement

How to do it

It's up to you how you complete this action, as long as you do it in a way that can reasonably be expected to achieve this action's aim.

You may find it helpful to read the voluntary guidance on how to complete a nutrient management assessment and produce a review report, but you do not have to follow it.

What evidence to keep

You must keep:

- a written record of your NM review report, including the NM assessment
- evidence that the adviser is a FACTS qualified adviser, such as their name and BASIS or FACTS registration number.

You must supply this evidence if we ask for it.

NUM2: Legumes on improved grassland

What you'll be paid

You'll receive £102 per hectare per year.

This action's aim

This action's aim is that there are legumes growing from spring until early autumn.

The purpose of this is to:

- manage nutrient efficiency
- protect the soil surface
- provide root growth that maintains soil structure, supports soil biology, and minimise nutrient leaching, soil erosion and runoff
- support an IPM approach if located close to cropped areas

Where you can do this action

You can do this action on eligible agricultural land located below the moorland line. The table below sets out what land is eligible for NUM2.

Table 22: Eligible land for NUM2

Eligible land type	Eligible land use code	Compatible land cover
Temporary grassland	TG01	Arable land
Improved permanent grassland	PG01	Permanent grassland

The glossary (annex C) explains what we mean by land types, land use codes and compatible land covers.

The SFI application service will automatically calculate what area may be eligible for this action in each land parcel. This is called the 'SFI available area'. You must check this area is an eligible land type. Find out how the SFI available area is calculated in the information on land that's eligible for the SFI actions (section 4.1.2).

You can apply for this action on either the total SFI available area in each land parcel shown in your SFI application, or part of that area.

This action is rotational. You can do it on the same area of eligible land each year of your 3-year SFI agreement, or you can move the area each year.

You must not enter any area within a land parcel into this action that contains historic or archaeological features identified in your SFI HEFER. Read the information about historic and archaeological features, including scheduled monuments (section 4.3.2) to find out more about the SFI HEFER.

You should also not enter any area of land into this action that has peaty soil because this action could damage peat. Peaty soil means there's around 20% or more organic matter to a depth of 40cm or more. The SOM test results from completing action SAM1 will tell you if this is the case.

Other land management actions or options you can do on the same area as NUM2

The table below sets out which other SFI actions, CS management options, ES revenue options and SFI pilot standards can be located on the same eligible area within a land parcel as NUM2.

Table 23: Actions or options that can be located on the same area within a land parcel as NUM2

Scheme	Action or option codes that can be located on the same area as NUM2
SFI 2023	SAM1, IPM1, NUM1
CS	OR3, OT1, OT3, OR1
ES	No ES revenue options
SFI pilot	No area-based SFI pilot standards

Use the CS grant finder to search for the CS option codes shown above.

The SFI actions for hedgerows (HRW1, HRW2 and HRW3), CS option BE3 and the introductory level of the SFI pilot hedgerows standard can be done on the eligible boundaries of a land parcel entered into NUM2.

If an action or option cannot be located on the same area within a land parcel as NUM2, this is because it's not an eligible land type, or the activities are incompatible, or you would be paid twice for doing the same activities on the same land. In this case, that area will be automatically removed from the affected land parcel's SFI available area in your SFI application.

If this is the case, you may be able to do the action on a different area in the same land parcel if:

- it's an eligible land type for the action or option
- it's a part-parcel action or option
- the area used for the action or option does not overlap with the area used for NUM2

Read the information about eligibility of land used for other schemes and funding sources (section 4.2) to find out more.

What to do

You must establish and maintain legumes on improved grassland entered into this action.

You can use one or more type of legume, such as:

- red clover
- white clover
- alsike clover
- sainfoin
- lucerne
- bird's foot trefoil

You can establish the legumes by:

- · adding them to an existing grass sward
- sowing a mix of grass and legumes

Once established, you must maintain the legumes. To do this, you must manage them in a way that could reasonably be expected to achieve this action's aim.

You can maintain existing areas of legumes on improved grassland to meet this action if they:

- meet the requirements explained above
- are not already being for under another environmental land management scheme option, such as CS option GS4 (legume and herb-rich swards)

When to do it

If you're doing this action on the same area of land for the 3-year duration of your SFI agreement, you must:

- establish the legumes during the first 12 months of your SFI agreement
- maintain the area of legumes in each subsequent year of your SFI agreement

If you're rotating this action around your farm, each year of your SFI agreement you must do it for a period of time that could reasonably be expected to achieve this action's aim.

How to do it

It's up to you how you complete this action, as long as you do it in a way that can reasonably be expected to achieve this action's aim.

You may find it helpful to read the voluntary guidance on how to establish and maintain legumes on improved grassland, but you do not have to follow it.

What evidence to keep

You should keep evidence to show what you've done to complete this action. This will help if it's not clear that you've completed the action in a way that could reasonably be expected to achieve this action's aim. You must supply this evidence if we ask for it.

This evidence could include photographs and other documentation to show what you've done to complete this action. It could also include field operations at a land parcel level and associated invoices. If you choose to take photographs, read the guidance on how to take photographic evidence (annex A).

NUM3: Legume fallow

What you'll be paid

You'll receive £593 per hectare per year.

This action's aim

This action's aim is that there's a legume fallow that produces areas of flowering plants from late spring and during the summer months.

The purpose of this is to:

- manage nutrient efficiency and improved soil health
 - provide food for farmland wildlife, such as pollen and nectar for pollinators and farmland birds
 - support an IPM approach by reducing grass weeds and, if located close to cropped areas, encourage natural crop pest predators

Where you can do this action

You can do this action on eligible agricultural land located below the moorland line. The table below sets out what land is eligible for NUM3.

Table 24: Eligible land for NUM3

Eligible land type	Eligible land use code	Compatible land cover
	Arable crops	Arable land
Arable land, including temporary grassland	Leguminous and nitrogen- fixing crops	Arable land
grassianu	FA01	Arable land
	TG01	Arable land
Permanent crops – horticultural	TC01	Permanent crops

The glossary (annex C) explains what we mean by land types, land use codes and compatible land covers.

The SFI application service will automatically calculate what area may be eligible for this action in each land parcel. This is called the 'SFI available area'. You must check this area is an eligible land type. Find out how the SFI available area is calculated in the information on land that's eligible for the SFI actions (section 4.1.2).

You can apply for this action on either the total SFI available area in each land parcel shown in your SFI application, or part of that area.

This action is rotational. You can do it on the same area of eligible land each year of your 3-year SFI agreement, or you can move the area each year.

You should not enter any area within a land parcel into this action that has peaty soil because this action could damage peat. Peaty soil means there's around 20% or more organic matter to a depth of 40cm or more. The SOM test results from completing SAM1 will tell you if this is the case.

Other land management actions or options you can do on the same area as NUM3

The table below sets out which other SFI actions, CS management options, ES revenue options and SFI pilot standards can be located on the same eligible area within a land parcel as NUM3.

Table 25: Actions or options that can be located on the same area as NUM3

Scheme	Action or option codes that can be located on the same area as NUM3	
SFI 2023	SAM1, IPM1, NUM1	
CS	OR3, OR4, OR5, OT3, OT4, OT5	
ES	No ES revenue options	
SFI pilot	No area-based SFI pilot standards	

Use the CS grant finder to search for the CS option codes shown above.

The SFI actions for hedgerows (HRW1, HRW2 and HRW3), CS option BE3 and the introductory level of the SFI pilot hedgerows standard can be done on the eligible boundaries of a land parcel entered into NUM3.

If an action or option cannot be located on the same area within a land parcel as NUM3, this is because it's not an eligible land type, or the activities are incompatible, or you would be paid twice for doing the same activities on the same land. In this case, that area will be automatically removed from the affected land parcel's SFI available area in your SFI application.

If this is the case, you may be able to do the action on a different area in the same land parcel if:

- it's an eligible land type for the action or option
- it's a part-parcel action or option
- the area used for the action or option does not overlap with the area used for NUM3

Read the information about eligibility of land used for other schemes and funding sources (section 4.2) to find out more.

What to do

You must establish and maintain a legume fallow on land entered into this action.

To establish the legume fallow, you must sow a seed mix containing at least 6 flowering species including legumes. The seed mix can contain legumes such as:

- alsike clover
- bird's foot trefoil
- black medick
- common vetch
- lucerne

The seed mix can also include:

- non-legume flower species
- grasses, such as cocksfoot or timothy, which can help to control blackgrass

You must avoid growing deep rooted legumes, such as lucerne, on any area within a land parcel that contains historic or archaeological features identified in your SFI HEFER. Read the information about historic and archaeological features, including scheduled monuments (section 4.3.2) to find out more about the SFI HEFER.

The legume fallow will usually be established from the second spring after sowing.

Once established, you must maintain the legume fallow. You must do this by managing it in a way that could reasonably be expected to achieve this action's aim.

You must not do the following on the area of legume fallow once it's established:

- graze it with livestock if you want to graze with livestock you may want to consider action SAM3 (herbal leys) instead
- cut it, except to prevent blackgrass from setting seed or to control other annual grass weeds
- apply any fertilisers or manures
- use pesticides, except for herbicides to weed wipe or spot treat for the control of injurious weeds, invasive non-native species, nettles or bracken

You can maintain existing areas of legume fallow to meet this action if they:

- meet the requirements explained above
- are not already being paid for under another environmental land management scheme option, such as CS option AB15 (two year sown legume fallow)

When to do it

If you're doing this action on the same area of land for the 3-year duration of your SFI agreement, you must:

• establish the legume fallow during the first 12 months of your SFI agreement

 maintain the same area of legume fallow in each subsequent year of your 3-year SFI agreement

If you're rotating this action around your farm, each year of your SFI agreement you must do it for a period of time that could reasonably be expected to achieve this action's aim.

How to do it

It's up to you how you complete this action, as long as you do it in a way that can reasonably be expected to achieve this action's aim.

You may find it helpful to read the voluntary guidance on how to establish and maintain a legume fallow, but you do not have to follow it.

What evidence to keep

You should keep evidence to show what you've done to complete this action. This will help if it's not clear that you've completed the action in a way that could reasonably be expected to achieve this action's aim. You must supply this evidence if we ask for it.

2.7 SFI actions for farmland wildlife on arable and horticultural land

The SFI actions for farmland wildlife on arable and horticultural land are focused on providing habitat and food sources for farmland birds, pollinators and a range of other farmland wildlife.

They can also support an IPM approach if they're done close to cropped areas, which can help to reduce costs and improve farm resilience.

The actions include:

- AHL1: Pollen and nectar flower mix
- AHL2: Winter bird food on arable and horticultural land
- AHL3: Grassy field corners and blocks



Provide habitat and food sources for farmland wildlife (Credit: Alison Day)

AHL1: Pollen and nectar flower mix

What you'll be paid

You'll receive £739 per hectare per year.

This action's aim

This action's aim is that there's a pollen and nectar flower mix which produces areas of flowering plants from late spring and during the summer months.

The purpose of this is to:

- provide food for beneficial pollinators, such as bumble bees, solitary bees, butterflies and hoverflies
- encourage natural crop pest predators as part of an IPM approach if located close to cropped areas

Where you can do this action

You can do this action on eligible agricultural land located below the moorland line. The table below sets out what land is eligible for AHL1.

Table 26: Eligible land for AHL1

Eligible land type	Eligible land use code	Compatible land cover
Arable land, including temporary grassland	Arable crops	Arable land
	Leguminous and nitrogen-	Arable land
	<u>fixing crops</u>	
	FA01	Arable land
	TG01	Arable land
Permanent crops – horticultural	TC01	Permanent crops

The glossary (annex C) explains what we mean by land types, land use codes and compatible land covers.

The SFI application service will automatically calculate what area may be eligible for this action in each land parcel. This is called the 'SFI available area'. You must check this area is an eligible land type. Find out how the SFI available area is calculated in the information on land that's eligible for the SFI actions (section 4.1.2).

You can apply for this action on either the total SFI available area in each land parcel shown in your SFI application, or part of that area. However, this action is normally intended to be done on part of a land parcel as a block or strip.

For SFI applications submitted on or after 26 March 2024, this is a 'limited area' action.

The total eligible area you enter into any combination of one or more of the 'limited area'

actions must not be more than 25% of the total agricultural area of your farm.

Read the guidance on 'SFI actions with an area limit' (at the start of section 2) for more information and a list of the 'limited area' SFI actions.

This action is rotational. You can do this action on the same area of eligible land for the duration of your 3-year SFI agreement, or you can move the area each year.

Other land management actions or options you can do on the same area as AHL1

The table below sets out which other SFI actions, CS management options, ES revenue options and SFI pilot standards can be located on the same eligible area within a land parcel as AHL1.

Table 27: Actions or options that can be located on the same area within a land parcel as AHL1

Scheme	Action or option codes that can be located on the same area as AHL1	
SFI 2023	SAM1, IPM1, NUM1	
CS	OR3, OR4, OR5, OT3, OT4, OT5, SW17	
ES	No ES revenue options	
SFI pilot	No area-based SFI pilot standards	

Use the CS grant finder to search for the CS option codes shown above.

The SFI actions for hedgerows (HRW1, HRW2 and HRW3), CS option BE3 and the introductory level of the SFI pilot hedgerows standard can be done on the eligible boundaries of a land parcel entered into AHL1.

If an action or option cannot be located on the same area within a land parcel as AHL1, this is because it's not an eligible land type, or the activities are incompatible, or you would be paid twice for doing the same activities on the same land. In this case, that area will be automatically removed from the affected land parcel's SFI available area in your SFI application.

If this is the case, you may be able to do the action on a different area in the same land parcel if:

- it's an eligible land type for the action or option
- it's a part-parcel action or option
- the area used for the action or option does not overlap with the area used for AHL1

Read the information about eligibility of land used for other schemes and funding sources (section 4.2) to find out more.

What to do

You must establish and maintain blocks or strips of pollen and nectar flower mix on land entered into this action.

To establish the blocks or strips of pollen and nectar flower mix, you must sow a grass-free seed mix containing at least 6 flower species. A single species must not exceed 50% of the total seed mix by weight.

As a minimum, the grass-free seed mix must include at least 2 of the following, all of which can provide pollen and nectar from late spring and over the summer months and are suitable to be grown in all regions of England:

- Common knapweed
- Musk mallow
- Oxeye daisy
- Wild carrot
- Yarrow

Once established, you must maintain the blocks or strips of pollen and nectar mix. To do this, you must manage them in a way that could reasonably be expected to achieve this action's aim.

You must not do the following on the blocks or strips of pollen and nectar mix once they're established:

- cut or graze them with livestock in a way that means this action's aim cannot reasonably be achieved
- apply any fertilisers or manures
- use pesticides, except for herbicides to weed wipe or spot treat for the control of injurious weeds, invasive non-native species, nettles or bracken

You can maintain existing blocks or strips of pollen and nectar flower mix to meet this action if they:

- meet the requirements explained above
- are not already being paid for under another environmental land management scheme option, such as CS option AB1 (nectar flower mix)

When to do it

If you're doing this action on the same area of land for the 3-year duration of your SFI agreement, you must:

- establish the blocks or strips of pollen and nectar flower mix during the first 12 months of your SFI agreement
- maintain the blocks or strips of pollen and nectar flower mix on the same area of

land in each subsequent year of your 3-year SFI agreement

If you're rotating this action around your farm, each year of your SFI agreement you must do it for a period of time that could reasonably be expected to achieve this action's aim.

How to do it

It's up to you how you complete this action, as long as you do it in a way that can reasonably be expected to achieve this action's aim.

You may find it helpful to read the voluntary guidance on how to establish and maintain blocks or strips of pollen and nectar flower mix, but you do not have to follow it.

What evidence to keep

You should keep evidence to show what you've done to complete this action. This will help if it's not clear that you've completed the action in a way that could reasonably be expected to achieve this action's aim. You must supply this evidence if we ask for it.

AHL2: Winter bird food on arable and horticultural land

What you'll be paid

You'll receive £853 per hectare per year.

This action's aim

This action's aim is that there are areas of winter bird food that produce a supply of small seeds for smaller farmland birds from late autumn until late winter.

The purpose of this is to:

- provide food resources for farmland birds, especially in late autumn and winter
- encourage flowering plants in the summer, which will benefit insects including bumblebees, solitary bees, butterflies and hoverflies
- support an IPM approach if located close to cropped areas

Where you can do this action

You can do this action on eligible agricultural land located below the moorland line. The table below sets out what land is eligible for AHL2.

Table 28: Eligible land for AHL2

Eligible land type	Eligible land use code	Compatible land cover
Arable land, including temporary grassland	Arable crops	Arable land
	Leguminous and nitrogen- fixing crops	Arable land
	FA01	Arable land
	TG01	Arable land
Permanent crops – horticultural	TC01	Permanent crops

The glossary (annex C) explains what we mean by land types, land use codes and compatible land covers.

The SFI application service will automatically calculate what area may be eligible for this action in each land parcel. This is called the 'SFI available area'. You must check this area is an eligible land type. Find out how the SFI available area is calculated in the information on land that's eligible for the SFI actions (section 4.1.2).

You can apply for this action on either the total SFI available area in each land parcel shown in your SFI application, or part of that area. However, this action is normally intended to be done on part of a land parcel as a block or strip.

For SFI applications submitted on or after 26 March 2024, this is a 'limited area' action.

The total eligible area you enter into any combination of one or more of the 'limited area' actions must not be more than 25% of the total agricultural area of your farm.

Read the guidance on 'SFI actions with an area limit' (at the start of section 2) for more information and a list of the 'limited area' SFI actions.

This action is rotational. You can do this action on the same area of eligible land each year of your 3-year SFI agreement, or you can move the area each year.

Other land management actions or options you can do on the same area as AHL2

The table below sets out which other SFI actions, CS management options, ES revenue options and SFI pilot standards can be located on the same eligible area within a land parcel as AHL2.

Table 29: Actions or options that can be located on the same area within a land parcel as AHL2

Scheme	Action or option codes that can be located on the same area as AHL2	
SFI 2023 SAM1, IPM1, IPM3 (only if the companion crop is not present during		
3F1 2023	winter months), IPM4, NUM1	
CS	HS3, HS9, OR3, OR4, OR5, OT3, OT4, OT5, SW17	
ES	No ES revenue options	
SFI pilot	No area-based SFI pilot standards	

Use the CS grant finder to search for the CS option codes shown above.

The SFI actions for hedgerows (HRW1, HRW2 and HRW3), CS option BE3 and the introductory level of the SFI pilot hedgerows standard can be done on the eligible boundaries of a land parcel entered into AHL2.

If an action or option cannot be located on the same area within a land parcel as AHL2, this is because it's not an eligible land type, or the activities are incompatible, or you would be paid twice for doing the same activities on the same land. In this case, that area will be automatically removed from the affected land parcel's SFI available area in your SFI application.

If this is the case, you may be able to do the action on a different area in the same land parcel if:

- it's an eligible land type for the action or option
- it's a part-parcel action or option
- the area used for the action or option does not overlap with the area used for AHL2

Read the information about eligibility of land used for other schemes and funding sources (section 4.2) to find out more.

What to do

You must establish and maintain blocks or strips of winter bird food on land entered into this action.

To establish the winter bird food blocks or strips, you must sow a mix of at least 6 crops that will provide an extended supply of small seeds for farmland birds.

The mix you sow must <u>not</u> include any of the following crops, because these are not appropriate for the smaller farmland bird species this action is intended to support:

- artichokes
- reed canary grass
- giant and intermediate sorghum
- maize
- miscanthus
- sweet clover
- tic beans

If you sow an annual mix, it can include a range of cereals, brassicas or other small-seeded crops. If you sow a 2-year mix, it can also include biennial crops such as kale, stubble turnip or teasel.

Once established, you must maintain the winter bird food blocks or strips. To do this, you must manage them in a way that could reasonably be expected to achieve this action's aim. You may need to re-sow the blocks or strips, as necessary, so they continue to produce an extended supply of small seeds.

You can maintain existing winter bird food blocks or strips to meet this action if they:

- meet the requirements explained above
- are not already being paid for under another environmental land management scheme option, such as CS option AB9 (wild bird food)

When to do it

If you're doing this action on the same area of land for the 3-year duration of your SFI agreement, you must:

- establish the winter bird food blocks or strips within the first 12 months of your SFI agreement
- maintain the area of winter bird food blocks or strips in each subsequent year of your 3-year SFI agreement

If you're rotating this action around your farm, each year of your SFI agreement you must do it for a period of time that could reasonably be expected to achieve this action's aim.

How to do it

It's up to you how you complete this action, as long as you do it in a way that can reasonably be expected to achieve this action's aim.

You may find it helpful to read the voluntary guidance on how to establish and maintain winter bird food on arable and horticultural land, but you do not have to follow it.

What evidence to keep

You should keep evidence to show what you've done to complete this action. This will help if it's not clear that you've completed the action in a way that could reasonably be expected to achieve this action's aim. You must supply this evidence if we ask for it.

AHL3: Grassy field corners or blocks

What you'll be paid

You'll receive £590 per hectare per year.

This action's aim

This action's aim is that there's an intact grass sward throughout the year, without tracks, compacted areas or poaching, so tussocky grass can develop.

The purpose of this to:

- provide year-round habitat for a range of wildlife
- support an IPM approach if located close to cropped areas

Where you can do this action

You can do this action on eligible agricultural land located below the moorland line. The table below sets out what land is eligible for AHL3.

Table 30: Eligible land for AHL3

Eligible land type	Eligible land use code	Compatible land cover
Arable land, including temporary grassland	Arable crops	Arable land
	Leguminous and nitrogen- fixing crops	Arable land
	FA01	Arable land
	TG01	Arable land
Permanent crops – horticultural	TC01	Permanent crops

The glossary (annex C) explains what we mean by land types, land use codes and compatible land covers.

The SFI application service will automatically calculate what area may be eligible for this action in each land parcel. This is called the 'SFI available area'. You must check this area is an eligible land type. Find out how the SFI available area is calculated in the information on land that's eligible for the SFI actions (section 4.1.2).

You can apply for this action on either the total SFI available area in each land parcel shown in your SFI application, or part of that area. However, this action is normally intended to be done on part of a land parcel as a field corner or block.

For SFI applications submitted on or after 26 March 2024, this is a 'limited area' action. The total eligible area you enter into any combination of one or more of the 'limited area' actions must not be more than 25% of the total agricultural area of your farm.

Read the guidance on 'SFI actions with an area limit' (at the start of section 2) for more information and a list of the 'limited area' SFI actions.

This action is static. You must do it on the same area of eligible land each year of your 3-year SFI agreement. You cannot move the area each year.

Other land management actions or options you can do on the same area as AHL3

The table below sets out which other SFI actions, CS management options, ES revenue options and SFI pilot standards can be located on the same eligible area within a land parcel as AHL3.

Table 31: Actions or options that can be located on the same area within a land parcel as AHL3

Scheme	Action or option codes that can be located on the same area as AHL3	
SFI 2023	SAM1, IPM1, NUM1	
CS	OR3, OR4, OR5, OT3, OT4, OT5, SW17	
ES	No ES revenue options	
SFI pilot	No area-based SFI pilot standards	

Use the CS grant finder to search for the CS option codes shown above.

The SFI actions for hedgerows (HRW1, HRW2 and HRW3), CS option BE3 and the introductory level of the SFI pilot hedgerows standard can be done on the eligible boundaries of a land parcel entered into AHL3.

If an action or option cannot be located on the same area within a land parcel as AHL3, this is because it's not an eligible land type, or the activities are incompatible, or you would be paid twice for doing the same activities on the same land. In this case, that area will be automatically removed from the affected land parcel's SFI available area in your SFI application.

If this is the case, you may be able to do the action on a different area in the same land parcel if:

- it's an eligible land type for the action or option
- it's a part-parcel action or option
- the area used for the action or option does not overlap with the area used for AHL3

Read the information about eligibility of land used for other schemes and funding sources (section 4.2) to find out more.

What to do

You must establish and maintain grassy field corners or blocks on arable and horticultural land entered into this action.

To establish the grassy field corners or blocks you must either sow them or allow the areas to naturally regenerate.

During the first 12 months after sowing them, or allowing them to naturally regenerate, you can regularly cut or graze them to:

- control annual weeds
- encourage new grass shoots to develop

The grassy field corners or blocks will usually be established around 12 months after they're sown or allowed to regenerate naturally.

Once established, you must maintain the grassy field corners or blocks. To do this, you must manage them in a way that could reasonably be expected to achieve this action's aim.

You must not do the following on the grassy field corners or blocks once they're established:

- graze them with livestock in a way that means this action's aim cannot reasonably be achieved
- cut them, except for localised cutting to control injurious weeds or invasive nonnatives, soft and hard rush, nettles or bracken
- use them for regular vehicular access, turning or storage
- carry out activities that may disturb breeding birds or damage nests
- apply any fertilisers, manures or lime
- use pesticides, except for herbicides to spot-treat or weed-wipe for the control of injurious weeds or invasive non-natives, soft and hard rush, nettles or bracken

You can maintain existing grassy field corners or blocks on arable or horticultural land to meet this action, if they meet the requirements explained above.

When to do it

You must:

- establish the grassy field corners or blocks during the first 12 months of your SFI agreement
- maintain the same area of grassy field corners or blocks in each subsequent year of your 3-year SFI agreement

How to do it

It's up to you how you complete this action, as long as you do it in a way that can reasonably be expected to achieve this action's aim.

You may find it helpful to read the voluntary guidance on how to establish and maintain grassy field corners or blocks, but you do not have to follow it.

What evidence to keep

You should keep evidence to show what you've done to complete this action. This will help if it's not clear that you've completed the action in a way that could reasonably be expected to achieve this action's aim. You must supply this evidence if we ask for it.

2.8 SFI actions for farmland wildlife on improved grassland

The SFI actions for farmland wildlife on improved grassland are focused on providing habitat and food sources for farmland birds, pollinators and a range of other farmland wildlife.

They include:

- IGL1: Take grassland field corners or blocks out of management
- IGL2: Winter bird food on improved grassland



Provide habitat and food sources for farmland wildlife

• IGL1: Take grassland field corners or blocks out of management

What you'll be paid

You'll receive £333 per hectare per year.

This action's aim

This action's aim is that grassland field corners or blocks are taken out of management so tussocky grass can develop.

The purpose of this is to:

- provide year-round habitat for a range of wildlife
- support an IPM approach if located close to cropped areas

Where you can do this action

You can do this action on eligible agricultural land located below the moorland line. The table below sets out what land is eligible for IGL1.

Table 32: Eligible land for IGL1

Eligible land type	Eligible land use code	Compatible land cover
Temporary grassland	TG01	Arable land
Improved permanent grassland	PG01	Permanent grassland

The glossary (annex C) explains what we mean by land types, land use codes and compatible land covers.

The SFI application service will automatically calculate what area may be eligible for this action in each land parcel. This is called the 'SFI available area'. You must check this area is an eligible land type. Find out how the SFI available area is calculated in the information on land that's eligible for the SFI actions (section 4.1.2).

You can apply for this action on either the total SFI available area in each land parcel shown in your SFI application, or part of that area. However, this action is normally intended to be done on part of a land parcel as a field corner or block.

For SFI applications submitted on or after 26 March 2024, this is a 'limited area' action. The total eligible area you enter into any combination of one or more of the 'limited area' actions must not be more than 25% of the total agricultural area of your farm.

Read the guidance on 'SFI actions with an area limit' (at the start of section 2) for more information and a list of the 'limited area' SFI actions.

This action is static. You must do this action on the same area of eligible land each year of your 3-year SFI agreement. You cannot move the area each year.

You must not enter any area within a land parcel into this action that contains historic or archaeological features identified in your SFI HEFER. Read the information about historic and archaeological features, including scheduled monuments (section 4.3.2) to find out more about the SFI HEFER. Other land management actions or options you can do on the same area as IGL1

The table below sets out which other SFI actions, CS management options, ES revenue options and SFI pilot standards can be located on the same eligible area within a land parcel as IGL1.

Table 33: Actions or options that can be located on the same area within a land parcel as IGL1

Scheme	Action or option codes that can be located on the same area as IGL1	
SFI 2023	SAM1, IPM1, NUM1	
CS	OR1, OR3, OT1, OT3, SW17, SW18	
ES	No ES revenue options	
SFI pilot	No area-based SFI pilot standards	

Use the CS grant finder to search for the CS option codes shown above.

The SFI actions for hedgerows (HRW1, HRW2 and HRW3), CS option BE3 and the introductory level of the SFI pilot hedgerows standard can be done on the eligible boundaries of a land parcel entered into IGL1.

If an action or option cannot be located on the same area within a land parcel as IGL1, this is because it's not an eligible land type, or the activities are incompatible, or you would be paid twice for doing the same activities on the same land. In this case, that area will be automatically removed from the affected land parcel's SFI available area in your SFI application.

If this is the case, you may be able to do the action on a different area in the same land parcel if:

- it's an eligible land type for the action or option
- it's a part-parcel action or option
- the area used for the action or option does not overlap with the area used for IGL1

Read the information about eligibility of land used for other schemes and funding sources (section 4.2) to find out more.

What to do

You must leave grassland field corners or blocks entered into this action unmanaged, so they're uncut and un-grazed.

You must not do the following on the unmanaged grassland field corners or blocks:

- graze them with livestock you can apply for <u>CS Capital Grants</u> for fencing to help you do this cut them, except for localised cutting to control injurious weeds or invasive non-natives, soft or hard rush, nettles or bracken
- carry out activities that may disturb breeding birds or damage nests
- apply any fertilisers, manures or lime
- use pesticides, except for herbicides to spot-treat or weed-wipe for the control of injurious weeds or invasive non-natives, soft and hard rush, nettles or bracken

When to do it

You must do this action each year of your 3-year SFI agreement.

How to do it

It's up to you how you complete this action, as long as you do it in a way that can reasonably be expected to achieve this action's aim.

You may find it helpful to read the voluntary guidance on how to take grassland field corners or blocks out of management, but you do not have to follow it.

What evidence to keep

You should keep evidence to show what you've done to complete this action. This will help if it's not clear that you've completed the action in a way that could reasonably be expected to achieve this action's aim. You must supply this evidence if we ask for it.

IGL2: Winter bird food on improved grassland

What you'll be paid

You'll receive £515 per hectare per year.

This action's aim

This action's aim is that improved grassland entered into this action is maintained so it's left to go to seed during the autumn and winter months.

The purpose of this is to provide winter food for farmland birds.

Where you can do this action

You can do this action on eligible agricultural land located below the moorland line. The table below sets out what land is eligible for IGL2.

Table 34: Eligible land for IGL2

Eligible land type	Eligible land use code	Compatible land cover
Temporary grassland	TG01	Arable land
Improved permanent grassland	PG01	Permanent grassland

The glossary (annex C) explains what we mean by land types, land use codes and compatible land covers.

The SFI application service will automatically calculate what area may be eligible for this action in each land parcel. This is called the 'SFI available area'. You must check this area is an eligible land type. Find out how the SFI available area is calculated in the information on land that's eligible for the SFI actions (section 4.1.2).

You can apply for this action on either the total SFI available area in each land parcel shown in your SFI application, or part of that area.

For SFI applications submitted on or after 26 March 2024, this is a 'limited area' action. The total eligible area you enter into any combination of one or more of the 'limited area' actions must not be more than 25% of the total agricultural area of your farm.

Read the guidance on 'SFI actions with an area limit' (at the start of section 2) for more information and a list of the 'limited area' SFI actions.

This action is rotational. You can do it on the same area of eligible land each year of your 3-year SFI agreement, or you can move the area each year.

Other land management actions or options you can do on the same area as IGL2

The table below sets out which other SFI actions, CS management options, ES revenue options and SFI pilot standards can be located on the same eligible area within a land parcel as IGL2. Table 35: Actions or options that can be located on the same area within a land parcel as IGL2

Scheme	Action or option codes that can be located on the same area as IGL2	
SFI 2023	SAM1, IPM1, NUM1	
CS	HS3, HS9, OR1, OR3, OT1, OT3, SW17, SW18	
ES	No ES revenue options	
SFI pilot	No area-based SFI pilot standards	

Use the CS grant finder to search for the CS option codes shown above.

The SFI actions for hedgerows (HRW1, HRW2 and HRW3), CS option BE3 and the introductory level of the SFI pilot hedgerows standard can be done on the eligible boundaries of a land parcel entered into IGL2.

If an action or option cannot be located on the same area within a land parcel as IGL2, this is because it's not an eligible land type, or the activities are incompatible, or you would be paid twice for doing the same activities on the same land. In this case, that area will be automatically removed from the affected land parcel's SFI available area in your SFI application.

If this is the case, you may be able to do the action on a different area in the same land parcel if:

- it's an eligible land type for the action or option
- it's a part-parcel action or option
- the area used for the action or option does not overlap with the area used for IGL2

Read the information about eligibility of land used for other schemes and funding sources (section 4.2) to find out more.

What to do

You must maintain improved grassland entered into this action.

To maintain the improved grassland, you must manage it in a way that could reasonably be expected to achieve this action's aim. This includes:

- cutting it for silage or hay in a way that allows it to go to seed
- leaving it un-grazed after the final cut for silage and hay

If you're already maintaining improved grassland, you can use it to meet this action if it:

- meets the requirements explained above
- is not already being paid for under another environmental land management scheme option, such as CS option GS3 (ryegrass seed-set as winter food for birds)

When to do it

If you're doing this action on the same area of land for the 3-year duration of your SFI agreement, you must:

- start maintaining the improved grassland within the first 12 months of your SFI agreement
- continue to maintain the area of improved grassland in each subsequent year of your 3-year SFI agreement

If you're rotating this action around your farm, each year of your SFI agreement you must do it for a period of time that could reasonably be expected to achieve this action's aim.

How to do it

It's up to you how you complete this action, as long as you do it in a way that can reasonably be expected to achieve this action's aim.

You may find it helpful to read the voluntary guidance on how to maintain winter bird food on improved grassland, but you do not have to follow it.

What evidence to keep

You should keep evidence to show what you've done to complete this action. This will help if it's not clear that you've completed the action in a way that could reasonably be expected to achieve this action's aim. You must supply this evidence if we ask for it.

2.9 SFI actions for buffer strips

The SFI actions for buffer strips include:

- AHL4: Establish and maintain a 4m to 12m grass buffer strip on arable and horticultural land
- IGL3: Establish and maintain a 4m to 12m grass buffer strip on improved grassland

AHL4: 4m to 12m grass buffer strip on arable and horticultural land

What you'll be paid

You'll receive £515 per hectare per year for the total area of land you choose to enter into this action.

In your SFI application, you'll enter the area measurement in hectares for each land parcel. For each buffer strip, measure the length in metres which you want to enter into this action. Multiply that length by the relevant width (which must be 4m to 12m and can vary over the length of the buffer strip) to give you the area in m². Divide that area by 10,000 to convert it into hectares.

This action's aim

This action's aim is that there's a grass buffer strip with an intact grass sward throughout the year, without tracks, compacted areas or poaching.

The purpose of this is to:

- protect existing landscape and heritage features
- provide habitat for wildlife
- prevent pollutants, such as sediment and nutrients, from being carried in surface water runoff, if located next to a watercourse
- support an IPM approach, if located close to cropped areas, which can help to reduce costs and improve farm resilience.

Where you can do this action

You can do this action on eligible agricultural land located below the moorland line. The table below sets out what land is eligible for AHL4.

Table 36: Eligible land for AHL4

Eligible land type	Eligible land use code	Compatible land cover
	Arable crops	Arable land
Arable land, including temporary grassland	Leguminous and nitrogen- fixing crops	Arable land

EA01	Arabla land
FAUI	Arable land

	TG01	Arable land
Permanent crops – horticultural	TC01	Permanent crops

The glossary (annex C) explains what we mean by land types, land use codes and compatible land covers.

The SFI application service will automatically calculate what area may be eligible for this action in each land parcel. This is called the 'SFI available area'. You must check this area is an eligible land type. Find out how the SFI available area is calculated in the information on land that's eligible for the SFI actions (section 4.1.2).

You can apply for this action on either the total SFI available area in each land parcel shown in your SFI application, or part of that area.

This action is static. You must do it on the same area of eligible land each year of your 3-year SFI agreement. You cannot move the area each year.

Other land management actions or options you can do on the same area as AHL4

The table below sets out which other SFI actions, CS management options, ES revenue options and SFI pilot standards can be located on the same eligible area within a land parcel as AHL4.

Table 37: Actions or options that can be located on the same area within a land parcel as AHL4

Scheme	Action or option codes that can be located on the same area as AHL4
SFI 2023	SAM1, IPM1, NUM1
CS	OR3, OR4, OR5, OT3, OT4, OT5, SW17
ES	No ES revenue options
SFI pilot	No area-based SFI pilot standards

Use the CS grant finder to search for the CS option codes shown above.

The SFI actions for hedgerows (HRW1, HRW2 and HRW3), CS option BE3 and the introductory level of the SFI pilot hedgerows standard can be done on the eligible boundaries of a land parcel entered into AHL4.

If an action or option cannot be located on the same area within a land parcel as AHL4, this is because it's not an eligible land type, or the activities are incompatible, or you would be paid twice for doing the same activities on the same land. In this case, that area will be automatically removed from the affected land parcel's SFI available area in your SFI application. If this is the case, you may be able to do the action on a different area in the

same land parcel if:

- it's an eligible land type for the action or option
- it's a part-parcel action or option
- the area used for the action or option does not overlap with the area used for AHL4

Read the information about eligibility of land used for other schemes and funding sources (section 4.2) to find out more.

What to do

You must establish and maintain a grass strip that's at least 4m to 12m wide (on average in each land parcel) on the edge of arable and horticultural land entered into this action. It can be more than 12m wide, but you'll only be paid for the 12m width.

The grass strip must buffer an existing landscape feature, or certain heritage features, such as:

- hedgerows
- stone walls
- woodland
- ditches, rivers and streams
- upstanding historic or archaeological features, such as earthworks, in-field structures or buildings

You can also locate the grass buffer strip next to:

- trackways that channel run-off water directly into a watercourse
- fence lines that form links between areas of wildlife habitat

The buffer strip for this action must be in addition to any regulatory requirements relating to buffer strips and green cover next to landscape features. For example, it must be in addition to <u>GAEC1: Establishment of buffer strips along watercourses</u> and <u>GAEC7a:</u>

<u>Boundaries</u> under the cross compliance rules, which will continue to apply until 31 December 2023, and any successor regulatory requirements.

Once established, you must maintain the grass buffer strip. To do this, you must manage it in a way that can reasonably be expected to achieve this action's aim.

You must cut part of the strip's width along as much of the strip as possible next to the edge of the cropped area to provide some shorter vegetation. This is to provide a range of habitat types. You must only cut the grass buffer strip during the late summer, so the activity does not disturb breeding birds or damage nests.

You must not do any of the following on the grass buffer strip once it's established:

- use it for regular vehicular access, turning or storage
- apply any fertilisers and manures
- use pesticides, except for herbicides to weed wipe or spot treat for the control of injurious weeds, invasive non-native species, nettles or bracken

You can maintain existing grass buffer strips to meet this action if they:

- meet the requirements explained above
- are not already being paid for under another environmental land management scheme option, such as CS option SW1 (4m to 6m buffer strip on cultivated land)

When to do it

You must:

- establish the grass buffer strip during the first 12 months of your SFI agreement
- maintain the same area of grass buffer strip in each subsequent year of your 3-year SFI agreement

How to do it

It's up to you how you complete this action, as long as you do it in a way that can reasonably be expected to achieve this action's aim.

You may find it helpful to read the voluntary guidance on how to establish and maintain a 4m to 12m grass buffer strip, but you do not have to follow it.

What evidence to keep

You should keep evidence to show what you've done to complete this action. This will help if it's not clear that you've completed the action in a way that could reasonably be expected to achieve this action's aim. You must supply this evidence if we ask for it.

• IGL3: 4m to 12m grass buffer strip on improved grassland

What you'll be paid

You'll receive £235 per hectare per year for the total area of land you choose to enter into this action.

In your SFI application, you'll enter the area measurement in hectares for each land parcel. For each buffer strip, measure the length in metres which you want to enter into this action. Multiply that length by the relevant width (which must be 4m to 12m and can vary over the length of the buffer strip) to give you the area in m². Divide that area by 10,000 to convert it into hectares.

This action's aim

This action's aim is that there's a grass buffer strip with an intact grass sward throughout the year, without tracks, compacted areas or poaching.

The purpose of this is to:

- protect existing landscape and heritage features
- provide habitat for wildlife
- prevent pollutants, such as sediment and nutrients, from being carried in surface water runoff, if located next to a watercourse

Where you can do this action

You can do this action on eligible agricultural land located below the moorland line. The table below sets out what land is eligible for IGL3.

Table 38: Eligible land for IGL3

Eligible land type	Eligible land use code	Compatible land cover	
Temporary grassland	TG01	Arable land	
Improved permanent grassland	PG01	Permanent grassland	

The glossary (annex C) explains what we mean by land types, land use codes and compatible land covers.

The SFI application service will automatically calculate what area may be eligible for this action in each land parcel. This is called the 'SFI available area'. You must check this area is an eligible land type. Find out how the SFI available area is calculated in the information on land that's eligible for the SFI actions (section 4.1.2).

You can apply for this action on either the total SFI available area in each land parcel shown in your SFI application, or part of that area. However, this action is normally intended to be done on part of a land parcel as a field corner or block. This action is static. You must do this action on the same area of eligible land each year of your 3-year SFI agreement. You cannot move the area each year.

Other land management actions or options you can do on the same area as IGL3

The table below sets out which other SFI actions, CS management options, ES revenue options and SFI pilot standards can be located on the same eligible area within a land parcel as IGL3.

Table 39: Actions or options that can be located on the same area within a land parcel as IGL3

Scheme	Action or option codes that can be located on the same area as IGL3
SFI 2023	SAM1, IPM1, NUM1
CS	OR1, OR3, OT1, OT3, SW10, SW17, SW18
ES	No ES revenue options
SFI pilot	No area-based SFI pilot standards

Use the CS grant finder to search for the CS option codes shown above.

The SFI actions for hedgerows (HRW1, HRW2 and HRW3), CS option BE3 and the introductory level of the SFI pilot hedgerows standard can be done on the eligible boundaries of a land parcel entered into IGL3.

If an action or option cannot be located on the same area within a land parcel as IGL3, this is because it's not an eligible land type, or the activities are incompatible, or you would be paid twice for doing the same activities on the same land. In this case, that area will be automatically removed from the affected land parcel's SFI available area in your SFI application.

If this is the case, you may be able to do the action on a different area in the same land parcel if:

- it's an eligible land type for the action or option
- it's a part-parcel action or option
- the area used for the action or option does not overlap with the area used for IGL3

Read the information about eligibility of land used for other schemes and funding sources (section 4.2) to find out more.

What to do

You must establish and maintain a grass strip that's at least 4m to 12m wide (on average in each land parcel) on the edge of improved grassland. It can be more than 12m wide, but you'll only be paid for the 12m width.

It must buffer an existing landscape feature, or certain heritage features, such as:

- hedgerows
- stone walls
- woodland
- ditches, rivers and streams
- upstanding historic or archaeological features, such as earthworks, in-field structures or buildings

You can also locate the grass buffer strip next to:

- trackways that channel run-off water directly into a watercourse
- fence lines that form links between areas of wildlife habitat

The buffer strip for this action must be in addition to any regulatory requirements relating to buffer strips and green cover. For example, it must be in addition to <u>GAEC1:</u> <u>Establishment of buffer strips along watercourses</u> and <u>GAEC7a: Boundaries</u> under the cross compliance rules, which will continue to apply until 31 December 2023, and any successor regulatory requirements.

Once established, you must maintain the grass buffer strip. To do this, you must manage it in a way that can reasonably be expected to achieve this action's aim.

You can graze the grass buffer strip with livestock, provided there's an intact grass sward throughout the year, without tracks, compacted areas or poaching.

You must not do the following on the grass buffer strip once it's established:

- cut it for hay or silage, so it can provide a refuge for farmland wildlife
- use it for regular vehicular access, turning or storage
- apply any fertilisers and manures
- use pesticides, except for herbicides to weed wipe or spot treat for the control of injurious weeds, invasive non-native species, nettles or bracken

You can maintain existing grass buffer strips to meet this action if they:

- meet the requirements explained above
- are not already being paid for under another environmental land management scheme agreement, such as CS option SW2 (4m to 6m buffer strip on intensive grassland).

When to do it

You must:

- establish the grass buffer strip during first 12 months of your SFI agreement
- maintain the grass buffer strip in each subsequent year of your 3-year SFI agreement

How to do it

It's up to you how you complete this action, as long as you do it in a way that can reasonably be expected to achieve this action's aim.

You may find it helpful to read the voluntary guidance on how to establish and maintain a 4m to 12m grass buffer strip, but you do not have to follow it.

What evidence to keep

You should keep evidence to show what you've done to complete this action. This will help if it's not clear that you've completed the action in a way that could reasonably be expected to achieve this action's aim. You must supply this evidence if we ask for it.

2.10 SFI actions for low input grassland

The SFI actions for low input grassland are focused on improving the sustainability of grassland management, by reducing nutrient inputs and intensive livestock management.

There are 2 identical SFI actions, with the same payment rate. One can be done on land outside the Severely Disadvantaged Areas (SDAs) and one can be done on land within the SDAs, below the moorland line.

The actions are:

- LIG1: Manage grassland with very low nutrient inputs (outside SDAs)
- LIG2: Manage grassland with very low nutrient inputs (SDAs)

Managing grassland using very low inputs can:

- provide high-quality forage for livestock
- reduce spending on artificial fertiliser, herbicides and pesticides
- protect soil from erosion

It can also help to provide a range of environmental benefits, such as:

- providing habitat for farmland wildlife
- increasing species of wildflowers, which provide food for pollinators
- reducing the loss of nutrients and pesticides to watercourse and groundwater
- keeping soil healthy and carbon-rich
- improving air quality by reducing ammonia emissions from artificial fertiliser
- LIG1: Manage grassland with very low nutrient inputs (outside SDAs) LIG2: Manage grassland with very low nutrient inputs (SDAs)

What you'll be paid

You'll receive £151 per hectare per year (LIG1 and LIG2 have the same payment rate)

This action's aim

This action's aim (applicable to LIG1 and LIG2) is that the grassland produces a sward with:

- flowering grasses and wildflowers from late spring and during the summer months
- a variety of plant heights by autumn, with some covering of flowering grasses and wildflowers left to go to seed and tussocky grass allowed to develop

The purpose of this is to:

- provide nectar and shelter for invertebrates and a food supply for farmland birds
- support an IPM approach if located close to cropped areas
- minimise nutrients being carried in surface water runoff to watercourses

Where you can do this action

You can do:

- LIG1 on eligible agricultural land outside SDAs
- LIG2 on eligible agricultural land in the SDAs that's below the moorland line.

The table below sets out what land is eligible for LIG1 and LIG2.

Table 40: Eligible land for LIG1 and LIG2

Eligible land type	Eligible land use code	Compatible land cover
Temporary grassland	TG01	Arable land
Permanent grassland –	PG01	Permanent grassland
improved and low input	1 001	

The glossary (annex C) explains what we mean by land types, land use codes and compatible land covers.

The SFI application service will automatically calculate what area may be eligible for LIG1 or LIG2 in each land parcel. This is called the 'SFI available area'. You must check this area is an eligible land type. Find out how the SFI available area is calculated in the information on land that's eligible for the SFI actions (section 4.1.2).

You can usually only apply for this LIG1 or LIG2 on the total SFI available area in each land parcel shown in your SFI application. The only exception is when LIG1 or LIG2 are located in the same land parcel as IGL1 (take grassland field corners or blocks out of management).

LIG and LIG2 are static actions. You must do these actions on the same area of eligible land each year of your 3-year SFI agreement. You cannot move the area each year.

Other land management actions or options you can do on the same area as LIG1 and LIG2

The table below sets out which other SFI actions, CS management options, ES revenue options and SFI pilot standards can be located on the same eligible area within a land parcel as LIG1 and LIG2.

Table 41: Actions or options that can be located on the same area within a land parcel as LIG1 and LIG2

Scheme	Action or option codes that can be located on the same area as LIG1 and LIG2
SFI 2023	SAM1, IPM1, NUM1
CS	OR1, OR2, OT1, OT2, SW15, SW16, (and for LIG1 only – SW17, SW18)

ES	No ES revenue options
SFI pilot	No area-based SFI pilot standards

Use the CS grant finder to search for the CS option codes shown above.

The SFI actions for hedgerows (HRW1, HRW2 and HRW3), CS option BE3 and the introductory level of the SFI pilot hedgerows standard can be done on the eligible boundaries of a land parcel entered into LIG1 or LIG2.

If an action or option cannot be located on the same area within a land parcel as LIG1 or LIG2, this is because it's not an eligible land type, or the activities are incompatible, or you would be paid twice for doing the same activities on the same land. In this case, that area will be automatically removed from the affected land parcel's SFI available area in your SFI application.

If this is the case, you may be able to do the action on a different area in the same land parcel if:

- it's an eligible land type for the action or option
- it's a part-parcel action or option
- the area used for the action or option does not overlap with the area used for LIG1 or LIG2

Read the information about eligibility of land used for other schemes and funding sources (section 4.2) to find out more.

What to do

You must minimise the use of nutrient inputs on the grassland entered into LIG1 and LIG2 by applying no more than either:

- 12 tonnes per ha of cattle farmyard manure
- equivalent amounts of available nutrients as fertiliser or in other organic manures as an alternative to cattle farmyard manure

You must also do the following on the grassland entered into LIG1 and LIG2:

- graze it with livestock or cut it in a way that can reasonably be expected to achieve this action's aim
- minimise bare ground, so the soil is covered by vegetation and is not directly exposed to the elements

There must be an intact grass sward throughout the year, without compacted areas or poaching. You can carry out supplementary feeding of livestock on the grassland, but you must make sure this does not cause poaching.

You must not do the following on the grassland:

- apply digestate or any other industrial by-product, including paper waste
- carry out mechanical activities, including hay and silage cutting, in a way that may disturb breeding birds or damage nests
- carry out drainage works
- plough, cultivate or re-seed it
- use pesticides, except for herbicides to weed wipe or spot treat for the control of injurious weeds, invasive non-native species, nettles or bracken
- allow areas of scrub to develop on land with historic or archaeological features

If the grassland will be cut for conserved forage, you must:

- not graze or cut it for a continuous period of at least 7 weeks during the spring and summer months before taking the forage cut, to allow the sward to develop flowering grasses and wildflowers
- leave an uncut margin around the edge of the land parcel when it's cut for conserved forage, to help provide shelter for invertebrates

After you've cut the area for conserved forage, you must manage it in a way that can reasonably be expected to achieve this action's aim.

If you're already managing grassland with very low nutrient inputs, you can use it to meet this action if it:

- meets the requirements explained above
- is not already being paid for under another environmental land management scheme agreement option, such as CS option GS2 (permanent grassland with very low inputs (outside SDAs)) or GS5 (permanent grassland with very low inputs (SDAs))

When to do it

You must do your chosen action (LIG1 or LIG2) each year of your 3-year SFI agreement.

How to do it

It's up to you how you complete LIG1 or LIG2, as long as you do it in a way that can reasonably be expected to achieve this action's aim.

You may find it helpful to read the voluntary guidance on how to manage grassland with very low nutrient inputs, but you do not have to follow it.

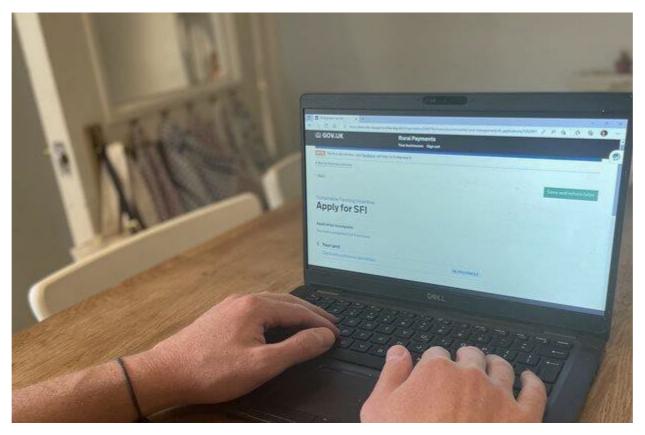
What evidence to keep

You should keep evidence to show what you've done to complete the action (LIG1 or LIG2). This will help if it's not clear that you've completed the action (LIG1 or LIG2) in a way that could reasonably be expected to achieve this action's aim. You must supply this evidence if we ask for it.

This evidence could include photographs and other documentation to show what you've done to complete this action. It could also include field operations at a land parcel level and associated invoices. If you choose to take photographs, read the guidance on how to take photographic evidence (annex A).

Section 3: Applying for an SFI agreement

Find out what to do before you apply for an SFI agreement, when and how to apply and what happens after you've applied.



Applying for an SFI agreement

3.1 What to do before you apply for an SFI agreement

Before you apply for an SFI agreement, you need to make sure that:

- you've read and understand the mandatory scheme requirements, which are explained in section 3.1.1 below
- you're eligible to apply
- your land is eligible, and its registered details are up to date on your digital maps
- your contact details are up to date and your permissions are correctly set for SFI in the Rural Payments service

These are explained in more detail below.

3.1.1 Read the mandatory scheme requirements

Before you apply, you should read the mandatory scheme requirements carefully to make sure you understand what you're agreeing to do.

The mandatory scheme requirements are contained in:

• the SFI actions you choose – read the details of the SFI actions (section 2)

• your SFI agreement's terms and conditions (section 6) – which are further explained in eligible land for an SFI agreement (section 4) and about SFI agreements and payments (section 5)

When you enter an SFI agreement, you'll declare that:

- you understand the mandatory scheme requirements
- you'll comply with the mandatory scheme requirements, including that you expect to have management control of the land, for the duration of your 3-year SFI agreement

3.1.2 Check you're eligible to apply for an SFI agreement

To be eligible to apply for an SFI agreement you need to have been a Basic Payment Scheme (BPS) eligible farmer on either 16 May 2022 or 15 May 2023.

This will be the case if, on either of these dates, the Single Business Identifier (SBI) that's applying for an SFI agreement had both of the following:

- at least 5 hectares (ha) of BPS eligible land this does not set a minimum eligible area you can enter into an SFI agreement as there is no minimum area for an agreement
- 5 or more BPS entitlements

Your business (SBI) does not need to have applied for BPS in 2022 or 2023, or to have received BPS payments in the past.

We're currently only allowing BPS eligible farmers to apply for an SFI agreement. This is because their details are already registered with the RPA. In future, we'll allow a wider range of farmers to apply. This will not happen before 2024.

If you want to apply for an SFI agreement on common land, this BPS eligibility requirement works differently. Read the information on eligibility of common land and shared grazing (section 4.4).

What if you've applied for the Lump Sum Exit Scheme

If you've applied for the <u>Lump Sum Exit Scheme</u> in 2022 and received the lump sum payment, you will not usually be eligible to apply for an SFI agreement, unless you repay the lump sum.

The only exception to this is if a partnership or limited company applied for the Lump Sum Exit Scheme and only some of the partners or shareholders left the business. In this case, the remaining partners or shareholders are eligible to apply for an SFI agreement without repaying the lump sum.

3.1.3 Check your land is eligible and it's up to date on your digital maps

Before you apply, check that your land is eligible for an SFI agreement (section 4). You also need to check that its registered details shown on your digital maps are up to date.

How to view your digital maps

To view your digital maps, sign in to the <u>Rural Payments service</u>. From your 'Business overview' screen, select 'Land' and 'View land'. Common land is not shown on your digital maps. Instead, you can check the maps we've previously provided.

What to check on your digital maps

Check each land parcel you'll be including in your SFI application is shown on your digital maps. This means it's already registered with us and linked to your SBI. Read the glossary (annex C) to find out what we mean by an SBI.

You also need to check that each land parcel you want to include in your SFI application has correctly registered:

- land cover(s), which describes the broad category the land is and includes arable land, permanent grassland, permanent crops or non-agricultural area
- permanent boundaries, such as permanent fences, hedgerows, watercourses, as explained in the <u>RLE1 guidance</u>

If these registered land details are not up to date, this may affect the land you can include in your SFI application. If the land details need to be updated, ask us to do this before you apply for an SFI agreement.

Checking land cover

When you view each land parcel on your digital maps in the Rural Payments service, you'll see that it has 1 or more registered land covers. The land cover identifies what broad category the land is.

There are 3 agricultural land covers shown on digital maps:

- arable land
- permanent grassland
- permanent crops

There are also a number of non-agricultural land covers, such as woodland or farm buildings.

For each land parcel you want to use for an SFI action, check that the land cover shown on your digital maps is compatible with the land use code declared for a BPS 2023 application (a 'compatible land cover').

You can find out which land covers are compatible with each land use code in the details of the SFI actions (section 2, under 'Where you can do this action' for each SFI action).

The table below sets out some examples of land use codes and compatible land covers.

Table 44: Land use codes and compatible land cover

Examples of land use codes	Compatible land cover
TG01 (temporary grassland)	Arable land
FA01 (fallow land)	Arable land
AC66 (winter wheat)	Arable land
PG01 (permanent grassland)	Permanent grassland
TC01 (permanent crops)	Permanent crops
WO12 (woodland)	Other (non-agricultural area)
AB01 (farm buildings)	Other (non-agricultural area)

Checking hedgerows

You do not need to check your hedgerows on your digital maps before you apply for the SFI actions for hedgerows (HRW1, HRW2 or HRW3).

In your SFI application, you'll tell us the length of eligible hedgerows you want to enter into HRW1, HRW2 or HRW3 for each land parcel. This length should correspond with what's present on the ground in the relevant land parcel.

Once your SFI agreement starts, we may ask you to submit an RLE1 form and sketch map if we find that no hedgerows are shown on your digital maps for the relevant land parcel.

How to ask us to update your registered land details

You'll usually need to use the <u>Rural Payments service</u> or RLE1 form and sketch map to ask us to:

- register a land parcel
- update the registered land cover(s)
- update the registered permanent boundaries, including hedgerows

You can email the electronic RLE1 form to ruralpayments@defra.gov.uk.

Read the RLE1 guidance for guidance on how to complete the RLE1 form and sketch maps.

After you've asked us to update your registered land details, you'll need to wait for us to complete that request before you continue with your SFI application. We'll let you know when this has been done.

If the land parcel has already been registered by someone else, you can get it linked to your SBI so it shows on your digital maps by using the <u>add land by email service</u>.

Land details to update	How to update them
Multiple land covers in a land parcel	Use the Rural Payments Service or submit an RLE1 form and sketch maps clearly marked with the land covers and areas
A single land cover for a whole land parcel if there are more than 5 land parcels	Use the Rural Payments Service or submit an RLE1 form and sketch maps clearly marked with the land covers and areas
A single land cover for a whole land parcel if there are 5 or fewer land parcels	Use the Rural Payments Service, call us on 03000 200 301 (lines are open Monday to Friday, 8.30am to 5pm) or use the online form that's available in your SFI application in the Rural Payments service
Permanent boundaries	Use the Rural Payments Service or submit an RLE1 form and sketch maps clearly marked with the new permanent boundaries
Link a registered land parcel to your SBI	Use the add land by email service
Register a new land parcel	Use the Rural Payments Service or submit an RLE1 form and sketch maps

3.1.4 Check your contact details and permissions

Sign in to the Rural Payments service to check:

- your registered contact details are up to date we'll use the registered business details, including the business email address, to contact you about your SFI application and agreement
- your permissions are set correctly to start and submit an SFI application you can do this from your 'Business overview' and select 'Give people permission to act for this business'

The permissions you'll need to start and submit an SFI application are either 'Business Details: Full' or 'BPS: Submit'. You can also start an SFI application if you have 'BPS: Amend' permission, but you cannot submit it.

If you do not have the required permission on the service, you'll need to ask someone with 'Business Details: Full' permission' for the business to change your permission.

If you want someone else to apply for an SFI agreement on your behalf, they need to be registered in the Rural Payments service and you need to give them the required permission.

3.2 Apply for an SFI agreement

This information explains when to apply for an SFI agreement, how to apply and what happens after you've applied.

3.2.1 When to apply for an SFI agreement

We expect to start taking applications for the SFI 2023 offer from August 2023.

We're developing the SFI application service to make sure it's as simple as possible for you to apply for the expanded SFI 2023 offer. We'll roll out the application service in a controlled way, so we can make sure we're able to offer everyone the right level of service and support.

This means that during this initial controlled rollout phase, there will be different ways into the application service. When you sign in to the Rural Payments service, you'll either be able to apply online, or we'll ask you to contact us so we can support you with the next steps for you to apply.

Applications will then remain open, so you can apply at a time that works best for you. If it's necessary to close applications, we'll usually give you 6 weeks' notice. This application submission deadline will be publicised, including on GOV.UK.

3.2.2 How to apply for an SFI agreement

You'll apply for an SFI agreement online in the Rural Payments service. After you've created a new SFI application, you have 60 days to complete and submit it. This is to make sure that your data is current and accurate. If you have not submitted your application after 60 days, we will withdraw it. If this happens, you will need to start a new application. You must apply for a separate SFI agreement for common land or an area of shared grazing. Read the information about eligibility of commons and shared grazing for an SFI agreement (section 4.4).

If you're interested in applying for SFI this year on common land, please email RPA at ruralpayments@defra.gov.uk with 'SFI 2023 Commons/Shared Grazing Agreements' in your subject line. We will help you prepare to apply, including providing access to commons maps.

If you cannot apply online because you do not have access to the internet or a computer, call us on 03000 200 301 (Monday to Friday, 8.30am to 5pm, except bank holidays) and

we'll help you.

3.2.3 What happens after you've applied

After you've submitted your application for an SFI agreement, we'll process it. If it's eligible, you'll be offered an SFI agreement in the Rural Payments service. We'll tell you when your SFI agreement offer is ready for you to check. Once you've accepted your agreement, it will normally start the following month.

Section 4: Eligible land for an SFI agreement

Find out what land is eligible for an SFI agreement, eligibility of land used for other schemes and funding sources, regulatory issues and consents that could affect you and your land and eligibility of commons and shared grazing.

This section contains mandatory scheme requirements.



Check your land is eligible (Credit: Alison Day)

4.1 What land is eligible for an SFI agreement

To enter land into an SFI agreement, it must be eligible. This means the land is wholly located in England and that:

- you expect to have management control of the land for the 3-year duration of your SFI agreement – this includes hedgerows, where relevant
- the land is eligible for the SFI actions you choose this includes hedgerows, where relevant

You can choose what area of eligible land or length of eligible hedgerows to enter into your SFI agreement. There's no minimum or maximum area.

4.1.1 Management control of land

You must expect to have management control of the land entered into your SFI agreement for its 3-year duration. This includes hedgerows you enter into the SFI actions for hedgerows.

You'll have management control if you have sufficient control over how the land (and hedgerows, if relevant) is managed to complete what's required in the SFI actions you choose.

This will usually mean you're the person actively farming the land (and managing the hedgerows, if relevant), who is:

- the owner occupier, farming the land yourself or employing a contractor
- a tenant with a Farm Business Tenancy (FBT) under the Agricultural Tenancies Act
 1995, or an Agricultural Holdings Act 1986 tenancy
- in a group that farms on common land (including areas of shared grazing)

When you enter land (and hedgerows, where relevant) into your SFI agreement, you declare that you'll have management control of that land (and hedgerows) for the agreement's 3-year duration. You must supply evidence to show that you do have management control of the land (and hedgerows, if relevant) if we ask for it.

The following information explains:

- what management control means if you occupy land under a tenancy or access it under a licence
- more about management control of hedgerows

To find out what management control means for commoners and shared graziers, read the information on eligibility of commons and shared grazing (section 4.4).

Land you occupy under a tenancy

Only a tenant can enter land (including hedgerows, where relevant) occupied under a tenancy into an SFI agreement. This is because they're the person actively farming the land, not the landlord.

As a tenant, it's your responsibility to check whether your tenancy agreement allows you to complete what's required in the SFI actions you choose.

If you occupy land under a tenancy on a 'rolling' year-by-year basis, you can enter this land into your SFI agreement if you expect to have management control of that land for the SFI agreement's 3-year duration.

For example, this may be the case if you occupy land under:

- an FBT granted for a term of more than 2 years, that continues on a rolling year-byyear basis after its initial term ends
- an FBT granted for a term of 2 years or less that you expect your landlord to renew on an annual basis

You must not enter land into an SFI agreement if you do not expect to have management control of that land for its 3-year duration.

If you're unsure whether you will have management control of the land occupied under a tenancy for the 3-year duration of your SFI agreement, you should check with your landlord.

If you unexpectedly lose management control of the land occupied under a tenancy during your 3-year SFI agreement, you must tell us about this, in writing. We'll remove that land from your SFI agreement.

If your loss of management control was because of a 'change of circumstances', you may not have to repay payments already received for an agreement year if you've completed the actions and submitted your annual declaration for the relevant agreement year. Read the information about what happens if you find you cannot comply with your SFI agreement (section 5.3.3.) to find out more about a change of circumstances.

Land you access under a licence

If you only have access to land under a licence arrangement (so you're a licensee), it's unlikely you have sufficient control over how the land is managed to complete what's required in the SFI actions you choose.

In this case, the licensor (usually the owner occupier) can enter the land into an SFI agreement and make the licensee aware of its requirements, if relevant.

If, in practice, your arrangement with the landowner gives you wider land management responsibilities, similar to those of a tenant, you may be able to enter this land into an SFI agreement. For example, some licences on Ministry of Defence land operate in this way. If this applies, read the information above about management control of land you occupy under a tenancy.

Management control of hedgerows

To enter both sides of a hedgerow into your SFI agreement, you must have management control of both sides of the hedgerow and the land adjacent to each side of the hedgerow for the 3-year duration of your SFI agreement.

If you only have management control of one side of a hedgerow and adjacent land you must only enter one side into your SFI agreement. This may be the case if:

- a hedgerow is next to a road or track and requires annual or more frequent trimming for public safety reasons but you can enter it into HRW3 (which is for both sides of a hedgerow) if you can meet the requirements in that action
- one side of a hedgerow and the adjacent land is owned or managed by a neighbour
- a hedgerow is next to a woodland edge

4.1.2 Land that's eligible for the SFI actions

The land you enter into your SFI agreement must be eligible for each SFI action you choose. This includes hedgerows you enter into the SFI actions for hedgerows.

How we'll calculate what land may be eligible for the area based SFI actions

If you have to enter a specific area of a land parcel into an action, that's an 'area based' SFI action.

The SFI application service will automatically calculate what area in each land parcel may be eligible for each area based SFI action you choose. This is called the 'SFI available area' and it will be shown for each eligible land parcel in your SFI application.

We'll use the land use code declared for a BPS 2023 application to check what area in a land parcel may be eligible for each area based SFI action you choose. This area also needs to be registered with a land cover that's compatible with that land use code (a 'compatible land cover').

You can find the <u>land use codes for 2023</u> on GOV.UK. If a land use code was not declared for a BPS 2023 application, contact the RPA.

When you choose an area based SFI action, the SFI application service will calculate the SFI available area in each land parcel by taking its total area, and deducting the following areas, where relevant:

- land use codes which are ineligible for the SFI action you've chosen
- ineligible environmental land management actions or options, such as CS, ES, SFI pilot standards

You must check the SFI available area is also an eligible **land type** for the chosen SFI actions. This is because we only hold information on land use codes and land cover, not land type.

Read the information about how we define eligible land types and features for SFI (section 4.1.3). The glossary (annex C) explains what we mean by a 'land type', 'land use code' and 'land cover'.

For example, if you choose IGL2 (winter bird food on improved grassland) and select a 10ha permanent grassland parcel, it will show as 10ha SFI available area in your SFI application if it:

- has been declared with a PG01 (permanent grassland) land use code
- is registered with a compatible permanent grassland land cover on your digital maps
- does not contain any ineligible environmental land management actions or options

To enter the 10ha into IGL2, its land type must be improved permanent grassland, rather than another type of permanent grassland.

For each SFI action, read the details of the SFI actions (section 2, under 'Where you can do this action') to find out:

- which land types and land use codes are eligible, and what land covers are compatible with the land use codes
- if an action can be done on a land parcel's total SFI available area, or on part of that area

Check your hedgerows are eligible for the SFI actions

If you choose the SFI actions for hedgerows (HRW1, HRW2 and HRW3) you must check that the hedgerow is an eligible feature. Read the information about how we define eligible land types and features for SFI (section 4.1.3).

4.1.3 How we define eligible land types and features for SFI

This information explains how we define eligible land types and features (hedgerows) for the SFI actions.

If land is registered as 'fully organic' or 'in conversion' you can do the SFI actions on that land if it's an eligible land type and it meets the requirements explained in the SFI actions.

The land type must be eligible for the SFI action(s) you choose at the start of your SFI agreement. If the land type changes because you're completing the SFI action(s) this will not affect eligibility. You'll continue to be paid for the SFI action(s).

Arable land

Arable land includes land used to grow arable crops and temporary grassland.

Arable crops: Land that's been cultivated for crop production, such as combinable crops, field vegetables and cut flowers, bulbs or soft fruit which are not 'permanent crops'. This includes fallow land that's available for crop production.

Temporary grassland: Grassland that's often part of an arable crop rotation and has usually been grassland for less than 5 consecutive years. This can be managed as:

• improved grassland - see the definition below for improved permanent grassland

grassland with very low nutrient inputs

Permanent crops

Non-rotational horticultural and other types of crops that usually occupy the land for 5 years or more (other than permanent grassland) and provide repeated harvests.

Horticultural permanent crops: Land that's used for commercial orchards, bush fruits, hops and vines.

Non-horticultural permanent crops: Land that's used for miscanthus, reed canary grass, nursery crops and short rotation coppice.

Permanent grassland

Land used to grow grass for 5 consecutive years or more that's not been included in an arable crop rotation. It can either be improved or low input.

Improved permanent grassland: Permanent grassland that's been agriculturally 'improved' by doing one or more of the following activities:

- regularly re-seeding, or reseeding within the last 15 years
- regularly applying fertiliser (typically at least 100kg per hectare of nitrogen as an artificial compound fertiliser or animal manures and slurries)
- blanket herbicide application to treat weeds
- maintaining field drains
- taking conserved forage as silage, haylage or hay, more than once a year

Improved grassland will usually have a high cover of ryegrasses and white clover, with a low cover of wildflowers and sedges.

Low input (semi-improved or unimproved) permanent grassland: Permanent grassland that's been managed by doing one or more of the following activities:

- no reseeding for at least 15 years
- applying low or no amounts of artificial compound fertiliser or animal manures and slurries
- applying localised or no herbicide to treat weeds
- leaving field drains unmaintained or maintaining them infrequently (hay meadows may be more actively drained)
- taking conserved forage as hay or haylage no more than once a year

Moorland

Permanent grassland and certain non-agricultural features, such as scrub, scree, bracken and bog, which are located above the moorland line. You can check <u>MAGIC</u> to find out if this is the case.

The vegetation of these moorland areas will usually be:

· semi-natural moorland habitats including heathland, blanket bog, rough acid

grasslands, rushy flushes, swamps, mires and bracken

· upland calcareous grassland

A lot of upland moorland is either registered common land or shared grazing.

Hedgerows

Hedgerows which are all of the following:

- · a boundary line of shrubs, or both shrubs and trees
- over 20m long
- less than 10m wide

The hedgerow can be newly planted, laid or coppiced. It can also be woody growth on top of an earth or stone-faced bank, for example, Cornish or Devon hedges

There can be gaps in the hedgerow if they're not more than:

- 20m long
- 10% of the total length of the relevant hedgerow when you add all the gaps in it together

If the gaps add up to more than 10%, you can only do the actions on the total length of the hedgerow if you'll plant up the gaps during your 3-year SFI agreement. You can apply for CS capital grants for hedgerow gapping up (BN7) and planting new hedges (BN11) to help you do this.

4.2 Eligibility of land for an SFI agreement that's used for other schemes and funding sources

This information explains when land that's used for other schemes and funding sources can be entered into an SFI agreement.

4.2.1 When land used for other schemes and funding sources can be entered into an SFI agreement

You can enter land that's used for other government schemes and funding sources into an SFI agreement if:

- you and your land are eligible for each scheme or funding source
- the activities or outcomes you're being paid for are compatible
- you will not be paid twice for a similar activity or outcome on the same area of land at the same time (known as 'double funding')

The information below covers the main schemes and funding sources that could affect the eligibility of land for an SFI agreement.

4.2.2 Basic Payment Scheme

If you've used a land parcel to apply for the Basic Payment Scheme (BPS) in 2023, you



expect to replace BPS with 'delinked payments' which will not require you to farm any land.

4.2.3 Countryside Stewardship

We're evolving Countryside Stewardship (CS) instead of developing a new Local Nature Recovery scheme. Read <u>Defra's environmental land management update</u> to find out about what will be available in CS by 2024.

If land is in a CS agreement, or you're applying for a CS agreement in 2023, you can enter the same area of eligible land into an SFI agreement if the requirements explained in section 4.2.1 are met.

CS Mid Tier and Higher Tier management options

You can do the SFI actions on the same area of eligible land that's used for eligible CS management options (previously known as 'revenue options'). This includes CS Mid Tier (and Wildlife Offers) and Higher Tier.

The SFI action(s) you choose will affect which CS management options are eligible to be done on the same area of land. Read the details of the SFI actions (section 2) to find out which CS management options can be done on the same area of eligible land as each SFI action

If a CS management option cannot be done on the same area as the SFI action you choose, you cannot:

- enter that ineligible CS management option area into the SFI action
- use it to complete the affected SFI action

Instead, you may be able to locate the ineligible CS management option on a different area in the same land parcel as the SFI action. You can do this if:

- it's an eligible land type for the CS option
- the SFI action and CS option are both part-parcel
- the area used for the CS option does not overlap with the area used for the SFI action

CS Capital Grants

You can enter the same land parcel into an SFI agreement and a CS Capital Grants agreement.

4.2.4 Environmental Stewardship

If land is in an Environmental Stewardship (ES) agreement, you can enter the same area of eligible land into an SFI agreement if the requirements explained in section 4.2.1 are met.

ES revenue options

You can do SFI actions on the same area of eligible land that's used for eligible ES revenue options.

The SFI action(s) you choose will affect which ES revenue options are eligible to be done on the same area of land. Read the details of the SFI actions (section 2) to find out which ES options can be done on the same area of eligible land as each SFI action.

If an ES revenue option cannot be done on the same area as the SFI action you choose, you cannot:

- enter that ineligible ES revenue option area into the SFI action
- use it to complete the affected SFI action

Instead, you may be able to locate the ineligible ES revenue option on a different area in the same land parcel as the SFI action. You can do this if:

- it's an eligible land type for the ES option
- the SFI action and ES option are both part-parcel
- the area used for the ES option does not overlap with the area used for the SFI action

4.2.5 SFI pilot

If land is in an SFI pilot agreement, you can enter the same area of eligible land into an SFI agreement if the requirements explained in section 4.2.1 are met.

The SFI action(s) you choose will affect which SFI pilot standards can be done on the same area of eligible land. Read the details of the SFI actions (section 2) to find out which SFI pilot standards can be done on the same area of land as each SFI action.

4.2.6 Landscape Recovery

If land is being used for Landscape Recovery funding, the same area can be entered into an SFI agreement if the requirements explained in section 4.2.1 are met.

4.2.7 Farming in Protected Landscapes

If land in a National Park Authority or Area of Outstanding Natural Beauty (AONB) is being used for Farming in Protected Landscapes funding, the same area can be entered into an SFI agreement. This is only possible if the requirements explained in section 4.2.1 are met.

4.2.8 Private sector schemes

For the SFI 2023 offer, the same area of land can be entered into an SFI agreement and a private sector scheme arrangement, such as carbon trading or payments for natural flood management. The approach to private sector schemes will be reviewed by Defra annually.

4.3 Regulatory issues and consents that could affect you and the land in an SFI agreement

This information explains some of the land-based regulatory issues and consents that may affect you and the land you enter into in your SFI agreement.

You must also comply with all the other legal requirements that apply to you and your land.

If an SFI agreement's requirements conflict with any statutory requirements for the management of the land, you must comply with those statutory requirements.

4.3.1 What regulatory issues and consents to check

You should check if the land you'll enter into your SFI agreement:

- contains historic or archaeological features, including scheduled monuments
- is in a site of special scientific interest (SSSI)

If the land is affected by either of these, this may affect:

- what land you can enter into your SFI agreement
- what you're able to do on that land
- whether you need to get consent before you enter the land into an SFI agreement

4.3.2 Historic and archaeological features, including scheduled monuments

If you're entering an area within a land parcel into an SFI agreement that contains historic or archaeological features, including scheduled monuments, you must request a Sustainable Farming Incentive Historic Environment Farm Environment Record (SFI HEFER). You must do this even if you've previously obtained a HEFER for an SFI 2022 standards agreement or a CS agreement.

An SFI HEFER tells you about:

- any known historic or archaeological features on your land, including scheduled monuments
- how they affect the SFI actions

To request an SFI HEFER, register on the <u>HEFER portal</u>. Once you've registered, enter your SBI. You'll be sent an email when the SFI HEFER is available for you to download.

Completing SFI actions on land containing historic or archaeological features

Within any land parcel, you must not enter any area containing historic or archaeological features, including scheduled monuments, into the following SFI actions:

- SAM3: Herbal leys
- IPM2: Flower-rich grass margins, blocks, or in-field strips
- NUM2: Legumes on improved grassland

• IGL1: Take grassland field corners or blocks out of management

Where possible, you should avoid taking soil samples on any area of land containing historic or archaeological features identified on your SFI HEFER.

If you need to take soil samples on any area of land containing a non-designated historic or archaeological feature (a 'SHINE feature'), a registered park or garden, or a registered battlefield identified on your SFI HEFER you should:

- only take enough soil samples to meet the requirements of the relevant SFI action
- carry out soil sampling to a depth of no more than 7.5cm on permanent grassland
- carry out soil sampling to a depth of around 20cm (up to a maximum of 25cm) on arable land (including temporary grassland)

If you need to take soil samples on any area of land containing a scheduled monument to meet the requirements in your SFI agreement, you must get consent from Historic England. You must not take any soil samples on this land until Historic England tells you it has given its consent.

You should also avoid doing the following on any area within a land parcel containing historic or archaeological features, including scheduled monuments:

- grow deep rooted species of companion crop for IPM3 (companion crop on arable and horticultural land)
- grow deep rooted legumes, such as lucerne, for NUM3 (legume fallow)
- allow areas of scrub to develop

Find out more about consents for scheduled monuments and conservation areas

Before you enter land into an SFI agreement, read more about:

- scheduled monuments, as you may need consent from Historic England
- works in a conservation area, which may need consent from your local planning authority

4.3.3 Sites of special scientific interest (SSSIs)

You must not enter any area within a land parcel containing an SSSI into SAM3 (herbal leys).

You can enter an eligible area within a land parcel containing an SSSI into the other SFI actions, but you must either:

give notice to Natural England – this is because you need to tell Natural England
what activities you'll do to complete the SFI actions as we do not prescribe how to
do them - and get its consent before you complete the relevant SFI actions on that
area of land

 already have a valid consent from Natural England which covers that area of land and the activities you'll complete for the relevant SFI actions - that consent must last for the duration of your 3-year SFI agreement

This must be the case for each SFI action you apply for on an eligible area containing an SSSI, apart from:

- SAM1: Assess soil, produce a soil management plan and test soil organic matter
- IPM1: Assess integrated pest management and produce a plan
- NUM1: Assess nutrient management and produce a review report

If you need to give notice to Natural England and get its consent, you must complete the Notice of proposal to cause, carry out or permit an operation requiring Natural England's consent on an SSSI form and submit it to Natural England.

As soon as Natural England has received your completed Notice form, or you've already got a valid consent, Natural England will let the RPA know and they will offer your SFI agreement. If you've given Natural England notice, when your SFI agreement starts you must not complete any of the relevant SFI actions until it gives its consent.

4.3.4 Cross compliance

The cross compliance rules do not apply to SFI agreements.

You still need to meet any regulatory requirements that apply to you or your land. Being in an SFI agreement does not remove these requirements.

If you apply for BPS or other rural payments which the cross compliance rules do apply to, you must follow those rules.

4.3.5 Protected species

You may need a wildlife licence if any of the SFI actions you apply for may affect protected species. You can read more information at <u>managing wildlife on your land</u>. It is your responsibility to secure this consent before you complete the relevant SFI actions in your agreement.

4.3.6 Work affecting water

If you're doing <u>any work that may affect watercourses</u>, you may need permission from the Environment Agency, or the relevant internal drainage board or local authority. It is your responsibility to secure this permission before you complete the relevant SFI actions in your agreement.

4.3.7 Environmental Impact Assessment (Agriculture) Regulations

The <u>Environmental Impact Assessment (EIA) (Agriculture) Regulations</u> protect uncultivated or semi-natural land from activities that may cause damage by:

- increasing that land's agricultural productivity
- physically changing land parcel boundaries

You may need to apply for an 'EIA screening decision' before you change the use of rural land. For more information, read the guidance on Environmental Impact Assessment (Agriculture) regulations: apply to make changes to rural land.

It is your responsibility to follow this process if required, before you complete the relevant SFI actions in your agreement.

4.4 Eligibility of commons and shared grazing land for an SFI agreement

This section explains the mandatory scheme requirements for eligibility of common land or an area of shared grazing to be entered into an SFI agreement.

You should read this information with the other information in this SFI handbook which applies to all SFI agreements for the SFI 2023 offer. This information will be kept under review as SFI is rolled out.

4.4.1 Definition of common land and shared grazing

For the purposes of an SFI agreement, 'common land' means:

- land registered as common land in a register of common land kept under Part 1 of the Commons Act 2006
- land to which Part 1 of that Act does not apply and which is subject to rights of common within the meaning of that Act

'Shared grazing' means communal pasture that isn't registered as common land where graziers have a legal entitlement to graze. For example, a pasture used jointly by tenants. The following information about commons also applies to areas of shared grazing.

4.4.2 Applying for an SFI agreement on common land

You must enter common land or an area of shared grazing into its own SFI agreement. The agreement cannot include other land you own or rent that is not common land.

This means that you must submit separate SFI applications for:

- the common land or shared grazing, using the existing single entity's SBI or a new SBI if a single entity needs to be set up
- land you own or rent that is not common land, using the SBI for your own business

4.4.3 Eligibility to enter common land into an SFI agreement

To enter common land into an SFI agreement, you must:

meet the BPS eligibility requirement for common land

- be a single entity, either as a sole beneficiary or a group
- have a formal, legally enforceable internal arrangement for a group
- have sufficient management control of the common land to complete the SFI actions for the duration of the 3-year SFI agreement

The following information explains each of these requirements.

BPS eligibility requirement for common land

To apply for an SFI agreement on common land, 1 or more people need to have been eligible to use the common to claim BPS in 2021, 2022 or 2023. They do not need to have claimed BPS or to have received BPS payments in the past.

Only a 'single entity' can apply for an SFI agreement on common land

Only a 'single entity' can enter into an SFI agreement on a common. This is to make sure that, where there is a group, the SFI actions in the SFI agreement can be delivered by the single entity for the agreement's 3-year duration.

A single entity can be:

- a person who will be the sole beneficiary
- a group of two or more people with a formal, legally enforceable internal arrangement between them, a nominated representative and a single bank account

A sole beneficiary will usually be a landowner who owns the whole common and has sole use and rights to the common.

A common may already have a single entity to oversee:

- an existing Countryside Stewardship (CS) or Higher Level Stewardship (HLS) agreement on the common
- general management of the common

It should be possible for the group to extend the scope of the existing single entity (provided it meets the 4 criteria explained below for a new single entity). This single entity should apply for SFI, using the SBI it already has.

There should not be more than one single entity overseeing an agri-environment scheme agreement for the same area of land on the common. This includes CS, HLS and SFI.

If a group has not already set up a single entity to oversee an existing CS or HLS agreement, or the general management of the common, it will need to do this before it applies for an SFI agreement on the common. It must register on the Rural Payments service to obtain a new SBI, even if some of the members already have their own SBIs individually.

It's up to the group to decide how the new single entity is set up, but it must have:

- a main business contact identified for the RPA (the nominated representative)
- a bank account that's registered with the RPA
- a formal, legally enforceable internal arrangement between the single entity's members to deal with any breaches of the agreement that may lead to the RPA recovering payments
- sufficient management control of the common land to complete land management actions for the duration of the 3-year SFI agreement

You can find more information about management control under 'Common land eligibility' below (section 4.4.5).

You may find it helpful to read the CS guidance about <u>setting up a commons association or an internal agreement for common land and shared grazing</u>. Where this CS guidance uses the word 'must' or 'should', that requirement applies to a CS agreement, not an SFI agreement.

In setting up the single entity you may want to consider issues such as:

- how changes in membership will be dealt with
- how payments will be distributed among members
- whether the nominated representative will give permission in the Rural Payments service for other members to view the relevant documentation
- how disputes will be resolved within the group

You do not have to submit a copy of your formal internal arrangement to us, but you must supply this evidence to us if we ask for it.

4.4.4 Additional payment for a single entity on common land

To help with the costs of administering an SFI agreement on common land, there is an annual additional payment of £7 per hectare of eligible common land entered into its own SFI agreement.

This additional payment is available to single entities involving a group of 2 or more people entering common land into an SFI agreement.

In future, as more SFI actions are made available, this additional payment will continue to be paid per hectare of eligible common land entered into an SFI agreement.

This payment will be kept under review as SFI is rolled out.

4.4.5 Common land eligibility

An area of common land is eligible to be entered into an SFI agreement if:

- it's wholly located in England
- it's eligible for the SFI actions chosen

• the single entity will have sufficient management control of the common land for the duration of the 3-year SFI agreement

Eligible common land for the SFI actions

You can only enter an area of common land into an SFI agreement if it's eligible for the SFI actions you choose. Read the information about eligible land for the SFI actions (section 4.1.2).

What area of common land can be entered into an SFI agreement

An SFI agreement on common land can include:

- a whole common
- more than one whole common, if they are managed as a single unit
- part of a common, if it's a defined area that's managed as a separate, single unit and the actions in the SFI agreement won't impact land management practices on the remaining part of the common

If the common is in an existing CS or HLS agreement, that same land can be entered into an SFI agreement if:

- it's eligible for the SFI actions chosen
- the activities being paid for under each scheme are compatible
- a similar activity isn't being paid for on the same area of land at the same time (known as double funding)

It's recommended that the same CS or HLS agreement land is entered into the SFI agreement. This will make it easier to manage the agreements.

Management control of common land

To enter common land into an SFI agreement, the single entity must have sufficient management control of that land for the 3-year duration of the SFI agreement.

The single entity should have management control of the common land if it has sufficient control over how the land is managed to complete the SFI actions chosen for the duration of the SFI agreement.

The single entity must judge whether it has sufficient management control. This does not mean that every commoner has to agree or become part of the single entity. However, it does mean that those who are part of the single entity need to be able to complete the SFI actions in the SFI agreement.

To have sufficient management control, the group will need to consider whether the landowner needs to be part of the single entity. A group must also assess if the landowner's consent is needed for the single entity to complete the SFI actions in the SFI agreement. If the landowner's consent is needed, the group must obtain it.

Before applying for an SFI agreement, a group must take reasonable steps to contact and consult everyone with a legal interest in managing the common land. This is to make sure they:

- are aware of the group's intention to enter the common land into an SFI agreement
- have the chance to participate in the SFI agreement

The people with a legal interest in managing the common land include:

- all known common rights holders, whether they're actively using their rights or not
- the landowner
- tenants
- anyone who has an easement or other rights and covenants over the land, including sporting tenants

You may find it helpful to read the CS guidance for more information about <u>consulting</u> <u>other people with a legal interest in managing the common</u>. Where this CS guidance uses the word 'must' or 'should', that requirement applies to a CS agreement, not an SFI agreement.

When the single entity enters common land into an SFI agreement, it declares that it will have management control of that land for the agreement's 3-year duration. The single entity must supply evidence of this if we ask for it.

4.4.6 Entering into an SFI agreement on common land

An SFI agreement on common land operates in the same way as an SFI agreement on land outside a common.

If the SFI agreement conflicts with any statutory requirements for the management of the common, those statutory requirements take precedence. For example, if the common land is an SSSI, or there are public engagement commitments. Read the information on regulatory issues and consents that could affect you and the land in an SFI agreement (section 4.3).

Any breach of the SFI agreement on common land will only apply to that agreement. It will not apply to any separate SFI agreement for land outside of the common that you own or rent.

If the single entity decides to upgrade its SFI agreement, it may need to check it still has management control and whether it needs any regulatory consents.

As SFI is rolled out we will review this guidance and issue more information as required.

Section 5: About SFI agreements and payments

Find out how your SFI agreement and payments work, and how we'll check you're complying with your agreement. This section contains mandatory scheme requirements.

5.1 How your SFI agreement works

This information explains when your SFI agreement will start, what you're agreeing to do when you enter an SFI agreement and what changes you can request once your agreement starts.

When your SFI agreement will start

SFI agreements do not all start on a single date. They start on the first day of each calendar month.

Your SFI agreement's start date will depend on:

- when you submit your SFI application
- how long it takes to process so we can offer you an SFI agreement
- how quickly you accept your SFI agreement offer

The start date for your SFI agreement will be shown on your agreement document. Your SFI agreement will last for 3 years from its start date.

What you're agreeing to do

Your SFI agreement consists of 3 elements:

- your agreement document, which you can view in the Rural Payments service
- your SFI agreement's terms and conditions
- the SFI actions you've chosen

When you enter an SFI agreement, you're agreeing to comply with the mandatory scheme requirements for the duration of your 3-year SFI agreement. This means you're agreeing to:

- complete the SFI actions you've chosen, as referenced in your agreement document, as explained in the details of the SFI actions (section 2)
- comply with your SFI agreement's terms and conditions (section 6), which are further explained in section 4 (eligibility of land for an SFI agreement) and section 5 (about your SFI agreement and payments) of this SFI handbook

• Requesting changes to your SFI agreement

You'll be able to request some changes to your SFI agreement during its 3-year term.

Upgrading your agreement

You can upgrade your SFI agreement to add more SFI actions and land.

To do this, you must submit an 'upgrade request' towards the end of the first and second years of your 3-year SFI agreement.

You must submit your upgrade request by the relevant deadline. We'll tell you what date that is. We will not accept your upgrade request if we receive it after that date.

If we approve your upgrade request, you'll need to confirm that you accept your updated SFI agreement by the date we'll tell you. If you accept your updated SFI agreement by the date we'll tell you, the updated agreement will usually apply from the start of the following agreement year.

If you do not accept your updated SFI agreement by the date we'll tell you, your original agreement will continue without the upgrades you requested.

Reducing what you're doing in your agreement or ending it early

During the 3-year term of your SFI agreement, you will not usually be able to:

- reduce what you're doing in your agreement, by removing SFI actions or land
- end your agreement early

If you find you cannot do what's required under your SFI agreement (a 'change of circumstances'), we may allow you to reduce what you're doing in your SFI agreement or end your agreement early. If we agree to let you do this, you may have to repay some, or all, of the money already paid to you.

You will not need to make a repayment for the affected agreement year if you've:

- completed all the SFI actions in your SFI agreement for a full agreement year
- submitted an annual declaration for the relevant agreement year

If you have not done this, you may need to make a repayment for the affected agreement year. Unlike previous schemes, there will be no additional financial 'penalties' applied.

If we allow you to remove land from your SFI agreement, this may affect your SFI management payment as it's based on the area of land in your agreement, up to 50 hectares.

Read the information about what happens if you find you cannot comply with your agreement (section 5.3.3) to find out more about a change of circumstances.

Transferring your agreement to another person

It will not usually be possible for you to transfer your SFI agreement to another person.

If land in your SFI agreement is transferred to another person, for example it's sold or a tenancy ends and there's a new tenant, this would be a 'change of circumstances'. You must tell us about this, in writing, as soon as reasonably practicable, and preferably within 8 weeks of being able to do so.

In this case, you'll no longer have 'management control' of the land, so we'll need to remove it from your SFI agreement.

When we remove the affected land from your SFI agreement, you may have to repay some, or all, of the money already paid to you for the relevant agreement year if you've not completed the actions and submitted your annual declaration for that year. Unlike previous schemes, there will be no additional financial 'penalties' applied.

Once we've removed the land from your SFI agreement, the new occupier will be able to either:

- · apply for an SFI agreement on that land
- add the land to their existing SFI agreement, if they have one, at its annual upgrade point

Read the information about what happens if you find you cannot comply with your agreement (section 5.3.3) to find out more about a change of circumstances.

5.2 Getting paid for your SFI agreement

This information explains what you must do to get paid for your SFI agreement, how we'll calculate your payment, when you'll be paid and submitting an annual declaration.

• What you must do to get paid

To get paid for your SFI agreement, you must:

- complete the SFI actions you've chosen for each 12-month period from the start date of your SFI agreement (the 'agreement year')
- submit an annual declaration to confirm you've complied with the mandatory scheme requirements under your SFI agreement for the relevant agreement year
- supply evidence specified in section 4 (eligibility of land for an SFI agreement), section 5 (about your SFI agreement and payments) and the SFI actions (section 2) when we ask for it

You will not be paid for actions you're already required to do by law.

• How we'll calculate your payment

Your SFI agreement's total annual payment will be based on:

- the area of eligible land (in hectares) you enter into area-based SFI actions
- the length of eligible hedgerows (in metres) you enter into the SFI actions for hedgerows

- the additional agreement payment for SAM1 (assess soil, test SOM and produce a soil management plan) and MOR1 (assess moorland and produce a written record)
- any agreement level SFI actions you choose these are IPM1 (assess integrated pest management and produce a plan) and NUM1 (assess nutrient management and produce a review report)
- the SFI management payment, which is explained in more detail below
- the additional annual payment for common land of £7 per hectare if a group of 2 or more people apply for an SFI agreement on common land

Read the details of the SFI actions (section 2) to find out what the payment rate is for each SFI action.

SFI management payment

In 2023, we're introducing an additional, annual 'SFI management payment'. This is to recognise the management and administrative costs for farmers entering into and managing an SFI agreement.

For the first year of your SFI agreement, the SFI management payment will be £40 per hectare per year, for up to the first 50 hectares entered into your SFI agreement. This means that the maximum SFI management payment will be £2,000 for each farm business (SBI) for the first agreement year. For the second and third years of your agreement, the SFI management payment will be £20 per hectare.

The SFI management payment will be based on the area, up to 50 hectares, you enter into all the land-based SFI actions in your SFI agreement, including the action to assess moorland (MOR1) and the actions for hedgerows. We'll calculate a notional area based on the length of hedgerows entered into the hedgerow actions.

It will not apply to agreement-level actions (IPM1 and NUM1). This is because they are completed by an adviser and the payment rate for these actions already covers the management costs involved. They also do not require you to enter a hectarage into your SFI agreement.

If a farm business (SBI) has more than 1 SFI agreement, we'll calculate and pay the SFI management payment for the area, up to 50 hectares, entered into SFI actions in the 'live' SFI agreement which started first.

You may be eligible for a one-off SFI management payment top-up if:

- the SFI management payment in your SFI 2023 agreement is based on less than 50 hectares
- you apply for an <u>expanded SFI offer agreement</u> to add more land-based SFI actions and eligible land by month 2 of the second or third years of your SFI 2023 agreement

Providing you're eligible, the SFI management payment top-up will be paid at £20 per hectare, up to 50 hectares, for the remaining duration of your SFI 2023 agreement.

It will be based on the difference between the number of:

- eligible hectares we already use to calculate the SFI management payment value for your SFI 2023 agreement, and
- total eligible hectares registered to your Single Business Identifier (SBI) at the start of the relevant year of your SFI 2023 agreement, up to a maximum of 50 hectares

We'll write to tell you if you're eligible for an SFI management payment top-up when your expanded SFI offer agreement is 'live'.

If you tell us that you cannot comply with your SFI agreement and what's happened means land is removed from your agreement, this may affect your SFI management payment. When your SFI agreement starts, the SFI management payment will be included in the quarterly instalments of your total annual payment.

We'll keep the SFI management payment under review as we rollout SFI.

When you'll be paid

Your total annual payment is divided into 4 equal instalments and paid on a quarterly basis. The first quarterly instalment will usually be made in the fourth month after the start date of your SFI agreement.

Unlike other schemes, such as CS, you do not need to claim your payment. We'll usually pay your quarterly instalments automatically, directly via BACS transfer to your registered bank or building society account that's registered with us.

Your SFI payment statement

Your SFI payment statement will usually be emailed to you a few days before you get paid. The payment statement tells you:

- how much you'll be paid
- the payment date
- how we calculated your payment

Submitting an annual declaration

You must submit an annual declaration to confirm you've complied, or expect to have complied, with the mandatory scheme requirements under your SFI agreement for the relevant agreement year.

This allows us to pay you the final quarterly instalment of your annual payment for the relevant agreement year.

Read the information about checking you're complying with your SFI agreement (section 5.3).

How and when to submit an annual declaration

Each year of your 3-year SFI agreement, you must submit your annual declaration during the last 2 months of the relevant agreement year (the annual 'declaration period').

You'll submit your annual declaration online in the Rural Payments service.

The timing of your annual declaration period will depend on your SFI agreement's start date. We'll tell you when your annual declaration is available to complete. If you do not submit your annual declaration by the end of the relevant agreement year, we may be unable to make the final quarterly instalment of your annual payment. We may also withhold your other payments or recover payments, and your agreement may be ended.

SFI payment principles

Read the <u>SFI payment principles</u> we're using to guide our approach to setting payment rates for SFI.

5.3 Checking you're complying with your SFI agreement

We're using a new, supportive and pragmatic approach to checking you're complying with your SFI agreement.

If you cannot comply with your SFI agreement and we think it's an issue that can be resolved, we'll offer you advice and guidance to help you fix what's gone wrong, wherever possible.

We've tried to minimise prescription in the SFI actions. You must do what's required in the SFI actions, but it's up to you how you complete them as long as you do it in a way that can reasonably be expected to achieve the action's aim. This is so you can make the actions work for your farm.

5.3.1 What we may check

During your 3-year SFI agreement, we may check that:

- 5.3.1.1 you're complying with your SFI agreement's terms and conditions
- 5.3.1.2 you've done what's required in each SFI action you've chosen in a way that could reasonably be expected to achieve its aim

5.3.2 How we may check you're complying with your agreement

We'll use a range of methods to check you're complying with your SFI agreement, including:

- administrative checks
- carrying out site visits (physical or by video call)
- using remote monitoring technology, such as aerial photography and satellite imagery

- checking the evidence that we ask you to supply, such as a soil management plan or soil organic matter test results
- reviewing the annual declaration that you submit to confirm you're complying with your SFI agreement

These are explained in more detail below.

Administrative checks

We'll carry out administrative checks to make sure that you and your land meet the eligibility requirements for the 3-year duration of your SFI agreement. This includes the nature and quality of any supporting evidence, such as receipts and farm records.

Site visits

If your farm is selected for a site visit, we'll try to arrange a suitable date and time with you in advance and let you know what to expect during the visit.

If it's not possible to arrange a suitable date and time, we'll write to you by post or email explaining the purpose, date and time of the visit. This will be at least 48 hours before the site visit.

Read the guidance on what to expect from a site visit to check you're complying with your SFI agreement (annex B).

Remote monitoring

Remote monitoring uses aerial photography and satellite imagery to monitor thinks like land cover, vegetation condition and soil erosion risk. It aims to:

- reduce the need for physical site visits
- make sure the SFI actions are delivering environmental benefits
- automatically identify potential issues so we can give targeted support and guidance

Evidence you need to keep

You must supply evidence if we ask for it.

The evidence you should keep is explained in:

- the details of each SFI action (described under 'what evidence to keep' for each action in the details of the SFI actions in section 2)
- the SFI scheme rules (contained in section 4 and section 5 in this SFI handbook)

Annual declaration

You must submit an annual declaration for each year of your SFI agreement. Read the information about submitting an annual declaration (section 5.2.4) to find out more.

What happens if you find you cannot comply with your agreement

If you find you cannot do what's required under your SFI agreement, we'll try to be

pragmatic and start by helping you to fix what's gone wrong.

Something may happen for reasons within or outside your control (a 'change of circumstances') that means you cannot:

- comply with your SFI agreement's terms and conditions
- complete what's required in the SFI actions you've chosen in a way that could reasonably be expected to achieve each action's aim

If this is the case, you must tell us about this change of circumstances, in writing, as soon as reasonably practicable, and preferably within 8 weeks of being able to do so, if it affects:

- your eligibility
- the amount of money you should get
- your ability to complete the SFI actions that are in your SFI agreement
- your ability to comply with your SFI agreement's terms and conditions

It will be a breach of your SFI agreement if you do not tell us about a change of circumstances when you're required to.

How to tell us about a change of circumstances

You must tell us about a change of circumstances in writing. Find out how to contact the RPA about SFI.

When you write to us, you should include:

- your SBI
- your SFI agreement reference number, which you can find on your agreement document
- as many details as possible about the change of circumstances, including specific details about the SFI actions you're having issues with

What happens when you tell us about a change of circumstances

We'll look at each change of circumstances on a case-by-case basis. Depending on what's happened, we may decide to:

- amend your agreement, for example, to remove land
- end your agreement early, before the end of its 3-year term
- adjust your payments
- ask you to repay money already paid to you

We'll tell you what our decision is. If you do not agree with it, you can use our <u>complaints</u> <u>procedure</u> to ask us to reconsider it. You must do this within 60 calendar days of the date you're notified of our decision.

How you could breach your agreement

You could breach your SFI agreement if you do not comply with the mandatory scheme requirements for the duration of your 3-year SFI agreement.

This includes if you:

- do not complete what's required in the SFI actions
- do not report a change of circumstances which affects your ability to comply with your agreement, in writing, as soon as reasonably practicable, and preferably within 8 weeks of being able to do so
- give false or misleading information
- do not provide information or evidence we ask for
- prevent a site visit from being carried out
- refuse to assist an authorised person during a site visit

What happens if there's been a suspected breach

When we're checking you're complying with your SFI agreement, we may find a suspected breach.

If this happens, we'll investigate the suspected breach. Unlike previous schemes, we will not usually withhold your payments whilst we carry out our investigation.

Where possible, we'll discuss this investigation with you, so you understand what we've considered. As part of this investigation, we may ask you to supply further information or evidence to us.

Once we've completed our investigation, we'll tell you the outcome. If you do not agree with the outcome, you'll be able to make written representations on why you do not agree.

When we write to tell you the outcome of our investigation, we'll explain how to make written representations, including the time limit for submitting these to us. We'll consider your written representations before making a formal determination on whether there has been a breach of your SFI agreement.

What happens if we confirm there's been a breach

If we decide there's been a breach of your SFI agreement, we'll write to tell you this within a reasonable period. We'll explain the reasons for this decision.

We'll then decide what action, if any, needs to be taken. To do this, we'll look at the individual circumstances of your case and consider various factors, such as:

- how serious the breach was
- if you had a 'good reason' for the breach
- why the breach happened and any consequences it may have
- what impact the breach has on achieving the aims of the SFI actions in your SFI agreement, and whether that impact with be short or longer term
- if you can take action to make sure you are complying with your SFI agreement
- any past conduct and whether a similar breach has happened before
- if you intentionally breached your SFI agreement

- whether the breach constitutes an offence and has caused widespread or irreparable damage
- if you have not co-operated with us checking progress of your SFI agreement
- whether you've notified us about a change of circumstances, if relevant

If you do not agree with our decision, you can use our <u>complaints procedure</u> to ask us to reconsider it. You must do this within 60 calendar days of the date you're notified of our decision.

Good reasons for a breach

There may be 'good reasons' outside your control for a breach of your SFI agreement.

Good reasons for a breach include, but are not limited to:

- natural events, such as prolonged adverse weather conditions, flooding, or animal or plant disease
- if you're seriously ill
- death of the SFI agreement holder
- unforeseen loss of management control of land, for example when a tenancy is terminated, or because of compulsory purchase of land by a third party
- financial circumstances, such as bankruptcy
- evidence supply chain problems, such as lack of laboratory soil testing capacity
- criminal damage by a third party, such as arson or vandalism

How to tell us about good reasons for a breach

If there's a good reason outside your control for a breach, you (or someone authorised to act on your behalf) must write to us to explain this. Find out how to contact the RPA about SFI.

You must tell us in writing immediately if the good reasons for a breach of your SFI agreement relate to you:

- preventing us from carrying out a site visit
- refusing to provide assistance with a site visit

In all other cases, you must tell us in writing within 8 weeks from either:

- the date you're able to do so
- the date we tell you about our decision that there's been a breach of your SFI agreement

When you write to us, you should include:

- your SBI
- your SFI agreement reference number, which you can find on your agreement document

You should explain:

what's happened

- what good reason outside your control led to the breach of your SFI agreement
- whether you can fix the problem
- how the good reason prevented you from complying with your SFI agreement
- any evidence or information that may support your case

What happens when you tell us about good reasons for a breach

We'll consider your individual situation and may ask you to supply additional evidence. We'll then decide what action, if any, needs to be taken. We'll tell you what we decide.

If you're aware of the issue when you enter your SFI agreement, it's unlikely we'll consider it to be a good reason for a breach.

In practice, we'll also take 'good reasons' into account when we investigate a suspected breach. If we agree that there are good reasons for a breach, we may be able to tell you during the investigation what, if anything, needs to be done.

What action we may take when there's a breach

When there's a breach, we'll consider what the appropriate action is in a fair and consistent manner, on a case-by-case basis. There are no set actions for particular breaches.

It may not be necessary for us to take any action at all, depending on:

- the nature of the breach
- any evidence you supply to us of a good reason for the breach

If we need to take action, wherever possible, we'll look at what you can do to fix what's gone wrong, so you can get on with doing what's required under your SFI agreement.

If we decide it's possible for you to fix what's gone wrong, we'll write to you and explain what you must do. In this case, you must:

- complete all of the SFI actions in your SFI agreement
- submit your annual declaration

If you do this within the relevant agreement year (each 12-month period from the start of your SFI agreement), you will not have to repay payments already received for the affected agreement year.

In other cases, we may consider taking more formal action to deal with the breach. This could include actions such as amending your agreement or asking you to repay some, or all, of the money already paid to you for the relevant agreement year.

Read condition 12.5 of your SFI agreement's terms and conditions (section 6) to find more details on what action we could take if there's a breach.

Unlike previous schemes, there will be no additional financial 'penalties' applied.

What happens if we decide there's a serious breach

We may decide that there's a serious breach of your SFI agreement because it was:

- intentional
- due to negligence or recklessness
- has happened more than once, without good reason

In this case, we may:

- end your SFI agreement
- prevent you from receiving payments under any other financial assistance scheme for up to 2 years

Where there is evidence of fraud or illegality, we will pursue that in line with the law on those issues. Section 6: SFI agreement terms and conditions

These SFI agreement terms and conditions set out the rules that you and the RPA must follow for the 3-year duration of your agreement. They apply to SFI agreements for the SFI 2023 offer.

Terms and Conditions

The Sustainable Farming Incentive

The Sustainable Farming Incentive ("SFI") is a scheme run by the Rural Payments Agency (referred to below as "us", "we, "our") on behalf of the Department for Environment, Food and Rural Affairs ("Defra"). It is part of the Environmental Land Management Scheme under section 1 of the Agriculture Act 2020 and in conjunction with the Agriculture (Financial Assistance) Regulations 2021 ("the Regulations").

About these Terms and Conditions:

- (a) The SFI agreement (the "Agreement") comprises:
 - (i) the "Agreement Document", which describes the land parcels in the Agreement (the "Agreement Land") and the sum to be paid to you (the "Grant") for delivering the action(s) you have chosen (the "Actions") and which will also include a sum to be paid to you for entering and managing your Agreement (the "SFI Management Payment").
 - (ii) these "Terms and Conditions", which are applicable to the payment of the Grant; and
 - (iii) the Actions
- (b) For the avoidance of doubt, the Grant includes the sum to be paid to you for entering and managing your Agreement (the "SFI Management Payment"). All references to the Grant in these Terms and Conditions include the SFI Management Payment. Details regarding payment of the SFI Management Payment are set out in these Terms and Conditions.
- (c) If there is any conflict between these Terms and Conditions, the Agreement Document and the Actions, these Terms and Conditions will be given priority.

(d) When the agreement holder ("you") enters the Agreement, you are agreeing to the terms applicable to the payment of the Grant.

Why you should read the Terms and Conditions

You should read the Terms and Conditions carefully because they provide information including:

- a) how we will pay the Grant to you, as set out in your Agreement Document;
- b) how you or we may change or end the Agreement; and
- c) what you need to do if you cannot comply with your obligations under the Agreement.

References in the Terms and Conditions:

- a) Definitions of capitalised terms are defined in this document when they are first referred to and can also be found in the definition of terms at the end of these Terms and Conditions.
- b) I A reference to the "Law" means any law, statute, subordinate legislation within the meaning of Section 21(1) of the Interpretation Act 1978, byelaw, right within the meaning of Section 4(1) EU Withdrawal Act 2018 as amended by EU
- c) (Withdrawal Agreement) Act 2020, regulation, order, regulatory policy, mandatory guidance or code of practice, judgement of a relevant court of law, or directives or requirements of any regulatory body with which you are required to comply.
- d) A reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time and shall include all subordinate legislation made under that statute or statutory provision.
- e) A reference to a public organisation includes a reference to any successor to that public organisation.
- f) Any words following the terms 'including', 'include', 'in particular' or 'for example' or any similar phrase shall be construed as illustrative and shall not limit the generality of the related general words.
- g) Unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular.

SFI Scheme Information

We have published information relating to SFI on <u>GOV.UK</u> (the "Scheme Information"). The Scheme Information includes:

- a) the Actions:
- b) the "Scheme Rules" that further explain the mandatory requirements of your Agreement as established by these Terms and Conditions. The Scheme Rules are contained in the following sections of the Scheme Information on GOV.UK:
 - 'Eligibility of land for an SFI agreement'
 - 'About your SFI agreement and payments'

c) other scheme information and guidance that is not listed at condition 1.5(a) or condition 1.5(b) which is there to help you. This other scheme information and guidance will not be used to introduce or explain mandatory requirements of your Agreement.

About your Agreement

Your Agreement

The Agreement comprises:

- a) the Agreement Document, including any documents referenced in the Agreement Document;
- b) these Terms and Conditions (which are further explained in the Scheme Rules as explained in condition 1.5(b));
- c) the Actions you have chosen.

What you are declaring

By entering the Agreement you confirm that:

- a) the declarations you made in your SFI application for the Grant remain true and accurate to the best of your knowledge and belief;
- b) you have full capacity and authority to enter into the Agreement;
- c) you are not aware of any circumstances which would render you ineligible for the Grant or otherwise prevent you from complying with your obligations under the Agreement;
- d) your obligations under the Agreement do not and will not conflict in whole or in part with any other legal or contractual obligations you are subject to; and
- e) you will at all times comply with all relevant Law in the performance of your obligations under the Agreement.

What you are agreeing to do

In applying for and receiving the Grant, you are agreeing to:

- a) use the Grant to complete your chosen Actions (and for associated administrative costs), as referenced in your Agreement Document and supplemented by the Scheme Information;
- b) comply with these Terms and Conditions; and
- c) obtain, maintain and comply with any permits, licences, permissions, consents, approvals, certificates and authorisations (whether statutory or otherwise) which are required:
 - (i) to comply with the obligations under the Agreement; and
 - (ii) for the protection of ancient monuments, archaeological sites, heritage sites, trees, historical sites on the Agreement Land and SSSIs.

Agreement Period

The Agreement is for a period of three (3) years (the "Agreement Period") from the date the Agreement commences (the "Agreement Start Date") until the date it ends (the

"Agreement End Date") unless terminated earlier under condition 15 (Termination of an Agreement) or we approve your Upgrade Request under condition 6 (Changes to your Agreement) and we specify a different Agreement Period which could be for a period of up to or more than three (3) years. The Agreement Start Date and the Agreement End Date are shown in your Agreement Document.

This Agreement does not replace the need for regulatory consents

You understand that the Agreement does not operate as:

- a) an SSSI consent. If such consent is required you must apply separately in accordance with any instructions provided by Natural England;
- a scheduled monument consent of the Ancient Monuments and Archaeological Areas Act 1979 (or other consent under an Act). If such consent is required you must apply separately. You will obtain and take account of the SFI HEFER consultation response for all the land and features in connection to this Agreement;
- c) any other regulatory consent required by the Law.

Management Control of the Agreement Land

What is Management Control

You will have "Management Control" if you have sufficient control over how the Agreement Land is managed to complete the Actions you have chosen. This is explained in the section about 'What land is eligible for an SFI agreement' in the Scheme Rules.

Management Control for the duration of the Agreement

You must have sufficient Management Control of the land described in the Agreement Document (the "Agreement Land") for the entire Agreement Period.

If you lose Management Control

- a) If you lose Management Control of all or part of the Agreement Land before
- b) the Agreement End Date you must inform us using the procedure in condition 7 (Change of Circumstances).
- c) If you lose Management Control of all of the Agreement Land, the Agreement will be terminated, and you may have to repay some or all of the Grant already received as set out in condition 7 (Change of Circumstances).
- d) If you lose Management Control of part of the Agreement Land, the affected land will be removed from the Agreement and you may have to repay some or all of the Grant already received as set out in condition 7 (Change of Circumstances).

Tenanted Land

If you hold land under a Farm Business Tenancy under the Agricultural Tenancies Act 1995 or an Agricultural Holdings Act 1986 tenancy:

a) you must ensure that by entering the land into the Agreement you do not breach the conditions of your tenancy; and

b) if the tenancy expires before the Agreement End Date, you must only include this land in your Agreement Land if you expect to have Management Control of this land for the entire Agreement Period.

Common Land and Shared Grazing

What is Common Land and Shared Grazing

The definitions of common land ("Common Land") and shared grazing ("Shared Grazing") are explained in the section about 'Eligibility of commons and shared grazing for an SFI agreement' in the Scheme Rules and any reference to Common Land in these Terms and Conditions or the Scheme Rules applies to Shared Grazing. What Common Land can be included in the Agreement

You must enter Common Land into a separate Agreement. The section about 'Eligibility of commons and shared grazing for an SFI agreement' in the Scheme Rules explains what you must do if your Agreement Land is Common Land.

What you must do if your Agreement Land is Common Land

- If your Agreement Land is Common Land, you must be a "single entity", either as a sole beneficiary or a group.
- b. You (the single entity under condition 4.3(a)) must have sufficient Management Control of the Common Land so that you can comply with your obligations under the Agreement for the entire Agreement Period. For a group to have sufficient Management Control you must also:
 - (i) take reasonable steps to contact and consult everyone with a legal interest in the management of the Common Land; and
 - (ii) obtain the consent of the owner of the Common Land if it is required
- c. If the single entity is a group, you must:
 - (i) have a formal, legally enforceable internal arrangement;
 - (ii) identify a main business contact (the 'nominated representative') with us who will be responsible for administering the Agreement on behalf of the group; and
 - (iii) have a bank account registered with us.

Annual Declaration

What is the Annual Declaration

Your "Annual Declaration" confirms that you have complied, or expect to have complied, with your obligations under the Agreement for the relevant Agreement Year. This is explained in the section about 'Submitting an annual declaration' in the Scheme Rules.

When to submit an Annual Declaration

You must submit your Annual Declaration to us each 'Agreement Year' (each twelve (12) month period following the Agreement Start Date). You must do this by a date that we will specify (the "Due Date") which will be within the last two (2) months of the

relevant Agreement Year.

What happens if you do not submit your Annual Declaration

If you do not submit your Annual Declaration by the Due Date, it may affect the Grant paid to you as set out in condition 9 (Payments), and we may also treat this as a breach of your obligations under the Agreement under condition 12.

Changes to your Agreement

How you can upgrade your Agreement

- (i) You can request to upgrade your Agreement (an "Upgrade Request") to:Add an Action to the Agreement
- (ii) Add land to the Agreement
 The section about 'requesting changes to your SFI agreement' in the Scheme
 Rules explains what changes you can request to upgrade the Agreement.
- a) You can submit one Upgrade Request in an Agreement Year. This can only be done in your first and second Agreement Year.
- b) You must submit the Upgrade Request by a date that we will specify in the Scheme Information. We will not accept an Upgrade Request after this date.
- c) Each Upgrade Request can include one or more of the upgrades listed in condition 6.1(a).

What happens if you request a change to upgrade your Agreement

- a) We will consider your Upgrade Request under condition 6.1 and decide whether to approve it.
- b) We will confirm whether we have approved or rejected your Upgrade Request at the earliest practicable opportunity.
- c) If we approve your Upgrade Request, it will usually apply from the start of the following Agreement Year. We may allow your updated Agreement to continue with its original Agreement Period or we may specify a different Agreement Period.
- d) Where we approve your Upgrade Request, we will ask you to confirm acceptance of your updated Agreement within a time period specified by us. If you do not confirm acceptance within the time period we specify, the Agreement will not be updated.

Removing Actions or land from the Agreement

- a) During the Agreement Period, we will not usually allow you to remove an Action or remove land from the Agreement Land. This is explained in the section
- b) about 'requesting changes to your SFI agreement' in the Scheme Rules.

- c) If you want to remove an Action or remove land forming part of the Agreement Land, you must write to us to request this and explain (providing any supporting evidence) why you wish to do so.
- d) We will consider requests under condition 6.3 on a case-by-case basis and may allow the request if there is a Change of Circumstances as defined in condition 7. We will inform you of our decision within a reasonable time period.
- e) If we approve a request to remove an Action or remove land forming part of the Agreement Land, then we may reduce, recover or withhold payment of the Grant in whole or in part until that request has been processed and
- f) the Agreement amended accordingly.

When we may change your Agreement

- a) We will not usually seek to vary your Agreement during the Agreement Period (in a way not referred to elsewhere in these Terms and Conditions). However, it is possible we may offer you an Agreement upgrade during
- b) the Agreement Period. For example, this may be the case if we make changes to these Terms and Conditions or the Actions.
- c) If we offer you an Agreement upgrade under condition 6.4(b), which we consider to be beneficial to you:
 - (i) we will notify you by publishing details on GOV.UK and by writing to you setting out the details of the Agreement upgrade, including when the updated Agreement will apply from
 - (ii) if you wish to reject the Agreement upgrade and continue with your existing Agreement, you must write to tell us within eight (8) weeks of our notification under condition 6.4(c)(i)
- d) If we offer you an Agreement upgrade under condition 6.4(b) which is not covered by condition 6.4(c):
 - (i) we will notify you in writing setting out the details of the Agreement upgrade
 - (ii) it will be possible for you either to accept the Agreement upgrade or continue with your existing Agreement
- e) There may also be exceptional circumstances (not referred to elsewhere in these Terms and Conditions) where we have to vary your Agreement during
- f) the Agreement Period. We will only do this due to exceptional circumstances, such as:
 - (i) changes in Law which must be reflected in the Agreement;
 - (ii) the need to respond to wider government emergency measures and/or measures imperative to the national interest, for example, disease outbreaks or food security emergencies.
- g) If we vary the Agreement under condition 6.4(e):

- (i) we will notify you in writing and will endeavour to give such notice as is reasonable and proportionate, having regard to the nature of the variation and its consequences for you;
- (ii) any variation to the Agreement will apply from the date we specify in our notice to you; and
- (iii) if the variation to the Agreement under condition 6.4(e) is unacceptable to you, you can terminate your Agreement by notifying us in writing within a reasonable period that we will specify in our notice to you. Condition 15.3(d) will not apply provided you inform us within the period specified by us.

When we may temporarily adjust your Agreement

- a) We may identify factors which may temporarily impact your ability to complete your chosen Actions, meaning you are temporarily unable to comply with your obligations under the Agreement. These factors may include, but are not limited to, adverse weather conditions such as flooding or drought.
- b) If condition 6.5(a) applies, we may make a temporary adjustment to the Actions in the Agreement, with this temporary adjustment only being effective during a time period specified by us.
- c) If we make a temporary adjustment under Condition 6.5(b) we will notify you by publishing details on GOV.UK and will endeavour to give such notice as is reasonable and proportionate. Our notice on GOV.UK will set out:
- (i) the details of the temporary adjustment
- (ii) the time period for when the temporary adjustment applies, including a start date and end date
- (iii) the evidence you must keep if you choose to comply with the temporary adjustment, as described under Condition 6.5(f)
- d) The temporary adjustment under Condition 6.5(b) will cease to apply after the end date specified in our notice under Condition 6.5(c). After that end date, you must complete your chosen Actions to comply with your obligations under the Agreement as if no temporary adjustment had been made.
- e) There is no obligation for you to comply with the temporary adjustment under Condition 6.5(b). You can continue to complete your chosen Actions without complying with the temporary adjustment under Condition 6.5(b).
- f) If you choose to comply with the temporary adjustment under Condition 6.5(b), you must:
- (i) keep Records as set out in Condition 20 to evidence your compliance with Condition 6.5
- (ii) complete and retain a copy of the prescribed form we publish on GOV.UK under Condition 6.5(c)(iii)

Change of Circumstances

What is a Change of Circumstances

A "Change of Circumstances" means something happens within or outside your control that might reasonably be expected to affect:

- a) your eligibility for the Grant;
- b) the Grant you should receive;
- c) your ability to complete the Actions; or
- d) your ability to comply with these Terms and Conditions.

This is explained in the section about 'What happens if you find you cannot comply with your agreement' in the Scheme Rules.

Notifying us of a Change of Circumstances

If condition 7.1 applies, you must notify us in writing as soon as reasonably practicable.

Action we may take when there is a Change of Circumstances

Where you have notified us about a Change of Circumstances, we may take one of the following actions:

- a) amend, remove or replace a condition subject to which the Grant is given either temporarily or permanently, including by varying the area of Agreement Land;
- b) amend, remove or replace the Actions or timescales either temporarily or permanently;
- c) reduce the Grant either temporarily or permanently;
- d) require you to repay some or all of the Grant already paid to you;
- e) terminate the Agreement before the Agreement End Date.

When we will notify you of our decision

We will notify you within a reasonable period of our "Decision" to take any of the actions under condition 7.3 and the reasons for it. At the same time, we will remind you of your rights to request a reconsideration under condition 14.

Transfers of Agreement Land

Transferring Agreement Land to another person or entity

- a) If you sell, lease or otherwise transfer all or part of the Agreement Land to another party or entity (the "Transferee") during the Agreement Period so that you no longer have Management Control over all or part of the Agreement Land we will not usually allow you to transfer your Agreement to the Transferee.
- b) In the case of 8.1(a) you must notify us of your loss of Management Control of all or part of the Agreement Land (as set out in condition 3.3) using the procedure in

- condition 7 (Change of Circumstances).
- c) Where you notify us that there has been a Change of Circumstances under condition 8.1(a), we may agree, at our absolute discretion and in limited circumstances only, that you may transfer the Agreement to the Transferee provided the conditions laid out in regulation 12 of the Regulations are met.

Payments

Frequency of payments

The total annual Grant is divided into four (4) quarterly instalments. The first instalment of the Grant will usually be made in the fourth (4th) month after the Start Date of the Agreement if you have complied with the obligations under the Agreement. This is explained under the section about 'Getting paid for your SFI agreement' the Scheme Rules.

Where payments will be made

We will pay the Grant directly to your bank or building society account that is registered with us via BACS transfer, subject to the necessary funds being available when the payment falls due.

When payments may be delayed, reduced, recovered or withheld

We may delay, reduce, recover or withhold the payment of the Grant in whole or in part if you do not submit the Annual Declaration required under condition 5; and/or you breach your Agreement under condition 12.

Variation of payment rates

- a) As stated in the Scheme Information we do not expect to vary the Grant during the Agreement Period.
- b) However, we reserve the right, under exceptional circumstances not referred to elsewhere in these Terms and Conditions, to vary the Grant during the Agreement Period, in accordance with condition 6.4.

SFI Management Payment

- a) The SFI Management Payment will be paid for each hectare of Agreement Land, up to a maximum of fifty (50) hectares in the "Relevant Agreement":
 - (i) if you have entered one (1) Agreement, this will be the Relevant Agreement
 - (ii) if you have entered more than one (1) Agreement, the Relevant Agreement will be the Agreement with the earliest Agreement Start Date that contains Agreement Land

The section in the Scheme Rules about 'Getting paid for your SFI agreement' explains the value of the SFI Management Payment and how it works.

b) If we take action under condition 7.3 and vary the area of Agreement Land in the Relevant Agreement during the Agreement Period, the SFI Management Payment will be paid on the basis of that varied area of Agreement Land, up to a maximum

of fifty (50) hectares.

Undue payments or overpayments

Undue payments or overpayments

It is your responsibility to check all the payments of the Grant we make to you and to notify us within two (2) weeks of you becoming aware if you have any reason to believe an error has occurred. You must repay any overpayment or payment of the Grant to which you are not entitled (including due to our administrative error).

When a repayment must be made

Any sum that becomes repayable under condition 10.1 will be treated as a debt by you to us and if it is not repaid we may issue a recovery order in respect of it.

Checking you are complying with your Agreement

What we may check

We may check your compliance with the obligations under the Agreement, including that:

- a) you are complying with these Terms and Conditions; and
- b) you have completed what is required in each of your chosen Actions in a way that could reasonably be expected to achieve their aims

How we will check you are complying with your obligations under the Agreement

We will check you are complying with the obligations under the Agreement through a combination of physical and virtual site visits, remote monitoring, and desk-based administrative checks. To help us do this, you must:

- a) for virtual or physical site visits:
 - (i) allow a person authorised by us to carry out site visits and exercise powers of entry under the Regulations ('Authorised Person') access to any Agreement Land, premises, livestock, trees, crops, plants, machinery, equipment, documents or records (or any related apparatus) covered by the Agreement. The Authorised Person may be accompanied by such other persons as they consider necessary; and
 - (ii) provide any assistance reasonably requested by an Authorised Person.
- b) disclose all information or evidence that we may require to verify your continued eligibility for and compliance with the obligations under the Agreement. The section about 'Checking you're complying with your SFI agreement' in the Scheme Rules explains how we will check delivery of your obligations under the Agreement.

How much notice we will give you of a site visit

We will endeavour to agree a suitable date and time for the site visit with you. Where it is not possible to agree a suitable date and time, we will notify you in writing of the purpose of the site visit and the date and time at least forty-eight (48) hours in advance of the site

visit. Regulation 17 of the Regulations allows us to access your land at any reasonable hour without notice if, for example, we have a reasonable suspicion that you have committed a serious breach, fraud or any other related offence.

What we may do during a site visit

Regulation 18 of the Regulations explains what an Authorised Person can do during a site visit.

A breach of your Agreement

What happens if we suspect there may have been a breach of your Agreement

- a) Where we reasonably suspect you have breached the Agreement, we will carry out a proportionate investigation. We explain what happens if we suspect a breach of the Agreement in the section about 'What happens if there's been a suspected breach' in the Scheme Rules.
- b) If we reasonably suspect you have breached the Agreement, we may withhold
- c) the Grant until such investigation is concluded, however we will not usually do this.
- d) We will inform you of the outcome of the investigation carried out under condition 12.1(a) within a reasonable period.

How you could breach your Agreement

After we carry out a proportionate investigation, we may make a "Determination" that you have breached the Agreement if any of the following applies:

- a) you have not notified us of a Change of Circumstances under condition 7;
- b) you have, at any time, given us false or misleading information;
- c) you have used the Grant for a purpose that is not in accordance with the Agreement;
- d) you have used the Grant for activities that breach any Law with which you are required to comply;
- e) you have failed to comply with the terms of your Agreement;
- f) you have breached any requirement to which you are subject under the Agriculture (Financial Assistance) Regulations 2021;
- g) you have failed to provide information, records or evidence required under condition 20:
- h) you have prevented an Authorised Person from carrying out a virtual or physical site visit of the Agreement Land;
- i) you have refused to provide assistance reasonably requested by an Authorised Person carrying out a virtual or physical site visit of the Agreement Land;
- j) you have otherwise obstructed a virtual or physical site visit of the Agreement Land;

k) you have failed to prevent or report actual or anticipated fraud or corruption in relation to the Grant.

A breach caused by your employees or agents

The circumstances described in condition 12.2(b) to condition 12.2(j) apply, where appropriate, to any action taken by your employees or agents.

What happens if we determine there has been a breach

If we make a Determination that you have breached the Agreement, we will write to inform you of this within a reasonable period. We will give you the reasons for this Determination. We will then decide what action needs to be taken, if any. We explain what happens if we determine you have breached the Agreement in the section about 'What happens if we confirm there's been a breach' in the Scheme Rules. You may respond to any Determination in accordance with condition 14.

Actions we may take if you breach your Agreement

- a) There are no set actions for particular breaches of the Agreement, and we will assess all the circumstances of a breach in a fair and consistent manner, on a case-by-case basis and take the action(s) we think is/are appropriate. This is explained in the section about 'What action we may take when there's a breach' in the Scheme Rules.
- b) If we make a Determination that you have breached the Agreement, we may take any of the following actions:
 - (i) issue you with a warning letter;
 - (ii) amend, remove or replace a condition subject to which the Grant is given either temporarily or permanently;
 - (iii) amend, remove or replace the Actions or timescales either temporarily or permanently;
 - (iv) allow you to rectify the breach;
 - (v) delay, reduce, recover or withhold payment or require repayment of all or part of the Grant;
 - (vi) terminate the Agreement before the Agreement End Date; or
 - (vii) prohibit you from receiving financial assistance from other financial assistance schemes under the Agriculture Act 2020 for a period of up to two (2) years from the day after we notify you of the Determination on the breach.

Repayment if there has been a breach

If we require you to repay all or part of the Grant under condition 12.5, then you must do so within sixty (60) days of the date of our demand for repayment. If you fail to repay the requested amount within sixty (60) days of our demand, then that sum will be recoverable as a civil debt with interest. Our right to recover under condition 12.5 extends to the whole of the Grant paid to you in the Agreement Year or Agreement Years to which

Good reasons for a breach

What are good reasons for a breach

We understand that there may be circumstances (a "Good Reason") where you are in breach of the obligations under the Agreement because of events outside of your control.

- a) Good reasons for a breach of the Agreement include, but are not limited to:
 - (i) natural events, such as prolonged adverse weather conditions, flooding, or animal or plant disease
 - (ii) if you are seriously ill
 - (iii) if you die
 - (iv) if there is unforeseen loss of Management Control of the Agreement Land, for example when a tenancy is terminated, or because of the compulsory purchase of land by a third party
 - (v) financial circumstances, such as bankruptcy
 - (vi) evidenced supply chain problems, such as a lack of soil testing capacity
 - (vii) criminal damage by a third party, such as arson or vandalism
- b) We explain what good reasons for a breach could include in the section about 'Good reasons for a breach' in the Scheme Rules.

Notifying us about a good reason for a breach

- a) If condition 13.1 applies, you (or any person authorised to act for you) must notify us in writing to explain the Good Reason. If the Good Reason relates to a breach of the Agreement under condition 12.2(h), condition 12.2(i) or condition 12.2(j), you must notify us in writing immediately.
- b) In all other cases, you must notify us in writing within eight (8) weeks from:
 - (i) the date you are able to; or
 - (ii) the date we notify you of the Determination on the breach of the Agreement.

Reconsideration of Decisions and Determinations

How to ask us to reconsider a Decision or Determination

If you would like us to reconsider any Decision (for a Change of Circumstances under condition 7) or Determination (for a breach of the Agreement under condition 12) that we have made, you should use our complaints procedure to ask for it to be reconsidered.

When to ask us to reconsider a Decision or Determination

You must ask us to reconsider any Decision or Determination within sixty (60) calendar days of the date you are notified about our Decision or Determination.

How we will reconsider a Decision or Determination

We will consider your request to reconsider our Decision or Determination carefully, including any information or evidence you have provided to us. We will confirm the outcome of our reconsideration, with reasons, in writing within a reasonable period.

How to appeal the outcome of a reconsideration

You may appeal the outcome of our reconsideration of our Decision or Determination within sixty (60) calendar days of the date you are notified of that outcome where you believe the outcome of our reconsideration:

- (a) was based on an error of fact;
- (b) was wrong in Law; or
- (c) there has been a material procedural error.

When we will confirm the outcome of your appeal

We will confirm the outcome of your appeal under condition 14.4 within a reasonable period in writing explaining the reasons for this outcome, and this will be our final determination.

Termination of an Agreement

When we may terminate your Agreement

We may terminate the Agreement before the Agreement End Date on written notice to you:

- a) if there has been a Change of Circumstances under condition 7 meaning you are no longer eligible to receive the Grant;
- b) if you have breached the Agreement under condition 12;
- c) if you have not repaid to us a sum that has become recoverable under condition 12 or condition 10; and
- d) at any time on at least six (6) months' written notice to you.

What happens if we terminate your Agreement

- a) Where we terminate the Agreement under condition 15.1(a) or 15.1(b), you may be required to repay some or all of the Grant already paid to you.
- b) Where we terminate the Agreement under condition 15.1(d), you will be able to keep the Grant already paid to you, provided you are not in breach of
- c) the Agreement.

What happens if you want to terminate your Agreement

- a) We will not usually allow you to terminate your Agreement before the Agreement End Date.
- b) If you want to terminate your Agreement before the Agreement End Date, you must write to us to request this and explain (providing supporting evidence) why you wish to do so.
- c) We will consider requests under condition 15.3 on a case-by-case basis and may allow the request if there is a Change of Circumstances (condition 7). We will inform you of our decision within a reasonable time period.

- d) If we agree to terminate your Agreement before the Agreement End Date, you may be required to repay all or part of the Grant for the relevant Agreement Year or Agreement Years, and you will remain bound by the relevant obligations under the Agreement until you make this repayment.
- e) Condition 15.3(d) does not apply to condition 6.4.

 This Agreement will terminate in the event of your death if you have entered this Agreement in your own name as an individual.

Consequences of expiry or termination of your Agreement

- a) If we or you terminate the Agreement, or the Agreement expires on the Agreement End Date, this will not affect the rights, remedies, obligations or liabilities that either of us have accrued up to the point of termination or the Agreement End Date.
- b) Termination or expiry of the Agreement will not affect our or your continuing rights and obligations under any condition in the Agreement which is intended to continue beyond the Agreement Period.

Intellectual property rights

We don't anticipate that any new intellectual property rights will be created as part of these arrangements but if any intellectual property rights are created (for example in assessments, plans and data generated in relation to this Agreement) then this will be owned by the party who created it. We may need to use any intellectual property created by you for the purposes of the Agreement and you hereby grant us a perpetual, non-exclusive, royalty free licence to do so for use in connection with the Agreement.

Data protection

We and you must always comply with our respective obligations under "Data Protection Legislation". We may be required to provide personal information to Defra. We also are required by law to publish certain information about you, this is described in condition 21. Data Protection Legislation means (a) the UK GDPR, (b) the Data Protection Act 2018 to the extent that it relates to processing of personal data and privacy and (c) all applicable Law about the processing of personal data and privacy.

For information on how we handle personal data search for 'Rural Payments Agency Personal Information Charter' and our Privacy Policy on GOV.UK.

Freedom of information

- a) You acknowledge that we are subject to the requirements of the Freedom of Information Act 2000 ("FOIA") and the Environmental Information Regulations 2004 ("EIR").
- b) We may need to share information we hold about you or the Agreement so we or Defra can comply with any FOIA and EIR request. The extent, content and

format of the information we disclose is our decision. In making any disclosure, we will have due regard to Data Protection Legislation.

c) You will provide all necessary assistance and cooperation which we or Defra reasonably request for the purposes of complying with our obligations under FOIA and EIR within a time period specified by us. You must tell us as soon as reasonably practicable if you receive a FOIA or EIR request intended for us or Defra.

What accounts and records you must keep

- a. You must keep all invoices, receipts, accounts and any other relevant documents relating directly to the expenditure of the Grant and evidence of your compliance with your obligations under the Agreement ("Records"). The Records include evidence you must keep as explained in each Action.
- b. You must keep your Records for a period of at least seven (7) years from termination of the Agreement or the Agreement End Date.
- c. You must prepare and keep your Records in compliance with Law and must provide assistance to us when we are auditing or examining these so as to help us carry out our legal obligations.
- d. We have the right to:
 - i. request you to provide your Records to usreview your Records
 - ii. take copies of such Records.
- e. You must provide your Records to us upon request. In addition, you shall provide the Records to any other duly authorised public authority (or their authorised representatives or auditors) upon request.

What information we may publish about you

- a. We are required by Law to publish certain specified information about agreement holders who have received relevant Grant payments.
- b. Condition 21.1 only applies if you have received a total value of relevant payments (as defined in the Regulations) equal to or more than £1,250 in the relevant financial year.
- c. The specified information shall:
 - i. be published on a searchable database on GOV.UK; and
 - ii. remain on that searchable database for three (3) years from initial publication.

- d. If condition 21.1 applies to your Grant, we will publish the following specified information:
 - i. your full name;
 - ii. the post town, and post code and district where:
 - iii. you are resident, if you are a natural person;
 - iv. your registered office is located, if you are incorporated (for example, a company); or
 - v. your primary base of business is located, if you are unincorporated (for example, a sole trader).
 - vi. the total Grant payments received by you in the relevant financial year; and
 - vii. a description of the activities financed by the Grant payments.

Other Terms

We may transfer the Agreement to another public organisation

We may transfer our rights and obligations to another Government body. We will tell you in writing if this happens and we will ensure that the transfer will not affect your rights under the Agreement.

Third party rights under this Agreement

The Agreement is between you and us. No other person shall have any rights to enforce any of its terms, however, the terms of the Agreement and our rights under it may be enforced by Defra.

If a court finds part of the Agreement illegal, the rest will continue in force

Each of the conditions of these Terms and Conditions operates separately. If any court or relevant authority decides that any of them are unlawful, the remaining conditions will remain in full force and effect.

Even if we delay in enforcing the Agreement, we can still enforce it later

If we do not insist immediately that you do anything you are required to do under the Agreement, or if we delay in taking steps against you in respect of you breaching the Agreement, that will not mean that you do not have to meet your obligations under this Agreement and it will not prevent us taking actions against you, as described in these Terms and Conditions, at a later date.

Which laws apply to this Agreement and where you may bring legal proceedings

The Agreement is governed by English law and you can only bring legal proceedings in respect of this Agreement in the English courts.

Definition of terms used in the SFI agreement terms and conditions

Capitalised terms used in these Terms and Conditions have specific meanings which are described below:

Actions: The SFI actions you have chosen.

Agreement: The SFI agreement consisting of the Agreement Document, these Terms and Conditions, and the Actions you have chosen.

Agreement Document: The document accompanying these Terms and Conditions, which describes the Grant to be paid to you for delivering the chosen Action(s) you have selected.

Agreement End date: The date the Agreement comes to an end, as shown in your Agreement Document.

Agreement Land: The land parcels described in the Agreement Document.

Agreement Period: A period of three (3) years from the Agreement Start Date to the Agreement End Date.

Agreement Start Date: The date the Agreement commences, as shown in your Agreement Document.

Agreement Year: Each subsequent 12-month period following the Agreement Start Date.

Annual Declaration: A declaration confirming that you have complied, or expect to have complied, with your obligations under the Agreement for the relevant Agreement Year.

Authorised Person: A person authorised by us to carry out site visits and exercise powers of entry under the Regulations.

Change of Circumstances: Means something happens within or outside your control that might reasonably be expected to affect:your eligibility for the Grant;

- (a) the Grant you should receive;
- (b) your ability to complete the Actions; or
- (c) your ability to comply with these Terms and Conditions.

Common Land: As defined in the section of the Scheme Rules on 'Eligibility of commons and shared grazing for an SFI agreement'.

Data Protection Legislation: This means:

- (a) the UK GDPR;
- (b) the Data Protection Act 2018 to the extent that it relates to processing of personal data and privacy;
- (c) all applicable Law about the processing of personal data and privacy.

Decision: Our decision following notification to us of a Change of Circumstances.

Defra: Department for Environment, Food and Rural Affairs.

Determination: Our determination following a breach by you of the Agreement.

Due Date: The date by which you must submit your Annual Declaration.

EIR: Environmental Information Regulations 2004.

FOIA: Freedom of Information Act 2000.

Grant: The sum to be paid to you for delivering the Actions, as described in the Agreement

Document.

Law: Any law, statute, subordinate legislation within the meaning of Section 21(1) of the Interpretation Act 1978, bye-law, right within the meaning of Section 4(1) EU Withdrawal Act 2018 as amended by EU (Withdrawal Agreement) Act 2020, regulation, order, regulatory policy, mandatory guidance or code of practice, judgement of a relevant court of law, or directives or requirements of any regulatory body with which you are required to complete comply.

Management Control: Having sufficient control over how the Agreement Land is managed to complete the Actions you have chosen for the duration of the Agreement Period.

Regulations: The Agriculture (Financial Assistance) Regulations 2021, as amended.

Scheme Information: Information we have published on GOV.UK in relation to SFI, which includes:

- (a) the Actions;
- (b) the Scheme Rules; and
- (c) other scheme information and guidance which is there to help you, but you do not have to follow.

Scheme Rules: Rules in the Scheme Information that further explain the mandatory requirements of your Agreement.

SFI: Sustainable Farming Incentive.

SFI Management Payment: An amount to be paid to you for entering into and implementing your SFI agreement.

Shared Grazing: As defined in the section of the Scheme Rules on 'Eligibility of commons and shared grazing for an SFI agreement'.

UK GDPR: The retained EU law version of the General Data Protection Regulation (Regulation (EU) 2016/679), as transferred into UK Law by the Data Protection, Privacy and Electronic Communications (Amendments etc) (EU Exit (Regulations (SI 419/2019) and any applicable national implementing Laws as amended from time to time. Section 7: Annexes - further guidance to help you

Annex A: How to take photographic evidence for SFI actions

If you choose to use photographic evidence to show what you've done to complete an SFI action, you may find it helpful to read this voluntary guidance which includes advice on how you could do this.

The photographs can be digital or paper, in portrait or landscape orientation

Photographic evidence quality

When taking photographs, they need to be in focus and clearly show the relevant SFI action.

Digital images should not be smaller than 600 x 400 pixels and ideally the image file size no larger than 400 KB. Printed photographs should be no smaller than 15 cm x 10 cm.

Where possible, include a significant feature to provide authenticity, for example, ditch, fence, farm building, road, telegraph pole.

It would be helpful if you can use a copy of a map showing the land to mark:

- an 'X' for the location the photograph was taken
- an arrow to show the direction from which the photograph was taken

Take photographs consistently from the same location to show how you've done the SFI action on an area of land or hedgerows.

Labelling photographs

Label each photograph with:

- the Ordnance Survey (OS) map sheet reference and National Grid reference for the land parcel - for example, SY1234 5678 - you can find this information on your digital maps in the Rural Payments service
- the SFI action code, such as SAM2
- the image number if you take more than one photograph of the same SFI action

The OS map sheet reference and National Grid reference should relate to the land parcel where you're doing the SFI action. For example, XX1234 5678_SAM2_image1.

Save digital photographs using the label outlined above. They should have an automatic date stamp.

If you're using printed photographs, write the label on the back of the photograph and include the date it was taken, the agreement holder's name and the SBI.Annex B: What to expect from a site visit to check you're complying with your SFI agreement

Find out what to expect from a site visit carried out by an RPA field officer to check you're complying with your SFI agreement.

The role of an RPA field officer

RPA field officers may carry out site visits for some SFI agreement holders each year. This is to check:

- you're complying with your SFI agreement's terms and conditions, so that we can demonstrate that the public money we spend has resulted in the intended actions
- you've done what's required in each SFI action you've chosen in a way that could reasonably be expected to achieve its aim

Their role is to:

• provide you with advice and guidance to help you achieve better outcomes from your

SFI agreement

- help you to comply with the requirements of your agreement
- respond in cases where there are serious breaches, to protect the overall integrity of the scheme

Read the information about checking you're complying with your SFI agreement (section 5.3) to find out more about how much notice you'll get of a site visit.

How to prepare for a site visit

To get prepared for a site visit, make sure you have:

- your agreement document
- records to show how you've completed each SFI action in your SFI agreement
- receipts, invoices or other supporting information together and sorted by date

Having this information to hand will save time during the site visit.

Read the details of the SFI actions (section 2) to find out what evidence to keep for each SFI action.

What happens during a site visit

At a site visit, the RPA field officer will:

- confirm the SFI agreement they need to check
- discuss a schedule for the visit and tell you how long it's likely to take
- explain what they need to check
- discuss with you what evidence they may need to see

The RPA field officer will check:

- you've completed the SFI actions in your SFI agreement and that you've done them
 in a way that could reasonably be expected to meet each action's aim
- the details and location of any rotational SFI actions
- records, invoices and other evidence, as relevant
- if there are any changes to the registered land details on your digital maps, including land cover and permanent boundaries
- the mandatory scheme requirements as set out in this SFI handbook are being met

Checking the SFI actions have been completed

To check you've completed the SFI actions in your SFI agreement, the RPA field officer will:

- walk the land that's in your SFI agreement
- record observations
- take photographs to support their observations
- take measurements of the areas in the SFI actions and any changes to the registered land details on your digital maps using GPS devices or a tape measure

They will discuss their measurements with you either:

- there and then if you're accompanying them
- at the end of their visit, during the review of their observations

What happens when the site visit is completed

When the RPA field officer has completed their site visit, they'll discuss their findings with you. This will either happen at the end of their visit or they'll arrange a convenient time with you to have a telephone call.

It's important that you have this conversation with them as they'll explain:

- any differences between what's required under your SFI agreement and what they found during the site visit
- if the registered land details on your digital maps need to be updated, such as changes to permanent boundaries

If you're concerned about what the RPA field officer has found during their site visit:

- they may be able to go back to the area of land and explain their observations
- you then have the opportunity to discuss the findings
- this can be recorded on the site visit report form

Once the RPA field officer has discussed what they've found with you, they'll provide guidance, support and sign posting to more information to help you, where required. This does not mean that they'll ignore breaches of your SFI agreement.

Follow up visit

An RPA field officer may visit again to check seasonal SFI actions that could not be seen during their first site visit.RPA field officer's report

We'll send you a copy of the field officer's report once they've completed any checks and updates to the registered land details on your digital maps have been completed.

Confirming the outcome of the site visit

We'll assess the field officer's report on the site visit and write to you to confirm the outcome. This may include:

- encouraging you to adopt different management activities to help meet your SFI agreement's requirements
- a reduction to your payment
- an amendment to your SFI agreement

You should not try to draw conclusions about the possible outcome of the site visit before you receive written confirmation from us.

We aim to complete our assessment as quickly as possible so we can pay you for the affected agreement year. We may need to reduce your payment or recover money already paid to you. If this is the case, we'll explain the reasons for reducing or recovering

payments. Annex C: Glossary of terms used in this SFI handbook

Find out what technical terms used in this SFI handbook mean.

Change of circumstances

Something that happens for reasons within or outside your control which means you cannot do what's required under your SFI agreement.

Financial assistance schemes

Schemes for giving financial assistance under section 1 of the Agriculture Act 2020.

Land cover

Land cover describes what broad category the land is. It's shown on digital maps in the Rural Payments service. There are 3 agricultural land covers – arable, permanent grassland and permanent crops. There are also a number of non-agricultural land covers, such as farmyards and woodland.

Land type

Land type describes what the land is used for, such as different types of permanent grassland and permanent crops.

Land use code

A land use code is usually declared for the purposes of a BPS application. It describes what the broad land cover category registered on your digital maps is being used for. For example, PG01 (permanent grassland).

Moorland line

The moorland lines encloses land in England that's been defined as predominantly seminatural upland vegetation, or predominantly of rock outcrops and semi-natural vegetation, used primarily for rough grazing. You can check <u>MAGIC</u> to find out if your land is above the moorland line.

Rotational actions

SFI actions which can be moved around your land each year of your 3-year SFI agreement.

Severely Disadvantaged Area (SDA)

These are areas of land which are part of the Less Favoured Areas (LFAs). LFAs are areas where the natural characteristics (such as geology, altitude and climate) make farming the land difficult. LFAs include SDAs and Disadvantaged Areas. You can check MAGIC to find out if your land is in an SDA. Single Business Identifier (SBI)

A unique 9-digit number given to a farmer or business that's involved in an agricultural

activity. Your SBI can be found in most correspondence from the RPA or by signing into the Rural Payments service and looking at your 'business details'.

SFI available area

The area of land we automatically calculate may be eligible for each area based SFI action you choose in your SFI application. There are some SFI actions which can only be done on the total SFI available area and other SFI actions which can be done on either the total area or part of it. Each SFI action explains this (see section 2, under 'Where you can do the action'). Read section 4.1.2 to find out more about 'SFI available area'.

Static actions

SFI actions you can only do on the same area of land each year of your 3-year SFI agreement.

Contact the RPA about SFI

Find out how to contact the RPA about SFI.

Ask a question about SFI

If you have a general question about SFI, contact us by:

- email: <u>ruralpayments@defra.gov.uk</u> use 'SFI' in the subject header and include your Single Business Identifier (SBI)
- telephone: 03000 200 301 Monday to Friday from 8.30am to 5pm, except bank holidays
- post: PO Box 352, Workshop, S80 9FG

How to submit a query about your SFI application, agreement or payment

You can use the Rural Payments service to raise a query about your SFI application, agreement or payment. Sign in to the Rural Payments service and select 'Create or view a query' to raise a new query.

Alternatively, use the SFI query form to:

- send us further evidence or information about a query you've already raised
- disagree with a letter or email you've received from us about your SFI application, agreement or payment
- disagree with our decision about your SFI application, agreement or payment

For gueries about the SFI pilot, use the SFI pilot guery form.

To submit your completed SFI query form to us, click the 'email form' button at the end of the form. You'll only be able to do this if you:

- open the form in a PDF reader, such as Acrobat Reader
- download and save the form to your computer

For multiple queries, submit one form for each query and send them separately.

After you've submitted your SFI query form, we'll contact you to either:

- explain what action we have taken as a result of your query
- tell you that we do not need to take further action and explain why

How to make a complaint about SFI or appeal a decision

Follow the <u>RPA complaints procedure</u> if you need to make a complaint or appeal about a decision we've made about your SFI application, agreement or payment.