Rural Payments Agency

Growing Environmentally and Economically Sustainable Businesses, Together

Annual Report and Accounts 2024–25

HC 1121

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Rural Payments Agency
Annual Report and Accounts 2024–25

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Interim Chief Executive and Accounting Officer's statement

Neil Hornby
Interim Chief Executive and Accounting Officer

11 July 2025

I am delighted to join and lead the Rural Payments Agency (RPA) on an interim basis while a permanent recruitment campaign is undertaken. I look forward to working with the RPA Executive Team, its people and colleagues across the Defra group, as we collaborate to deliver economic and environmental outcomes for the country.

I would like to extend my sincere thanks to Paul Caldwell, who stepped down as CEO of the RPA in June 2025 after eight years of dedicated leadership. Paul guided the agency through some of the most significant periods in its history, including the transition from EU-funded schemes to domestic agricultural policy following the UK's departure from the European Union.

2024-25 has brought both challenges and opportunities for the RPA. A wide range of schemes and grants have been delivered, many under resource constraints and IT limitations. Despite these pressures, thanks to the dedication of RPA and Defra group colleagues, over 50,000 farm businesses are now participating in our Environmental Land Management (ELM) schemes, collectively overseeing the sustainable management of more than half of England's agricultural land.

In 2024, the Sustainable Farming Incentive (SFI) 24 was launched, which brought together actions from previous SFI iterations

and Countryside Stewardship Mid-Tier into a single, streamlined offer. This introduced 102 actions, giving farmers and landowners the flexibility to choose options best suited to their land and farming practices. The agency worked collaboratively with its partners and drew on extensive experience from previous schemes to ensure successful delivery. Following the decision to close the SFI 24, we continue to work closely with colleagues across Defra group on a reformed offer.

In addition to ELM schemes, the RPA has successfully launched a range of grants to help rural businesses boost productivity, sustainability, and animal welfare through investments in technology, equipment, and infrastructure.

In May 2024, the Management of Hedgerows (England) Regulations were established and the RPA appointed as the Regulator, further demonstrating our ability to take on roles beyond our traditional remit. Customer and stakeholder feedback was instrumental in helping strike the right balance in the regulatory approach to protect hedgerows on agricultural land while maintaining a supportive, advice-led relationship with customers.

Improving the experience of farmers and landowners remains central to the RPA's ambitions. We place a strong emphasis on understanding the challenges they face and how customers prefer to engage with the agency. Insights gained through various channels, including dedicated farmer insight groups and our customer satisfaction survey, inform improvements in how the agency delivers its services and engages with its customers. This insight is also shared with colleagues in Defra to support the development of future policy.

It has been another busy and demanding year for RPA colleagues, I would like to thank them for their expertise, professionalism and dedication in delivering a great service to all our customers.

Performance report

Highlights of the year
Our people
Performance overview
Performance analysis

Highlights of the year

RPA's year in numbers

£5.3m
paid by School Milk Subsidy Scheme – over 13,500 schools provided with subsidised milk, yoghurt and yoghurt products

99.8%
of cattle passports for valid applications and online were issued within 5 working days

6,878
farm visits undertaken by our field officers

12,081
livestock farmers applied for agreements worth £4.6 million for a vet to visit their farm for an Animal Health and Welfare review

572
Farming Equipment and Technology Fund slurry projects were offered funding worth £8 million

2.7m
land parcels held on our Land Management System

10
MP Roundtables – with over 230 attendees

37
agricultural shows and events – spoke to over 1,600 customers

10
colleagues completed the Beyond Boundaries cross-government programme

60
years of Eden Bridge House office, Carlisle

140
Ambassadors – 98 attended 73 different events to support

725
RPA feedback panel members

12
staff career insight sessions with Skills Builder

70
meetings with over 30 key industry and environment stakeholders

Rural Land Changes Service

We are always looking at ways we can improve our services for our customers. A great example of this is the improvements we have made to the Rural Land Change service, which was introduced in 2023. In July 2024, all new customers were able to register new land on their first visit to the Rural Land Change service. This enables them to link land to their Single Business Identifier (SBI) and on all subsequent visits they have the full range of options available to them.

Given the level of interest in the service, with over 90% of customers now submitting their land changes using the service, we took the decision to remove the electronic RLE1 form. Customers however can still submit a paper RLE1 form, and this route will remain in place, alongside the online service.

Submissions can be completed quickly, at any time of the day to suit the customer's needs and the service has significantly reduced the length of time it takes us to action mapping requests from customers.

By using a more efficient digital option for farmers to tell us about land changes, we are reducing the amount of incoming paper mail, which brings us closer to achieving our Net Zero targets. It also reduces the costs we spend on external printing and scanning and supports our ambition to move to a 'digital by default' way of working and a robust future delivery.

All changes and improvements were following discussions and feedback panels with farmers and land managers, demonstrating our successful partnership approach.

Improving our Knowledge Management System

The Knowledge Management System is a library of short articles used by teams such as our Customer Service Centre (CSC) to help them deal with customer queries at the first point of contact. The articles cover all scheme and non-scheme related queries and are there for everyone to use.

We have been working to redefine the system, creating a more user-friendly knowledge management system by correctly managing and maintaining information and correctly tagging articles with the right categories. This new way of working gives our people easy access to accurate and relevant information, reducing errors and enhancing the productivity of our teams. Training sessions have also been rolled out to all colleagues, to ensure they are confident using the new system in their roles. It may sound like a small change, but it has had a huge impact on the way the CSC functions, meaning our customers receive clear, consistent advice.

Proactive Mapping process

Proactive Mapping, formerly known as Proactive Land Change Detection or PLCD, is a mapping exercise designed to keep our Rural Land Register up to date by ensuring we have checked the mapping of the land parcel boundaries and land cover types at least once every three years. This is crucial for our land-based schemes, to make sure accurate payments are made to our customers, and also for the wide range of Rural Land Register users across the Defra group.

Proactive Mapping takes place if we haven't checked that a land parcel's boundaries and land covers are correct in the past three years, and we also have recent aerial photography available. We run monthly checks against our land data to identify which land parcels require a Proactive Mapping check, and our digitising teams will then establish whether the mapping is correct against the recent aerial photography.

Proactive Mapping checks were previously conducted over winter months in line with the Basic Payment Scheme (BPS) payment cycle. Proactive Mapping will now occur all year round to align with the requirements of Sustainable Farming Incentive (SFI), Countryside Stewardship (CS) and Environmental Stewardship (ES). This means Proactive Mapping will take place at the best possible time for each agreement.

- CS and ES: January to June, so there is plenty of time to make any adjustments to the agreements before payments are made.
- SFI: During the first four months of the second and third years of the agreements, due to rolling applications.
- Where a land parcel is under more than one agreement with multiple start dates, we have a process designed to select the best possible time to undertake Proactive Mapping.

Charlotte Inman, Director of Data, Insights and Outcomes explains what this means for RPA, Defra group and our customers:

"Having up-to-date land data is crucial for delivering schemes and as a foundational dataset that is used across Defra group.

Our RPA Geospatial Services team has done a fantastic job working with colleagues from across the agency to find an innovative solution to embed a year-round approach to updating our land data. With the input from across the wider agency, we are confident in piloting this new approach that will benefit RPA people and our customers."

There will also be a renewed focus on mapping quality to ensure that only significant mapping adjustments are made, which should reduce the overall number of mapping changes and customers will be able to understand why we have made them. We have amended our mapping rules to make sure checks are made at set mapping scales preventing the need to zoom in to detect minor changes and ambiguous changes are verified with customers before we make them.

Hedgerows – A new approach

On 23 May 2024, RPA became the regulator for hedgerow management on behalf of the Secretary of State for Defra.

The Management of Hedgerows (England) Regulations 2024, which came into effect on that day, aim to protect hedgerows on agricultural land as these are important ecological building blocks across our landscapes. Hedgerows provide habitat, act as wildlife cover and slow soil erosion and water run-off. As well as protecting wildlife like birds during nesting and rearing season, they also support crop pollinators and sequester carbon.

RPA and Defra policy colleagues have worked together throughout the development of the much-supported regulations to ensure they are implementable. We were ready from the first day the regulations came into effect, supporting customers and providing guidance including publications on GOV.UK.

We established a regulatory approach aligned to our values by supporting our customers, engaging with stakeholders and acting as a modern regulator, ensuring we are open and fair with those we regulate, in line with the RPA Regulators' Code. We published statutory guidance in February 2025, which sets out a regulatory principle that prevention is better than cure. RPA will work with and support those we regulate to comply by using an outcome focused approach, delivering an end-to-end framework providing a solid foundation and consistent approach for the protection of hedgerows on agricultural land across the country.

One Big Thing – Innovation

One Big Thing is an annual initiative where all civil servants take part in a shared endeavour. The theme for the 2024 campaign was Innovation: “One Big Thing starts with One Small Change”.

RPA really got into the swing of One Big Thing this year, with 1,812 colleagues completing the Innovation Masterclass. There was, and still is, a lot of significant change happening in the agency as many of the ideas and innovations are taken forwards.

RPA Podcast

Our informative RPA Podcast continued this year, helping farmers, land managers and rural communities keep up to date on developments at the agency. Subject experts offered insights, support and guidance on new developments, schemes, grants and the agricultural transition. We also shone a spotlight on our senior leaders and the ways they are working to improve customer service.

Field officer farm visits

The RPA carries out visits for regulatory purposes, but we also aim to support farmers by offering advice and guidance to help improve compliance with standards and scheme requirements.

In February 2025, we launched our first 'What to expect from an RPA farm visit' video, which provided farmers with essential information about sheep and goat identification visits and how to effectively prepare for them.

The video is intended to form part of our broader approach to support farmers in meeting their regulatory obligations.

Livestock visits are a legal requirement and may be conducted with up to 48 hours' notice. In the video, one of our Field Officers, Ben Hastings, goes through the stages of a sheep and goat visit covering (amongst other things) records checks, biosecurity protocols, a sample ear tag check of 60 animals and births/identifications/deaths.

Once a visit is complete, the Field Officer discusses their findings with the farmer, and gives guidance on how to correct any errors, where necessary. After the visit, the farmer is sent a copy of the report form completed by the Field Officer, which will detail the whole visit including any guidance provided.

Ben said,

"I am very passionate about supporting our customers and for many years, I have advocated the advice and guidance approach. As a farmer myself, I knew how much the industry would appreciate a helpful video like this, which would help livestock keepers prepare and be ready for such a visit, given the worries and stress these visits can sometimes bring.

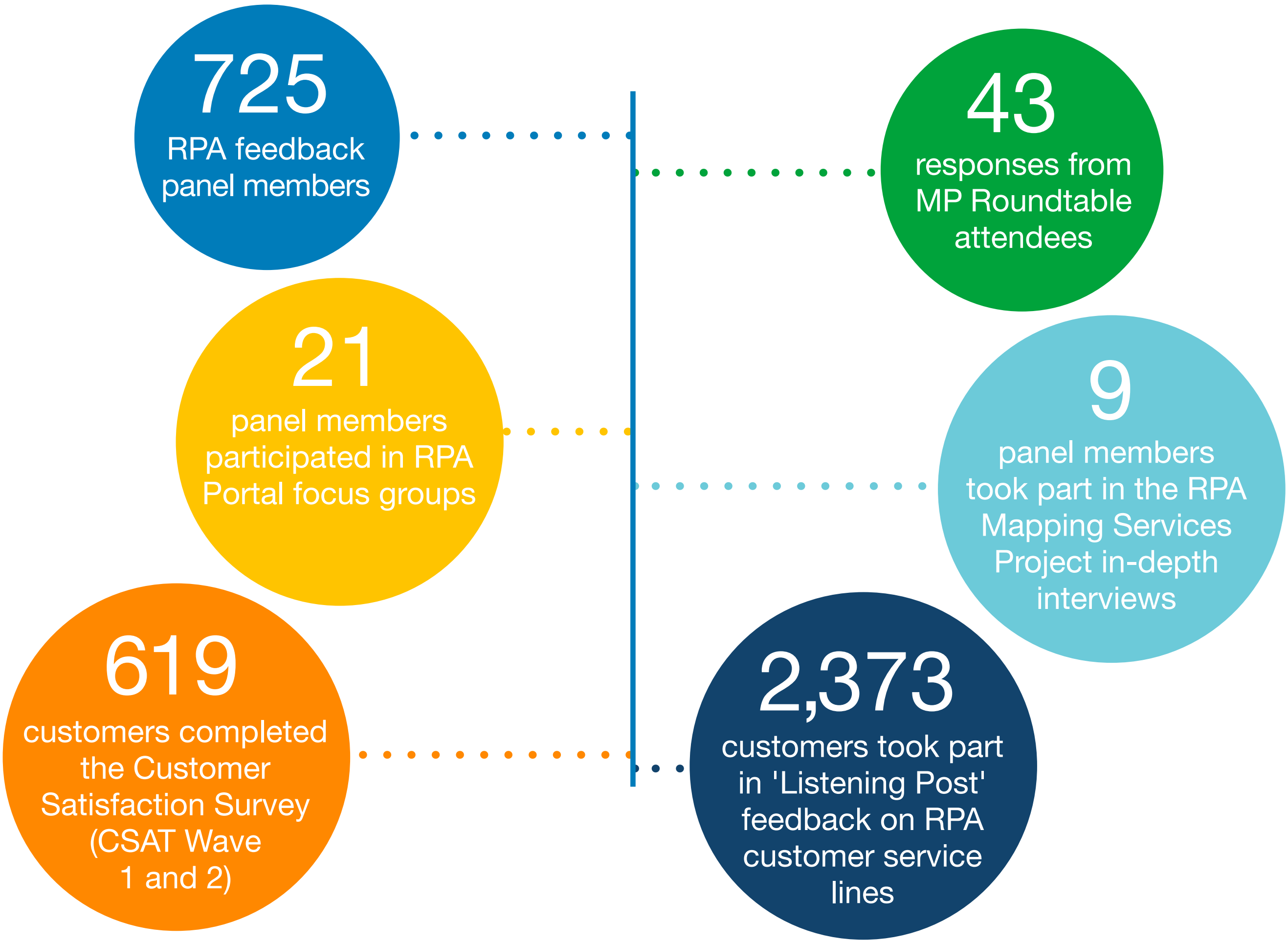
Livestock keepers and farmers in general are going through a very uncertain time, and I was keen to deliver some positive messages, offering clear simple advice and guidance to help them comply with legislation.

I tried to demonstrate how our Field Officers should conduct themselves under the new advice and guidance approach – being professional, helpful, engaging and understanding, I feel this approach helps build trust and good rapport with our customers. We've received great feedback on the video with positive messages from keepers, stakeholders and industry. It will be used to train newly recruited Field Officers, who can also signpost farmers to the video when they announce a visit."

RPA Feedback

We are constantly striving to enhance our services, and feedback plays a crucial role in that journey. By actively seeking input from our customers, we gain valuable insights into what works well and what needs improvement. We have the RPA Feedback Panel, consisting of 725 members, which has continued to provide us with meaningful perspectives to improve and deliver RPA and Defra schemes and services.

As well as the panel, we also gather feedback from other areas like our customer service lines, surveys after events such as the MP Roundtables and bespoke focus groups about specific schemes or services.



MP engagement

Our MP engagement activities continued this year with lots of interactions with MPs up and down the country. There was a record 335 new MPs entering Parliament in July 2024, so we took the opportunity to contact all MPs in England to highlight the services we provide to farmers and rural businesses in their constituencies.

Roundtables

Our MP Roundtables were a highlight of the year, once again creating a joined-up approach with colleagues from Defra group. We organised and attended 10 Roundtables, covering various counties such as Cumbria, Norfolk and Kent. They were very well received with excellent feedback from both the MPs and the farmers that attended.

Much of the discussions were centred around food production and security, the level of funding available to farming and the support available to specific sectors such as young farmers and tenant farmers. In respect of RPA delivery, hot topics were around the Sustainable Farming Incentive (SFI), new payment rates announced, and recent improvements made to our mapping and field visits.

Sandy Kapila, Head of Ministerial, Parliamentary and Public Affairs presented at all the Roundtables this year. He said,

“We have continued with our parliamentary outreach programme, building on the successes of 2023-24. This has continued to highlight the importance of engaging with MPs and their constituents; hearing directly from farmers and rural businesses about their experiences of their interactions with us; and to learn how we can do things differently. I am very grateful for those that spared their valuable time to listen and ask questions.”

MP office visits

As part of our engagement activities, we invited MPs who have an RPA office in their constituency to come and meet our people. We wanted them to see first-hand the work we do, the services we offer and get to chat to the people who make it all happen. In many of our main locations, RPA and the Civil Service is a major employer in the area. As well as an office walkaround, we held questions and answers (Q&A) sessions that were open to all staff so that they could really engage with their local MP and ask any questions they wanted to.

Josh MacAlister MP for Whitehaven and Workington visited the RPA Workington office and shared his thoughts on the visit,

"As one of the main employers in the Workington area alongside Sellafield, it was great to meet with people at the Rural Payments Agency across different work areas, including the team that provides a helpline for MPs. It was refreshing to see this service in particular based in Workington and not London, and to understand the range of roles and career opportunities available locally. I was pleased to be asked to hold a Q&A where people felt comfortable raising a range of issues, from mental health to accessibility of local services, and to see their genuine interest in farmer feedback and perception. I look forward to working with the agency in the future and also involving members of the local community to build relationships and work towards our shared outcomes."

Dedicated team

We work closely with MPs where their constituents have queries. Our MP Helpline gives MPs and their offices a direct link to the team, who have dealt with 87 cases this year.

Sara Mackie, Ministerial, Parliamentary & Public Affairs Manager said,

"My team collaborate across the business, co-ordinating communications and gathering information to enable us to provide a service to MPs, manage expectations and keep them informed. Engaging with MPs through the helpline, site visits and Roundtables has helped us to understand the issues affecting rural communities and to build better relationships."

External engagement

It's been another busy year for external engagement, and we continued our commitment to get out and about to meet more of our customers. We attended 37 agricultural shows and spoke with over 1,600 customers about a variety of topics. We also delivered 15 presentations to agricultural organisations and attended 7 conferences. As well as customers and farmers, we have regularly engaged with several farming organisations such as the Tenant Farmers Association (TFA), National Farmers Union (NFU), Country Land and Business Association (CLA), and Farming Community Network (FCN).

Our Shows and Events lead Katie Yon said,

"It's been a great year travelling the country, attending a mix of smaller regional farmer focused shows, up to Cereals, which has a large digital customer base.

We have spoken with hundreds of farmers and, as always, it has been fantastic to get out and about and talk to so many different people about the various schemes and grants the RPA have on offer.

We have been supported at events by over 90 RPA colleagues who have brought their breadth of knowledge across all avenues of funding.

Our presence at these events allows us to have face-to-face contact with a wide range of farmers, landowners and members of the public. Our primary functions are: answering queries on RPA scheme delivery (signposting customers to guidance and necessary support), gathering customer insight and supporting customers through the Agricultural transition."

We held around 70 meetings with over 30 key industry and environmental stakeholders including farmer welfare organisations, farming organisations, agent organisations and environmental non-governmental organisations.

Collaboration with these stakeholders has extended our networks into the farming community, enabling us to reach a broader audience with our key messages. It has also opened more opportunities to engage directly with people around the country. This engagement has produced valuable insight to help decision makers, review policy and make other continuous improvements.

Growth and innovation

Hilltop Farm robotic milker

Hilltop Farm is a third-generation, family-run dairy farm in Cheshire consisting of 190 cows. Their current herd was milked using a second-hand 16:16 herringbone manual parlour, which had not been upgraded since 1996. The previous routine took 7 hours per day which interfered with the cow's usual habits and was very time consuming.

This project has enabled the installation of 4 Voluntary Robotic Milkers in a purpose built, high health and welfare system, which will allow the cows 24-hour access to the milkers, eliminating labour requirements. The machinery also sees a reduction in mains electricity usage whilst increasing milk yield by 20% over a 30-year period. The data and analytics provided by the machinery also allows early detection of illness, improving animal health and welfare and reducing veterinary costs.

Bateman Farm slurry store

P J Furness & Son are dairy farmers at Bateman Farm, based in beautiful Derbyshire. They applied for a Farming Transformation Fund - Adding Value grant. The funding enabled them to construct an above ground steel store with an impermeable fixed flexible cover with galvanised steel pipework.

They also received funding for a 1,200m^3 tank and an inspection platform with ladder.

BEJ and Mrs J Rich and Son

BEJ and Mrs J Rich and Son are a grazing livestock (lowland) micro business in Dorset.

They applied for, and were awarded, funding under the Farming Equipment and Technology Fund (FETF) for two essential bits of kit. Firstly, they received a manually operated squeeze crush – a way to immobilise animals whilst keeping them safe during examinations, marking or veterinary treatment. Secondly, they received a head scoop for the squeeze crush. This is a tool designed to safely restrain an animal's head during routine tasks. It increases safety and simplifies many common jobs, such as dealing with ear tags.

Colin J Collins Ltd

Colin J Collins Ltd is an agricultural contracting micro business with 7 employees, based in Worcestershire and farming 5,000 acres which is predominantly arable. Under the Farming Equipment and Technology Fund (FETF) they were awarded funding for crop storage sensors. Crop storage sensor system control units can send information to an existing mobile phone, tablet or computer, which enables an alert function when temperature or humidity fall outside the permitted range. They can also be used to measure internal store temperature, external temperature, carbon dioxide levels and internal and external humidity.

Alderslade Farming

Geoffrey Alderslade farms 142 acres at West Fellgate Farm in Tyne and Wear. Alderslade Farming is an arable, contracting and horse livery business. Geoffery applied for funding under the Farming Equipment and Technology Fund (FETF) and was awarded funding for a direct drill with fertiliser placement. Direct drilling is a minimum cultivation technique that is used in conservation agriculture. It is a farming technique that consists of eliminating all tillage operations before sowing the seeds into the soil. Direct drills are used for the precision drilling of arable and cover crops, using either tines or discs to produce the seeding slot.

Spirit of Yorkshire

Spirit of Yorkshire was started by farmers and brewers Tom and Gill Mellor in 2016. They first built the brewery in 2003 using their own barley to produce premium ales on the farm. They provide these ales to UK retailers such as ASDA, Waitrose, Sainsburys and Tesco. They also have strong relations in export with Canada, Scandinavia, South Africa and Italy. They now also produce whisky at the distillery, alongside their ale products. They were awarded funding through the Farming Transformation Fund (FTF) for the addition of an automatic head filling, capping and labelling, and capsule applicators to increase productivity and diversify the business.

CH and SE Armstrong

CH and SE Armstrong farm at Middlemoor in Northumberland. It is a 772 acre mixed farm with beef, sheep and pigs. Under the Farming Equipment and Technology Fund (FETF) they applied for and received funding for a variety of items including a camera for monitoring livestock (providing 24-hour monitoring of the animals), an automatic milk feeder for lambs and a feed bin weighing system for their pigs. They also received funding for a static cow brush which is used to increase animal wellbeing, positively impacting their performance and milk yield, reducing stress and improving their health.

Sustainability Team

The agency is committed to nature recovery and supporting our farmers to boost biodiversity and food security. The funding we issue to the rural economy supports farming in a way that benefits the environment and mitigates the impacts of climate change. We help farmers to improve our water, air and soil quality, which are all key activities in helping the UK to reach Net Zero by 2050.

Sustainability is embedded in our 5-year strategy and is supported by our Executive Team. Highlights this year include:

- creating a dedicated Sustainability Team
- enhancing our governance
- decarbonising our business travel through increased uptake of electric vehicles in our lease car scheme
- increasing recycling in our offices

Our approach is not about being prescriptive but about promoting a collaborative culture and an environment which inspires people to take personal responsibility. From how we work, to how we travel and how we manage resources and waste, all present opportunities for greener behaviours.

We want our customers and our people to understand how their actions support environmental recovery and to feel empowered to instigate changes. Collectively, we can make a difference.

Alice Heaton, Sustainability Manager said,

“So many of our people are passionate about sustainability. We want them to bring that passion to work. There are sustainability risks and opportunities in everything we do and it’s down to us all to identify these, to look at how we can innovate for better outcomes.”

RPA People Forum

We have committees and initiatives which sit under our Executive Team and make decisions for the agency. Supporting our People Committee is our People Forum, a dynamic group made up of representatives of all grades from all business areas in RPA. The forum has undergone a refresh and is one of the ways we are committed to ensuring the voice of the people is heard. It is a place for ideas, proposals and innovations to be shared, shaped and endorsed ahead of seeking formal approval at our People Committee.

Carrie Smith, People Forum and People Committee Liaison said,

"People Forum is a brilliant way of empowering our people to help shape the agency and influence decisions that directly impact them. The group has consulted on everything from reward and recognition, new training and development pathways, inclusivity and diversity to the best ways to implement audit recommendations. As the liaison between the People Forum and Committee I get to see firsthand how this feedback is taken on board and how decisions are reached, so I can cascade this back to the group. The liaison role works on rotation so is a great opportunity for People Forum members to represent their colleagues and engage with senior leaders."

Our people

Our people are the foundation of everything we achieve. Their dedication, expertise and passion drive our success, ensuring we deliver meaningful impacts every day. Whether working behind the scenes or directly engaging with communities, our staff bring innovation, integrity and commitment to every task. We recognise that our greatest asset is not just our strategy or resources, but the people who make it all possible.

Apprenticeships

We are committed to the professional development of our people by enhancing their skills and personal growth in the RPA.

Our apprenticeships provide employment opportunities that include both 'on the job' and 'off the job' training, culminating in an independent end-point assessment. They are designed to be inclusive, catering to individuals at any age or stage in their career, whether they are looking to develop new skills within their current business area or initiate a career change.

We work with Defra Group and various training organisations to offer and encourage a range of modern apprenticeships that lead to nationally recognised qualifications.

In February 2025, we participated in National Apprenticeship Week, orchestrating a series of events both virtual and face-to-face at various RPA office locations. This provided us with the opportunity to engage with staff clearly and communicate the apprenticeship offer, resulting in a 67% increase of people pursuing apprenticeships.

Nia Higginson

"My experience completing the Level 4 Business Analyst apprenticeship has been incredibly rewarding. The program provided me with a perfect balance of practical experience and theoretical knowledge, allowing me to develop a strong foundation in business analysis. I gained valuable skills, such as situation investigation techniques, business process modelling, requirements engineering and management, data modelling, gap analysis, acceptance testing stakeholder analysis and management, and business impact assessment, which I was able to apply directly to real-world scenarios within my workplace.

The support from my mentors throughout the apprenticeship was outstanding, helping me build confidence and progress both professionally and personally. This journey has opened new opportunities for career growth and has significantly enhanced my understanding of how businesses operate effectively. I would highly recommend an apprenticeship to anyone looking to advance their skills and thrive in a dynamic role."

Mickayla Lane

"My experience of the Chartered Management apprenticeship has been incredibly rewarding since starting in October 2024. I have found myself immersed in a dynamic learning environment at Henley Business School. I am gaining valuable knowledge, skills and confidence that are directly impacting my role.

One of the highlights of the apprenticeship so far is the opportunity to work alongside likeminded and experienced professionals from a variety of government departments and private industry. Their insights, different experiences and support are proving instrumental in helping me navigate the programme.

The structured learning modules are well-designed and cover a wide range of topics, from organisational culture to operational efficiency.

The RPA's commitment to apprenticeships and my manager's support of the programme allows me to balance my work commitments with my studies, making it a manageable and enjoyable experience. I am grateful for the opportunity to be part of such a comprehensive and supportive programme, and I would highly recommend it to anyone looking to increase or consolidate their management knowledge and experience."

RPA at Civil Service Live 2024

We loved exhibiting at Civil Service Live events in Edinburgh, Birmingham, Blackpool, London and Exeter. The theme of our stand was ‘Great People’ and ‘Great Service’ – our focus was on the important work we do as an agency to achieve environmental outcomes and how we are continuously improving the service we provide to our customers.

Our stand was supported by Field Officer colleagues and Meat Technical Scheme Inspectors which gave visitors a chance to find out more about the work we do in the field and to interact with some of the technology we use. The events are a great way to promote the impact our work has on the environment and rural communities we serve, as well as an excellent networking opportunity to meet with colleagues across government.

Joanne McInnes from the Internal Engagement team said,

“I feel really proud to have been on the RPA stand at Civil Service Live for both Edinburgh and Birmingham, alongside colleagues from across the agency including Learning & Development, Meat Technical Services and Field Inspectors and the Sustainable Farming Incentive teams! Together, we did a great job of showcasing the wide and varied range of opportunities available in RPA. Visitors loved having a look at our mapping devices, ear tag readers and meat technical equipment. It helped make what the agency does real and tangible.”

Operational Delivery Profession

2024 saw the launch of the new Operational Delivery Fast Stream programme across the Civil Service. Individuals are fully supported across the Civil Service to develop into confident, inspiring and empowering leaders; learning how to manage people and teams, through on the job learning and accredited qualifications. We onboarded two Fast Streamers in 2024 to complete the first year of the programme.

Operational Delivery Profession

Aidan Radford shares his experience of this:

"In October I moved from Glasgow to Newcastle for my first Fast Stream role. I'm now around halfway through my 12-month posting, working as a Higher Executive Officer in the Sustainable Farming Incentive (SFI) Team. Of my cohort of 33 Operational Delivery Fast Streamers (the first ever), I had the most direct reports when I started; I immediately covered another Higher Executive Officer and managed four Team Leaders. The Operational Delivery scheme was created from the disbanded 'generalist' scheme to allow fast streamers to specialise in leadership rather than any technical profession, and I'm grateful to the RPA for supporting me through my first experience of line management. I have also been given responsibility for managing SFI 23 correspondence and supported fully in juggling my responsibilities for Learning & Development on the scheme with my placement here — I have even had time to mentor some RPA colleagues with their own Fast Stream applications. With the creation of the Operational Delivery scheme, the new skills framework and networking site, I would encourage anyone to actively consider the future opportunities within government's largest profession."

The Operational Delivery Profession is the largest profession in the Civil Service and all colleagues in the RPA are part of this. This is the fourth year running that our people have been shortlisted for the ODP awards. The awards recognise and pay tribute to the outstanding individuals, teams and managers and showcase some of their extraordinary achievements.

As well as Gillian Collingwood from the Environmental Stewardship team being nominated for 'Frontline Service Award', the Hedgerow Management Regulation Project team were nominated for the 'Development Award' alongside Defra colleagues. Rachael Brewer from the team said,

"We are extremely proud to have been shortlisted for this award. It has been a great collaborative effort across the team in what has been an intense time for us with implementing a new piece of legislation which has expanded RPA's role as a modern regulator. It has been a brilliant boost for the team to have been recognised via this nomination."

Rozanne Kidd (Planning and Capability Director) was also nominated and attended the award ceremony. She said,

"As a regular nominator I know the time and effort that gets a nomination over the line. I am thrilled RPA has 3 shortlisted nominees this year and was humbled to hear I was one of them. I am so very proud to be part of this amazing profession working alongside so many brilliant ODP colleagues."

Skills Builder partnership

This year we continued our partnership with Skills Builder. This programme helps equip schools with expert training, tools and resources to ensure essential skills are part of everyday learning for their students.

Six volunteers from RPA attended 12 sessions between them to share their career journeys with students via virtual Career Insight sessions. We have also been developing Insight Days, which involve our RPA Ambassadors visiting schools to deliver sessions on skills required for a career in the RPA and the Civil Service.

Catapult

Catapult is a cross-government mentoring programme which aims to support colleagues to realise their full potential, building confidence and aiding progression. The programme matches mentees with a senior leader mentor who also acts as a sponsor offering support, advice and direction. Michelle Bromhead from our Livestock Information Transformation Programme (LITP) shares her experience of the programme,

"My journey with Catapult started in 2021 and my mentor, who works at DWP, has been, and continues to be, a huge source of inspiration and confidence building. I wanted to return to Project Management after being away from the private sector role but was struggling to understand how to do this within the Civil Service. My mentor helped me look at things differently and focus my time effectively.

With their support (and others within RPA) they helped me believe in myself again, recognise and have confidence in my skills and be successful in promotions including into Project Management. The mentoring continues to provide me with fresh perspectives on things from someone outside of RPA and guides me to continue developing my career. It has been, and continues to be, a fantastic opportunity."

Beyond Boundaries

Beyond Boundaries is a cross-government talent programme designed to help participants develop the knowledge, skills and networks to build a rewarding and effective career in the Civil Service. For 2024-2025, ten RPA colleagues successfully completed the talent programme, with another ten starting for the 2025-2026 cohort.

Matt Wall from the Customer Delivery Team said,

"I applied for Beyond Boundaries with the intention of continuing my personal development and to build connections with colleagues within the wider RPA, Defra and Civil Service. To date, although only halfway through the course, it's proven invaluable, it has encouraged me to step outside of my comfort zone and to harness possibilities I hadn't thought of.

It has been incredibly beneficial both personally and professionally. I am now hopeful upon completing the rest of the course this will push me towards securing further career development within the Civil Service. But I will utilise the skills learnt in all areas of life!"

Volunteering

We actively encourage colleagues to use their volunteering allowance for causes that are important to them and reflect the values we share as an agency.

One example of this was a collaborative effort between a group from RPA and Defra. In March 2025, they volunteered at a Natural England nature reserve near York. The team were educated on the importance of the habitat for bird populations and spent the day willow coppicing to protect the habitat for those birds that breed at ground level. By cutting back some of these trees, it prevents birds of prey and corvids from using them to prey on the nests of the breeding waders.

Matthew Townsend from the RPA Organisational Capability team was one of the RPA volunteers. He said,

"We had a fantastic day on the reserve. It was interesting to hear about their work with neighbouring farmers. The data they have collected shows that some birds are reliant on certain fields to source the food they need. Many of these farmers have benefited from the schemes and grants that RPA deliver in order to maintain this vital food supply."

Keith Barber from the Species Recovery Team was one of the volunteers from Defra. He said,

"I had been waiting a while to participate in a volunteering event which would provide a bonus opportunity to understand how my policy work within Defra's species recovery team interacts with activities on the ground. As well as simply working up a sweat in the lovely surrounds of the nature reserve on a beautiful day, I was also able to speak to the reserve team staff on a variety of matters relevant to species recovery, enhancing my knowledge and wider understanding of the issues being faced."

Ambassadors

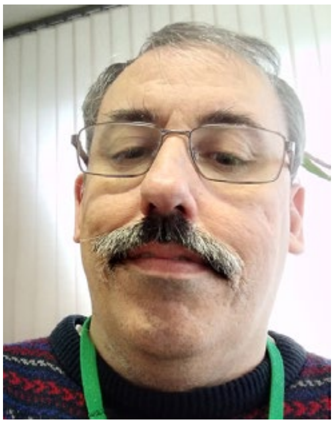
The RPA Ambassador network has continued to grow since its inception in the summer of 2023 and we now have over 140 ambassadors with different backgrounds and experiences signed up for the network. They have all undertaken bespoke in-house training to prepare them for engagement sessions, agricultural shows, MP Roundtables and smaller local stakeholder requests.

We had 98 ambassadors support at 73 different events in 2024, and our 2025 campaign is already underway.

Simon Darling a Grants Development Officer attended both the Great Yorkshire Show and the Yorkshire Agricultural Machinery Show. He said,

"The role of RPA Ambassador is a win-win, in that the customers appreciate our presence whether to field technical queries (often taken away and passed to relevant teams if we can't answer there and then) or just as a sounding board for their frustrations. The days at the shows can be very tiring and intense but I always go away with that adrenalin rush having really enjoyed the day as it helps me understand the impact of my work. At the Great Yorkshire Show I was pleased to meet a former grant recipient from the marquee opposite ours and learn how the grant had benefitted their research work.

It is also effectively a training event for the ambassadors who learn from each other as we represent numerous teams and backgrounds. The customers at the Machinery Show can differ from the customers at the Great Yorkshire Show in the sense they are there to do business. The Ambassador Network Admin team provide admirable support including regular training events and briefings going into detail about specific schemes or latest news."



Richard Standing from Grants Services has attended four MP Roundtables and two other MP events in the South of England. He said,

"I enjoy the opportunity to attend the MP Roundtables, as not only are they an opportunity to get feedback from the farming community and help them with their individual needs, but also to meet colleagues from other Defra organisations and hear what they are doing, and to meet MPs and their staff and gain a better understanding of the political process."

Elaine Rozells from Compliance and Assurance also spoke positively about her experience as an Ambassador. She said,

"In my current role I am not customer facing, so I thoroughly enjoyed the experience of going out to represent RPA at an event. The Ambassador updates

resources I was provided with meant that I was able to prepare relevant and up to date knowledge for my visit. This gave me confidence to interact with farmers and answer various questions at the event. I also learnt that most farmers appreciate you being there and are more than happy for you to take their queries away and to offer feedback. People seemed keen to learn more about the schemes available, and the atmosphere was positive. It is important that we keep engaging with our customers so that as an agency we can continue to offer the best service possible."

60 years of Eden Bridge House

September 2024 saw us celebrate 60 years of Eden Bridge House in Carlisle. There has been a Civil Service presence on site since opening in 1964 and the building has been occupied by the Inland Revenue, Job Centre, MAFF and currently RPA and APHA. It was a special day for all involved, a chance to feel proud of the agency and catch up with old and new friends. Retired colleagues popped back into the office and a mini museum was set up on the lower ground floor with articles of old stationary, name tags and manuals. People gathered to share memories, and our previous CEO Paul Caldwell gave a speech celebrating the spirit and resilience of Carlisle.

Long service events

We held four special events in Newcastle, York, Carlisle and Reading to celebrate our longest serving colleagues. Our Customer Director Marie Hardeman hosted the Newcastle session and shared her thoughts on the day,

"What an inspiring event! There were 1,170 years of knowledge and experience in the room and the stories shared highlighted the level of change people had been through and supported customers through. It was a real privilege to share the day with colleagues, everyone joined in the spirit of the event and celebrated amazing careers of service, careers of helping people."

The longest serving colleague was Irving Robson who achieved a spectacular 50 years of service and had the honour of cutting the celebratory cake.

In Reading, our Business Transformation Director Emma Appleby was one of the hosts at the celebration. She shared many wonderful stories from colleagues including how colleagues met their best friends at work and their future spouses. Longest serving in attendance was Sue Jordan from the Norwich office, who had achieved 49 years of service.

Emma said,

"To me, RPA is so unlike other government agency and any other organisation I've worked in. It feels more like a family, full of people that care passionately about what we're here for and care deeply about each other."

Performance overview

The agency's performance overview seeks to demonstrate the agency's purpose, its objectives, the outcomes it is aiming to achieve and its performance against delivering these outcomes.

Defra group strategy

Defra group improves and protects the essentials of life: food, water, land and air. It drives economic growth, enhances nature, strengthens food security and protects animals, people and property from disease and flooding. Defra's impact extends beyond national borders, sharing expertise and shaping policies globally.

Over the past year, Defra has developed a new Defra Group Outcomes Framework. This builds on previous plans and represents what the Defra Group aims to achieve, clearly articulating our key role in the government's Plan for Change and its missions through our priority outcomes. The new Outcomes Framework reflects the Defra group's responsibilities for economic growth and serving the public and consumers, while also defining our priorities on water, flooding, the circular economy, nature, food and farming—alongside the environmental outcomes outlined in the Environmental Improvement Plan.

Defra Outcome Delivery Plan

Defra's Outcome Delivery Plan (ODP) sets out the department's priority outcomes and how success in achieving them will be measured. The RPA, along with other delivery bodies across Defra, contributes to the ODP. There is a requirement to provide quarterly performance updates to HM Treasury at the Outcome level, and RPA's performance contributes to this.

RPA's purpose and vision

Our Purpose is to grow environmentally and economically sustainable businesses across the country. We do this by delivering services that promote economic growth, boost food security and restore nature.

Our Vision is to equip our people with the knowledge, skills and technology to deliver a great service to our customers. In doing so, we will ensure rural businesses have easy access to the opportunities that increase the profitability of their businesses while delivering outcomes aligned to the objectives of government.

Our people work alongside partner organisations as part of Defra's Food, Biosecurity and Trade to deliver for our customers and stakeholders.

Our values are to be – Visible, Engaging, Respectful, Inclusive, Trusted, Accountable and Supportive.

RPA's objectives

RPA (or the agency) was created in 2001 as an Executive Agency of Defra (or the core department) with its head office based in Reading. We play an important role in delivering the department's food and farming agenda by supporting the growth of environmental and economically sustainable businesses.

Our commitment is to deliver Agricultural Transition, meeting both customer expectations and policy needs and delivering environmental outcomes through a quality service. Our Strategy is focused on improving our service and developing our people to drive outcomes aligned with government objectives. We will achieve this by making better use of the unique data we hold both to inform improvements to our customer service, and in collaboration with the whole of Defra group, to support effective policy creation.

RPA has responsibility for making competed and non-competed grants payments to farmers and rural businesses in England. Our responsibilities include:

- Operational delivery of Environmental Land Management including the Sustainable Farming Incentive, the evolution of Countryside Stewardship and new grant offers to help make agriculture more productive and environmentally sustainable.
- Livestock identification and traceability through the British Cattle Movement Service (BCMS).
- An assurance programme which focuses on maintaining the highest standards of animal health and welfare, food quality and environmental outcomes.
- The provision and integrity of English land data.
- A Customer Contact Centre providing a range of services on behalf of the Defra group.

Agency directorates and corporate services

Each of our Executive Team Directors lead on a business area within the agency and these are listed below.

- Business Transformation
- Customer
- Data, Insight and Outcomes
- Food Chain
- Grants Functional Standard
- Operations
- Land Services Owner
- Planning and Capability
- Strategy

The agency's corporate services comprise Communications; Human Resources; Finance; Property; Commercial and Procurement; and Digital, Data, Technology and Security (DDTS) all of which are centralised within Defra group.

Going concern statement

The financial statements are prepared on a going concern basis. The agency plays an important role in delivering significant funds to the rural economy and enhancing environmental outcomes. The agency expects to continue to deliver agricultural support payments in line with Defra strategy and government commitments, including on-going delivery of multi-year projects and grant agreements. Hence the agency considers the going concern basis to be appropriate and consistent with the Financial Reporting Manual (FReM) 2024-25, continuation of service principle.

Impact and management of key risks

The agency's Executive Team regularly assesses risks faced by RPA. Key risks faced by the agency include the effective mitigation of fraud and error in scheme expenditure, ensuring the delivery of a quality service for our customers and the delivery of the agency's key scheme targets. The agency is responding to the risk of fraud and error in scheme expenditure by developing a more thorough understanding of those risks, what is causing them and what interventions and controls can be applied to mitigate those risks. Further details of risks and their management are set out in the Governance Statement below.

Key performance indicators are regularly reviewed and updated from previous years. The key performance indicators for 2024-25 were:

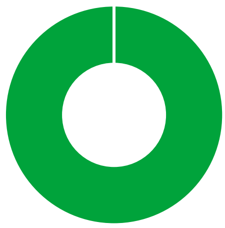
Objective: Timely processing and payment of Trader Schemes

Key performance indicators

What RPA did

100%

of Fruit and Vegetables claims paid by 15 October the following year

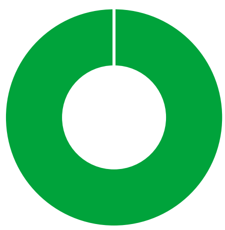


100%

of Fruit and Vegetables claims paid by 15 October 2024

100%

of valid School Milk claims paid within 90 calendar days



100%

of valid School Milk claims paid within 90 calendar days

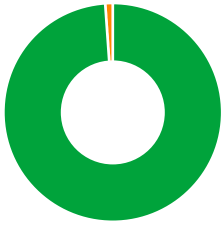
Objective: Timely processing and payment of Grant Service Programme Schemes

Key performance indicators

95%

of Farming Transformation Fund claims paid within 30 calendar days

What RPA did



99.1%

of Farming Transformation Fund claims were paid within 30 calendar days

95%

of eligible Farming and Equipment Technology Fund 2024 claims paid by 20 June 2025*

As of 31 March 2025,

79.6%

of eligible Farming and Equipment Technology Fund 2024 claims have been paid. This KPI was achieved on 21 May 2025, one month ahead of its target

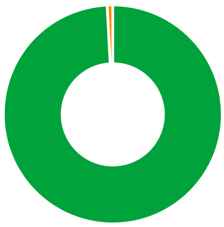
Objective: Maintain accurate records of cattle in Great Britain

Key performance indicators

96%

of notified cattle births, deaths and movements recorded within 5 working days of receipt

What RPA did



Over

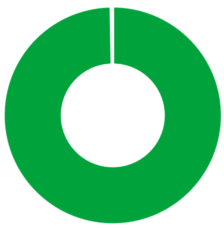
99.4%

of notified cattle births, deaths and movements have been recorded within 5 working days of receipt

To issue

96%

of cattle passports for valid applications and online within 5 working days



99.8%

of cattle passports for valid applications and online were issued within 5 working days

Performance analysis

Our purpose is to grow environmentally and economically sustainable businesses across the country. We understand the value of balancing the needs of farming, food and the environment. We strive to continually improve our performance, through trusting and empowering our people to transform our services. The governance statement elaborates on risks: risk overview, fraud risk and disallowance risk.

Sustainable Farming Incentive

Sustainable Farming Incentive 2024 (SFI 24)

Following the success of the SFI 23 scheme, the SFI 24 Expanded Offer was launched in June 2024 where customers were invited to apply via an Expressions of Interest exercise similar to its predecessor. Once the scheme was opened to the wider public, 18,080 applications were submitted by 11 March 2025 when the scheme was closed to further applications. As of 31 March 2025, 14,184 agreements have been offered with 13,984 accepted by customers. £18.8 million has been paid out to customers who are all still in their first year of the agreement.

Sustainable Farming Incentive 2023 (SFI 23)

With the imminent launch of the SFI 24 Expanded Offer, SFI 23 was closed to new applications in June 2024. As of 31 March 2025, we had 27,694 applications submitted. 27,291 (98.5%) of these have been offered agreements with 25,440 accepted by customers.

£399.5 million has been paid out to customers over the last two agreement years. (Year 1; £392.3 million, Year 2; £7.2 million).

Sustainable Farming Incentive Pilot (SFI Pilot)

The SFI Pilot scheme continues to progress towards the end of Year 3 and money paid to customers for their involvement has reached £39.7 million (Year 1; £13.0 million, Year 2; £13.5 million, Year 3; £13.2 million).

The figures reported for SFI schemes above are for paid claims on a cash basis and accordingly will not reconcile to SFI expenditure reported in Note 5 which also includes net movements in accrued and prepaid amounts.

Animal Health and Welfare Review

The Animal Health and Welfare Review, a funded annual vet visit, continued following a successful opening to eligible farmers in February 2023. In May 2024, the offer was expanded to include Endemic Disease follow-up service. In January 2025, we introduced Dairy and Persistently Infected Hunt options to the endemic follow up options and in February 2025, we made further iterations introducing multiple species claims. We are currently planning to add a multiple herd option later this summer.

As of 31 March 2025, we had received 12,081 agreements worth £4.6 million. 7,113 claims had been paid a total of £3.4 million.

Countryside Stewardship (CS)

Capital agreements

As of January 2025, there were approximately 45,000 live Countryside Stewardship agreements. This total includes over 13,500 Capital only agreements and around 31,500 Revenue agreements, of which just over 20,000 also include Capital options. This figure includes approximately 7,948 new Capital agreements received for the 2024 scheme year. We expect the number of agreements with Revenue options to reduce year on year following agreement expiries and anticipate an increase in Capital grants agreements as we have seen year on year.

From January 2024, we received just over 12,500 new Capital agreements to process, of which 11,000 (88%) were core Capital grants, an increase of around 6,300 since 2023.

	Scheme year	Performance by 31 March
CS Claims payments made as a percentage of eligible claims received	2018	38.3%
	2019	51.5%
	2020	95.3%
	2021	93.8%
	2022	95.2%
	2023	90.1%
	2024	92.4%

Revenue claims

In 2024-25, we received over 34,500 eligible CS Claims, an increase of approximately 3,500 more claims to validate and pay than in 2023-24.

By 31 March 2025, we had issued 31,896 (92.4%) 2024 CS Revenue payments, equating to £483.7 million. This is an increase of around 4,300 claims by volume and £161 million by value compared to this time last year.

A further 1,273 claims had received 75% of their claim value in February 2025, equating to £27 million following agreement that all eligible claims not paid by January 2025 would receive a partial payment.

Capital claims

Since 1 April 2024, we have received over 15,100 Capital claims, an increase on last year's total by 3,000, of which, 13,752 were paid totalling £212.7 million, just over 3,000 claims and £75.7 million more paid compared to last year. Over 96% of claims were paid within the 60 working days target, an improvement on last year's performance by 3%.

Environmental Stewardship (ES)

We have introduced new measures this year to improve the administration and efficiency of the scheme. Under rules agreed with the European Commission, previously we were only able to offer one-year extensions and on a rolling basis. From January 2023, under domestic regulations, we were able to give existing agreement holders greater certainty and clarity by offering them extensions up to five years.

Payments made as a % of eligible claims received	Scheme year	Performance by 31 March
ES Advance payment	2018	47.6%
ES Final payment	2019	86.3%
ES Final payment	2020	90.4%
ES Final payment	2021	84.8%
ES Final payment	2022	95.6%
ES Final payment	2023	89.8%
ES Final payment	2024	97.3%

As of 31 March 2025, we made a total of 5,781 (97.3%) payments equating to £89.9 million (2023-24: 7,062, 89.8%, £107.0 million).

From 1 April 2023, all ES scheme expenditure transactions under the RDPE programme are recognised and presented in the agency's Annual Report and Accounts and are now entirely domestically funded. Prior to that date the ES RDPE programme was entirely EU funded, and all expenditure and EU income was reported in Defra's Annual Report and Accounts.

Trader Operations

Trader Operations supports commercial businesses, the education sector and horticultural Producer Organisations across the UK.

Some of the successes during the last year were:

- We issued over 43,000 licences (made up of import licences and various forms of export certification to help the movement of goods in and out of the UK). All licences were issued within five working days, exceeding the commitments set for the year of 98%.
- Over £38 million of financial support was provided to Fruit and Vegetables Producer Organisations (POs) across the UK, with all POs receiving their 2023 annual payments by the regulatory deadline of 15 October 2024. We are currently on track to make all 2024 payments by the regulatory deadline of 15 October 2025. This figure refers to paid claims and will not reconcile to Fruit and Vegetables expenditure reported in Note 5 which includes net accruals posted in the year.
- £5.3 million was paid by the School Milk Subsidy Scheme in the 2024-25 financial year, with 100% of all claims being paid within 90 calendar days. This helped over 13,500 schools across England, Scotland and Wales to provide subsidised milk, yoghurt and yoghurt products to their students. This figure refers to paid claims and will not reconcile to School Milk expenditure reported in Note 5 which includes net accruals posted in the year.

Grants service

Our focus in delivering the Farming and Countryside Programme (FCP) objectives includes the Farming Investment Fund (FIF) grants, under the Farming Equipment and Technology Fund (FETF) and the Farming Transformation Fund (FTF). We are also delivering other grants including the Farming Recovery Fund, Water Restoration Fund, Targeted Silo Replacement Scheme, Fly-tipping Grants and the Smaller Abattoir Fund (including Game Handling Establishments). We have also completed the final delivery of our EU socio economic programmes.

Farming Investment Fund (FIF)

The Farming Investment Fund (FIF) offers funding for equipment, technology and infrastructure that improves farm productivity and benefits the environment. This fund provides grants to farmers, foresters and growers, including contractors to these sectors, so they can invest in the things they need to improve productivity and enhance the natural environment.

FIF is made up of two schemes:

Farming Equipment and Technology Fund

This fund provides smaller grants across three themes to support Animal Health and Welfare, Productivity and Slurry equipment.

Farming Transformation Fund

This fund provides grants towards large capital items to help businesses improve productivity, profitability, and environmental sustainability. There are six grants:

Slurry Infrastructure is available to pig, beef, and dairy farmers whose farming systems produce slurry. It helps replace, build new or expand existing slurry stores to provide six months' storage.

Adding Value is available for growers or producers to add value to eligible agricultural products after they have been harvested or reared.

Water Management is for capital items to improve farm productivity through more efficient use of water for irrigation, and to secure water supplies for crop irrigation by the construction of on-farm reservoirs.

Improving Farm Productivity is for capital items to improve farm and horticulture productivity through robotic or automatic equipment and systems to aid crop and livestock production, wavelength specific LED lighting for horticultural crops, advanced ventilation control units and solar photovoltaic (PV) systems.

Calf Housing for Health and Welfare is available to existing cattle farmers carrying out farming activity (including calf rearing, with 11 or more cattle) to build new, or upgrade existing, buildings to house calves to deliver health and welfare benefits.

Laying Hen Housing for Health and Welfare is available to existing commercial egg producers or pullet rearers who keep 1,000 or more birds to upgrade or replace existing buildings, or add a veranda to existing housing, to deliver health and welfare benefits.

Other grants being delivered are:

Farming Recovery Fund available to farmers affected by flooding caused by Storm Henk between 2 and 12 January 2024. This forms part of the wider introduction of the Flood Recovery Framework. These payments will support land recovery measures, such as soil remediation, recultivation and the removal of any debris caused by flooding.

Water Restoration Fund is used to restore and enhance the water environment in specified geographical areas, using environmental fines and penalties collected from water and sewerage companies in those areas between April 2022 and October 2023.

Targeted Silo Replacement Scheme supports farmers to decommission, and where applicable, replace feed silo(s) predating the 1996 reinforced feed ban in farms that have had a classical Bovine Spongiform Encephalopathy (BSE) case in an animal born after the ban.

Fly-tipping Grants support Local Authorities for projects at known fly-tipping hot-spots to improve infrastructure, raise awareness and/or support enforcement activity. This can include capital items such as surveillance equipment and CCTV, signage, or repurposing an area.

Smaller Abattoir Fund (including Game Handling Establishments) supports smaller abattoirs towards the cost of capital items such as cold storage, chilling facilities or building improvements to extend or improve existing facilities including lairage, with an aim to improve productivity, enhance animal health & welfare, adding value to primary products and/or encourage investment in innovation and new technology.

Delivery updates

RDPE Legacy programmes: by the end of March 2025, almost £370 million in RDPE grant funding had been paid to over 9,000 projects since the start of RDPE grant funding, and we have no remaining projects left to pay.

The Farming Equipment and Technology Fund provides grants towards the cost of equipment and technology to improve productivity, environment and animal health and welfare. FETF Round 1 has paid out 3,245 claims worth £34.3 million. In February 2023, we launched FETF 23 productivity and slurry. 2,169 projects were offered funding worth £22 million, 2,252 claims were received, and 2,167 claims have been paid worth £22 million. FETF 23 Animal Health and Welfare Pathway opened in March 2023. 2,408 claims were received, and we have paid 2,335 claims with a total value of £12 million. FETF 24 launched in February 2024 for productivity and slurry themes.

The Animal Health and Welfare theme launched in March 2024. 2,212 productivity projects were offered funding worth £36 million, 2,286 claims were received, and 1,962 claims have been paid worth £28.8 million. 572 slurry projects were offered funding worth £8 million, 572 claims were received, and 484 claims have been paid worth £6.5 million. 2,797 Animal Health and Welfare projects were offered funding worth £18.4 million, 2,849 claims were received, and 1,998 claims have been paid worth £11.3 million.

FETF 2025 opened for applications on 29 May 2025, with one round, grants of between £1,000 and £25,000 will be available. £30 million will be available for productivity and slurry and £16.7 million will be available for animal health and welfare.

Farming Transformation Fund (FTF) Water Management: Round 1 of the grant received 105 applications requesting £19.8 million in grants. To date 46 projects have been contracted worth £7.1 million. £5.5 million has been paid out in claims received. A second round of the FTF Water Management launched in April 2023 with 60 applications requesting £10.3 million in grants. To date 16 projects have been contracted worth £2.5 million. £220k has been paid out in claims received.

FTF Improving Farm Productivity: Round 1 grant contracted with 82 projects worth £10.7 million, and claims have been paid worth £9.5 million. Round 2 opened in January 2024 with 303 applications requesting £25.1 million in grants. To date 148 projects have been contracted worth £15 million. £3.4 million has been paid out in claims received.

FTF Adding Value grant: Round 1 for the received 154 applications requesting £21.6 million in grants. 118 projects have been contracted worth £17.5 million and claims paid worth £8.5 million. A second round originally planned for later in 2024 is still unconfirmed.

The FTF Calf Housing for Health and Welfare grant received 21 applications requesting £1.8 million in grants by the end of March 2025, however, the deadline which recently passed has been extended to enable applicants to resolve planning issues. To date 92 applications requesting £6.9 million in grants have been received with a further 58 worth £4.8 million still to be received. One project has been contracted worth £128k. No claims have yet been received.

The FTF Laying Hen Housing for Health and Welfare grant closed to online applications 18 September 2024. We invited 101 applicants requesting £29.3 million to the next stage of the application process which is to return completed full applications by 28 April 2026.

The FTF Slurry Infrastructure grant: Round 1 received 110 applications requesting £14.8 million in grants. To date 66 projects have been contracted worth £8.8 million. £1.7 million has been paid out in claims. A second round of the Slurry Infrastructure scheme launched in October 2023, to date 21 applications have been received requesting £2.9 million in grants. 18 projects have been contracted worth £2 million and £113k has already been paid out in claims.

The Smaller Abattoir Fund received 58 applications requesting £1.6 million in grants. 43 projects have been contracted worth £900k and £280k has been paid out in claims. In addition to this, Game Handling Establishments were also offered a grant which saw 12 applications worth £550k be received. Nine projects have been contracted worth £375k and £19.5k has already been paid out in claims.

The Targeted Silo Replacement Scheme received four applications requesting £235k in grants. Three projects have been contracted worth £54k and £48k has already been paid out in claims.

In addition to all the above:

We have been involved in the last two rounds of the Fly-tipping Intervention Grant (Round 1 was delivered by Water and Resource Action Programme, Rounds 2 and 3 by RPA). Across rounds 2 and 3 of this scheme we have paid out £1.8 million to 54 projects to local authorities in support of tackling fly-tipping as part of their Environmental Quality objectives.

On 9 April 2024, we activated the Farming Recovery Fund to support farmers affected by flooding caused by Storm Henk between 2 and 12 January 2024. This forms part of the wider introduction of the Flood Recovery Framework. By the end of 2024 over 12,000 payments worth almost £60 million were made under the Farming Recovery Fund.

The Water Restoration Fund which offered grant funding to enable local groups, farmers and landowners improve the water environment has resulted in 51 contracted projects worth £10.4 million. Advance payments worth £275k have been made to seven projects but no claims have yet been received.

We continue to work closely with the core department to support RPA's ambition to be the preferred delivery body for grants, taking on new areas of work across wider Defra, responding to all requests for new schemes.

Cattle records

We maintain an online database to report cattle births, deaths and movements of all bovine animals in England and Wales.

Tracing animals helps to control and eradicate bovine diseases such as bovine tuberculosis, bovine viral diarrhoea and foot and mouth disease. It protects consumers by making sure that products in the human food chain are safe.

Our British Cattle Movement Service (BCMS) achieved all key performance indicators with 99.4% of cattle births, deaths and movements completed within agreed deadlines.

The number of non-electronic transactions has increased to 490,000, (2023-24: 458,000). Non-electronic birth and death transactions continue to decline, demonstrating that our ongoing promotion of online services is effective in some areas. However, non-electronic movement transactions have increased. As a result, we are continuing to promote online reporting options to these customers.

Our people working in BCMS continue to provide subject matter expertise for the replacement livestock systems for England and Wales. This includes planning for the managed disaggregation of the current service and transition to the new successor service.

RPA now administer two services on behalf of Defra with Livestock Information Ltd acting as a supplier of the IT system under a three-way memorandum of understanding. We provide the front-line service for the Livestock Information Service (LIS). LIS currently includes the Ear Tag Allocation Service, Livestock Unique Identification Service, (LUIS) for cattle, sheep and goats across England, Scotland and Wales and the Sheep Bureau where our people maintain an online system reporting movements for sheep, goats and deer in England.

Regulatory & Advice service

In line with RPA's changing approach to visits becoming more partnership-based, working together with farmers to achieve beneficial environmental outcomes, our programme of visits is designed to meet our obligations for using HM Treasury money and delivering our specific role as a regulator, ensuring payments made by the agency are accurate, and additionally help safeguard the environment, the public, crop health, animal welfare and livestock and food traceability.

Site visits continue, for control purposes, to protect public funds, and the visits continue to evolve to be more supportive, including for example better signposting to information and guidance. This approach aims to help farmers 'get it right' to achieve the environmental outcomes of schemes and will help farmers and land managers deliver public benefit for public goods.

The agency has increased its remote sensing capability (use of satellite data and aerial photography) to reduce the burden of visits on the farmers; this will help us be more efficient and support the more targeted use of the Field Team throughout our visit programme. Increasing our technological and analytical monitoring capability, for example through the increased use of directed advice and guidance activity using satellite data, has allowed us to proactively support farmers before issues arise.

Where issues are found, we will support farmers to fix what has gone wrong, wherever possible. For example, we have been using data to target where advice and guidance can be used to ensure SFI agreements remain compliant or can be 'nudged' back into compliance, using a more supportive and collaborative approach in cases where there is no intent to cause harm.

In 2024-25, RPA was responsible for carrying out over 6,878 visits across a wide range of food and farming grants, support schemes, and regulatory function areas.

Of these, we completed 1,299 cattle identification and 2,402 sheep and goat inspection visits within the regulatory deadlines (though some of the sheep and goat visits were completed by others on our behalf).

Additionally, we continued to deliver our regulatory responsibilities to the red meat sector. During 2024-25, we carried out 1,528 regulatory control visits covering Beef Carcase Compliance, Pig Carcase Grading, Deadweight pricing and Beef Labelling.

Working with officers from Scottish Government Rural Payments and Inspections Division, and the Department of Agriculture, Environment and Rural Affairs Northern Ireland, we have also completed approval trials on digital upgrades to Video Imaging Analysis technology used predominantly in England.

Geospatial services

Our Geospatial Services are responsible for maintaining and updating the Land Management System, which holds 2.7 million land parcels, around 9.6 million hectares (75% of England) registered with RPA, 4.6 million land covers (such as arable and grassland) and 8 million hedgerows that we have mapped across England. Our land data is maintained to a three-year currency, meaning that we perform a rolling programme of mapping exercises to refresh all data at least once in any three-year period.

Following insights derived from customer research, a new Rural Land Change Online Service was introduced in February 2024. This service makes it quick and easy for customers to add new land and tell us about changes to existing parcels, with 95% of requests using this route. In 2024-25, we completed 27,721 digitisation jobs, representing 78,933 published parcels. We also capture land changes that are identified by our Field Officers through the visit report process.

Geospatial Services proactively assesses approximately one million land parcels each year, carefully ensuring not to impact on scheme application and payment deadlines, avoiding land recently updated by customers or our field officers. This proactive mapping is delivered through assessing parcels against the most up-to-date aerial photography. The result is that our land meets the three-year currency enabling accurate scheme payments and meeting the needs of wider users across the public sector.

The team maintains all spatial data used across RPA, from Ordnance Survey and aerial photography to ingestion of datasets from other Defra bodies which are critical to scheme eligibility and validation. We produce other data products such as CROME (Crop Map of England), spatial versions of CS agreements and share our data which is essential for organisations across the public sector.

Using our remote sensing capability, powered by machine learning, we have developed a bare soil marker that is a critical mechanism to observe what proportion of a land parcel contains bare soil at any time of the year. This insight is critical to our field teams in supporting measure visits by identifying error.

We have used a deep learning model with aerial photography to produce a hedgerow and tree product that will support scheme monitoring, hedgerow regulation and is being enhanced by Forest Research with height attributes for Defra's Natural Capital and Ecosystem Assessment programme in habitat reporting.

We used satellite imagery to identify standing water on land parcels, matched with data supplied by the Environment Agency and overlaid with land parcels to underpin a flood recovery fund for farmers and landowners, noted by Defra for its innovation at pace.

We are procuring a Geospatial Analytics Service that will expand our remote sensing capabilities with additional marker development to monitor a wider number of options and actions, and wide area analytics to derive high quality insights from the data to support farmers to get the best outcomes from their agreements, reduce error and underpin policy decisions.

Customer Contact Centre

During the last year, we have remained focused on improving the customer experience and responding to fluctuating demand. We have also harnessed technology – Natural Language Processing to provide more tailored responses to customers beginning the transition to self-service. We have invested in developing more responsive guidance to promote first contact resolution providing a more accessible and responsive service.

We have also placed data and customer insight at the heart of our decision making, learning from customer behaviours and feedback to help shape our service. Listening posts have become an integral part of our customer journey providing valuable insight across all of customer contact channels.

We have started to develop digital forms, successfully launching the County Parish Holding (CPH) form in September 2024, this provides a dynamic solution that improves the accuracy of the data we collect, providing a more responsive and timely service. We will continue to build our suite of digital forms providing a more convenient and accessible service that customers can access 24/7.

We responded to almost 219,000 calls (2023-24: 220,000) and to more than 161,000 items of correspondence during the year (2023-24: 189,000).

The Defra General helpline received 18,392 calls (2023-24: 25,476), answering 17,908 calls (97.4%) during 2024-25 (2023-24: 24,254, 95.2%). We answered 80.4% against the service level agreement of 80% within one minute (2023-24: 74.8%).

The remaining helplines received 208,356 calls (2023-24: 203,168), answering 200,863 (96.4%) during 2024-25 (2023-24: 195,881, 96.4%). We answered 83.1% (2023-24: 79.9%) against the service level agreement of 80% within two minutes.

The agency has invested in a Customer business area which includes customer experience, insight and engagement capability to turn customer feedback into actionable improvements to the end-to-end customer experience. Improvements aim to increase the effectiveness of our service and in turn customer satisfaction and trust in the RPA and to deliver increased value for money through more efficient customer journeys.

Transparency of data and access to information

During 2024-25, we responded to 531 requests for information, of which 98.9% were within the agreed deadlines. These cases involved requests for information under the Freedom of Information Act 2000, the Environmental Information Regulations 2004, and the General Data Protection Regulations (GDPR)/Data Protection Act 2018.

We also responded to ten internal reviews and three Information Commissioner's Office complaints. An additional 73 routine business requests were managed by our Information Rights team.

In line with requirements all spend on government procurement cards greater than £500 per transaction; all expenditure with RPA suppliers greater than £25,000 per transaction; and a complete procurement spend analysis are reported on the central government website.

Supplier payment statistics	2024–25	2023–24
Payment within 5 days	97%	96%

Complaints

The number of complaints received over the last year has decreased again and continues to reflect the implementation of improvements to our processes and services, as well as our feedback mechanisms to the agency concerning lessons learnt to drive forward improvements.

Customer complaints related to the Countryside Stewardship schemes accounted for 48% of the total. The average number of days to resolve complaints was 32 days.

Complaints handled by RPA	2024–25	2023–24
Prior year complaints unresolved	46	42
New complaints received	391	436
Complaints resolved, withdrawn or cancelled	388	432
Complaints unresolved at 31 March	**49**	**46**

Appeals

The grounds of each appeal are considered by our Appeal and Policy Teams before being considered at an Independent Agricultural Appeals Panel (IAAP). The IAAP consider whether the agency has correctly followed the scheme rules, policies, and legislation in their implementation of the subsidy schemes. The IAAP make a recommendation to a Defra Minister, who makes the final decision on each appeal.

In 2024-25, we received 77 appeals against decisions we had made.

The number of appeals received in year has increased by 26.2% compared to 2023-24. We have resolved 74 appeals (74%) in 2024-25 with 43% of customer appeals being upheld or partially upheld.

Human rights disclosure

We have an obligation to ensure that all our actions respect the human rights of those who work for RPA, and for whom we provide services. There has been no litigation against RPA alleging a breach of the Human Rights Act 1998 during 2024-25.

Independent Agricultural Appeals Panel	2024-25	2023-24
Prior year appeals unresolved	23	33
Appeals received	77	61
of which:		
Customer appeals upheld	25	30
Customer appears partially upheld	7	12
RPA decision upheld	36	28
Appeals withdrawn	6	1
Appeals resolved	**74**	**71**
Appeals unresolved at 31 March	**26**	**23**

Anti-corruption and anti-bribery matters

We will not accept any level of fraud or corruption. All RPA employees must follow the relevant RPA Conduct and Propriety Policy, Civil Service Code and all other relevant procedures and policies.

All cases of suspected fraud, bribery and corruption are thoroughly investigated and dealt with appropriately. RPA is committed to protecting public resources, revenue, property, information, and other assets from any attempt, either by members of the public, grant applicants, contractors, and sub-contractors or its own employees, to gain, by deceit, any financial or other benefits.

Our Fraud Risk Management Strategy is aligned to the Defra group Counter Fraud Strategy and Anti-bribery and Corruption Policy. These apply to all RPA workers, whether permanent, part-time, fixed term or contingent workers.

Financial Review

Preparation of the Annual Report and Accounts

The Statement of Accounts reports the financial results for the year from 1 April 2024 to 31 March 2025. It is prepared in accordance with Section 7(2) of the Government Resources and Accounts Act 2000, the Accounts Direction issued by HM Treasury and the Financial Reporting Manual (FReM) published by HM Treasury.

Auditor

The Annual Report and Accounts have been audited by the Comptroller and Auditor General who is appointed under the Government Resources and Accounts Act 2000. A notional cost of £335,000 (2023-24: £320,000) was incurred for the audit of the agency's Annual Report and Accounts and is included within the Corporate overhead recharge (notional), see Note 3.

The auditor has not conducted any non-audit work for the agency.

Financial performance review

RPA normally considers its financial performance in two categories; running costs representing monies needed to provide the service required of the agency by Defra and scheme costs related to the funds the agency administers.

Gross running costs this year of £230.2 million are higher than the previous year (2023-24: £218.3 million).

Total staff costs have risen year-on-year by £4.5 million due in part to permanently employed staff receiving an average 4.98% pay increase effective from 1 July 2024. See Note 2. There has been an increase in permanent staff numbers, but this has been offset by a reduction in agency staff during the year, as the RPA moved away from relying on a temporary and expensive workforce. The agency's total full time equivalent staff (permanent, agency and contractors) for 2024-25 was 2,698, up from 2,629 in 2023-24. At 31 March 2025, RPA has no agency staff in its workforce and only three contractors.

Other running costs, as presented in Note 3, have risen year-on-year by £7.4 million, this is mostly due to an increase in amortisation costs of £7.7 million, as a result of the transfer of assets from Defra as reported in Note 8.

Net running costs were £228.2 million (2023-24: £215.7 million) after allowing for income. Running cost income dropped by £0.5 million to £2.0 million in 2024-25 (2023-24: £2.5 million), this consisted almost entirely of income for work on the British Cattle Movement Service on behalf of Defra of £1.9 million (2023-24: £2.4 million), see Note 4.

Overall expenditure under schemes administered by the agency in 2024-25 was £0.9 billion (2023-24: £3.5 billion). Almost all of this expenditure was UK funded. The primary schemes making up this expenditure were Countryside Stewardship £810.5 million (2023-24: £561.3 million), and Sustainable Farming Incentive £315.5 million (2023-24: £33 million). See Note 5 for details of scheme expenditure. During the year the agency reduced its Delinked Payments year-end accrual and year-end provision, and this meant that the Delinked Payments expenditure reported in the year was a credit of £487 million. See Note 12.2 for further details.

Other significant scheme expenditure in 2024-25, included Environmental Stewardship amounting to £95.9 million (2023-24: £109.4 million); Farming Recovery Fund expenditure of £58.9 million (2023-24: £nil); and Farming Equipment and Technology Fund expenditure of £58.0 million (2023-24: £34.2 million), see UK funded schemes Note 5.

As a result of the UK's exit from the European Union, European funding activity ceased with effect from 1 April 2024, consequently no expenditure or income is reported for other paying agencies and delegated authorities in 2024-25, see Note 6.

Financial position

Non-current assets of the agency have increased by £10.9 million in the year to 31 March 2025. The full year's depreciation and amortisation was £21.0 million (2023-24: £13.1 million), and there are no asset disposals in net book value terms (2023-24: £1.3 million). Offsetting these were £23.5 million of IT additions (2023-24: £3.1 million), and intangible assets being revalued upwards in 2024-25 by £6.7 million (2023-24: £3.6 million). See Notes 7 and 8.

Most of the additions in 2024-25 (£23.5 million) were intangible assets acquired from Defra (2023-24: £2.3 million), via non-cash transfers through the General Fund of £21.5 million, and Revaluation Reserve of £2.0 million.

Total receivables have decreased by £57.1 million compared to 31 March 2024. The agency no longer has any debt owed from the EU as a result of EU funded scheme activity ceasing in 2024-25, (31 March 2024: £217.2 million). This is a significant reason for the drop in trade receivables being reported at 31 March 2025. However, netting against this is an increase in scheme prepayments and receivables of £159.9 million. The main prepayments and receivables are Sustainable Farming Incentive of £172.3 million (31 March 2024: £11.4 million), and Environmental Stewardship scheme prepayments and receivables of £22.5 million (31 March 2024: £25.1 million). See Note 9. Scheme prepayments and accruals arise where cash payments are made in advance of (prepayments), or later than (accruals) the recognition of related scheme expenditure. The recognition points for scheme expenditure are set out in Note 1.8.

The cash and cash equivalent balance held at 31 March 2025 of £163.5 million (31 March 2024: £80.0 million), was in line with normal cash management arrangements whereby a balance is maintained to cover any urgent payment requirements or funding requests. The agency maintains both sterling and euro accounts with the Government Banking Service (GBS) which includes securities received from traders with nothing held outside of GBS. See Note 10.

Trade payables due within one year have decreased by £536.5 million compared to 31 March 2024. This is mainly due to a reduction of £543.2 million in delinked payment accruals being booked at 31 March 2025. See Note 11.

Total non-current liabilities have decreased by £755.1 million compared to 31 March 2024. At 31 March 2024 the agency reported £797.3 million of delinked payments provisions. This provision has dropped to £41 million at 31 March 2025. See Note 12. The agency reports £1.8 million of non-current vehicle lease liabilities at 31 March 2025 (31 March 2024: £378k). See Note 16.2.

Financial risk

Whilst the agency is not exposed to any significant external financial market risks in administering UK funded scheme payments, scheme complexity and demand-led design does represent a financial management challenge. More on this risk is set out under 'Managing significant challenges in 2024-25' on page 82.

Activity relating to residual EU funded scheme payments was concluded in 2024-25 with the final reimbursement of funds related to the UK Rural Development Programmes.

For the latter, the agency was exposed to foreign exchange risk since scheme payments were made in sterling with reimbursements from the European Commission being received in euros. Consequently, any differential between the prevailing exchange rate when reimbursement was received, and the scheme exchange rates fixed by the European Commission, would result in an exchange gain or loss for the agency.

To mitigate this risk, the agency entered into forward foreign exchange contracts for the EU funded UK Rural Development Programmes which were fully utilised in year prior to 31 March 2025.

The formal closure of the Rural Development programmes and the final settlement of claims to 31 December 2023 removes any future risk of disallowance arising from European Commission audit. Disallowances applied by the European Commission as part of the closure process were transferred to Defra via General Fund and reported in Defra's Annual Report and Accounts.

While for UK funded schemes, disallowance risk is no longer a factor, the agency still actively manages the risks of non-compliance with scheme rules especially since in many cases these will reflect a loss to the taxpayer, and irregular spend within the meaning of Managing Public Money. The governance statement describes the agency's approach to risk in this area, and the Parliamentary Accountability and Audit Report, provides transparency on the extent of non-compliance in the period under review.

Sustainability report

Our commitment to Net zero

In 2019, the Government passed laws to commit to bringing all greenhouse gas emissions to Net zero by 2050. Progress towards this is governed by the Greening Government Commitments (GGC), which set out the actions UK government departments and their partner organisations will take to reduce their impacts on the environment in the period 2021 to 2025. This includes reducing greenhouse gas emissions, the amount of waste generated and water consumption. For 2024-25 reporting, 2017-18 is the baseline year against which performance has been measured.

Defra provide our corporate services, including Estates, Procurement and Information Technology. As such, many of the areas covered by the GGCs are centrally managed by them and they have sustainability strategies in place, which the Executive Committee have oversight of and support. For example, Defra Digital, Data, Technology and Security (DDTS) have a Sustainable Information Technology (IT) Strategy which is available on GOV.UK. As part of this strategy, many redundant ICT assets have been sold or donated to Citizen's Advice and Computer Aid by Defra group to minimise waste. These are reported in Defra's Annual Report and Accounts.

We have created a dedicated Sustainability Team to help ensure we are working towards our Net zero goals internally as well. The team are working with colleagues across the business to ensure opportunities are identified and taken. They are also engaging with colleagues across the Defra group to ensure we are supporting their work as well as being an active stakeholder in future plans.

For example, we have further decarbonised our business travel by making changes to our Lease Car Scheme to increase uptake of Electric Vehicles (EVs). These changes have seen the number of EVs in our fleet more than triple in 2024-25.

We have also enhanced our governance. All papers to our Executive Team require the Net zero impact to be detailed and our other governance boards also include sustainability in their decision-making criteria.

We are also using resources more efficiently and reducing waste. For example, our recycling is increasing year-on-year. We have encouraged our people to support Defra in achieving this by adopting better behaviours.

Key performance indicators

Change against baseline

Mitigating climate change working towards Net zero by 2050	Water consumption	Percentage of waste recovered or reused
-47%	-53%	3.96%

RPA has achieved improved performance against the baseline year of 2017-18, with lower greenhouse gas emissions, lower water consumption, and a marginally lower percentage of waste recovered or reused. Following the global pandemic, we continue to maximise hybrid working, rationalise our estate, occupancy and business travel which have positively contributed to a significant reduction in emissions.

Greenhouse Gas Emissions	2024–25	2023–24	2022–23	2021–22	2017–18 Baseline
Non-financial indicators (tonnes CO^2)					
Scope 1 emissions (direct)	276.94	385.70	532.53	505.75	716.67
Scope 2 emissions (indirect)	269.47	367.24	332.67	354.03	724.50
Scope 3 emissions (direct travel)	328.57	253.94	393.48	300.60	220.30
Total emissions	**874.98**	**1,006.88**	**1,258.68**	**1,161.38**	**1,661.47**
Direct carbon from buildings	219.65	291.39	335.73	363.13	229.44
Carbon for UK flights	-	0.13	0.69	0.03	5.06
Carbon from international travel	0.66	-	1.50	n/a[1]	n/a[1]
Related energy consumption[4] (KWh)					
Electricity non-renewable	-	-	-	-	2,060,820[2]
Electricity renewable	1,301,436	1,806,707	1,727,564	1,669,628	
Gas	1,200,825	1,591,226	1,836,978	1,980,685	1,245,754
Biomass	-	-	-	-	1,182
Financial indicators (£)					
Electricity – expenditure	457,321	585,357	294,301	422,910	n/a[1]
Gas – expenditure	79,332	74,809	138,802	97,797	n/a[1]
Expenditure in energy	536,653	660,166	433,103	520,707	240,052
Carbon Reduction Commitment (CRC) licence expenditure	Nil[3]	Nil[3]	Nil[3]	Nil[3]	39,389
Expenditure on official business travel	1,806,383	1,247,411	1,374,620	909,380	2,121,107

1. *Data not captured historically. Carbon from international travel is being reported from 2022-23.*
2. *Baseline 2017-18 electricity consumption was not classified as non-renewable or renewable.*
3. *There was no Carbon Reduction Commitment licence fee in the baseline year of 2017-18, and from 2019-20 licences are reported in Defra's Annual Report and Accounts.*
4. *Oil consumption and expenditure is reported in Defra's Annual Report and Accounts.*

Waste Management	2024–25	2023–24	2022–23	2021–22	2017–18 Baseline
Recovered or recycled (tonnes)					
Reused or recycled	53.87	41.01	55.24	40.04	161.37
ICT waste recycled, reused and recovered (externally)	n/a[1]	n/a[1]	n/a[1]	n/a[1]	n/a[1]
Composted	2.69	0.32	0.36	0.25	6.09
Incinerated with energy recovery	30.49	18.16	20.97	17.92	49.12
Total recovered or reused	**87.05**	**59.49**	**76.57**	**58.21**	**216.58**
Not recovered or recycled (tonnes)					
Incinerated without energy recovery	0.56	0.18	0.75	0.72	-
Landfill	0.73	2.86	4.77	0.36	11.90
Total waste (tonnes)	**88.34**	**62.52**	**82.09**	**59.29**	**59.29**
% Recovered or reused	98.54	95.15	93.30	98.18	94.79
Recovered or recycled (£)					
Reused or recycled	n/a[1]	n/a[1]	n/a[1]	n/a[1]	n/a[1]
ICT waste recycled, reused and recovered (externally)	n/a[1]	n/a[1]	n/a[1]	n/a[1]	n/a[1]
Composted	n/a[1]	n/a[1]	n/a[1]	n/a[1]	n/a[1]
Incinerated with energy recovery	n/a[1]	n/a[1]	n/a[1]	n/a[1]	n/a[1]
Total recovered or reused	**n/a[1]**	**n/a[1]**	**n/a[1]**	**n/a[1]**	**n/a[1]**
Not recovered or recycled (£)					
Incinerated without energy recovery	n/a[1]	n/a[1]	n/a[1]	n/a[1]	n/a[1]
Landfill	n/a[1]	n/a[1]	n/a[1]	n/a[1]	n/a[1]
Total waste (£)	**n/a[1]**	**n/a[1]**	**n/a[1]**	**n/a[1]**	**n/a[1]**

1. *Total waste costs have not been captured historically. However, it is estimated that for 2024-25 the agency's share of Defra group waste costs approximated £40k, and chiefly comprised of costs for recycling, incineration, landfill, and hazardous waste disposal (2023-24: £40k).*

Finite Resource Consumption	2024–25	2023–24	2022–23	2021–22	2017–18 Baseline
Direct water consumption (m^3)[1]	5,614	6,042	7,896	3,507	11,983
Direct water supply costs (£)[2]	48,259	51,401	47,676	33,560	47,408

1. *The agency's activities are predominantly office based, and water consumption reported is for the agency's direct water costs only and does not include indirect water consumption which is considered to not be materially relevant.*
2. *The agency's water supply costs are included within Corporate overhead recharge (notional), within Estate management costs, see Note 3.*

Other target areas	2024–25	2023–24	2022–23	2021–22	2017–18 Baseline
Paper usage					
Reams (A4 equivalent)	192	908	349	431	5,954
Percentage reduction from baseline	96.8%	84.7%	94.1%	92.8%	n/a[1]
Travel – car fleet					
Percentage of ultra-low emission vehicles	26.9%	44.9%	36.0%	23.8%	n/a[1]
Percentage of zero emission vehicles	61.1%	20.6%	15.3%	10.5%	n/a[1]

Taskforce for Climate-related Financial Disclosures (TCFD)

TCFD Compliance Statement

The agency has reported on climate-related financial disclosures consistent with HM Treasury's TCFD-aligned disclosure application guidance, which interprets and adapts the framework for the UK public sector. The agency does not consider climate to be a principal risk, and has therefore complied with the TCFD recommendations and disclosures around:

- Governance
- Risk management
- Metrics and targets

The agency has plans to provide recommended disclosures for Strategy recommended disclosures in future reporting periods in line with the central government implementation timetable.

Governance

Board and management responsibilities for climate-related risks

Rural Payments Agency (RPA) is part of the Defra group and take all the standard Defra group corporate services offerings (HR, fleet, property, commercial, digital, finance). In addition, Defra are also responsible for setting the policy for our grants and services. As such, most climate risks will relate to Defra group's shared corporate services and will be managed on their risk registers. Please see the Defra report for more information on how climate risks related to Defra group's shared corporate services are managed.

Where climate related risks sit within RPA (for example, risks related to an operational activity unique to RPA), oversight and mitigation of the risk is managed by us. If it is considered a principal risk, it is reported on and monitored by RPA's Executive Team, our senior governance board. Risks can then be escalated to Defra if the risk exceeds our agreed tolerance position.

Risk management

Processes for identifying and assessing climate-related risks

RPA's management of climate risk is embedded in its corporate risk management process and in line with the Defra group Risk Strategy.

Climate related risks that sit within RPA (i.e. not those which are managed centrally across the Defra group) are managed and reported at the lowest appropriate operational level and in line with TCFD reporting requirements. RPA do not currently have any principal climate related risks.

Please see the Defra report for more information on how climate risks related to Defra group's shared corporate services are managed.

Processes for managing climate-related risks

Climate related risks are managed at the lowest appropriate operational level and are reviewed monthly. Risks can be escalated up the management chain when they require action or oversight at a more senior level. The Defra group Risk Strategy sets out the organisational structure for oversight and escalation of risk in Defra group.

Integration into overall risk management

Defra group assesses its climate risk impact based on the severity and likelihood of a risk occurring in line with the Defra group risk management framework. Combining the likelihood and impact of a risk provides an overall risk score or severity.

RPA identify and assess which risks relate to their operational delivery and include them in the functional risk registers together with risk responses. The RPA risk management standard sets out how risk is managed in RPA.

Metrics and targets

Metrics used to assess climate-related risks and opportunities

All such metrics will be managed by Defra group corporate services to identify climate related risks to its operations. Please see their reports for further information.

Greenhouse gas emissions (Scope 1, 2 and 3)

RPA's scope 1, scope 2 and GGC-related scope 3 emissions are disclosed in the sustainability annex together with energy consumption figures. These figures are disclosed as part of the quarterly GGC reporting process.

Targets and performance tracking

RPA's figures form part of the Defra group's decarbonisation work to deliver on the Greening Government Commitments.

Neil Hornby
Interim Chief Executive and
Accounting Officer

11 July 2025

Accountability report

Corporate governance report

Remuneration and staff report

Parliamentary Accountability and Audit Report

Corporate governance report

This section describes the governance, risk management and internal control arrangements for the agency and how our processes have evolved in response to a changing business environment and set of risks over 2024-25.

Directors' report

Governance framework

Defra's Secretary of State has overall responsibility for RPA and is accountable to Parliament for all matters concerning the agency. Ministerial responsibility for the agency has been assigned to the Minister of State.

During 2024-25, Tamara Finkelstein, Defra's Permanent Secretary, was the Principal Accounting Officer and principal adviser to the Secretary of State on matters affecting Defra as a whole, including resource allocations across the department and is responsible for ensuring a high standard of financial management. Tamara Finkeistein stepped down from the role of Permanent Secretary at the end of June 2025, and was replaced by David Hill as Interim Permanent Secretary.

Paul Caldwell was Chief Executive Officer and designated Accounting Officer by the Principal Accounting Officer during 2024-25. Paul Caldwell stepped down as CEO and Accounting Officer on 11 June 2025, with Neil Hornby taking up both of these responsibilities in the interim whilst recruitment for a permanent successor is taking place.

The Accounting Officer must be satisfied that the agency has adequate risk management, financial systems, and procedures in place to support the efficient and economical conduct of its business, safeguard financial propriety and regularity, ensure business continuity, and safeguard the agency's reputation. The CEO is line managed by the Defra Director General for Food, Biosecurity and Trade, Emily Miles.

Significant business interests

Details of company directorships and other significant interests held by directors of the agency, which may conflict with their management responsibilities, are disclosed in the related parties section of the financial statements.

The Agency Management Board

Chaired by a Non-Executive Director, the Agency Management Board (AMB) is responsible for strategic oversight of the agency's performance, advising and challenging the CEO, and escalating issues to Defra and ministers as appropriate.

It provides leadership in the delivery of statutory corporate and business responsibilities, ensures that risks are effectively identified and managed, encourages improvements in performance across the agency and ensures effective governance and control is in place for the agency.

Key business at AMB meetings in 2024-25 included:

- Monitoring progress of schemes against performance targets
- Assessment and management of the agency's financial position
- The strategic deployment of resource and management of service levels during the recruitment freeze as a result of the spending review
- Navigation of new ministerial priorities through a change in Government

The Audit and Risk Assurance Committee

Chaired by a Non-Executive Director, who is also a member of AMB, the Audit and Risk Assurance Committee (ARAC) is responsible for advising both AMB and the Chief Executive Officer (as Accounting Officer) on whether the agency's annual report and accounts and internal control systems are fully compliant with current legislation, standards, and best practices. ARAC also reviews the agency's approach to risk, fraud, and whistleblowing. RPA's ARAC Chair is also a member of the Defra Audit and Risk Assurance Committee.

Key business at ARAC meetings in 2024-25 included:

- review of the agency's Annual Report and Accounts along with reviews of supporting accounting policies
- regular assessments of the agency's approach to risk and fraud risk management contributing to the ongoing development of assurance
- monitoring progress of the mitigation of fraud and error within scheme expenditure
- reviews of specific business areas to assure effective risk management is undertaken, including security, customer, people and other key risks
- assessment of progress against the Government Internal Audit Agency (GIAA) annual audit plan and outcomes of audit work undertaken
- reviews of wider audit insights from NAO

AMB and ARAC's non-executive members are recruited and paid following public appointments guidance set by the Cabinet Office.

Membership and Attendance		AMB		ARAC	
Name	Title	Attendee	Meetings attended	Attendee	Meetings attended
Elizabeth Passey[1]	Chair of AMB, Non-Executive Director (until 30 June 2024)	Chair	1 of 1	-	-
Adrian Belton	Chair of AMB, Non-Executive Director (from 2 June 2025)	Chair	-	-	-
Neil Hornby[2]	Chief Executive Officer (Interim)	Member	-	-	-
Paul Caldwell[2]	Chief Executive Officer	Member	6 of 6	-	-
Peter Crewe	Grants Functional Standard Director	Member	5 of 6	-	-
Mark Ashenden	Strategy Director (from 15 April 2024)	Member	6 of 6	-	-
Dan Gilbert	RPA Finance Director (from 9 July 2024)	Member	5 of 5	-	-
Marie Hardeman	Customer Director	Member	5 of 6	-	-
Sophia Haughton	HR Director Rural Payments Agency	Member	4 of 6	-	-
Janet Hughes	Defra Director, Farming and Countryside Programme	Member	3 of 6	-	-
Jessie Peramal	Finance Director and Departmental Group Functional Lead for Grants (until 8 July 2024)	Member	1 of 1	-	-
Paul Dillon-Robinson[1,3]	Non-Executive Director and Interim Chair of AMB and Chair of ARAC	Member	6 of 6	Chair/ Member	4 of 4
Tim Breitmeyer[4]	Non-Executive Director	Member	5 of 6	-	-
Julia Grant	Non-Executive Member	-	-	Member	3 of 4
Mark Suthern[5]	Non-Executive Director	Member	6 of 6	Member	4 of 4

1. *Elizabeth Passey's tenure as Chair of AMB ended on 30 June 2024. Paul Dillon-Robinson acted interim Chair of AMB until Elizabeth's successor, Adrian Belton, was appointed on 2 June 2025.*
2. *Paul Caldwell left RPA on 11 June 2025. Neil Hornby was appointed Interim RPA CEO from 2 June 2025.*
3. *Paul Dillon-Robinson left RPA on 31 May 2025.*
4. *Tim Breitmeyer left RPA on 31 May 2025.*
5. *Mark Suthern left RPA on 31 May 2025.*

The Executive Team

The RPA is led by the CEO and Executive Directors, who, along with Defra group corporate services colleagues, form the Executive Team (ET). Over 2024-25 RPA re-imagined its corporate governance framework to enhance decision making efficiency. An important part of this re-structure was distributing decision authority, empowering newly formed Executive Committees and Initiatives to make decisions and drive innovation. This allows ET to focus on the strategic leadership of the agency. Executive Committees and Initiatives report on progress and challenges to ET on a monthly basis, escalating decisions where needed.

Key business at ET meetings in 2024-25 included:

- setting strategic direction for the agency
- establishing the Agency's risk appetite and management of strategic risk
- oversight of Executive Committees and initiatives set up under new governance structure

The agency's Executive Team remunerations are set by the Defra's Remuneration Committee, which follows the pay guidance and recommendations of the Cabinet Office Senior Salaries Review Body for all Senior Civil Servants (SCS). The pay award for agency staff below SCS is set by Defra who agree the pay awards for all the Defra group with the Cabinet Office.

ET membership throughout the year is listed on the page below.

The Executive Team

Name	Title	Start date of membership (if not in post at 1 April 2024)	End date of membership
Neil Hornby (ET Chair)	Interim Chief Executive Officer (Chair from 12 June 2025)	2 June 2025	Present
Paul Caldwell	Chief Executive Officer (Chair from 17 January 2025 until 11 June 2025)	-	11 June 2025
Dan Gilbert[1]	RPA Finance Director	9 July 2024	Present
Emma Appleby	Business Transformation Officer[2] (Chair until 16 January 2025)	-	Present
Mark Ashenden	Strategy Director[2]	15 April 2024	Present
Peter Crewe	Grants Functional Standard Director[2]	-	Present
Tom Foster	Land Services Owner Director	22 July 2024	Present
Marie Hardeman	Customer Director	-	Present
Sophia Haughton[1]	HR Director Rural Payments Agency	-	Present
Ronnie Haynes	Director of Livestock and Trader Strategy and Operations	-	28 February 2025
Charlotte Inman	Interim Director for Data, Insight and Outcomes	-	Present
Alison Johnson	Operational Director[2]	-	Present
Rozanne Kidd[3]	Planning and Capability Director[2]	-	30 April 2025
Gill Moger	Livestock Information Transformation Programme Director	-	29 November 2024
Vicky Moore	Food Chain Director	-	Present
David Painter[1]	Defra Digital and Data Transformation Services Director[2]	-	Present
Jane Parsley	Customer Operations Director	-	1 July 2024
Jessie Peramal[1]	Finance Director and Departmental Group Functional Lead for Grants	-	8 July 2024

1. *Dan Gilbert, Sophia Haughton, David Painter, are employees of Defra group corporate services and RPA Directors in 2024-25. Jessie Peramal was also an employee of Defra group corporate services until 8 July 2024.*
2. *Director job title changed as a part of an internal restructuring.*
3. *Rozanne Kidd retired on 30 April 2025.*

Relationship with Defra

Defra's Executive Committee (ExCo) ensures effective leadership and oversight of the strategic direction of the Defra group. Responsibilities for decisions which affect more than one organisation, or set a precedent for the future, ultimately lie with ExCo. ExCo is supported by several key subcommittees which include CEOs of relevant delivery bodies and Defra directors. The RPA is a delivery body which directly reports into the Food, Biosecurity and Trade Director General Group.

RPA has provided wide ranging support and capability to various cross Defra programmes and strategic initiatives in support of Defra's Environmental Improvement Plan and the Farming and Countryside Programme (FCP). We continue to demonstrate a shared commitment to the achievement of Defra's strategic ambitions and stand ready to evolve and build on our current involvement.

Security, information risk and fraud

Due to the UK's departure from the EU, this is the first year that the RPA has not been required to comply with Commission Regulation 885/2006 regarding security and information risk, specifically ISO/IEC 27001:2013 compliance. To replace this RPA have commissioned an internal compliance regime from Defra group Security to assess assurance against the Government Security Standard GovS007 but mapped to ISO27001.

Throughout the past year work has continued to support compliance, with assessments against insider risk, security awareness, the Information Asset Owner framework and supplier assurance.

This has been supplemented by several key systems being put through GovAssure - the National Cyber Security Centre's (NCSC) Cyber Assessment Framework (CAF).

Defra group Security also managed the annual 2024-25 Departmental Security Health Check submission which assessed compliance against the minimum baseline standards for physical and personnel security and incident management. This was a joint submission that covered the Defra group (including RPA). Assurance work will continue into next year to support ongoing compliance against the government functional standard GovS007: Security Mitigation work arising out of these activities will continue to be tracked through the regular RPA Security Risk Owner meetings and through the existing security governance framework.

Information handling

The RPA's information governance ensures that personal data is processed in conformity with the law and HM Government information management standards.

Guided by the Defra Data Protection Officer (DPO), the RPA continued to embed the Information Commissioner Office's (ICO) Accountability Framework into the Agency's structure of controls in collaboration with the network of information asset owners (IAOs). Briefing on this work was provided to the RPA Security Risk Owner (SRO) and the Defra DPO, with an end of year report made to the RPA CEO.

To support the RPA Security Risk Owner (SRO) and the IAOs, the collective efforts of the RPA Data Protection Practitioner (Lead), Defra group Security, Business Continuity, Data Integrity and Governance and the Information Rights Team serve as a focal

point for the IAOs to obtain guidance on the effective management of information risk within the defined risk tolerance. The IAOs are locally accountable for compliance and managing risk, but more complex issues are referred to the Information Governance Business Unit Group (IGBUG). The IGBUG reports in turn to the SRO.

When people join the RPA, the need for compliant information handling is highlighted in the induction process. This is reinforced during the annual Security and Data Protection on-line course provided by Civil Service Learning. The Security and Data Protection training (which includes a certificate of completion) is a requirement for all agency employees so that they are equipped to demonstrate their competence in personal data processing. In partnership with the office of the DPO, the RPA's data protection practitioners and the Information Rights Team provide more specialised training to the IAOs.

Personal data incidents

During 2024-25, a total of 156 personal data breach incidents were reported for investigation in relation to United Kingdom General Data Protection Regulation (UK GDPR) compliance (2023-24: 186). None were deemed to have fulfilled the criteria for reporting to the Information Commissioner's Office.

Fraud referrals

Fraud referrals are assessed by the RPA Fraud Referral team to consider whether a potential fraud has occurred. The agency takes appropriate recovery action on cases if the recommendation is made to recover funds. Most fraud referrals relate to external (beneficiary) fraud. At 31 March 2025, and included in the table below, there were only two internal fraud referrals outstanding (31 March 2024: three).

RPA fraud referrals	2024–25	2023–24
Number of new fraud referrals in year	259	249
Number of fraud referrals closed	304	252
Detected and prevented:		
Detected fraud value	£594,539	£314,398
Detected number of cases	34	21
Detected fraud recovered value, including from previous years referrals	£284,223	£239,212
Detected fraud recovered number of cases, including from previous years referrals	21	23
Prevented fraud value	£132,457	£81,390
Prevented fraud number of cases	25	7
Number of fraud cases outstanding	**97**	**142**

The table above includes known, detected fraud referral cases only. The agency also acknowledges that some fraud will, by its nature, remain undetected. The agency therefore estimates the level of undetected fraud and error with scheme expenditure. This is disclosed in the Parliamentary Accountability and Audit Report.

Statement of Accounting Officer's Responsibilities

Under the Government Resources and Accounts Act 2000, HM Treasury has directed the RPA to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the RPA and of its expenditure and income, Statement of Financial Position and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by HM Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed
- disclose and explain any material departures in the financial statements
- prepare the financial statements on a going concern basis

The Accounting Officer has taken all the steps necessary to familiarise himself with any relevant audit information and to establish that the agency's auditor is aware of that information. As far as he is aware, there is no relevant audit information of which the agency's auditor has no knowledge.

The Accounting Officer confirms that the Annual Report and Accounts as a whole is fair, balanced and understandable and that he takes personal responsibility for the Annual Report and Accounts and the judgments required for determining that it is fair, balanced and understandable.

The Permanent Secretary appointed Paul Caldwell, the agency Chief Executive Officer, as Accounting Officer of the RPA for 2024-25, with Neil Hornby assuming this role following his departure on 11 June 2025. The responsibilities of an Accounting Officer include responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the RPA's assets, as set out in Managing Public Money published by HM Treasury.

Governance statement

As Accounting Officer, I am responsible for maintaining a robust system of internal control that supports the achievement of the agency's policies, aims and objectives, while safeguarding public funds and agency assets. This is in accordance with the responsibilities assigned in the HM Treasury publication, Managing Public Money.

Governance framework

Defra's Executive Committee is chaired by the Permanent Secretary and comprises of the Defra Directors General, along with the Group Directors for Finance, HR and Communications and the Chief Executive Officer of the Environment Agency. The committee provides a strategic steer, makes decisions where appropriate on cross-network issues, reviews plans and progress on improving Defra's capacity and capability for the future, and oversees cross-departmental initiatives to inform strategic decisions by ministers on their priorities and spending plans.

RPA's Agency Management Board (AMB) is responsible for ensuring that effective arrangements are in place to provide assurance on risk management, governance, and internal control. As part of this the AMB is required to set up an Audit and Risk Assurance Committee (ARAC) chaired by an independent Non-Executive member to provide independent advice and ensure that this committee provides assurance on risk. AMB is expected to assure itself of the effectiveness of the internal control and risk management systems.

The Audit and Risk Assurance Committee is responsible for advising both the AMB and CEO as Accounting Officer on all

matters relating to strategic processes for risk and control, the governance statement, accounting policies, the Annual Report and Accounts, assurance of internal and external audits and anti-fraud policies. The ARAC Chair is also a member of Defra's Audit and Risk Assurance Committee. The RPA is headed by the CEO and a team of Executive Directors who collectively form the Executive Team that sets the direction for the agency and has the overall authority to run the agency on a day-to-day basis.

Internal controls

The system of internal controls has been in place throughout 2024-25, and up to the date of approval of the RPA's 2024-25 Annual Report and Accounts.

Risk overview

Throughout the year, the agency has continued thorough risk assessment across all areas and levels of the business. The agency has continued to take a hierarchical approach to risk, operating strategic, operational, and tactical risk assessments in every area. The agency has also evaluated risks associated with dependencies on third parties, such as Defra group corporate services providers, and the Farming and Countryside Programme.

At the strategic level RPA executive directors are consulted regularly for views and highest priority concerns, and oversight of the strategic risks is beginning to be shared with newly formed Committees and Initiatives across the agency. The risk register covers a range of risks featured as an agency level concern and are part of the overall picture of strategic risk assessment for the duration of the financial year. In 2024-25, key concerns included:

- Demonstrating and assuring regulatory and robust budgetary management in scheme expenditure, including managing and mitigating irregularity rates
- Balancing the agency's new role as a regulator with ambitions to improve customer service and delivery
- Maintaining a high standard of scheme delivery in the face of strategic changes of direction and budgetary pressures
- Attracting, retaining and developing a diverse group of people, capabilities and talent

Work to mitigate risk in these areas has taken place during the year, and risks remain on the Agency level risk assessment which will be closely monitored.

RPA also continues to recognise several risks which require the agency and delivery partners to provide joint oversight and mitigation. This includes risks to the provision of IT services to RPA, ensuring Defra group corporate services delivery meets RPA's needs, and ensuring the delivery and budgetary implications of wider policy decisions are fully understood and impacted.

In 2023-24, the key challenges faced by the agency were categorised into four areas which were resilience to change, capacity and capability, IT reliability and customer service. Structural changes to the agency as part of reimagining have begun to address these challenges by ensuring sufficient resource, governance and attention are focused on each area. For example, the formation of the Customer business area to address customer service needs, the formation of the Planning and Capability business area to address capacity and capability, and the formation of committees and initiatives such as the Performance Committee and Digital Roadmap Initiative to address resilience to change and IT reliability.

The Hancock and Corry reviews, conducted towards the end of 2024-25 have prompted a review of our approach to examining and measuring risk appetite, which will be undertaken in early 2025-26.

We have ongoing, proportionate, risk-based controls in place to ensure that payments are made to appropriate applicants. In addition, we have implemented the Cabinet Office's Spotlight due diligence tool for some of our grants. This provides a robust method for assessing the suitability of applicants, including identifying sanctioned individuals. We aim to roll out the use of this tool more widely across our grant delivery in the future.

Fraud risk management

The management of fraud risk remains a significant area of focus for the RPA in 2024-25. The focus is primarily pointed at the effective management of fraud and error within scheme expenditure.

The agency has continued its approach to managing fraud risk through utilising a suite of counter fraud measures including heat map analysis, fraud risk identification and assessment, and ongoing review of fraud risk assessments. This has given the agency an informed view of the fraud and risk landscape, enabling it to determine which of its schemes present the highest risks of fraud and error, and where to concentrate counter fraud activity to gain most effective prevention returns. The agency recognises that whilst grants expenditure is the highest spend area, and therefore presents the biggest risk of fraud, we must consider internal threats and supplier fraud. The agency has recently participated in the Public Sector Fraud Authority (PSFA) National Fraud Initiative (NFI), a cross-government data matching exercise which analyses internal data.

Continued engagement with cross Government counter fraud forums and PSFA has presented opportunities for sharing good practice, and in line with PSFA recommendations, the agency has shifted focus towards fraud prevention, identifying ways in which prevention methodology can be both built into new scheme design, and identified for upstream prevention. The agency is continually looking for opportunities to increase alignment with the government standard for counter fraud and improve its counter fraud maturity.

The agency recognises the risk associated with ineffective fraud and error mitigation and the consequences of being unable to sufficiently demonstrate that grant funding is being administered effectively, achieving intended objectives, and value for taxpayers' money.

The agency is committed to ongoing activity to address areas where fraud and error risk is highest and will continue to identify fraud and error mitigations which embrace new technological methods and automation offering value for money controls.

Disallowance risk management

During 2024-25, the EU provided its final decisions regarding disallowance and confirmed clearance of the final EAFRD accounts. Disallowance forecasts continued to be reviewed, and the remaining risk was managed through to this point, ensuring the final value was comfortably within Defra's provision. Disallowance risk is no longer expected to apply to the agency and Defra in the future.

Effectiveness of risk management statement

The Executive Team holds responsibility for the management of the most significant risks the agency faces. Each agency level risk identified is owned by a member of the Executive Team, and there is an overarching risk management process for escalation of risks. Operational risks have been managed on a tactical level to meet delivery objectives.

Strategic risk update sessions are held with the Executive Team, and risks are now being included for discussion and oversight in newly formed governance groups (Committees and Initiatives) across the agency. Risk assurance sessions are held at each quarterly ARAC meeting, who in turn report on key risks to the AMB. External risk escalations to the core department are made through the Defra System Committees as required.

The Audit and Risk Assurance Committee have continued to challenge and support the ongoing development of risk management through the reporting that is presented to each ARAC meeting, primarily in terms of how we are able to provide assurance that agency level risks are being managed effectively. We have continued an approach of risk deep-dives and are undertaking further work to enhance the articulation and understanding of risk appetite and tolerance across our strategic risks.

Effectiveness of whistleblowing arrangements

The core department encourages employees to use the whistleblowing procedures to raise concerns about past, present or imminent conduct within the Defra group or conflicts with the Civil Service Code. The core department implemented the Civil Service Employee Policy in January 2013 across Defra and its executive agencies (including RPA) and updated the policy in December 2016.

There were no newly reported cases during the financial year 2024-25 being managed within the whistleblowing process. RPA played an active part in delivering Defra's "Speak Up" campaign, which encouraged colleagues to raise concerns in the workplace. This led to a rise in approach to Nominated Officers about more general workplace relationship issues such as management decisions, but did not uncover any true whistleblowing. Nevertheless, it is encouraging that it demonstrated people being able to raise their concerns.

Internal Audit opinion

The RPA's Head of Internal Audit provides an annual opinion based on the internal audit work completed during the year and attendance at key governance forums, in line with the audit plan agreed with the Executive Team and with the RPA's ARAC. All changes to the plan during the year were evaluated against RPA's key risks to ensure sufficient coverage was maintained to inform her opinion. Her 'Moderate' opinion for 2024-25, reflects that whilst there are areas that could be improved, the RPA's frameworks for governance, risk management and control are largely operating effectively in delivering RPA's objectives and in administering the payment schemes for which it is responsible. This was despite a degree of uncertainty and change resulting from the internal re-imagining of RPA's vision and related governance framework, and the election of a new Government.

Of the 15 reports delivered, four did not carry an assurance rating because they were either advisory or position statements for immature/transitionary areas of the business. Of the remaining 11, one had a limited assurance opinion, related to customer registrations and permissions; specifically, permissions of employees being moved within the organisation to address variations in demand, to deliver new schemes, or iterations of schemes, to very tight deadlines.

The impact of new schemes on resources and control requirements is directly related to scheme design and complexity, which highlights the continued dependence on the Farming and Countryside Programme (FCP) to consider deliverability when making policy decisions. Consultation and collaboration between FCP and the agency continues to be key for learning lessons and for achieving a balance between delivering the desired environmental outcomes, minimising complexity in order to minimise fraud and error, and maintaining adequate control over public money, within the constraints of limited resources.

Compliance with governance codes

In 2024-25, the Government Internal Audit Agency (GIAA) conducted an audit of RPA's governance procedures against 'Corporate Governance in Central Government Departments: Code of Good Practice'. Whilst there were some suggestions for improvements within the final report which will be taken forward, in general the review indicated that RPA's governance practices are aligned with statutory requirements.

Effectiveness of governance arrangements

Governance arrangements are effective and proportionate given the level of activity currently being undertaken by the agency. Defra's ExCo is supported by several subcommittees (with RPA being represented at the Food, Biosecurity and Trade and Environment committees). These committees ensure that plans and activities are in place to deliver the Defra Group's strategic objectives, from policy development to through to operations, as well as identifying synergies and areas for improvement.

Framework document

RPA's framework document, setting out the broad framework within which the agency operates is on the GOV.UK website.

Effectiveness of board and committee performance

During 2024-25, executive directors held regular meetings with the Chair/Interim Chair of the Agency Management Board to keep them informed about what was happening across the agency, and to discuss the effectiveness of the board. Both the AMB and the ARAC undertook effectiveness reviews in 2024-25 and have confirmed that the quality of the information and data they received during the year was sufficient to inform their decisions and opinions and to enable them to operate effectively. The overall assessments of the reviews were that both the AMB and the ARAC were performing effectively.

Following the arrival of the new AMB Chair on 2 June 2025 and as the recruitment for new Non-Executive Directors to replace those who left on 31 May 2025 progresses, the operation of both the AMB and the ARAC will be reviewed and appropriate changes made to ensure they operate effectively going forwards.

Change of Accounting Officer and assurance

Upon joining the agency as RPA's interim Chief Executive and Accounting officer on 2 June 2025, I undertook a structured handover process and reviewed key documents including internal audit reports, risk registers, and board minutes. I also engaged with senior management and the Audit and Risk Assurance committee to understand the operation of internal controls throughout the year. On this basis, I am satisfied that appropriate governance and control arrangements were maintained, and I am able to provide assurance for whole financial year.

Managing significant challenges in 2024-25

Level of Irregularity

Over the course of the last four years, the schemes that the agency delivers have gradually shifted from simple land-based subsidy schemes to more ambitious agri-environment schemes.

Agri-environmental schemes deliver more for the environment and target funding towards the delivery of specific outputs and measures. They offer greater variety to customers, with a wide range of actions available to them. However, they are also more complex and carry a greater risk of irregularity compared to the previous simpler land-based subsidy schemes. As a result, the level of irregularity has increased as expenditure has shifted towards agri-environment schemes. The agency is developing opportunities to address this risk, ranging from working with the department to simplify scheme design, through to operational delivery and customer support interventions to prevent or reduce irregularities prior to payment.

The developing approach to managing irregularity risk will allow the agency to measure the success of in-year controls designed to prevent irregularities and will support future forecasting and the development of new controls, whilst considering the proportionality of control costs. The approach will use the analysis of the results that measure irregularities within scheme expenditure, considering root causes to inform a cycle of continuous control improvement, which will influence customer behaviour and deliver better outcomes through both targeted advice and guidance and the simplification of scheme requirements.

The continuous and cyclical nature of agri-environmental schemes means the agency's approach to the management of irregularities will take time to be fully assessed and evidenced. The long-term aim is to strike the right balance between delivering ambitious environmental outcomes, the cost of controlling and administering the agency's schemes, and protecting taxpayers' funds by reducing irregularities.

Where overpayments are identified for any reason, the agency seeks recovery of debts in full to protect taxpayer money. Recovery methods employed include interception of future scheme payments, agreement of repayment terms, and legal action where warranted. All of which seeks to ensure value for money to the taxpayer.

Scheme financial management complexity

Many of the schemes that the agency administers on behalf of Defra are inherently complex to administer from both a scheme design and scheme system perspective. This creates financial management risk for the agency and the department. Scheme forecasts are often dependent on modelling unpredictable customer uptake using complex system data sources and are exposed to demand-led factors both in terms of the way in which future year commitments can be claimed for by customers but also the way in which scheme take up occurs and agreements are entered into.

During the year this had an impact on a number of our schemes. Countryside Stewardship (revenue) had a forecasting error identified which meant that the department was required to re-prioritise budgets during the financial year. Capital grants saw overwhelming demand for some capital grant items, which led to the main capital grant offer being temporarily closed to new applications before being reopened for on hold applications in 2025-26. Sustainable Farming Incentive 2024 saw its future year budgets successfully allocated, leading to the stopping of applications being accepted. However, a system message error led to a written ministerial statement remaking the decision to close the scheme, which will lead to unplanned expenditure in 2026-27 and beyond. More on this is set out in Note 20 events after the reporting period.

This agency and the department are working together to strengthen both internal controls and scheme design controls to mitigate the future risk of financial management complexity in schemes. This includes delivering against a set of GIAA recommendations to minimise the risk of future forecasting issues occurring alongside the introduction of further additional risk-targeted measures that go beyond the GIAA's specific recommendations.

Resource pressures

During 2024-25, all departments were asked to reduce administrative budgets by 10%, with further reductions planned for the future.

The RPA has played a key role within the Defra Group to achieve these targets. Actions taken during 2024-25 include:

- Initiating a freeze on all external recruitment in November 2024, with exceptions for critical roles supporting frontline delivery
- Pausing internal recruitment for a later date
- Conducting an internal restructuring, aiming to increase efficiency, reduce duplication and add more value to the public we serve

This period has also seen political changes. A new government has introduced new priorities and ambitions, requiring the RPA to continue to evolve its strengths as a key delivery partner for Defra policy. Despite the challenges posed by resource constraints, we continue to adapt and learn, seeking innovative solutions to emerging issues while delivering outcomes aligned to government objectives.

Remuneration and staff report

The remuneration and staff report provides information on people in the agency and sets out the entity's remuneration policy for directors, reports on how that policy has been implemented and sets out the amounts awarded to directors. It also provides details on remuneration and staff that Parliament and others see as important to accountability, as set out in Chapter 6 of the Companies Act 2006 and SI 2013 No.1981 and amended by HM Treasury's Financial Reporting Manual.

Remuneration report

Although costs for the CEO and the members of ET are included in the RPA's Annual Report and Accounts, they are formally employed by Defra. The framework for remunerating the CEO and ET, as for all Senior Civil Servants (SCS), is set by the Prime Minister following independent advice from the Senior Salaries Review Body. The Cabinet Office advises Defra in March or April each year of the government's response to the Senior Salaries Review Body's recommendations and produces guidance for departments to follow. Defra develops its SCS pay strategy within this Cabinet Office framework, ensuring that the overall pay awards are within the cost ceiling allowed.

Consolidated pay and non-pensionable, performance related pay awards for members of ET are based on their performance assessed relative to all others in their peer group within Defra.

Consolidated awards generally differ depending on the level of performance and the relative position of each person in their pay range. Members of the SCS are eligible to be considered for individual levels of bonus as non-pensionable, non-consolidated variable pay (NCVP). NCVP is performance related and is paid in arrears in the financial year after that in which it was earned. During 2024-25, NCVP for 2023-24 performance bonuses was paid to approximately 25%

of the SCS and was capped at £10,000. NCVP values, informed by each individual's appraisal grade were paid within Cabinet Office guidelines. The table of salary and non-cash benefits shown in this report includes NCVP paid to the CEO, ET and Non-Executive Directors. Departments also have discretion to make in-year non-consolidated award payments to recognise outstanding contribution for up to 40% of SCS staff. These are limited under Cabinet Office guidance to a maximum of £5,000.

Service contracts

The Constitutional Reform and Governance Act 2010 requires civil service appointments to be made on merit on the basis of fair and open competition. The Recruitment Principles published by the Civil Service Commission specify the circumstances when appointments may be made otherwise. Further information about the Civil Service Commission can be found at www.civilservicecommission.org.uk.

The CEO and ET are permanent civil servants. The Executive Directors are required to give three months' notice under the terms of their contracts. Our Non-Executive Directors are appointed on fixed term contracts with a notice period of one month.

The employment of the CEO and members of ET may be terminated in accordance with normal civil service procedures. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Compensation for loss of office (audited)

No compensation amounts were paid to Executive Directors during the year. Compensation for leave not taken, where appropriate, is included within the salary figures in the remuneration table.

Salary

'Salary' includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation. This report is based on accrued payments made by the agency and thus recorded in these accounts.

Benefits in kind (audited)

The monetary value of benefits in kind covers any benefits provided by the agency and treated by HM Revenue and Customs as a taxable emolument. In 2024-25, no director (2023-24: one) had a taxable benefit permitted by the Civil Service Management Code.

Bonuses (audited)

Bonuses are based on performance levels attained and are made as part of the appraisal process. The bonuses reported in 2024-25 relate to performance in 2023-24 and the comparative bonuses reported for 2023-24 relate to the performance in 2022-23. This is because the appraisal process does not allow sufficient time to accrue for individual bonuses relating to performance in the reporting year's financial statements.

Fair pay disclosure (audited)

Reporting bodies are required to disclose the percentage change from the previous financial year for both salary and performance pay in respect of the highest paid director and the average percentage change in respect of employees of the organisation taken as a whole. Only directors and employees paid directly by the agency are included in the tables below.

The Non-Executive Directors are excluded from this disclosure as their work is part-time by nature and their inclusion would have a distorting impact on the calculation.

Mean employee remuneration includes agency staff, contractors, and corporate services directors.

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce.

The banded remuneration of the highest-paid director in the financial year 2024-25 was £130,000-£135,000 (2023-24: £120,000-£125,000). This was 4.6 times (2023-24: 4.3) the median remuneration of the workforce, which was £29,075 (2023-24: £28,591).

In 2024-25, two contractors (2023-24: three) and no permanent employees (2023-24: nil) received remunerations more than the highest paid director.

	Salary	Bonus[1]	Total
2024-25			
Annualised band of highest paid director remuneration (£000)	120-125	5-10	**130-135**
Mean employee remuneration	£34,448	£312	**£34,761**
2023-24			
Annualised band of highest paid director remuneration (£000)	115-120	5-10	**120-125**
Mean employee remuneration	£32,081	£1,497	**£33,578**
Percentage changes from previous year			
Highest paid director (based on midpoint of band)	4%	0%	**8%**
Mean employee remuneration[2]	7%	-79%	**4%**

1. *In 2023-24, all employees received a one-off cost-of-living bonus for £1,500.*
2. *The percentage change in 'Mean employee remuneration' from the previous year is -79%, which primarily reflects the fact that in 2023–24, all staff received a £1,500 cost of living payment, whereas no such payment was made in 2024–25.*

Total remuneration as analysed below, includes salary, non-consolidated performance related pay and benefits in kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

	25th percentile remuneration	Median total remuneration	75th percentile remuneration
2024-25			
Highest paid Director remuneration (mid-point of pay band)		£132,500	
All employees (excluding highest paid director) Total pay and benefits	£25,345	£29,075	£34,169
All employees (excluding highest paid director) salary component only	£25,070	£28,929	£33,894
Total pay ratio	**5.2**	**4.6**	**3.9**
2023-24			
Highest paid Director remuneration (mid-point of pay band)		£122,500	
All employees (excluding highest paid director) Total pay and benefits	£25,436	£28,591	£33,636
All employees (excluding highest paid director) salary component only	£23,811	£27,470	£32,136
Total pay ratio	**4.8**	**4.3**	**3.6**

The median remuneration, 25th percentile pay remuneration and the 75th percentile pay remuneration is based on annualised, full-time equivalent remuneration as at the end of the financial year.

The median pay ratio has marginally increased from 2023-24. In addition, in line with the public sector pay remit guidance, on 1 July 2024 annual pay increased by an average of 5% for eligible staff, including an increase in the pay range for AOs and AAs.

The increase in the pay ratio for the 75th percentile in 2024–25, compared to 2023–24, is partly due to the absence of the £1,500 one-off cost of living payment that was made to staff in the previous year. The increase in the pay ratio for the 25th percentile is due to the same reason.

The banded total remuneration for employees in the agency ranged from £25,000-£30,000 to £130,000-£135,000 (2023-24: £20,000-£25,000 to £120,000-£125,000). These figures exclude the Non-Executive Directors.

Remuneration (including salary) and pension entitlements (audited)

The remuneration and the pension interests of the Non-Executive Directors and the Executive Directors of the agency are detailed in the following tables:

Name and title	Salary (£000)	Bonus payments (£000)	Benefits in kind (Nearest £100)	Pension benefits[1] (£000)	Total (£000)
2024–25					
Tim Breitmeyer *Non-Executive Director*	5-10	-	-	-	**5-10**
Paul Dillon-Robinson *Non-Executive Director*	10-15	-	-	-	**10-15**
Julia Grant *Non-Executive Member*	0-5	-	-	-	**0-5**
Elizabeth Passey[2] *Non-Executive Director (until 30 June 2024)*	0-5	-	-	-	**0-5**
Mark Suthern *Non-Executive Director*	5-10	-	-	-	**5-10**
2023–24					
Tim Breitmeyer *Non-Executive Director*	5-10	-	-	-	**5-10**
Paul Dillon-Robinson *Non-Executive Director*	10-15	-	-	-	**10-15**
Julia Grant *Non-Executive Member*	0-5	-	-	-	**0-5**
Elizabeth Passey[2] *Non-Executive Director (until 30 June 2024)*	5-10	-	-	-	**5-10**
Mark Suthern *Non-Executive Director*	5-10	-	-	-	**5-10**

1. *The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increases or decreases due to a transfer of pension rights.*
2. *Elizabeth Passey's tenure as Chair of AMB ended on 30 June 2024. Her full year whole year equivalent salary was in the range £5,000 to £10,000.*

Remuneration (including salary) and pension entitlements (audited) continued 2024-25

Name and title	Salary (£000)	Bonus payments[3] (£000)	Benefits in kind (nearest £100)	Pension benefit[4] (£000)	Total (£000)
Emma Appleby *Business Transformation Director*	105-110	5-10	-	42	**150-155**
Mark Ashenden[2] *Strategy Director (from 15 April 2024)*	75-80	-	-	19	**95-100**
Paul Caldwell *Chief Executive Officer*	120-125	5-10	-	90	**220-225**
Peter Crewe *Grants Functional Standard Director*	80-85	-	-	62	**145-150**
Tom Foster[2] *Land Services Owner Director (from 22 July 2024)*	55-60	-	-	52	**110-115**
Dan Gilbert[1,2] *RPA Finance Director (from 9 July 2024)*	55-60	-	-	27	**85-90**
Marie Hardeman *Customer Director*	85-90	-	-	34	**120-125**
Ronnie Haynes[2] *Director of Livestock and Trader Strategy and Operations (until 28 February 2025)*	75-80	0-5	-	53	**130-135**
Sophia Haughton[1] *HR Director Rural Payments Agency*	80-85	-	-	32	**110-115**
Janet Hughes[1] *Defra Director, Farming and Countryside Programme*	135-140	0-5	-	78	**215-220**
Charlotte Inman *Interim Director for Data, Insight and Outcomes*	75-80	-	-	30	**105-110**
Alison Johnson *Operations Director*	80-85	0-5	-	61	**145-150**
Rozanne Kidd *Planning and Capability Director (until 30 April 2025)*	80-85	0-5	-	54	**140-145**

Remuneration (including salary) and pension entitlements (audited) continued 2024-25

Name and title	Salary (£000)	Bonus payments[3] (£000)	Benefits in kind (nearest £100)	Pension benefit[4] (£000)	Total (£000)
Gill Moger[2] *Livestock Information Transformation Programme Director (until 29 November 2024)*	50-55	-	-	10	**60-65**
Victoria Moore *Food Chain Director*	80-85	-	-	57	**135-140**
Jane Parsley[2] *Customer Operations Director (until 1 July 2024)*	20-25	0-5	-	13	**30-35**
Jessie Peramal[1,2] *Finance Director and Departmental Group Functional Lead for Grants (until 8 July 2024)*	25-30	-	-	-	**25-30**
David Painter[1] *Defra Digital and Data Transformation Services Director*	80-85	-	-	57	**140-145**

1. *Dan Gilbert, Sophia Haughton, David Painter, are employees of Defra group corporate services and RPA Directors in 2024-25. Janet Hughes is an employee of the Food, Biosecurity and Trade Group and an RPA Director in 2024-25. Jessie Peramal was also an employee of Defra group corporate services until 8 July 2024 and opted out of the pension scheme from 2023-24.*
2. *Mark Ashenden's whole year equivalent salary is in the range £80,000 to £85,000. Tom Foster's whole year equivalent was in the range £85,000 to £90,000. Dan Gilbert's whole year equivalent salary is in the range £80,000 to £85,000. Ronnie Haynes whole year equivalent salary was in the range £80,000 to £85,000. Gill Moger's whole year equivalent salary was in the range £75,000 to £80,000. Jane Parsley's whole year equivalent salary was in the range £70,000 to £75,000. Jessie Peramal's whole year equivalent salary was in the range £100,000 to £105,000.*
3. *Bonus payments to RPA's board members are approved at Defra group level by the Defra Remuneration Committee and paid where exceptional performance has been clearly demonstrated. The bonuses awarded are not part of any performance related contractual obligations but reflect what Defra group deem to be a reasonable payment for this exceptional performance. Consequently, the bonuses are not awarded based on any specific formula.*
4. *The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increases or decreases due to a transfer of pension rights. Since the real increase factors in an increased discount rate, depending on the nominal value of pension rights increases, the real increase – and therefore the declared value of associated benefits – may be a negative figure.*

Remuneration (including salary) and pension entitlements (audited) continued 2023-24

Name and title	Salary (£000)	Bonus payments[3] (£000)	Benefits in kind (nearest £100)	Pension benefit[4,5] (£000)	Total (£000)
Emma Appleby *Business Transformation Director*	100-105	5-10	-	40	**145-150**
Susan Bower[1] *Customer Operations Director (until 31 December 2023)*	30-35	-	-	2	**30-35**
Paul Caldwell *Chief Executive Officer*	115-120	5-10	-	32	**155-160**
Peter Crewe *Grants Functional Standard Director*	80-85	-	-	43	**120-125**
Marie Hardeman *Customer Director*	80-85	-	-	32	**110-115**
Ronnie Haynes[2] *Director of Livestock and Trader Strategy and Operations (from 1 September 2023)*	45-50	0-5	-	35	**80-85**
Janet Hughes[1] *Defra Director, Farming and Countryside Programme*	130-135	5-10	-	51	**185-190**
Charlotte Inman *Interim Director for Data, Insight and Outcomes (from 26 February 2024)*	5-10	-	-	3	**5-10**
Alison Johnson *Operations Director*	80-85	5-10	-	43	**125-130**
Rozanne Kidd *Planning and Capability Director (until 30 April 2025)*	80-85	0-5	-	40	**120-125**
Andy King[1] *Regulation, Grants and Standards Director (until 20 November 2023)*	50-55	0-5	-	50	**105-110**
Jake McClure[1] *Organisational Capability Director (until 28 April 2023)*	5-10	-	-	28	**35-40**
Gill Moger[2] *Livestock Information Transformation Programme Director (until 29 November 2024)*	70-75	0-5	-	76	**150-155**
Jane Parsley[2] *Customer Operations Director (until 1 July 2024)*	70-75	0-5	-	42	**115-120**

Remuneration (including salary) and pension entitlements (audited) continued 2023-24

Name and title	Salary (£000)	Bonus payments[3] (£000)	Benefits in kind (nearest £100)	Pension benefit[4,5] (£000)	Total (£000)
Jessie Peramal[1,2] *Finance Director and Departmental Group Functional Lead for Grants (until 8 July 2024)*	95-100	5-10	-	-	**105-110**
Victoria Brooks[1,2] *Deputy HR Director Business Partnering - APHA, RPA, VMD (until 4 February 2024)*	70-75	-	-	68	**135-140**
Sophia Haughton[1,2] *HR Director Rural Payments Agency (from 5 February 2024)*	10-15	-	2,300	2	**15-20**
David Painter[2] *Defra Chief Information Officer Director*	80-85	-	-	27	**105-110**

1. *Susan Bower worked part-time; her full-time equivalent was 0.46. Her full year equivalent pay, if she was a full-time employee, would have been, in the range £75,000 to £80,000. Victoria Brookes whole year equivalent salary was in the range £80,000 to £85,000. Her salary is presented as her full salary and not apportioned for any work she did for APHA or VMD. Marie Hardeman's whole year equivalent salary is in the range £80,000 to £85,000. Ronnie Haynes whole year equivalent salary is in the range £80,000 to £85,000. Sophia Haughton's whole year equivalent salary is in the range £75,000 to £80,000, she received a season ticket loan during the year for £2,340. Charlotte Inman's whole year equivalent salary is in the range £75,000 to £80,000. Andy King's whole year equivalent salary was in the range £75,000 to £80,000. Jake McClure's whole year equivalent salary was in the range £70,000 to £75,000.*
2. *Victoria Brookes, Sophia Haughton, Janet Hughes, David Painter, and Jessie Peramal are employees of Defra group corporate services and RPA Directors in 2023-24. Jessie Peramal left Defra group corporate services on 8 July 2024 and opted out of the pension scheme in 2023-24.*
3. *Bonus payments to RPA's board members are approved at Defra group level by the Defra Remuneration Committee and paid where exceptional performance has been clearly demonstrated. The bonuses awarded are not part of any performance related contractual obligations but reflect what Defra group deem to be a reasonable payment for this exceptional performance. Consequently, the bonuses are not awarded based on any specific formula.*
4. *In line with guidance per the updated 2023-24 Financial Reporting Manual, accrued pension benefits for some directors were not included in this table in the 2023-24 Annual Report and Account, due to an exceptional delay in the calculation of these figures following the application of the public service pension remedy. These accrued pensions are now available and reported above.*
5. *The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increases or decreases due to a transfer of pension rights. Since the real increase factors in an increased discount rate, depending on the nominal value of pension rights increases, the real increase - and therefore the declared value of associated benefits - may be a negative figure.*

Pension benefits (audited) information

Non-Executive Directors are not entitled to a pension so are not included within the following table.

Name and title	Accrued pension at pension age at 31 March 2025 and related lump sum[1] (£000)	Real increase in pension and related lump sum at pension age (£000)	CETV at 31 March 2025[3] (£000)	CETV at 31 March 2024[2,3] (£000)	Real increase in CETV benefit (£000)	Employer contribution to partnership pension account (nearest £100)
Emma Appleby *Business Transformation Director*	30-35	0-2.5	480	412	26	-
Mark Ashenden *Strategy Director (from 15 April 2024)*	30-35 plus lump sum of 20-25	0-2.5	708	671	10	-
Paul Caldwell *Chief Executive Officer*	65-70 plus lump sum of 170-175	2.5-5 plus lump sum of 5-7.5	1,607	1,487	84	-
Peter Crewe *Grants Functional Standard Director*	45-50 plus lump sum of 120-125	2.5-5 plus lump sum of 2.5-5	1,074	1,014	57	-
Tom Foster *Land Services Owner Director (from 22 July 2024)*	25-30	2.5-5	406	365	31	-
Dan Gilbert *RPA Finance Director (from 9 July 2024)*	25-30	0-2.5	457	420	21	-
Marie Hardeman *Customer Director*	0-5	0-2.5	50	23	19	-
Ronnie Haynes *Director of Livestock and Trader Strategy and Operations (until 28 February 2025)*	25-30	2.5-5	479	423	35	-
Sophia Haughton *HR Director RPA*	05-10	0-2.5	76	51	15	-
Janet Hughes *Defra Director, Farming and Country-side Programme*	20-25	2.5-5	307	237	51	-

Name and title	Accrued pension at pension age at 31 March 2025 and related lump sum[1] (£000)	Real increase in pension and related lump sum at pension age (£000)	CETV at 31 March 2025[3] (£000)	CETV at 31 March 2024[2,3] (£000)	Real increase in CETV benefit (£000)	Employer contribution to partnership pension account (nearest £100)
Charlotte Inman *Interim Director for Data, Insight and Outcomes*	10-15	0-2.5	174	139	17	-
Alison Johnson *Engagement and Operations Readiness Director*	40-45 plus lump sum of 115-120	2.5-5 plus lump sum of 2.5-5	1,070	972	55	-
Rozanne Kidd *Agricultural Transition Director (until 30 April 2025)*	45-50 plus lump sum of 85-90	2.5-5 plus lump sum of 2.5-5	1,019	921	48	-
Gill Moger *Livestock Information Transformation Programme Director (until 29 November 2024)*	45-50	0-2.5	941	906	4	-
Victoria Moore *Food Chain Director*	20-25	2.5-5	268	228	31	-
Jane Parsley *Customer Operations Director (until 1 July 2024)*	35-40 plus lump sum of 100-105	0-2.5 plus lump sum of 0-2.5	887	869	11	-
David Painter[1] *Defra Digital and Data Transformation Services Director*	35-40 plus lump sum of 100-105	2.5-5 plus lump sum of 2.5-5	934	845	51	-

1. *Accrued pensions at 31 March 2025 represents the annual pension that individuals would be entitled to at their normal retirement date in the event they left employment with the agency on 31 March 2025. Changes in the lump sum calculation can fluctuate depending on changes in the final salary figures at the start and end of the period, which can sometimes result in a reduction in value.*
2. *In line with guidance per the updated 2023-24 Financial Reporting Manual, 2023-24 accrued pension benefits and CETV figures for some directors were not included in this table in the 2023-24 Annual Report and Accounts due to an exceptional delay in the calculation of these figures following the application of the public service pension remedy. All directors CETV figures for 2023-24 are now available and included above.*
3. *CETV figures above are calculated using the guidance on discount rates for calculating unfunded Public Service pension contribution rates that was extant at 31 March 2025. HM Treasury published updated guidance in April 2024. This guidance has been used in the calculation of the 2024-25 CETV figures.*

Civil Service pensions

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced; the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service, joined alpha. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS had four sections, three providing benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60 and one providing benefits on a whole career basis (nuvos) with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus, nuvos and alpha are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS remained in the PCSPS after 1 April 2015 if they were within 10 years of their normal pension age on 1 April 2012. However, these members transferred from their PCSPS legacy scheme on 1 April 2022 and switched into alpha. Those who on 1 April 2012 were between 10 years and 13 years and 5 months from their normal pension switched into alpha sometime between 1 June 2015 and 1 February 2022.

When the Government introduced new public service pension schemes in 2015, there were transitional arrangements which treated existing scheme members differently based on their age. Older members of the PCSPS remained in that scheme, rather than moving to alpha. In 2018, the Court of Appeal found that the transitional arrangements in the public service pension schemes unlawfully discriminated against younger members.

As a result, steps are being taken to remedy those 2015 reforms, making the pension scheme provisions fair to all members. The public service pensions remedy is made up of two parts. The first part closed the PCSPS on 31 March 2022, with all active members becoming members of alpha from 1 April 2022. The second part removes the age discrimination for the remedy period, between 1 April 2015 and 31 March 2022, by moving the membership of eligible members during this period back into the PCSPS on 1 October 2023. This is known as "rollback".

Accrued pension benefits included in the remuneration tables above for any director affected by the public service pensions remedy have been calculated based on their inclusion in the legacy scheme for the period between 1 April 2015 and 31 March 2022, following the McCloud judgment. The public service pensions remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the relevant legacy scheme for the remedy period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the alpha scheme for the period from 1 April 2015 to 31 March 2022.

For members who are in scope of the public service pension remedy, the calculation of their benefits for the purpose of calculating their Cash Equivalent Transfer Value and their single total figure of remuneration, as of 31 March 2025 and 31 March 2024, reflects the fact that membership between 1 April 2015 and 31 March 2022 has been rolled back into the PCSPS. Although members will in due course get an option to decide whether that period should count towards PCSPS or alpha benefits, the figures show the rolled back position i.e., PCSPS benefits for that period.

All members who switched to alpha have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha. The pension figures quoted for officials show pension earned in PCSPS or alpha as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes. Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (partnership pension account). The PCSPS and alpha are unfunded statutory schemes. Employees and employers make contributions (employee contributions range between 4.6% and 8.05%, depending on salary).

Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. Classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos a member builds up a pension based on his pensionable earnings during their period of scheme membership.

The partnership pension account is a stakeholder pension arrangement. The employer made a basic contribution of between 8.00% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of providers, on 31 March 2023 that provider was Legal & General Mastertrust. The employee did not have to contribute, but where they did make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contributed a further 0.5% of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill health retirement).

From 1 April 2022, all agency employees choosing to be in a Civil Service pension scheme, are in the alpha pension scheme. And will earn at the end of each scheme year (31 March) a pension account credit equal to 2.32% of their pensionable earnings in that scheme year. This accrued pension is updated in line with Pensions Increase legislation. Benefits in alpha build up in a similar way to nuvos, except that the accrual rate in 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium, and classic plus, 65 for members of nuvos, and the higher of 65 or State Pension Age for members of alpha. The pension figures quoted for officials show pension earned in PCSPS or alpha as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes but note that part of that pension may be payable from different ages.

Further details about the Civil Service pension scheme arrangements can be found on the Civil Service website

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued because of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension scheme arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Staff report

Senior staff by pay-band

The table below provides the number of Senior Civil Servants or equivalent within the agency by pay-band, the table doesn't include the Directors that are Defra employees.

Senior Civil Servants by pay-band	As at 31 March 2025	As at 31 March 2024[1]
Pay-band 3	-	-
Pay-band 2	2	2
Pay-band 1	10	11

1. *For 2023-24, Susan Bower was included in the table at her full-time equivalent salary within pay-band 1.*

Staff composition

We are working to define the future workforce profile that aligns with new opportunities following the UK's exit from the European Union. We use a blended approach to resourcing utilising a mix of permanent, fixed term and temporary agency workers to balance resources and delivery against peaks and troughs in workload. We have worked to reduce reliance on large numbers of temporary agency workers in favour of permanent roles through recruitment campaigns to stabilise the workforce. Consequently, our dependency on temporary agency staff has fallen in the year as reflected in the table below.

For 2024-25, our average full time equivalent workforce was:

Workforce profile (audited) Average full time equivalent	As at 31 March 2025	As at 31 March 2024
Permanently employed staff	2,693	2,614
Agency	-	10
Contractors	5	5
Total	**2,698**	**2,629**

At 31 March 2025, we had an average full time equivalent workforce of 2,677 (2023-24: 2,626) as follows:

Workforce profile (audited) Average full time equivalent	As at 31 March 2025	As at 31 March 2024
Permanently employed staff	2,674	2,621
Agency	-	-
Contractors	3	5
Total	**2,677**	**2,626**

During 2024-25, the agency completely removed its reliance on agency staff, and at 31 March 2025 there were no agency staff in the workforce.

The gender diversity of our permanently employed staff and Non-Executive Directors was:

Gender diversity Average full time equivalent	Male 2024-25	Female 2024-25	Male 2023-24	Female 2023-24
Executive Team not including Defra employees appointed as ET members	4	6	3	7
Permanently employed staff (excluding Executive Team)	1,167	1,496	1,162	1,449
Total permanently employed staff	1,171	1,502	1,165	1,456
Non-Executive Directors	3	1	3	2
Total	**1,174**	**1,503**	**1,168**	**1,458**

During 2024-25, the agency continued to assist Defra in maintaining sheep and goat records as part of the Defra Sheep Bureau team. In addition, throughout 2024-25, agency staff were again loaned to Defra to assist on the Livestock Information Transformation Programme (LITP). A new multi-species livestock identification and tracking service that will improve digital traceability in England, initially for sheep, cattle, pigs, goats, and deer. The income that the agency received in 2024-25 for Sheep Bureau and LITP secondments made up most of the £5.1 million secondment income recognised by the agency in the year (2023-24: £2.0 million). Netted against this amount were inward secondments in the year of £0.4 million for finance staff loaned from Defra.

The 2024-25, net recovery of secondments costs of £4.7 million (2023-24: £2.0 million), are reported in Note 2, under recoveries in respect of secondments.

People Committee and Forum

The People Committee is an Executive Committee within RPA governance structure, responsible for leading people-focused initiatives and fostering an inclusive workplace that colleagues are proud to be part of. It reports directly to the Executive Team and is supported by the People Forum which is an open forum for all RPA colleagues to engage and contribute.

Develop our learning & development strategy

The agency's learning & development (L&D) strategy supports our people's personal development and growth at work. It aligns with, and promotes, other areas of our People Plan such as the Wellbeing Toolkit, the Equality, Diversity, and Inclusion Strategy, Working from Home (and Smarter Ways of Working), our Social Mobility Strategy, and our Operational Delivery Profession (ODP) offer.

Our strategy will be developed through a L&D plan and network of L&D champions.

We have brought the L&D budget back in-house from Defra and introduced quarterly reporting. Communicating progress through our internet and SharePoint pages. These are updated all the time and demonstrate our commitment to make learning accessible to all, interesting and relevant.

We offer a range of leadership and management training, profession specific and technical training to help our people in every role. These include tailored career pathways, mentoring and coaching, accredited learning and qualifications.

Developing our professional capability as operational delivery experts

We enable our people to join and benefit from the largest of all the Civil Service Professions with 250,000 members across all government departments, through a new Operational Delivery Profession strategy.

This offers our people training and development programmes, career pathways, networking opportunities and a real sense of belonging. We have the following objectives for our people who are part of this community and will continue to grow this work in future years:

- Build a thriving community of practice, recognised, and respected for its vital role in public service delivery
- Create a dynamic workforce who are future-ready, by helping our people develop, progress, and feel part of a community
- Instil a sense of pride and passion amongst our people, ensuring they feel valued for their work
- Inspire full commitment from our people to furthering their own skills
- Ensure our people are passionate about the people they serve and always have the desire to do better and be better, throughout their careers
- Enhance our customer experience expertise across our agency so that we deliver the best services
- Celebrate the impact we have and reward exceptional delivery

Celebrating our success

We launched our first RPA people awards in 2020. These awards celebrate and recognise our people that are Visible, Engaging, Respectful, Inclusive, Trusting, Accountable, and Supportive and who deliver with collaboration and innovation.

The award scheme has been used throughout the year to recognise and reward in-year achievements of RPA people who have gone above and beyond their normal duties to support successful delivery of business objectives.

The agency's now annual, people awards are hosted virtually which has improved the visibility, levelled the opportunities for all to attend and improved recognition and attendance.

The introduction of the recognition platform has enabled both social and financial recognition through the lens of our people values, while streamlining our approach to 'Celebrating our success' and continuing to strengthen our culture.

Attendance management

The RPA's annual working days lost for sickness figure in 2024-25 was 7.2 (2023-24: 7.5).

Year to 31 March	2025	2024
Annual working days lost for sickness	7.2	7.5

Employee engagement

The RPA's Civil Service People Survey, employee engagement index in 2024 was 59% (2023: 58%).

Civil Service People Survey Engagement Index	2025	2024
RPA employee engagement index	59%	58%
Defra employee engagement index	62%	61%
Civil Service benchmark employee engagement index	64%	64%

We recognise the need to continually improve people engagement through our staff engagement survey results and comments, so are embracing new ways of gathering feedback and views. We have increased engagement through regular CEO and Executive Team all-agency calls, using interactive, easy-to-use question and answer and polling software applications, which have become an integral part of staff engagement with RPA's senior team and workforce. We will continue to track impact and engagement activity through our People Plan.

Expenditure on contractors and agency workforce (audited)

The agency is committed to using permanent people when possible but the nature of our operations means we also require the expertise of temporary contractors and an agency workforce, see Note 2.

The agency had consultants on its payroll in 2024-25 for £0.4 million (2023-24: £0.8 million) as reported in staff costs in Note 2. And agency staff on its payroll of £0.1 million (2023-24: £0.4 million).

Agency staff were typically lower grade individuals used on a short-term temporary basis to process scheme payments and provide cover for some business-as-usual tasks. The agency has no agency staff on its workforce at 31 March 2025.

The table below demonstrates that our temporary workforce costs have dropped year on year:

Expenditure on temporary workforce	Year to 31 March 2025 (£000)	Year to 31 March 2024 (£000)
Contractors	363	757
Agency	63	377
Total	**426**	**1,134**

Expenditure costs on out-sourced consultancy companies in 2024-25 was £8k (2023-24: £1.1 million). These costs have been incurred directly by the agency and are categorised by their nature within IT costs and non-IT professional services in Note 3 of these accounts. Most consultancy costs incurred by the agency, are paid by Defra and recharged to the agency in the corporate overhead recharge (notional) in Note 3 of these accounts. The higher consultancy costs in 2023-24 were mostly due to project work on a Grants hub funded directly by the agency.

Health, Safety and Wellbeing

The agency's Health, Safety and Wellbeing Unit (HSWU) role is to plan, introduce, monitor and review the protective and preventative measures that the RPA follow to ensure all employees are safe at work and in good mental health and that the agency is legislatively compliant. The unit works with all people from all areas of the business to minimise operational risks, losses, occupational health cases, accidents and injuries. The HSWU will arrange risk assessments to identify any situation that poses a level of threat to life, health, agency property or the environment. The unit works closely with the Defra estates division whose role is to ensure that the buildings used by the agency are fit for purpose and safe to work in.

The HSWU issues guidance for the health and safety of homeworkers, and the agency will continue to offer remote workstation assessments for those employees that request them.

Staff turnover (audited)

The agency uses Department Turnover (staff leaving the Civil Service or a particular department) as defined by civilservicestatistics@cabinetoffice.gov.uk in calculating its staff turnover.

For 2024-25 and 2023-24, the agency's turnover is calculated as the number of leavers within the year divided by the average of staff in post over the period. The average staff in post is calculated as the average of headcount at the start and end of the year.

Leavers include retirements, death in service, end of appointments, as well as dismissals and resignations and leavers under compulsory and voluntary redundancies.

Average full time equivalent Permanent staff, short and fixed term appointments	Year to 31 March 2025	Year to 31 March 2024
Leavers in the year	211	273
Staff at beginning of the year	2,621	2,587
Staff at end of the year	2,674	2,621
Average staff during the year	2,648	2,604
Staff turnover during the year	8.0%	10.5%

Employee relations and tribunals

There were no Civil Service Appeal Board (CSAB) closed and settled employment tribunals between 1 April 2024 and March 2025, (2023-24: none). The trade union engagement framework was introduced in April 2014 and is now firmly embedded within the agency. Facility time used by the trade union representatives has been within the maximum introduced by the Cabinet Office in 2013.

Employment issues and recruitment practice

We have reduced our time to hire staff, through successful adaptation of our recruitment processes, introducing video interviews and pre-recorded interviews. We continue our workforce stabilisation through large recruitment campaigns, utilising a range of resourcing options including fixed term appointments, apprenticeships, and permanent recruitment.

Defra HR continues to provide an expert service to RPA, managing vacancies throughout their life cycle from inception to realisation and provide full administrative functions for resourcing. This has ensured that RPA continues to be compliant with the Civil Service Commissioner's Recruitment Principles.

Pay policy

RPA is part of the Defra departmental pay bargaining unit. In July 2024, Defra implemented a pay increase for staff at grades AA to G6, with an effective date of 1 July 2024. The increase resulted in a 5.26% pay rise for the lowest paid employees and an overall pay bill increase of 4.98%. This is in line with the Civil Service Pay Remit Guidance 2024 to 2025 which provided a framework within which departments should set pay for 2024-25. Defra engaged with trade unions during the pay increase process.

Defra ceased end-of-year performance related payments at the end of 2022-23. From 1 April 2023, Defra moved to continuous recognition, including e-cards, vouchers, and cash recognition payments, alongside a new People Performance framework. Defra remains committed to ensuring the largest base pay increases are targeted towards the lowest paid in each pay range; and to maximising the consolidated (base pay) element of the yearly pay awards.

Exit packages (audited)

The agency offered no voluntary redundancies to employees in 2024-25 (2023-24: none). Exit packages are reported in staff costs in Note 2.3 of these accounts.

In May 2025, the agency announced a limited voluntary exit redundancy scheme for all employees with over two years' service up to Grade 6. Successful applicants will leave the agency on 31 January 2026 and receive compensation within six weeks of that date. The exit programme is intended to reshape and rebalance the agency's workforce to ensure the agency can meet its future needs and business priorities. See Note 20 for further details.

Diversity issues

We continue to work to ensure we have a diverse and inclusive culture where everyone feels they belong and are valued. Our commitment to providing opportunities for all, attracting, and developing diverse and motivated people, focusing on strengths, is tracked through our People Plan.

We remain part of the Defra group Equality, Diversity, and Inclusion Strategy, to ensure positive action is taken on four key themes where people feel respected, valued, supported, and engaged. We remain committed to this strategy and are confident that it will take us ever closer to being an equitable, diverse, and inclusive agency. In recent years, Defra group has increased the representation of minority ethnic employees, as well as those who are disabled, female, lesbian, gay and bi-sexual.

We have an Inclusion Leadership Group and groups representing our diverse workforce, and the actions from these groups feed into a central dashboard which is being created by the Group Equality Diversity Inclusion (EDI) team. The leads for these groups also represent RPA at the Defra boards.

Equal treatment in employment and occupation

We are working closely with cross-government initiatives to attract and encourage applicants from much wider, diverse groups such as care leavers, ex-offenders, and ex-military. This scheme enables those from specified groups who meet "basic" minimum selection criteria to have guaranteed interviews for junior roles within the Civil Service.

RPA, as part of Defra group, continues to work with a range of staff networks that support equal treatment in employment and occupation. Project Race, originally developed in 2019, is one of these networks. It aims to improve outcomes for colleagues of ethnic minorities in relation to representation, performance management and engagement.

In support of equal treatment in recruitment, the agency continues to use the Civil Service Guaranteed Interview Scheme for those people informing us of a disability or health condition. The agency also follows the 'blind' application process to ensure that diversity information is not disclosed to vacancy holders/interviewers at any time during the application process and therefore avoid unconscious bias entering the recruitment process. Interview panels are trained in aspects of unconscious bias and its impact on decision making.

The agency induction packs direct starters to EDI support and support networks. Workplace adjustment passports, workstation assessments and occupational health referrals are all fully utilised by our workforce.

The agency does everything possible to encourage and support its disabled employees. We are committed to giving disabled employees the same opportunities to develop and progress as non-disabled employees, making sure there are no barriers in achieving their full potential. The agency will not unlawfully discriminate against disabled people in any aspect of employment including the recruitment process, training, and promotional and career development opportunities.

Trade union relationships

Working relationships with the trade union have remained positive and constructive, providing valuable input and support into initiatives throughout the year.

Facility time publication requirements

In accordance with the requirements of the Trade Union (Facility Time Publication Requirements) Regulations 2017, the following tables summarise trade union officials of employees and facility time usage during the year 2024-25.

Trade union representative	2024-25
Number of employees who were relevant union officials	24
Full time equivalent employee number	22.9
Number of employees by percentage of time spent on facility time	
0%	-
1-50%	24
Percentage of pay bill spent on facility time	
Total pay bill spent on facility time (total cost of facility time ÷ total pay bill) x 100	0.09%
Total cost of facility time during the year to 31 March 2025	£101,369
Total pay bill cost during the year to 31 March 2025 before Agency staff and Contractors	£116.7m
Paid trade union activities	
Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (Total hours spent on paid trade union activities by trade union representatives during the year to 31 March 2025 ÷ total paid facility time hours) x 100	0%

Off-payroll appointments

In line with the recommendations of a review of Tax Arrangements of Public Sector Appointees published by HM Treasury in May 2012 the RPA put in place controls to ensure its non-payroll people earning greater than £245 per day are contractually obliged to assure the agency that they are meeting their tax obligations. Monitoring continues to take place with regular reports being supplied to Defra.

For all off-payroll existing engagements as of 31 March 2025, for more than £245 per day and that last for longer than six months:

Number of existing engagements	2024-25
Existing engagements as at 31 March 2025	1
of which:	
Existed for less than one year at time of reporting	-
Existed between one and two years at time of reporting	-
Existed between two and three years at time of reporting	-
Existed between three and four years at time of reporting	-
Existed for four or more years at time of reporting	1

All highly paid off-payroll workers engaged at any point during the year ended 31 March 2025, earning £245 per day or greater:

Payroll workers engaged during the year ended 31 March 2025	2024-25
Number of off-payroll workers engaged during the year ended 31 March 2025	1
of which:	
Not subject to off-payroll legislation	1
Subject to off-payroll legislation and determined as in-scope of IR35	-
Subject to off-payroll legislation and determined as out-of-scope of IR35	-
Number of engagements reassessed for compliance or assurance purposes during the year	1
of which:	
Number of engagements that saw a change to IR35 status following review	-

Senior officials with significant financial responsibility are defined as all board level executives, non-executive directors, and finance directors.

For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2024 and 31 March 2025:

Number of existing engagements	2024-25
No. of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	1
Total no. of individuals on payroll and off-payroll engagements that have been deemed board members, and/or, senior officials with significant financial responsibility, during the financial year.	16

Parliamentary Accountability and Audit Report

This section describes how the agency meets key accountability requirements to Parliament.

Regularity of expenditure (audited)

The agency reports losses and special payments:

	Year to 31 March 2025		Year to 31 March 2024	
	No of cases	Value (£000)	No of cases	Value (£000)
Cash losses - Scheme	1,588	591	2,074	1,263
Special payments - Sustainable Farming Incentive 2022 (see below)	282	2,992	2,021	11,553
Special payments - Other schemes	140	232	92	434
Special payments – Running costs	1	12	-	-
Total	**2,011**	**3,827**	**4,187**	**13,250**

On 21 June 2023, the agency closed applications to the Sustainable Farming Incentive (SFI) 2022 scheme and wrote to existing SFI 2022 agreement holders stating its intention to curtail existing agreements in order to allow earlier take up of the improved SFI 2023 scheme. Where agreements featured actions which are not available under SFI 2023 the agency undertook to compensate agreement holders for any loss of income which this created. As a result, in 2023-24, the agency recognised £11.6 million of SFI 2022 special payments, as shown above, and a further £3.0 million in 2024-25.

The payment banding of these SFI 22 special payments is shown below:

Payment band	Year to 31 March 2025 No of cases	Year to 31 March 2025 Value (£000) Paid less prior year accrual	Year to 31 March 2024 No of cases	Year to 31 March 2024 Value (£000)
£0-5,000	77	613	1,341	2,954
£5,001 to £10,000	123	852	395	2,738
£10,001 to £15,000	42	498	131	1,608
£15,001 to £20,000	16	269	71	1,216
£20,001 to £25,000	7	158	25	559
£25,001 to £30,000	8	219	13	359
£30,001 to £35,000	3	98	16	513
£35,001 to £40,000	1	36	5	186
£40,001 to £45,000	2	82	10	421
£45,001 to £50,000	2	98	2	95
£50,001 to £55,000	-	-	2	106
£55,001 to £60,000	-	-	3	173
£60,001 to £65,000	-	-	1	63
£65,001 to £70,000	1	69	2	134
£75,001 to £80,000	-	-	2	155
£85,001 to £90,000	-	-	1	86
£185,001 to £190,000	-	-	1	187
Total	**282**	**2,992**	**2,021**	**11,553**

During 2024-25, there were no losses
which individually exceeded £0.3 million (2023-24: none).

Cash losses represent known, specific cases where a monetary loss has been incurred, for example when overpayments made to specific customers have not been recoverable.

Regularity of grant expenditure

In addition to the known cash losses above, the agency measures the level of undetected irregularities in its grant expenditure each year. This is the implied taxpayer loss associated with grant expenditure where payments have been made which are ineligible under scheme rules or where the outcomes required by the grant agreement have not been achieved.

How the agency builds its estimate of irregularity

The agency continues to improve its ability to measure the effectiveness of its schemes in achieving required outcomes, and how it supports customers to get things right in delivering their agreements. To estimate the level of undetected irregularities in the agency's total grant expenditure, known data points from the results of randomly selected site visits and remote sensing activity are extrapolated across the whole population.

In assessing whether the results of visits and remote sensing indicate fraud or error and in quantifying the monetary value of the loss to the taxpayer, the agency refers to the specific actions required by agreements in place with customers. Those agreements reflect the Secretary of State's wider scheme rules in accordance with the Agriculture Act and relevant regulations covering each scheme examined.

Irregularity estimates are determined in the context of the continuing roll-out of new or enhanced schemes, such as Sustainable Farming Incentive, which reflect the parliamentary intent for better environmental outcomes and increased value for money. These schemes are more ambitious and complex than their predecessors and have an associated higher potential for irregularity.

Approach to managing the risk of fraud and error

The estimate of irregularity is underpinned by an integrated approach to managing the risk of fraud and error within grant expenditure to understand and mitigate against it. The agency maintains a strong focus on helping its customers to avoid errors prior to receiving any payments. The various interventions that are being made make up the "Delivering Successful Outcomes" or DSO approach which continues to evolve following its introduction in the last financial year.

Collection and analysis of data and intelligence on irregularities is increasing, particularly through the extension of "heat map" analysis for Sustainable Farming Initiative in addition to Countryside Stewardship. The heat maps identify issues at granular action or option level alongside other factors such as action or option take-up and payment rate to identify those most at risk of resulting in significant irregularities.

Areas of concern are presented to expert panels to determine targeted interventions that can be used to reduce the irregularity rate. This has recently expanded to formalise consideration by a Defra led panel, of evidence collated by the agency of causes of error where a change in policy approach may be an appropriate intervention.

The overall approach to management of fraud and error is overseen by senior agency and Defra governance which directs and reviews actions undertaken and monitors the pace of delivery.

Irregularity rates for 2024–25

The table below summarises most likely estimated irregularity rates and values by scheme.

The following assumptions have been made:

- the error rate for Lump Sum Payments Schemes has again been estimated as 0.27%, the average error rate over the reference years of the Basic Payment Scheme (BPS) used to calculate the new payments
- the same error rate has also been applied to expenditure under the emergency Farming Recovery Fund as land management control data from BPS was used in identification of eligible customers
- the average error rate of measured schemes has again been applied to the School Milk Subsidy Scheme and other minor schemes with expenditure that is not material in this financial year
- expenditure under the Fruit and Vegetables Scheme is still considered materially free from error due to the nature of the operation of the scheme and therefore, a zero percent error rate has been applied.

	Year to 31 March 2025		Year to 31 March 2024	
	Estimated irregularity rate	Value (£m)	Estimated irregularity rate	Value (£m)
Basic Payment Scheme	-	-	0.32%	3.5
Basic Payment Scheme - Delinked payments	-	-	0.27%	4.3
Lump Sum Exit	0.27%	0.01	0.27%	0.0
Countryside Stewardship – Revenue	3.77%	21.33	3.02%	12.0
Countryside Stewardship – Capital	1.92%	4.69	5.40%	8.9
Environmental Stewardship	0.90%	0.86	0.65%	0.7
Farming Equipment and Technology Fund	0.00%	0.00	0.00%	0.0
Farming Transformation Fund	0.00%	0.00	0.00%	0.0
Sustainable Farming Incentive Pilot	2.44%	0.34	2.23%	0.3
Sustainable Farming Incentive 2022	1.86%	0.07	1.86%	0.4
Sustainable Farming Incentive 2023	4.25%	12.64	-	-
Farming Recovery Fund	0.27%	0.16	-	-
Fruit and Vegetables	0.00%	0.00	0.00%	0.0
Other schemes subject to estimation	1.81%	0.22	1.69%	0.3
Overall - all schemes	**2.87%**	**40.32**	**0.86%**	**30.4**

Uncertainty associated with the estimation of irregularity

The above table contains estimates based on a random sample of site visits and geospatial analysis and is therefore subject to a degree of statistical uncertainty. The estimates are prepared within a stated range of accuracy, known as confidence intervals. The 95% confidence intervals are presented here.

	Year to 31 March 2025			Year to 31 March 2024		
	Central estimate (£m)	Confidence interval from (£m)	Confidence interval to (£m)	Central estimate (£m)	Confidence interval from (£m)	Confidence interval to (£m)
Basic Payment Scheme	-	-	-	3.5	1.7	6.2
Basic Payment Scheme - Delinked payments	-	-	-	4.3	3.2	6.6
Lump Sum Exit	0.01	0.01	0.01	0.0	0.0	0.0
Countryside Stewardship – Revenue	21.33	14.11	32.45	12.0	7.7	21.7
Countryside Stewardship – Capital	4.69	3.26	7.3	8.9	5.1	17.2
Environmental Stewardship	0.86	0.18	2.7	0.7	0.3	1.6
Farming Equipment and Technology Fund	0.00	0.00	0.00	-	-	-
Farming Transformation Fund	0.00	0.00	0.00	-	-	-
Sustainable Farming Incentive Pilot	0.34	0.34	0.34	0.3	0.1	0.6
Sustainable Farming Incentive 2022	0.07	0.07	0.07	0.4	0.1	1.1
Sustainable Farming Incentive 2023	12.64	8.73	19.44	-	-	-
Farming Recovery Fund	0.16	0.16	0.16	-	-	-
Fruit and Vegetables	0.00	0.00	0.00	0.0	0.0	0.0
Other schemes subject to estimation	0.22	0.22	0.22	0.3	0.2	0.6

Where practical to do so, the agency adjusts estimates for the effects of known and probable measurement errors. However, the figures presented are estimates and have several limitations. For example, judgement must occasionally be employed by field officers in determining whether a breach of scheme rules exists, and further judgements determine whether this has resulted in irregular expenditure. This can also include occasions where weather conditions limit the initial on-site assessment. The tables below demonstrate the effect of these potential measurement errors upon the estimated values presented. The percentage changes selected for this sensitivity analysis are judged to be representative of the possible level of measurement errors, based upon management knowledge of the operation of schemes and upon insights generated by quality control processes.

	Expenditure (£m)	Irregularity rate	Irregularity value (£m)	Contribution to overall irregularity value	Impact of a 10% change in monetary value of irregularity on the overall irregularity rate	Impact of a 10% change in monetary value of irregularity on the overall irregularity value (£m)
Lump Sum Exit	1.82	0.27%	0.01	0.02%	0.00%	0.00
Countryside Stewardship – Revenue	565.94	3.77%	21.33	52.38%	0.15%	2.13
Countryside Stewardship – Capital	244.52	1.92%	4.69	11.67%	0.03%	0.47
Environmental Stewardship	95.90	0.90%	0.86	2.14%	0.01%	0.09
Farming Equipment and Technology Fund	57.96	0.00%	0.00	0.00%	0.00%	0.00

	Expenditure (£m)	Irregularity rate	Irregularity value (£m)	Contribution to overall irregularity value	Impact of a 10% change in monetary value of irregularity on the overall irregularity rate	Impact of a 10% change in monetary value of irregularity on the overall irregularity value (£m)
Farming Transformation Fund	14.95	0.00%	0.00	0.00%	0.00%	0.00
Sustainable Farming Incentive Pilot	13.95	2.44%	0.34	0.84%	0.00%	0.03
Sustainable Farming Incentive 2022	3.99	1.86%	0.07	0.18%	0.00%	0.01
Sustainable Farming Incentive 2023	297.59	4.25%	12.64	31.37%	0.09%	1.26
Farming Recovery Fund	58.89	0.27%	0.16	0.39%	0.00%	0.02
Fruit and Vegetables	40.52	0.00%	0.00	0.00%	0.00%	0.00
Other schemes subject to estimation	13.84	1.81%	0.22	0.55%	0.00%	0.02

Gifts over £300,000 (audited)

The agency has made no gifts or received any gifts totalling over £300,000 in the year 2024-25 (2023-24: £nil) from Defra or other government departments. All transfers of assets are at a fair and full market value, and the agency received no loans of assets or donations from Defra or any other government department in 2024-25, or 2023-24, that would be classed as gifts, as defined by Managing Public Money June 2025, Annex 4.12.

Government Functional Standards

The mandate for the use of functional standards is provided by Managing Public Money (MPM) and endorsed by Ministers through the Declaration on Government Reform. Each standard sets expectations for what needs to be done, and why, relating to the work within its scope. The functional standards contain mandatory, advisory, and permitted elements and uses active language to set expectations ('shall', 'should', 'may', 'might' etc) for each element.

The Government Functional Standards for RPA are largely managed by Defra who make the judgements as owners of the various Functional Standards and the associated corporate services. As part of the services delivery model, core department Heads of Function ensure compliance assessments are in place for these Functional Standards which are used to assess future development areas. As last year, assessments for services received currently continue to range from "developing" to "good". We have incorporated reporting on Functional Standards into our Governance to understand the state of play and how we can work with Defra colleagues help improve our working practices and compliance. In addition to delivering against our Continuous Improvement Plan for the Project Delivery Functional Standard, we have placed a particular focus on the Grants Functional Standard as it is key to our core business and will be carrying out a detailed assessment during 2024-25 as we continue to embed and learn from all the Functional Standards.

Fees and charges (audited)

The agency has no material income from fees and charges.

Neil Hornby
Interim Chief Executive and
Accounting Officer

11 July 2025

The Certificate and report of the Comptroller and Auditor General to the House of Commons

Opinion on financial statements

I certify that I have audited the financial statements of the Rural Payments Agency for the year ended 31 March 2025 under the Government Resources and Accounts Act 2000.

The financial statements comprise the Rural Payments Agency's:

- Statement of Financial Position as at 31 March 2025;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted international accounting standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the Rural Payments Agency's affairs as at 31 March 2025 and its net operating cost for the year then ended; and
- have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

Qualified opinion on regularity

In my opinion, except for the effects of the matters described in the basis for qualified opinion on regularity sections below, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for qualified opinion on regularity

The Rural Payments Agency incurs grant expenditure on a number of schemes aimed to support farmers and other land managers, and to achieve environmental outcomes. The rules for these schemes are set out by the Secretary of State within a framework of statutory regulations. During 2024-25, the Rural Payments Agency measured a level of non-compliance with scheme rules in respect of the Countryside Stewardship and Sustainable Farming Incentive schemes resulting in estimated irregular expenditure of £40.3m. I assess this level of irregular expenditure to be material.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2024)*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2024*. I am independent of the Rural Payments Agency in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Rural Payments Agency's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Rural Payments Agency's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for the Rural Payments Agency is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

Other information

The other information comprises information included in the Annual Report, but does not include the financial statements and my auditor's certificate and report thereon. The Interim Chief Executive as Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000.

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000;
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Rural Payments Agency and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Reports.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept by the Rural Payments Agency or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Interim Chief Executive as Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Interim Chief Executive as Accounting Officer is responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the Rural Payments Agency from whom the auditor determines it necessary to obtain audit evidence;

- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements which give a true and fair view and are in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000;
- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000; and
- assessing the Rural Payments Agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Rural Payments Agency will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations, including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of the Rural Payments Agency's accounting policies.
- inquired of management, the Rural Payments Agency's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Rural Payments Agency's policies and procedures on:

- identifying, evaluating and complying with laws and regulations;
- detecting and responding to the risks of fraud; and
- the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Rural Payments Agency's controls relating to the Rural Payments Agency's compliance with the Government Resources and Accounts Act 2000, and Managing Public Money.

- inquired of management, the Rural Payments Agency's head of internal audit and those charged with governance whether:
  - they were aware of any instances of non-compliance with laws and regulations;
  - they had knowledge of any actual, suspected, or alleged fraud,
- discussed with the engagement team and the relevant internal specialists, including the NAO's modelling discipline regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Rural Payments Agency for fraud and identified the greatest potential for fraud in the following areas: posting of unusual journals, complex transactions, bias in management estimates and fraud and error within scheme expenditure. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the Rural Payments Agency's framework of authority and other legal and regulatory frameworks in which the Rural Payments Agency operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Rural Payments Agency. The key laws and regulations I considered in this context included Government Resources and Accounts Act 2000, Managing Public Money, grant expenditure legislation, employment law pensions legislation and or tax legislation.

I considered the Rural Payments Agency's estimate of the risk of fraud and error within grant scheme expenditure.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;

- I enquired of management, the Audit and Risk Committee and legal counsel concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board; and internal audit reports;
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- I undertook other audit procedures responsive to the risk of fraud and irregularity within scheme expenditure.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members including internal specialists and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

Other auditor's responsibilities

I am required to obtain sufficient appropriate audit evidence to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

Gareth Davies
Comptroller and Auditor General

16 July 2025

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

Report

1. These financial statements describe the first year in which area-based agricultural subsidies have been substantially replaced by newer schemes which implement the policy aims of the Department for Environment, Food and Rural Affairs (the Department) to link grants to the achievement of specific agri-environmental outcomes.

2. I assess a material level of non-compliance during 2024-25 with these scheme rules which apply to these grants. This has led me to qualify my opinion on the regularity of expenditure in respect of the Countryside Stewardship (CS) and Sustainable Farming Incentive (SFI) schemes administered by the Rural Payments Agency (the agency). This report provides more detail on the associated issues, including recommendations for improvement.

Background

3. The agency (a delivery arm of the Department) delivers grant payments to farmers and other land managers. Grant schemes are designed by the Department, after which the Secretary of State issues detailed requirements and guidance for each scheme. These must comply with the broad frameworks approved by Parliament in statutory regulation.

4. Note 5 to the accounts describes how the agency's scheme expenditure changed during 2024-25 following the substantial transition to newer grant schemes. It includes:
    - CS and SFI grants of £1.1bn (2023-24: £0.6bn) within the scope of my regularity qualification; and
    - other items not subject to qualification, including other grant streams totalling £0.3bn (2023-24: £1.3bn) and movements in the provision for delinked payments.

5. The agency is required to produce an estimate (pages 112-117) of the extent to which its expenditure is irregular – where the related financial transactions do not conform to the authorities which govern them. For its grant expenditure, this means considering both whether the agency has made payments in accordance with the scheme rules, and whether payments have been applied in line with those rules by grant recipients. The agency measures irregularity based on site visits and remote verification, both of which determine the extent to which the scheme requirements are being met. Where identified, irregularity is measured in proportion to the taxpayer loss it implies.

6. My role is to provide an opinion on whether, in all material respects, the level of irregularity is material. I consider this in the context of the overall financial statements, and my broader judgement on the sensitivity of users of the accounts to irregularities. In forming my opinion, I work to gain assurance over the agency's own measurement of irregularity.

Qualification of the Comptroller and Auditor General's audit opinion on the regularity of grant expenditure

7. I have qualified my opinion on regularity in respect of the grant expenditure recorded in the RPA's 2024-25 financial statements due to the material levels of irregularity identified by the agency in relation to CS and SFI grants. This year, the agency measured irregularity across its schemes of £40.3m – 2.87% of overall grant expenditure – primarily driven by £39.1m of CS and SFI irregularity.

8. I have not detected evidence of material irregularity as a result of the agency itself mis-applying scheme rules when it makes payments. The irregularities reflected in this qualification relate to non-compliance by grant recipients, typically where outputs agreed with the agency have been paid for, but observation suggests they have not been fully delivered.

The agency's approach to the prevention and measurement of fraud and error

9. These irregularities will in many cases represent genuine error by grant recipients, though some may reflect fraud, for example if an agreement holder makes an annual declaration knowingly overstating delivery.

10. It is often impracticable to distinguish between these scenarios based on the evidence at hand. Both involve under-delivery based on the scheme rules, implying a taxpayer loss. The agency describes on page 113 how it considers the risk of fraud and error in the round, and seeks to target mitigations based on the most significant areas (for example, specific grant options) where irregularity occurs. It also describes a focus on supporting grant recipients, with a view to preventing errors.

11. The agency runs a programme of field visits, selected using both risk-based and random methods, with the aims of:

    a. supporting recipients in achieving the intended outcomes and complying with scheme rules;

    b. mitigating the risk of irregularity (fraud and error); and

    c. measuring the extent of irregularity with statistical confidence.

12. Overall, the agency's measurement provides a robust basis for my audit. My procedures include the reverification of a sub-sample of randomised field visit results in partnership with agency staff, and a detailed review of the agency's model which translates ground observations into the estimates presented on pages 114-117.

How the risk of irregularity is influenced by scheme design

13. There is a link between the characteristics of each scheme and the inherent risk of irregularity, or non-compliance, attaching to them. For example, a subsidy scheme based predominantly on farm area (as in the previously dominant Basic Payments Scheme) has an inherently lower risk of non-compliance compared to multi-option agri-environmental schemes which require the delivery of specific outputs. Scheme) has an inherently lower risk of non-compliance compared to multi-option agri-environmental schemes which require the delivery of specific outputs.

14. This is, in part, because grant recipients are more likely to make genuine errors in respect of schemes with more complexity. This arises in the number and diversity of options within each scheme; the challenge of quantifying certain types of output, such as the maintenance or enhancement of natural features involving multiple linear or area measurements; and the seasonal nature of some options.

The relationship between regularity and value for money

15. These scheme-level considerations do not imply that a policy with a lower regularity risk is better value for money. A low regularity risk simply reflects a low risk of non-compliance with scheme rules; it does not imply that a programme is effective in securing benefits proportionate to its costs. For the same reason, my opinion on regularity does not reflect a conclusion on value for money for these overall schemes.

16. It is for the Department's Accounting Officer to evaluate the mechanisms best suited to delivering the government's desired outcomes, and the Department has moved towards agri-environmental schemes in continuity with the policy goals of the Department's Environmental

Improvement Plan (EIP) and the Farming and Countryside Programme (FCP). I reported on broader aspects of how the Department is managing the FCP in a separate value for money report in 2024.

17. I also note that the Agency's measurement of irregularity does not include any measurement of over-delivery by grant recipients which – while not exceeding the implied taxpayer losses from under-delivery – is relevant to a wider consideration of taxpayer value.

My evaluation of this year's irregularity measurement

18. I have determined the level of taxpayer loss implied by irregularities – detected by the agency and extrapolated across each grant population – to be at a material level for my opinion. My qualification applies only in respect of CS and SFI schemes.

19. In 2023-24, I reported on the high rates for CS and SFI, though without qualifying my overall opinion on regularity. My decision to qualify my opinion for 2024-25 reflects the fact that CS and SFI irregularity rates remain high, and that – as described in the background section above – these schemes now represent the majority of annual grant expenditure. Irregularities in CS and SFI expenditure have risen from a total of £21.6m in 2023-24 to £39.1m this year. Together with the change in scheme mix, this has resulted in the all-schemes irregularity rate rising to 2.87% (2023-24: 0.86%).

	2024–25			2023–24		
	Scheme expenditure (£m)	Estimated proportion of scheme expenditure which is irregular (%)	Implied financial loss from irregularity (£m)	Scheme expenditure (£m	Estimated proportion of scheme expenditure which is irregular (%)	Implied financial loss from irregularity (£m)
Countryside Stewardship - Revenue	565.9	3.77%	21.3	396.0	3.02%	12.0
Countryside Stewardship – Capital	244.5	1.92%	4.7	165.3	5.40%	8.9
Sustainable Farming Incentive	315.5	4.14%	13.1	33.0	2.12%	0.7
Basic Payment Scheme	1.7	0.27%	-	1,088.4	0.32%	3.5
Other schemes	277.3	0.45%	1.2	209.60	0.48%	1.0
Scheme expenditure (excluding delinked payments)	**1,404.9**	**2.87%**	**40.3**	**1,892.3**	**1.38%**	**26.1**
Delinked payments - movement in provision	(487.1)	n/a	n/a	1,605.5	0.27%	4.3
Total UK-funded scheme expenditure	**917.8**			**3,498.7**	**0.86%**	**30.4**

1. *Scheme expenditure is based on the audited amounts in note 5 to the accounts.*
2. *Irregularity outturns are consistent with the agency's estimates presented in the accountability report, though schemes are presented here at a more aggregated level.*
3. *Delinked payments irregularity was estimated on for 2023-24 on the basis of the lifetime cost of delinked payments which was expected at that point in time. No additional irregularity estimate has been made in connection with the downward revaluation of the provision during 2024-25, since this arises from changes in the revised best estimate of future payment rates rather than reflecting additional expenditure.*

Looking forward

20. This is the first year in which the agency's expenditure has been principally driven by newer agri-environmental grant schemes. Given the extent of recent change, as well as the inherent risk of non-compliance attaching to these more environmentally ambitious schemes, some decrease in compliance levels is understandable. The Department has made a conscious decision to increase its risk appetite for irregularities in the agency's expenditure given these schemes' characteristics and potential benefits.

21. However, in what remains early years for these newer schemes, it is important the Department and agency identify and act on opportunities to reduce irregularity. Doing so would improve the extent to which these grants fully achieve their intended outcomes. Specifically, the Department and agency should:

- **enhance controls, while ensuring they remain cost-effective**, including by evaluating and taking forward existing initiatives including the expansion of geospatial measurement;
- **improve data capture to promote actionable scheme-level insight**, including by recording prescription breaches in a more consistent and structured way;
- **make more use of insights on the causes of fraud and error to inform decision-making**, both in the Agency's targeting of its control interventions, and as part of the Department's iteration of scheme designs; and
- **continue to update Parliament on fraud and error results –** including on its insights on root causes, and the trade-offs accepted between irregularity and achieving other policy objectives – building on the Agency's existing measurement exercise and disclosures.

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Statement of Comprehensive Net Expenditure for the Year to 31 March 2025

	Note	Year to 31 March 2025 (£000)	Year to 31 March 2025 (£000)	Year to 31 March 2024 (£000)	Year to 31 March 2024 (£000)
Running costs					
Staff	2	112,357		107,857	
Others	3	117,833		110,395	
			230,190		218,252
Running costs income	4		(2,005)		(2,523)
Net running costs			**228,185**		**215,729**
Scheme costs					
Rural Payments Agency					
Costs	1.8, 5	928,178		3,528,368	
Income	1.8, 5	(13,683)		(21,286)	
		914,495			**3,507,082**
Other paying agencies					
Costs	1.9, 6	-		85,154	
Income	1.9, 6	-		(84,715)	
			-		**439**
Net scheme expenditure			**914,495**		**3,507,521**
Net operating cost			**1,142,680**		**3,723,250**
Other comprehensive net expenditure					
Net gain on revaluation of intangible assets	14		(6,653)		(3,602)
Total comprehensive net expenditure for the year			**1,136,027**		**3,719,648**

The notes on pages 138 to 186 form part of these accounts.

Statement of Financial Position as at 31 March 2025

	Note	As at 31 March 2025 (£000)	As at 31 March 2025 (£000)	As at 31 March 2024 (£000)	As at 31 March 2024 (£000)
Non-current assets					
Property, plant and equipment	7	1,862		707	
Intangible assets	8	56,276		46,580	
Total non-current assets			**58,138**		**47,287**
Trade receivables and other current assets	9	208,416		265,522	
Derivative assets	13	-		1,335	
Cash and cash equivalents	10	163,460		80,044	
Total current assets			**371,876**		**346,901**
Total assets			**430,014**		**394,188**
Trade payables and other current liabilities	11	(449,260)		(985,806)	
Lease liabilities	16.2	(794)		(341)	
Provisions	12	-		(180)	
Derivative liabilities	13	-		(706)	
Total current liabilities			**(450,054)**		**(987,033)**
Total assets less current liabilities			**(20,040)**		**(592,845)**
Non-current liabilities					
Provisions	12	(40,871)		(797,282)	
Lease liabilities	16.2	(1,766)		(493)	
Total non-current liabilities			**(42,637)**		**(797,775)**
Total assets less total liabilities			**(62,677)**		**(1,390,620)**
Taxpayers' equity					
General Fund			**(74,647)**		**(1,400,978)**
Revaluation reserve	14		**11,970**		**10,358**
Total taxpayers' equity			**(62,677)**		**(1,390,620)**

The notes on pages 138 to 186 form part of these accounts.

N.H

Neil Hornby
Interim Chief Executive and Accounting Officer

11 July 2025

Statement of Cash Flows for the Year to 31 March 2025

	Note	Year to 31 March 2025 (£000)	Restated[1] Year to 31 March 2024 (£000)
Cash flows from operating activities			
Net operating cost		(1,142,680)	(3,723,250)
Adjustment for non-cash items included in other running costs[1]	3	104,494	96,760
Adjustment for derivative financial instruments	13	629	(5,386)
(Decrease)/increase in provisions	12	(756,591)	797,462
Decrease/(increase) in trade receivables and other current assets	9	57,106	(30,986)
(Decrease)/increase trade payables and other liabilities	11	(536,594)	870,559
Net cash outflow from operating activities		**(2,273,636)**	**(1,994,841)**
Cash flows from investing activities			
Purchase of intangibles[2]	8	(4)	(35)
Net cash outflow from investing activities		**(4)**	**(35)**
Cash flows from financing activities			
Financing by Defra		2,368,000	2,047,000
Financing to Defra		-	-
Receipts/(payments) for Rural Development Programme for England on behalf of Defra[3]	1.10	3,107	(25,302)
Disallowance transfer to Defra	1.23	(14,034)	(908)
Defra schemes administered by RPA		(5)	(74)
Capital element of payments in respect of lease liabilities[1]	16.2	(12)	(217)
Net cash inflow from financing activities		**2,357,056**	**2,020,499**
Increase in cash and cash equivalents in the period		**83,416**	**25,623**
Cash and cash equivalents at 1 April	10	**80,044**	**54,421**
Cash and cash equivalents at 31 March	10	**163,460**	**80,044**

The notes on pages 138 to 186 form part of these accounts.

1. *Finance lease interest (£137k in the current year and £51k in the prior year) has been reclassified. It has been separated from capital element of payments in respect of lease liabilities and is now included within the total adjustment for non-cash items within other running costs.*

2. *During the year to 31 March 2025, the agency had £21.5 million intangible assets transferred from Defra through the General Fund (2023-24: £2.3 million), and £2.0 million transferred from Defra via Revaluation Reserve (2023-24: £Nil), see Note 8. For both 2024-25, and 2023-24, these were notional transfers from the agency's controlling party, Defra. Consequently, as non-cash items, the assets provided are not disclosed within the Statement of Cash Flows for 2024-25 or 2023-24. In 2024-25, £49k of the £53k development expenditure assets reported in Note 8 were accruals and therefore reported under trade payables and other liabilities above, consequently only £4k is reported above as a cash purchase within intangibles.*

3. *Recognition of expenditure for legacy RDPE schemes transitioned from Defra to the agency with effect from 1 April 2023. Prior to this, Defra recognised expenditure for these schemes, on average, in advance of cash payments being made. As such the agency has continued to make cash payments to claimants, and to pay and receive cash from the EU, on behalf of Defra in order to settle in cash terms transactions which were accrued by Defra during financial year 2022-23. As the agency is ultimately funded by Defra through the General Fund, these payments made on behalf of Defra have been presented as financing cash flows. The £3.1 million receipt in the current year represents a reduction in the amount expected to have been payable to the EU. See Note 1.10 for further details.*

Statement of Changes in Taxpayers' Equity for the Year to 31 March 2025

	Note	General Fund (£000)	Revaluation reserve (£000)	Total taxpayers' equity (£000)
Balance at 31 March 2023		**213,757**	**9,932**	**223,689**
Net operating cost		**(3,723,250)**	**-**	**(3,723,250)**
Transfer from revaluation reserve to General Fund				
Intangible assets	14	3,176	(3,176)	-
Arising on revaluation during the year (net)	14	-	3,602	3,602
Total comprehensive net expenditure for year ended 31 March 2024		**(3,720,074)**	**426**	**(3,719,648)**
Notional charge – Corporate overhead recharge	3	82,371	-	82,371
Financing by Defra		2,047,000	-	2,047,000
Financing to Defra		-	-	-
Payments for Rural Development Programme for England on behalf of Defra	1.10	(25,850)	-	(25,850)
Disallowance transfer to Defra	1.23	(360)	-	(360)
Defra schemes administered by RPA[1]		(74)	-	(74)
Assets transfer from Defra	8	2,252	-	2,252
Balance at 31 March 2024		**(1,400,978)**	**10,358**	**(1,390,620)**

Statement of Changes in Taxpayers' Equity for the Year to 31 March 2025 (continued)

	Note	General Fund (£000)	Revaluation reserve (£000)	Total taxpayers' equity (£000)
Balance at 31 March 2024		**(1,400,978)**	**10,358**	**(1,390,620)**
Net operating cost		(1,142,680)	-	(1,142,680)
Transfer from revaluation reserve to General Fund				
Intangible assets	14	7,061	(7,061)	-
Arising on revaluation during the year (net)	14	-	6,653	6,653
Total comprehensive net expenditure for year ended 31 March 2025		**(1,135,619)**	**(408)**	**(1,136,027)**
Notional charge – Corporate overhead recharge	3	83,381	-	83,381
Financing by Defra		2,368,000	-	2,368,000
Financing to Defra		-	-	-
Receipts for Rural Development Programme for England on behalf of Defra	1.10	3,107	-	3,107
Disallowance transfer to Defra	1.23	(14,034)	-	(14,034)
Defra schemes administered by RPA[1]		(5)	-	(5)
Assets transfer from Defra	8	21,501	2,020	23,521
Balance at 31 March 2025		**(74,647)**	**11,970**	**(62,677)**

1. *During 2024-25, the agency made £5k of payments on behalf of Defra for the XL Bully scheme (2023-24: £74k), with all expenditure on this scheme being reported in Defra's financial statements and corresponding movements reflected in the agency's General Fund. The XL Bully scheme closed on 15 January 2024.*

The notes on pages 138 to 186 form part of these accounts.

Notes to the accounts

1. Statement of accounting policies

The financial statements have been prepared in accordance with the 2024-25 Government Financial Reporting Manual (FReM) and the Accounts Direction issued by HM Treasury in accordance with Section 7(2) of the Government Resources and Accounts Act 2000.

The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted and interpreted for the public sector. Where the FReM allows a choice of accounting policy, the accounting policy which has been judged to be most appropriate to the particular circumstances of the agency for the purpose of giving a true and fair view has been selected. The accounting policies adopted by the agency are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

Going concern

The financial statements are prepared on a going concern basis and are consistent with the FReM 2024-25 continued provision of service basis.

1.1 Accounting convention

These accounts have been prepared on an accruals basis under the historic cost convention, modified to account for the revaluation of intangible assets, and certain financial assets and liabilities, where material.

1.2 Property, plant and equipment

Property, plant and equipment is recognised on a depreciated historic cost basis due to being low in value. Property, plant and equipment assets are reviewed annually for indicators of impairment. The agency has set a capitalisation threshold of £10,000. Below this threshold costs are charged directly to the Statement of Comprehensive Net Expenditure. From 1 April 2021, assets purchased as a group, each costing above £500 but totalling more than £500,000, have been capitalised.

1.3 Intangible assets

Intangible assets are initially recognised at cost, including their deemed cost to Defra where they are transferred from the agency's parent department. Subsequently, they are measured at depreciated historic cost modified by annual revaluations using appropriate price indices issued by the UK Office of National Statistics, as a proxy for Depreciated Replacement Cost (the fair value option applicable to these non-actively traded assets).

The unrealised element is credited/debited to the Revaluation reserve as shown in the Statement of Changes in Taxpayers' Equity, see Note 14. Intangible assets are reviewed annually for indicators of impairment.

Intangible assets comprise internally developed applications and bespoke IT software projects, licences and packages developed by third parties. Software projects being developed are capitalised as development expenditure and treated as capital expenditure (but not amortised or revalued until the software is fully developed and brought into use). Transfers of assets developed by Defra are provided to the agency via the General Fund. The agency has set a capitalisation threshold for software projects of £100,000 and £10,000 for software licences. From 1 April 2021, software licences assets purchased as a group, each costing above £500 but totalling more than £500,000, have been capitalised. At 31 March 2025, the agency had no capitalised software licences. Licences and related customisations are only recognised where they represent identifiable assets controlled by the agency, rather than being purely part of service contracts.

1.4 Depreciation and amortisation

Depreciation and amortisation are provided at rates estimated to write off the valuation of property, plant and equipment, and intangibles on a straight-line basis, over the estimated useful life of the asset, taking into account residual value (if it applies). Assets are depreciated or amortised from the month after they are available for use.

Estimated useful lives at initial recognition are normally in the following ranges:

Depreciation	
IT hardware	
• Laptops, printers and similar equipment	3 years
• Communications	5 years
• Servers	Up to 7 years
Office machinery	5 years
Right of use - vehicles	4 years
Others	5 to 25 years

Amortisation	
IT software[1]	5 to 7 years
IT licences	Up to 7 years

1. *All IT software assets capitalised to deliver rural scheme payments have been amortised over the period ending 31 March 2028, see Note 8. These assets therefore no longer sit within the stated useful expected life range for software stated above.*

1.5 Impairment

Impairments are recognised when the recoverable amount of non-current assets falls below their carrying amount. An impairment review is carried out on an annual basis.

In line with an adaption in the FReM, any permanent diminution in the value of an asset due to clear consumption of economic benefit or service potential should be recognised in full as an impairment loss in the Statement of Comprehensive Net Expenditure. However, to align the balance in the Revaluation reserve with that which would have resulted through strict application of IAS 36, an amount up to the value of the impairment is transferred to the General Fund for the individual asset concerned.

Downward revaluations, resulting from changes in market value, only result in impairment where the asset is revalued below its historic cost carrying amount. In these cases, the accounting treatment is as for any other impairment, with amounts being first set against any accumulated balance in the revaluation reserve, and any amount in addition to this being recognised and recorded in the Statement of Comprehensive Net Expenditure.

1.6 Leased assets

The agency assesses whether a contract is, or contains, a lease at the inception of the contract using the adaption and interpretation set out by HM Treasury in the Financial Reporting Manual (FReM). A lease conveys the right to direct the use and obtain substantially all of the economic benefits of an identified asset for a period of time in exchange for consideration.

The Statement of Comprehensive Net Expenditure reflects related charges for the depreciation of the right of use assets and interest on the lease liability in place of rental expenses and continue to reflect irrecoverable VAT where applicable on any leases as HM Treasury guidance on the application of IFRS 16 states this should not form part of the initial measurement of the right of use assets.

The agency has leased vehicles which fall into IFRS 16 categorisation. This treatment has been applied to all vehicle leased except those which are short-term (less than 12 months) which will continue to be treated as expenses on a straight-line basis in the Statement of Comprehensive Net Expenditure for the duration of the lease term. The agency has applied a rate of interest taken from the lease contract for vehicles. Cost has been used as an appropriate proxy for current value in existing use of vehicles as they have a relatively short useful life.

1.7 Defra properties occupied by the agency

For 2024-25, the full cost of occupation of buildings that are either owned or leased by Defra is reflected within the Statement of Comprehensive Net Expenditure as part of ‘Corporate overhead recharge (notional)’, see Note 3. The costs are determined by Defra based on proportionate occupation of the properties and include rates, utilities, management overheads, and associated capital charges. For Defra leasehold properties this also includes rental costs.

The Defra Management Committee estates strategy states that the default position is that lease breaks are exercised. Defra undertakes a detailed annual review on the material lease exits to confirm this judgement holds true. This has the implication of recognising the lease commitment (and any depreciation) to the lease break date. If however, the evidence suggests that it is unlikely individual lease breaks will be exercised, the commitment is assumed to be until the end of the lease.

1.8 Agency scheme expenditure and income

Schemes administered on behalf of Defra

Where RPA makes payments on behalf of another government body which is acting as the controlling entity, expenditure and income for such schemes will be recognised by them. Assets and liabilities relating to these schemes are reported in the agency’s Statement of Financial Position along with a corresponding intra-governmental balance.

All other schemes

Expenditure and income relating to all other schemes is recognised in the accounts of the agency and is presented within Note 5. The accounting policies applying to expenditure under UK Exchequer funded schemes, and to both expenditure and income under European Commission funded schemes are described separately below.

UK Exchequer funded schemes

For all UK Exchequer funded schemes, expenditure is recognised by the agency when both of the following criteria are judged to be met:

a) The customer has fulfilled their performance obligations in line with the applicable scheme rules and regulations; and

b) The value of the claim can be reliably estimated by the agency.

This commonly results in expenditure being recognised either on receipt of claims or on the last day of the agreement year (in the case of multiannual revenue schemes).

The table below sets out the specific expenditure recognition points for the agency's principal UK funded schemes, less material schemes are omitted for conciseness.

Scheme	Presentation within Note 5	Expenditure recognition point
Basic Payment Scheme	Basic Payment Scheme	The final year of BPS expenditure was recognised on the latter of 15th May 2023, the date at which claimants needed to hold land, and the date of receipt of a claim by the agency.
Delinked Payments	Basic Payment Scheme - Delinked Payments	Initial recognition for the estimate of delinked payments for all years was as set out for the Basic Payment Scheme above. Changes in estimated amounts are recognised in the year in which estimates are revised. See below and Note 12.2 for further details.
Countryside Stewardship Revenue	Countryside Stewardship	Expenditure is recognised on the final day of claimants' agreement years.
Countryside Stewardship Capital	Countryside Stewardship	Expenditure is recognised upon receipt of claims.
Sustainable Farming Incentive 2023 and 2024 Expanded Offer	Sustainable Farming Incentive	Expenditure is recognised on the final day of claimants' agreement years.
Sustainable Farming Incentive Pilot and 2022	Sustainable Farming Incentive	Expenditure is recognised on the latter of the final day of the claimants' agreement years, and the receipt of any necessary annual declarations.
Environmental Stewardship	Environmental Stewardship	Expenditure is recognised on the final day of claimants' agreement years.
Farming Recovery Fund	Farming Recovery Fund	As there is no requirement to make claims, expenditure was recognised in November 2024 when letters were sent to recipients confirming the agency's intent to pay them.
Farming Equipment and Technology Fund	Farming Equipment and Technology Fund	Expenditure is recognised upon receipt of claims.
Farming Transformation Fund	Farming Transformation Fund	Expenditure is recognised upon receipt of claims.
Fruit and Vegetables	Fruit and Vegetables	Expenditure is recognised upon receipt of claims.
Animal Health and Welfare Programme	Animal Health and Welfare Programme	Expenditure is recognised upon receipt of claims.
School Milk	School Milk	Expenditure is recognised upon receipt of claims.
Lump Sum Exit	Lump Sum Exit	Expenditure is recognised upon receipt of claims.

Delinked payments replaced the Basic Payment Scheme in England in 2024 and will reduce in value each year until these payments finish. These reductions are known as progressive reductions.

The full value of delinked payments was recognised during the 2023-24 financial year, in line with the recognition point of Basic Payment Scheme 2023 expenditure, as eligibility for delinked payments is linked to the submission of valid Basic Payment Scheme claims.

Because progressive reduction rates for 2024 and 2025 have been published, there is considerable certainty over the value of delinked payments for these years. Therefore, the proportion of this expenditure has been recognised in the Statement of Financial Position as an accrual. The value of delinked payments in 2026 onwards is subject to greater uncertainty and has therefore been recognised as a provision. The provision is measured at present value using discount rates issued by HM Treasury. See Note 1.20(c) for further details of the estimation uncertainty associated with the provision element of delinked payments and Note 12.2 for details of the delinked payments values recognised within the Statement of Financial Position.

The agency enters into multi-annual agreements in respect of some schemes. In accordance with the recognition criteria above, where such agreements contain obligations that customers have not yet performed, those elements of the agreements are not recognised as expenditure. The agency discloses the extent of these unrecognised commitments in Note 17. To the extent that customers meet their future performance obligations, the agency expects that these commitments will be recognised as expenditure in future years.

Devolved administrations

RPA administers several schemes for all UK claimants. Principally these schemes comprise of the Fruit and Vegetables Scheme and School Milk Subsidy Scheme. Where RPA makes payments to claimants outside of England these amounts are reclaimed from the associated devolved administrations in Scotland, Wales, and Northern Ireland.

This income is recognised by the agency when it is probable that it will receive a reimbursement from the devolved administration for scheme expenditure incurred and the amount to be received is considered reliably measurable. These conditions are deemed to be met at the point the related scheme expenditure is recognised. The income is presented within the UK funded schemes section of Note 5.

European Commission funded schemes

European Commission funding for EU schemes recognised within the agency's accounts prior to 1 April 2023 ceased on 15 October 2020 and was replaced by UK Exchequer funding from that point onwards. These schemes were principally the Basic Payment Scheme, Fruit and Vegetables Scheme, and School Milk Subsidy Scheme. However, the agency continues to recover debts from farmers in relation to scheme payments which were originally funded by the European Commission and continues to repay a proportion of the monies recovered to the European Commission.

These recoveries are presented as negative expenditure, whilst the corresponding repayments to the European Commission are presented as negative income.

Entries are against expenditure and income, rather than the Statement of Financial Position, since the RPA is recovering and paying over money owed by customers ultimately to the European Union, rather than owed by customers to the agency itself.

1.9 Other UK paying agencies expenditure and income

Other UK paying agencies continued to administer payments to customers during 2023-24 under the European Agricultural Fund for Rural Development. These payments were funded by the agency and then subsequently recovered by the agency from the European Commission. Following the UK's exit from the EU and the utilisation of the remaining EU budget, this activity had fully ceased by 31 March 2024. As such there is no similar income or expenditure recognised in 2024-25.

Up until this activity ceased, scheme expenditure in relation to funding provided by the agency was recognised when the agency had a present obligation to fund a payment to the other UK paying agencies and the amount payable was considered reliably measurable and probable. These conditions were deemed to be met upon the receipt of a funding request from the other UK paying agencies, as adjusted for any over or underfunding to the paying agencies calculated at period end. Funds provided to other paying agencies in advance of these points were treated as prepayments. As accredited paying agencies, the other UK paying agencies were responsible for the regularity and propriety of payments issued to their ultimate beneficiaries.

Scheme income in relation to funding provided to the other UK paying agencies was recognised by the agency when it was probable that it would receive reimbursement from the European Commission for scheme expenditure incurred and the amount to be received from the European Commission was considered reliably measurable. These conditions were deemed to be met at the point that the related scheme expenditure was recognised.

All expenditure and income related to the funding of other UK paying agencies is presented in Note 6.

The impact of any foreign exchange movements between the claim date and the date of actual reimbursement by the European Commission were borne by the agency and accordingly recognised in the Statement of Comprehensive Net Expenditure.

1.10 European Commission funding of schemes administered by the agency

As of 1 April 2023, EU funding was exhausted and Defra's status as the controlling Managing Authority for RDPE ceased to be meaningful. As a result, control of the scheme passed to the agency. Therefore all RDPE expenditure and income is now presented within the agency's Statement of Comprehensive Net Expenditure, under the heading of Environmental Stewardship within Note 5. This is subject to the recognition criteria set out in Note 1.8.

Up until 31 March 2023, rural development expenditure was managed by the agency on behalf of Defra. Accordingly, scheme expenditure and income were reported in Defra's accounts with transfers reported as movements through the General Fund.

Payments to customers made on behalf of Defra, and recoveries received from the European Commission on behalf of Defra were disclosed within the Statement of Cash Flows under the Financing Activities heading as this best reflected their nature as cash flow items only for the agency. The remaining cash flow statement movements relate to the cash settlement with claimants and with the EU of transactions which were already recognised as income and expenditure by Defra in prior years.

The impacts of any foreign exchange movements between the claim date and the date of actual reimbursement by the European Commission are borne by the agency and accordingly recognised within the Statement of Comprehensive Net Expenditure.

1.11 Value Added Tax (VAT)

Defra and its executive agencies share a single VAT registration. Most activities relating to the group are outside the scope of VAT.

As a result, input tax cannot generally be recovered. However, under an HM Treasury concession applying to government departments, limited input VAT recovery may be possible on certain specified contracted out services attributable to those activities. For those limited activities where output VAT is charged, directly attributable input VAT can be recovered under the normal rules.

In all instances, where output tax is charged, and input tax is recoverable, amounts are stated in the Statement of Comprehensive Net Expenditure as net of VAT. Where input tax cannot be recovered, amounts are stated in the Statement of Comprehensive Net Expenditure as inclusive of VAT.

1.12 Foreign currency transactions

The functional and presentational currency of the agency is sterling.

The agency received reimbursements from the European Commission in euros for funds administered by the agency and other UK paying agencies in relation to the Rural Development Programme and in accordance with respective scheme rules and regulations.

These foreign currency transactions were recognised as scheme expenditure and scheme income at the rates of exchange prevailing on the dates of recognition of those transactions as described in Notes 1.9, and 1.10. At each Statement of Financial Position date, monetary assets and liabilities that were denominated in foreign currencies were retranslated at the rates prevailing at that date. Exchange differences were recognised in the Statement of Comprehensive Net Expenditure in the period in which they arose.

1.13 Derivative financial instruments

The agency previously entered into foreign exchange forward contracts to manage its exposure to foreign exchange rate risk arising on the reimbursement, by EU, of this expenditure.

EU funding of United Kingdom Common Agricultural Policy (UK CAP) schemes were formally closed in 2024-25 leading to the final reimbursement of funds from the EU. All derivative instruments held at 1 April 2024 were exercised in year to mitigate the associated foreign exchange exposure.

1.14 Trade receivables

Trade and other receivables primarily represent amounts expected from the European Commission, other government agencies, and customers under various schemes administered by the agency. Trade and other receivables are classified under IAS 32 Financial Instruments as financial assets.

The business model of the agency is to collect payments of principal, and interest where applicable, from its debtors. In general, the largest receivables owed to the agency, tend to be public sector entities or the European Commission in respect of money owed for schemes processed, to which no real prospect of default applies.

The agency has no non-current receivables or any receivables where a financing component has been applied. Therefore, the agency recognises its receivables at fair value, and holds them at amortised cost which for receivables with no financing component, is the invoiced amount, less provision for expected credit losses.

Expected credit losses

The agency has reviewed receivable balances against the creditworthiness of the related customers. For those customers that are not other government agencies or the EU, the agency has policies and procedures in place to ensure credit risk is kept to a minimum.

These include netting receivable balances owed to the agency against scheme payments the agency is obliged to make to those customers, contacting customers with overdue receivable balances by letter, phone, and e-mail, and in some cases offering them sensible repayment terms to recover sums owed. The agency is therefore not exposed to material credit risk.

Because receivables are short-term in nature with no financing component the simplified model has been applied in which the loss allowance is equal to lifetime expected credit losses. Credit losses are recognised in the Statement of Comprehensive Net Expenditure and measured as the present values of the differences between the contractual cash flow, and the estimated future cash flow.

The estimated future cash flows are determined after considering, amongst other things, the impact of agreed payment plans with customers, amounts expected to be recovered through interception (the process of offsetting a customer's receivables against a future scheme payment) and historic collection data for customers who have left the scheme.

1.15 Pensions

Present and past employees of the agency are covered by the provisions of four separate defined benefit schemes called Principal Civil Service Pension Schemes (PCSPS), and from 1 April 2015 a career average basis scheme called alpha, which are described in Note 2.2.

PCSPS is a multi-employer defined benefit scheme where, as one of many participating organisations, the RPA is unable to identify its share of the underlying assets and liabilities. Accordingly, per IAS 19, the RPA accounts for this scheme as it were a defined contribution scheme and recognises the costs of these contributions as they fall due. The agency is not liable for the obligations of other entities within the scheme. Further details of the pension arrangements of this scheme can be seen within the Cabinet Office Civil Superannuation Annual Reports.

The agency cannot identify its share of underlying assets and liabilities for these defined benefit schemes. Therefore, the agency recognises the expected cost of these pension schemes on a systematic and rational basis over the period during which it benefits from employees' services by payment to the five pension schemes calculated on an accruing basis. Liability for future benefits is a charge on the pension schemes on an accruing basis. The agency does not make contributions to any other pension scheme.

From 1 April 2022, all employees who remain members of the PCSPS legacy pension schemes (Classic, Classic Plus, Premium and Nuvos) transferred to the alpha career average scheme.

Their contributions towards the legacy schemes ceased from 1 April 2022, and future benefits will be accrued under the rules applicable for the alpha scheme.

1.16 Provisions

Provisions are recognised when the agency has a legal or constructive present obligation as a result of a past event, it is probable that the agency will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the Statement of Financial Position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset only if it is virtually certain that reimbursement will be received, and the amount of the reimbursement can be measured reliably.

1.17 Early departure costs

The agency is required to meet the additional costs of benefits before normal retirement age in respect of employees who retire under early severance and early retirement schemes. The agency provides for this when a formal letter has been issued to the employee giving a leaving date and severance terms.

1.18 Contingent liabilities

In accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets, a contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not entirely within the control of the entity; or a present obligation that arises from past events but is not recognised because (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (ii) the amount of the obligation cannot be measured with sufficient reliability.

In addition to contingent liabilities disclosed in accordance with IAS 37, the agency discloses for Parliamentary reporting and accountability purposes certain statutory and non-statutory contingent liabilities where the likelihood of a transfer of economic benefit is remote, but which have been reported to Parliament in accordance with the requirements of Managing Public Money.

Where the time value of money is material, contingent liabilities which are required to be disclosed under IAS 37 are stated at discounted amounts and the amount reported to Parliament separately noted. Contingent liabilities that are not required to be disclosed under IAS 37 are stated at the amounts reported to Parliament.

1.19 Operating segments

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the agency that are regularly reviewed by the Chief Operating Decision Maker to allocate resources to the segments and to assess their performance. The agency has identified the Interim Chief Executive Officer as the Chief Operating Decision Maker. The required granular information is disclosed in the accounts in Note 3 and Note 4 for running costs and income and Note 5 and Note 6 for scheme costs and income because these notes are reflective of the information presented to senior management and relevant decision makers.

For segmental reporting during 2024-25, Defra uses major areas of spend as reported monthly to the Defra Management Committee. The agency represents one of these discrete areas of spend. The Interim Chief Executive Officer continued to review and monitor the agency's operational and financial performance at this aggregated level as presented in Defra's financial statements.

1.20 Critical accounting judgements and key sources of estimation uncertainty

The Interim Chief Executive Officer, in his capacity as Accounting Officer, uses judgement in making estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the accounting period in which the estimate is revised, and if the revision also affects future periods in these periods as well. In reviewing these estimates, he considers the extent to which these could possibly vary and whether such a variation could indicate the need for a material adjustment to the accounts. There is nothing in the current review to indicate that a variation of a material amount could arise.

The following are the critical judgements, which the Interim Chief Executive Officer, in his capacity as Accounting Officer, has made in the process of applying the agency's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

a. Recoverability and useful lives of intangible assets

In capitalising internally developed applications, bespoke IT software projects, licences and packages developed by third parties, the Interim Chief Executive Officer, in his capacity as Accounting Officer, makes judgements and estimates when assessing whether the costs incurred meet the criteria for capitalisation in the accounting standards, whether the capitalised software will continue to provide sufficient benefit to the agency to support its carrying amount, and whether the useful life of the existing capitalised, internally generated intangible assets remains appropriate.

Key factors driving useful life and impairment assessments include estimates of the expected future life span of the current schemes administered by the agency and the expected use of some or all of the current functionalities of the current capitalised intangible assets in pilots and succession schemes.

b. Estimated amounts for claims not yet paid

In line with the policy set out in Note 1.8, RPA typically recognises UK funded scheme expenditure upon the receipt of claims (or later if the claimant has other obligations to fulfil). This is prior to claims being fully checked and validated by RPA. In preparing the accounts RPA makes an estimate of the actual amounts which are likely be paid in order to settle the claims received.

c. Estimated progressive reduction rates for delinked payments

As set out in Note 1.8, RPA recognised an expense during 2023-24 for the estimated value of all delinked payments through to 2027-28.

Delinked payments are subject to progressive reductions, which decrease the value of payments each year. In accordance with accepted accounting practice, RPA's management used judgement and historical trends to estimate future progressive reduction rates, based upon the information available to them at the date of the Statement of Financial Position, adjusted for events between the end of the reporting period and the date that the financial statements are authorised for issue that provide evidence of conditions that existed at the date of the Statement of Financial Position. See Note 12.2 for details of the assumptions used. Subsequently details of different future rates were published as part of the June 2025 spending review. See Note 20.

1.21 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and current balances with banks, which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value and have an original maturity of three months or less. The carrying amount of these assets approximates their fair value. Bank overdraft amounts are included within trade and other payables in the Statement of Financial Position.

1.22 General Fund

The General Fund represents the total assets less liabilities of the agency, to the extent that the total is not represented by other reserves. Financing by Defra is credited to the General Fund. When the agency makes repayments of financing to Defra these are debited to the General Fund.

1.23 Financial penalties

The agency received income through reimbursement of scheme expenditure from the European Commission. This included reimbursements of payments made by other UK paying agencies, see Note 1.9.

Whilst EU reimbursement was ongoing, the European Commission applied financial penalties to any of the paying agencies if they considered there to be infringement of scheme regulations. These penalties, referred to as “financial corrections” or “disallowance”, were typically deducted retrospectively from reimbursements.

The formal closure of the Rural Development programmes and the final settlement of claims to 31 December 2023 included disallowance applied by the European Commission and this has been transferred to Defra via the General Fund and reported in Defra’s Annual Report and Accounts.

Financial penalties attributable to schemes administered by other UK paying agencies were charged to those agencies at the point the European Commission deducted it from their reimbursement. Consequently, these financial penalties had no impact on the agency's own expenditure and income and were reported within Note 6 Other paying agencies expenditure and income.

1.24 Corporate overhead recharge (notional)

Defra Corporate overhead recharge services costs, comprising charges for legal, HR, IT, estates, procurement, and shared services including payroll and financials, are recognised by the agency as notional charges, with the core department recording the associated credit. The agency still benefits from the use of these corporate services, but the full budgets are retained by Defra to procure and manage the services more efficiently and effectively. The annual non-cash charges for these services made by Defra to the agency are settled on a notional (non-cash) basis to avoid unnecessary cash flows between the department and the agency; this settlement is reflected directly in equity since it constitutes a contribution from Defra as a controlling party of an equal amount to the recharge itself, which is recognised in the Statement of Comprehensive Net Expenditure.

1.25 Adoption of new and revised standards

The following reporting standard will become effective for accounting period 2025-26:

IFRS 17 Insurance contracts

IFRS 17 Insurance Contracts becomes effective, subject to adoption into the FReM, for accounting periods commencing on, or after, 1 April 2025. It requires a discounted cash flow approach to measuring insurance liabilities. The agency has assessed that there are no arrangements that currently fall within scope and therefore this standard will have no impact on the financial statements. The agency does not expect any other new, or revised standard, or interpretation to have a material impact.

Social benefits

The 2025-26 FReM will include new guidance on accounting for social benefits. The 2025-26 FReM will define social benefits as 'current transfers received by households (including individuals) intended to provide for the needs that arise from certain events or circumstances, for example, sickness, unemployment, retirement, housing, education, or family circumstances.'

The Rural Payments Agency does not administer or pay social benefits. It only provides grants and funding in support of government programmes. Therefore, this change in accounting policy is not expected to have any impact on the agency's financial statements. No restatement of prior year figures will be required.

Non-investment asset valuations

In December 2023, HM Treasury released an exposure draft on potential changes to make to valuing and accounting for non-investment assets (e.g. PPE, intangible assets). The below details the proposed changes to the valuation and accounting of non-investment assets to be included in the 2025-26 FReM for mandatory implementation.

References to assets being held for their 'service potential' and the terms 'specialised/ non-specialised' assets are being removed from the FReM. Non-investment assets are instead described as assets held for their 'operational capacity'. This change has no impact on the valuation basis of non-investment assets, which remains Existing Use Value (EUV).

An adaptation to IAS 16 will be introduced to withdraw the requirement to revalue an asset where its fair value materially differs from its carrying value.

Assets are now valued using one of the following processes:

- A quinquennial revaluation supplemented by annual indexation.
- A rolling programme of valuations over a five-year cycle, with annual indexation applied to assets during the four intervening years.
- For non-property assets only, appropriate indices.
- In rare circumstances where an index is not available, a quinquennial revaluation supplemented by a desktop revaluation in year three.

The option to measure intangible assets using the revaluation model is withdrawn. The carrying values of intangible assets at 31 March 2025 will be considered the historical cost at 1 April 2025.

2. Staff numbers and related costs

2.1 Staff costs comprise:

	Permanently employed staff (£000)	Year to 31 March 2025 Total (£000)	Permanently employed staff (£000)	Year to 31 March 2024 Total (£000)
Wages and salaries	84,637	**84,637**	80,795	**80,795**
Social security costs	8,458	**8,458**	8,073	**8,073**
Other pension costs	23,543	**23,543**	19,858	**19,858**
	116,638	**116,638**	**108,726**	**108,726**
Less recoveries in respect of secondments		**(4,707)**		**(2,003)**
Agency staff		**63**		**377**
Contractors		**363**		**757**
Total Staff costs		**112,357**		**107,857**

No staff costs have been capitalised (2023-24: £nil).

Average number of persons employed

The average number of full-time equivalent persons employed (including senior management and agency staff) during the year are disclosed in the Staff Composition section of the Staff Report.

Individual contractors engaged to fill temporary or permanent vacancies, or provide additional resource are included within staff costs in Note 2.1. Where firms have been engaged to provide services, they are not considered to be employees and are excluded from staff costs in Note 2.1 and are reflected within Non-IT professional services in Note 3.

2.2 Pension schemes

For 2024-25, employers' contributions of £23.3 million were payable to the PCSPS (2023-24: £19.7 million) at one of four rates in the range 26.6% to 30.3% of pensionable earnings, based on salary bands.

The scheme actuary valued the PCSPS as at 31 March 2020. Further details are in the Cabinet Office: Civil Superannuation accounts.

The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2024-25 to be paid when the members retire and not the benefits paid during this period to existing pensioners.

Employers' contributions of £238k (2023-24: £231k) were paid to the Legal & General Mastertrust stakeholder pension provider. Employer contributions are age-related and ranged from 8% to 14.75%.

Employers also match employee contributions up to 3% of pensionable earnings. In addition, employer contributions of £8.1k (2023-24: £7.9k), 0.5% of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service or ill-health retirement of these employees.

Contributions due to the partnership pension providers at the Statement of Financial Position date were £20.6k (2023-24: £18.8k). There were no prepaid contributions at that date.

2.3 Reporting of Civil Service and other compensation schemes - exit packages

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme (CSCS), a statutory scheme made under the Superannuation Act 1972. Where the agency has agreed early retirements, the additional costs are met by the agency and not by the civil service pension scheme for 2024-25 the agency reports £Nil of such costs (2023-24: £Nil).

During the year to 31 March 2025 there were no compulsory redundancies (2023-24: none) and no voluntary redundancies (2023-24: none).

3. Other running costs

	Note	Year to 31 March 2025 (£000)	Year to 31 March 2024 (£000)
Non-cash items (including notional charges)			
Corporate overhead recharge (notional)[1]		83,381	82,371
Loss on disposal of non-current assets[2]	7, 8	-	1,273
Depreciation	7	445	216
Amortisation	8	20,531	12,849
Finance lease interest[3]		137	51
		104,494	**96,760**
Other expenditure			
Accommodation		75	55
IT costs		2,831	1,979
Non-payroll staff costs		2,590	2,249
Communications costs		1,961	1,943
Non-IT professional services		5,748	7,370
Other running costs		134	39
		13,339	**13,635**
Total		**117,833**	**110,395**

1. *Services and facilities provided by Defra.*
2. *During 2023-24, the agency removed an intangible capitalised asset from its asset register. These were configuration costs for a software as a service (SaaS) arrangement held on the cloud. Under an IFRIC cloud computing ruling these costs should have been treated as part of the service contract. The removal of the asset from the agency's asset register has consequently generated a £1.3 million loss on disposal in 2023-24.*
3. *Finance lease interest has been reclassified from Other expenditure to Non-cash items.*

The agency does not directly meet the costs of certain services that are provided centrally by Defra. These services are agreed and managed through service level agreements between the agency and Defra.

The agency reports these notional recharges to accurately reflect the true costs of its operations, with a matching credit recorded in the General Fund.

The Corporate overhead recharge (notional) comprises:

	Year to 31 March 2025 (£000)	Year to 31 March 2024 (£000)
Estate management costs	8,901	10,080
Information technology[1]	66,027	62,883
Human resources services	1,792	1,422
Legal services	567	650
Communications	562	526
Corporate strategy	-	1,277
Shared services including payroll and financial	5,197	5,213
Auditors' remuneration and expenses	335	320
Total	**83,381**	**82,371**

1. *Included in Information technology costs above, for 2024-25 are project development costs totalling £33.5 million (2023-24: £33.1 million). These costs were incurred to ensure the agency can implement and manage domestic agricultural policies and schemes. The costs relate to development work on the Farming and Countryside Programme, covering Sustainable Farming Incentive, Countryside Stewardship, Landscape Recovery, and associated grant funding schemes. The work included internet web content management, system changes and decommissioning, and customer portals builds.*

During the year to 31 March 2025, the agency received no non-audit services from the NAO (2023-24: £nil).

4. Running costs income

	Year to 31 March 2025 (£000)	Year to 31 March 2024 (£000)
British Cattle Movement Service (BCMS)	(1,908)	(2,443)
Other running costs income	(97)	(80)
Total	**(2,005)**	**(2,523)**

The agency received income in 2024-25 for services it provides for the BCMS, on behalf of Defra, of £1.9 million (2023-24: £2.4 million).

5. Schemes administered by the agency

	Year to 31 March 2025			Year to 31 March 2024		
	Expenditure (£000)	Income (£000)	Net (£000)	Expenditure (£000)	Income (£000)	Net (£000)
UK Funded schemes[1]						
Basic Payment Scheme[3]	1,651	-	**1,651**	1,088,449	-	**1,088,449**
Basic Payment Scheme - Delinked Payments[4]	(487,146)	-	**(487,146)**	1,605,467	-	**1,605,467**
Countryside Stewardship[5]	810,455	-	**810,455**	561,308	-	**561,308**
Sustainable Farming Incentive	315,534	-	**315,534**	32,996	-	**32,996**
Environmental Stewardship[5]	95,902	-	**95,902**	109,353	-	**109,353**
Farming Recovery Fund	58,888	-	**58,888**	-	-	**-**
Farming Equipment and Technology Fund	57,961	-	**57,961**	34,199	-	**34,199**
Fruit and Vegetables	44,190	(3,668)	**40,522**	36,674	(3,054)	**33,620**
Farming Transformation Fund	14,950	-	**14,950**	11,547	-	**11,547**
Animal Health and Welfare Programme	2,016	-	**2,016**	1,385	-	**1,385**
School Milk	5,463	(3,584)	**1,879**	5,934	(3,879)	**2,055**
Lump Sum Exit	1,815	-	**1,815**	9,152	-	**9,152**
Legacy and Environmental Grants[6]	1,449	-	**1,449**	2,792	-	**2,792**
Socio Economic[5]	1,366	-	**1,366**	4,206	-	**4,206**
Smaller Abattoirs	300	-	**300**	-	-	**-**
Other Schemes[6]	261	-	**261**	1,786	(500)	**1,286**
Total UK Funded schemes	**925,055**	**(7,252)**	**917,803**	**3,505,248**	**(7,433)**	**3,497,815**

Schemes administered by the agency (continued)

	Year to 31 March 2025			Year to 31 March 2024		
	Expenditure (£000)	Income (£000)	Net (£000)	Expenditure (£000)	Income (£000)	Net (£000)
EU Funded schemes[2]						
Socio Economic[5]	(109)	(3)	**(112)**	(782)	32	**(750)**
Environmental Stewardship[5]	(344)	(31)	**(375)**	10,914	(11,432)	**(518)**
Basic Payment Scheme[3]	(28)	294	**266**	(250)	71	**(179)**
Countryside Stewardship	2	-	**2**	(439)	513	**74**
Legacy Environmental Grants[5]	(49)	(371)	**(420)**	(95)	158	**63**
Other Schemes	(8)	-	**(8)**	-	47	**47**
Total EU Funded schemes	**(536)**	**(111)**	**(647)**	**9,348**	**(10,611)**	**(1,263)**
Other costs						
Realised exchange gain	-	(637)	**(637)**	-	(831)	**(831)**
Unrealised exchange (gain)/ loss	-	(338)	**(338)**	453	-	**453**
Cost of hedging contracts	-	(3,880)	**(3,880)**	-	(2,186)	**(2,186)**
Sustainable Farming Incentive Special Payments	2,992	-	**2,992**	11,553	-	**11,553**
Other scheme related costs[7]	667	(1,465)	**(798)**	1,766	(225)	**1,541**
Total of other costs	**3,659**	**(6,320)**	**(2,661)**	**13,772**	**(3,242)**	**10,530**
Total Scheme expenditure/ (income)	**928,178**	**(13,683)**	**914,495**	**3,528,368**	**(21,286)**	**3,507,082**

5. Schemes administered by the agency (notes)

1. *UK funded scheme expenditure relates to amounts paid to customers on or after 16 October 2020, for which there is no European Commission funding as a result of the UK's exit from the European Union. Income in respect of UK funded schemes relates to amounts due from the devolved administrations in Scotland, Wales and Northern Ireland for schemes administered by RPA on a UK wide basis, see Note 1.8 for further details.*
2. *European Commission funding ceased for the Basic Payment Scheme and Fruit & Vegetables Scheme on 15 October 2020, and for the other named EU funded schemes during January 2023. However, the agency continues to recover debts from customers in relation to scheme payments which were originally funded by the European Commission. These recoveries are presented as negative expenditure. Income and expenditure figures for these schemes are not equal due to variances in foreign exchange rates, and because of some schemes being jointly funded in differing proportions by the European Commission and UK Exchequer.*
3. *Direct payments are being phased out in England. Progressive reductions to payments began with BPS scheme year 2021 payments and will continue until the final direct payments are made in 2027. This accounts for the reduction in BPS expenditure in 2023-24, relative to 2022-23. BPS expenditure and income under 'EU Funded schemes' relates to the recovery and onward payment of EU customer debts, see Note 1.8.*
4. *The estimated full liability for delinked payments was recognised in 2023-24. This was based on both confirmed progressive reduction rates (which are published annually following Ministerial decisions) and estimated rates for later years. In October 2024, the Minister of State confirmed the 2025 progressive reduction rate would be greater than the previous assumption and estimated rates for 2026 onwards were also increased accordingly. These were subsequently reassessed in June 2025. The liability was therefore reassessed and reduced resulting in the inclusion of a credit within the amount as reported above. The above delinked payments include accruals, that are due to be paid in August 2025 of £265 million (2023-24: £808.2 million), see Note 11. And provisions of £40.9 million (2023-24: £797.3 million), for financial years 2026-27 to 2027-28, see Note 12.*
5. *With effect from 1 April 2023, both UK funded and EU funded expenditure and income under the RDPE programme have been recognised and presented within RPA's Statement of Comprehensive Net Expenditure. Prior to this date this expenditure and income was recognised by Defra, see Note 1.10. Countryside Stewardship expenditure of £561.3 million in 2023-24 includes £14.3 million of legacy RDPE expenditure as a result of this transfer.*
6. *UK Funded Other Schemes expenditure for 2024-25 comprises of the UK National Honey programme £0.3 million (2023-24: £0.3 million). For 2023-24, UK Funded Other Schemes expenditure comprised of Fly-tipping £1.0 million, and Promotions £0.5 million. In 2023-24, the agency also received £0.5 million of Promotions income.*
7. *UK Other scheme related costs include losses, special payments, legal fees, and movements in the expected credit losses for receivables.*

6. Other paying agencies

	Year to 31 March 2025 Expenditure (£000)	Income (£000)	Net (£000)	Year to 31 March 2024 Expenditure (£000)	Income (£000)	Net £000)
Other paying agencies						
Scottish Government Rural Payments and Inspections Division	-	-	**-**	12,039	(11,897)	**142**
Welsh Government	-	-	**-**	57,843	(57,578)	**265**
Department of Agriculture, Environment and Rural Affairs, Northern Ireland	-	-	**-**	15,272	(15,240)	**32**
Total scheme expenditure/ (income)	-	-	**-**	**85,154**	**(84,715)**	**439**

In 2023-24 and prior years, the agency was required to provide funding to other paying agencies in order to allow them to make payments under EU funded schemes. The associated income claimed from the European Commission was presented alongside the funding provided (see Note 1.9 for further details). As a result of the UK's exit from the European Union, this activity has ceased with effect from 2024-25 onwards.

7. Property, plant and equipment

	Information technology hardware (£000)	Right of use (£000)	Total (£000)
Valuation			
At 1 April 2024	691	1,042	**1,733**
Additions	-	1,600	**1,600**
Disposals	(287)	(12)	**(299)**
At 31 March 2025	**404**	**2,630**	**3,034**
Depreciation			
At 1 April 2024	691	335	**1,026**
Charged in year	-	445	**445**
Disposals	(287)	(12)	**(299)**
At 31 March 2025	**404**	**768**	**1,172**
Net Book Value			
At 1 April 2024	-	707	**707**
At 31 March 2025	**-**	**1,862**	**1,862**
Assets Financing			
Owned	-	-	**-**
Financed lease	-	1,862	**1,862**
Net Book Value at 31 March 2025	**-**	**1,862**	**1,862**

Included in property, plant and equipment are assets with a historic cost of £0.4 million (31 March 2024: £0.7 million), which have been fully depreciated. These assets are still in use by the agency.

IT hardware is provided by Defra and not recorded as agency assets, hence the agency's minimal IT asset base. Operational costs are settled through a notional recharge (see Note 3). Capital costs, such as for leased laptops, are excluded.

	Information technology hardware (£000)	Right of use (£000)	Total (£000)
Valuation			
At 1 April 2023	760	490	**1,250**
Additions	-	588	**588**
Disposals	(69)	(36)	**(105)**
At 31 March 2024	**691**	**1,042**	**1,733**
Depreciation			
At 1 April 2023	760	154	**914**
Charged in year	-	216	**216**
Disposals	(69)	(35)	**(104)**
At 31 March 2024	**691**	**335**	**1,026**
Net Book Value			
At 1 April 2023	-	336	**336**
At 31 March 2024	**-**	**707**	**707**
Assets Financing			
Owned	-	-	**-**
Financed lease	-	707	**707**
Net Book Value at 31 March 2024	**-**	**707**	**707**

8. Intangible assets

	Information technology software (£000)	Development expenditure (£000)	Total (£000)
Valuation			
At 1 April 2024	196,450	210	**196,660**
Additions	15,936	53	**15,989**
Disposals	(252)	-	**(252)**
Transfer from Defra	130,343	-	**130,343**
Reclassifications	214	(214)	**-**
Revaluations	18,668	-	**18,668**
At 31 March 2025	**361,359**	**49**	**361,408**
Amortisation			
At 1 April 2024	150,080	-	**150,080**
Charged in year	20,531	-	**20,531**
Disposals	(252)	-	**(252)**
Transfer from Defra	122,758	-	**122,758**
Revaluations	12,015	-	**12,015**
At 31 March 2025	**305,132**	**-**	**305,132**
Net Book Value			
At 1 April 2024	46,370	210	**46,580**
At 31 March 2025	**56,227**	**49**	**56,276**
Assets Financing			
Owned	56,227	49	**56,276**
Net Book Value at 31 March 2025	**56,227**	**49**	**56,276**

During the year to 31 March 2025 there were £nil impairment losses (2023-24: £nil).

Included in intangible assets are assets with a historic cost of £36.2 million (31 March 2024: £33.1 million) which have been fully amortised. These assets are still in use by the agency.

The historic cost net book value for intangible assets as at the Statement of Financial Position date is £44.4 million (2023-24: £36.0 million).

Included in intangible assets are software assets provided by Defra to deliver rural scheme payments. These intangible assets had a historic cost of £130.6 million and at 31 March 2025 a net book value of £39.9 million, with three years remaining amortised life ending 31 March 2028 to coincide with the agricultural transitional plan.

During the year to 31 March 2025, the agency had £15.9 million of intangible assets transferred from Defra through General Funds (2023-24: £2.3 million). For both 2024-25, and 2023-24, these were received assets from a controlling party, Defra.

Consequently, as non-cash items, the assets provided are not disclosed within the Statement of Cash Flows for 2024-25 or 2023-24.

The table below shows how assets transfers from Defra in the Statement of Changes in Taxpayers' Equity tie back to the above note.

The related revaluation reserve transfer of £2.0 million is shown in Note 14.

8. Intangible assets (continued)

Assets transferred from Defra 2024-25	IT Asset (£000)	Cost (£000)	Amortisation (£000)	Total (£000)
Valuation				
IT asset transfer from Defra	15,936	-	-	**15,936**
Cost transfer from Defra	-	130,343	-	**130,343**
Amortisation transfer from Defra	-	-	(122,758)	**(122,758)**
Assets transfer per Statement of Comprehensive Taxpayers' Equity	**15,936**	**130,343**	**(122,758)**	**23,521**

	Information technology software (£000)	Development expenditure (£000)	Total (£000)
Valuation			
At 1 April 2023	188,296	-	**188,296**
Additions	2,252	210	**2,462**
Disposals	(5,372)	-	**(5,372)**
Revaluations	11,274	-	**11,274**
At 31 March 2024	**196,450**	**210**	**196,660**
Amortisation			
At 1 April 2023	133,659	-	**133,659**
Charged in year	12,849	-	**12,849**
Disposals	(4,100)	-	**(4,100)**
Revaluations	7,672	-	**7,672**
At 31 March 2024	**150,080**	**-**	**150,080**
Net Book Value			
At 1 April 2023	54,637	-	**54,637**
At 31 March 2024	**46,370**	**210**	**46,580**
Assets Financing			
Owned	46,370	210	**46,580**
Net Book Value at 31 March 2024	**46,370**	**210**	**46,580**

9. Trade receivables and other current assets

Amounts falling due within one year:

	31 March 2025 (£000)	31 March 2024 (£000)
Due from Defra and its agencies	2,166	1,111
Due from other government departments (including OPAs)	5,955	6,141
VAT recoverable	293	477
Total Intra-government balances	**8,414**	**7,729**
Trade receivables	2,564	3,108
Less expected credit loss for receivables	(1,214)	(1,256)
	1,350	**1,852**
Due from European Agricultural Guarantee Fund/European Agricultural Fund for Rural Development	-	217,163
Scheme prepayments and other receivables (see below)	198,280	38,390
Running cost prepayments and other receivables	372	388
Total other receivables	**200,002**	**257,793**
Total receivables	**208,416**	**265,522**

The credit period for trade receivables invoices is nil except in those instances where an agreement is reached between the agency and the customer to allow for recovery through the interception of future payments or extended repayment terms are agreed. The agency has an ability to charge interest on overdue scheme balances.

Breakdown of scheme prepayments and other receivables

Scheme prepayments and other receivables of £198.3 million (2023-24: £38.4 million) has been recognised, which represents cash payments made to grant scheme claimants in advance of the related expenditure recognition point for the scheme.

Scheme prepayments and other receivables for UK funded scheme expenditure

Scheme prepayments and other receivables for UK funded scheme expenditure	31 March 2025 (£000)	31 March 2024 (£000)
Sustainable Farming Incentive	172,328	11,441
Environmental Stewardship	22,511	25,087
Fruit and Vegetables	2,532	1,242
School Milk	909	620
Total	**198,280**	**38,390**

10. Cash and cash equivalents

	31 March 2025 (£000)	31 March 2024 (£000)
Balances held at 1 April	80,044	54,421
Net cash inflow	83,416	25,623
Total balance	**163,460**	**80,044**

The following balances were held at 31 March:

	31 March 2025 (£000)	31 March 2024 (£000)
Government Banking Services	163,460	80,044
Total balance	**163,460**	**80,044**

Included within the cash held with Government Banking Services at 31 March 2025, are cash securities of £2.3 million (31 March 2024: £2.6 million) received from import and export traders and held by the agency within a public bank account. These are payments made to the agency to ensure these traders comply with the obligations associated with the import and export licences they have been issued. If a trader does not meet these obligations, they may forfeit these cash securities with the cash being retained by the agency.

11. Trade payables and other current liabilities

Amounts falling due within one year:

	31 March 2025 (£000)	31 March 2024 (£000)
Due to Defra and its agencies	1,456	1,437
Due to other government departments (including OPAs)	5,385	8,623
Other taxation and social security	1,810	1,681
Total Intra-government balances	**8,651**	**11,741**
Trade payables[1]	46,701	11,446
Cash securities[2]	2,268	2,558
Scheme accruals (see below)	386,599	955,033
Running cost accruals	2,690	2,961
Other payables	2,351	2,067
Total other payables	**440,609**	**974,065**
Total payables	**449,260**	**985,806**

1. *Trade payables principally comprise amounts outstanding for claims to be paid to customers.*
2. *Traders wishing to undertake certain transactions under European Commission regulations are required to guarantee completion of the transaction by lodging a security with the agency. The security may be forfeited (in whole or in part) if the undertaking is not completely fulfilled. The security received is included within cash, see Note 10, with the corresponding liability with the trader shown above.*

The agency considers that the carrying amount of trade and other payables approximates to their fair value.

Breakdown of scheme accruals

Scheme accruals of £386.6 million (2023-24: £955.0 million) have been recognised, which represents management's view of the most likely amounts due to individual claimants. Where possible accruals are based on internal data regarding the values of claims which have been received, but are yet to be paid out. Accruals are also recognised where it is reasonable to expect that claimants have fulfilled their other obligations per their grant agreement where appropriate.

Scheme accruals for UK funded scheme expenditure	31 March 2025 (£000)	31 March 2024 (£000)
Basic Payment Scheme – Delinked Payments	264,985	808,185
Countryside Stewardship	77,199	97,888
Fruit and Vegetables	23,502	15,575
Farming Equipment and Technology Fund	10,742	1,652
Environmental Stewardship	6,246	11,952
School Milk	1,037	899
Farming Transformation Fund	920	801
Basic Payment Scheme	824	1,917
Sustainable Farming Incentive 2023	795	-
Farming Recovery Fund	185	-
Legacy Environmental Grants	81	190
Small Abattoir	35	-
Animal Health and Welfare Programme	24	-
Sustainable Farming Incentive 2022[1]	-	13,670
Fly-tipping	-	995
Socio Economic	24	869
Lump Sum Exit	-	440
Total	**386,599**	**955,033**

1. *The accrual for SFI relates primarily to special payments due to customers in respect of the early closure of the SFI 2022 scheme, to allow for earlier adoption of the SFI 2023 scheme. For further information see the Parliamentary Accountability and Audit Report.*

12. Provisions

Scheme related provisions:

	Delinked Payment (£000)	Other Schemes (£000)	Total (£000)
Balance at 1 April 2024	797,282	180	**797,462**
Provided in the year	3,859	-	**3,859**
Provision not required written back	(531,491)	(127)	**(531,618)**
Provision utilised in the year	(264,063)	(53)	**(264,116)**
Change in discount rate	166	-	**166**
Unwinding of discount	35,118	-	**35,118**
Balance at 31 March 2025	**40,871**	**-**	**40,871**

HM Treasury discount rates are revised every year and notified by means of a public expenditure system (PES) paper. In accordance with the 2024 PES paper the agency has applied a short-term general provision discount rate of 4.03% to the agency's delinked payments.

The agency also has some cases where customers have challenged its decisions regarding their claim eligibility for scheme payments. This has been reviewed on a case-by-case basis, with provisions made where the agency considers payment to be probable and can be measured reliably.

12.1 Analysis of timing of expected discounted cash flows

	Delinked Payment (£000)	Other Schemes (£000)	Total (£000)
Not later than one year	-	-	-
Later than one year and not later than five years	40,871	-	**40,871**
Later than five years	-	-	**-**
Balance at 31 March 2025	**40,871**	**-**	**40,871**

12.2 Analysis of delinked payments provision

The provision for delinked payments relates to payments expected to be made to customers during the 2026-27 and 2027-28 financial years.

Delinked payments are subject to progressive reductions year on year. Progressive reduction rates for 2024 and 2025 have been published and as such the value of delinked payments is known with a high degree of certainty. Accordingly, the value of delinked payments for 2024 and 2025 have been recognised as a scheme accrual in Note 11.

As at 31 March 2025 the value of delinked payments for the 2026-27 and 2027-28 financial years was subject to a degree of uncertainty because progressive reduction rates applicable to those years had not yet been published and therefore could be subject to change.

Management therefore exercised judgement in determining likely future progressive reduction rates and therefore expected cash payments for these years. Expected cash payments have been discounted to account for the time value of money in line with HM Treasury's published rates. The following table sets out the gross value of expected future payments and the effect of discounting:

	2024–25 (£000)	2025-26 (£000)	2026-27 (£000)	2027-28 (£000)	Total (£000)
Expected cash payments	518	264,467	22,039	22,039	309,063
Effects of discounting	-	-	(1,200)	(2,007)	(3,207)
Accrual at 31 March 2025	**518**	**264,467**	**-**	**-**	**264,985**
Provision at 31 March 2025	**-**	**-**	**20,839**	**20,032**	**40,871**

Progressive reduction rates for 2025-26 were published in October 2024. These were set at 76% on the first £30,000 of all payments, and 100% for any balance of payments above this threshold.

Below are the progressive reduction rates previously used for the estimates:

Prior to the publishing of the 2025-26 Progressive reduction rates in October 2024, the rates for years 2025-26, 2026-27, and 2027-28 were estimated by management to continue as a 15% reduction per band per year, as seen in the Basic Payment Scheme and first year of Delinked payments.

	Published rates	Unpublished rate (Estimated)		
Band £	2024–25	2025–26	2026–27	2027–28
<30,000	50%	65%	80%	95%
30,001–50,000	55%	70%	85%	100%
50,001–150,000	65%	80%	95%	100%
>150,000	70%	85%	100%	100%

When the Progressive reduction rates for 2025-26 were published in October 2024 they were higher than anticipated. Management subsequently increased the estimated progressive reduction rates for years 2026-27 and 2027-28.

	Published rates		Unpublished rate (Estimated)	
Band £	2024–25	2025–26	2026–27	2027–28
<30,000	50%	76%	86%	95%
30,001–50,000	55%	100%	100%	100%
50,001–150,000	65%	100%	100%	100%
>150,000	70%	100%	100%	100%

On 13 June 2025, HM Treasury announced the outcome of the 2025 Spending Review, which included a substantial reduction in the total funding planned for delinked payments in 2026-27 and 2027-28. This policy decision forms part of the government's broader fiscal realignment under the agricultural transition plan. Progressive reduction rates for both of these years were increased to 98% for the <£30,000 payment band, significantly in excess of the 86% and 95% reductions forecast by management. See Note 20.

Further uncertainty relates to the requirement to lay the necessary Statutory Instrument before Parliament to bring these rates into force.

The provision value of £41 million recognised by the agency at 31 March 2025 was based on management's best estimate using only information available at that point in time, and has been adjusted in light of this subsequent announcement.

The rates for 2026-27 and 2027-28 below are used in determining the provision value of £41 million recognised at 31 March 2025.

Band £	Rates as laid in statute		Expected rates expected to be laid in statute	
	2024-25	2025-26	2026-27	2027-28
<30,000	50%	76%	98%	98%
30,001 – 50,000	55%	100%	100%	100%
50,001 – 150,000	65%	100%	100%	100%
>150,001	70%	100%	100%	100%

13. Financial instruments

13.1 Significant accounting policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the basis of measurement and the basis for recognition of expenditure and income) for each class of financial asset and financial liability are disclosed in Note 1.

Categories of financial instruments:

Financial Assets

	Amortised Cost (£000)	Fair value-SOCNE[1] (£000)	Fair value-OCE (£000)	31 March 2025 (£000)	31 March 2024 (£000)
Trade receivables and other current assets[2]	9,999	-	-	**9,999**	226,959
Cash and cash equivalents	163,460	-	-	**163,460**	80,044
Derivative instruments in designated hedge accounting relationships	-	-	-	**-**	-
Other derivative instruments	-	-	-	**-**	1,335
Sub-total of derivatives assets	**-**	**-**	**-**	**-**	**1,335**

Financial Liabilities

	Amortised Cost (£000)	Fair value-SOCNE[1] (£000)	Fair value-OCE (£000)	31 March 2025 (£000)	31 March 2024 (£000)
Trade payables and other liabilities[3]	447,200	-	-	**447,200**	983,674
Derivative instruments in designated hedge accounting relationship	-	-	-	**-**	-
Other derivative instruments	-	-	-	**-**	706
Sub-total of derivatives liabilities	**-**	**-**	**-**	**-**	**706**

1. *Other derivative instruments not designated for hedging are measured at Fair Value through the Statement of Comprehensive Net Expenditure (SOCNE).*
2. *Trade receivables and other current assets valued above, are £198.5 million lower than reported in Note 9. This is because £198.5 million of prepayments are not classified as financial assets (31 March 2024: £38.6 million) as these prepayments are a right to receive a future service and not cash.*
3. *Trade payables and other current liabilities valued above, are £2.1 million lower than reported in Note 11. This is because £2.1 million of running costs accruals are not classified as financial liabilities (31 March 2024: £2.1 million) as they will not result in a cash liability.*

Included within both cash and cash equivalents, and trade payables and other liabilities above are cash securities which are provided by certain traders, see Note 11. No interest is paid to traders on cash balances lodged with the agency as securities. These matching cash and payables balances amounted to £2.3 million at 31 March 2025 (31 March 2024: £2.6 million).

Cash on deposit at 31 March 2025, consists of money lodged with Government Banking Services and Commercial Banks.

The sterling denominated accounts held within Government Banking Services are not subject to an interest rate charge.

Others:

Financial Guarantee Contracts not recognised in the Statement of Financial Position

	31 March 2025 (£000)	31 March 2024 (£000)
Non-cash guarantees	320,000	314,000

The agency issues traders with import and export licences for which a non-cash guarantee from a bank or insurance company is required to be put into place. These non-cash guarantees are assurances that guarantee payment to the agency if the trader fails to honour certain contractual obligations to the agency. They will become cash payments to the agency in the event these obligations are not fulfilled.

Most licence holders meet their obligations therefore the guarantees are not a contingent asset. Non-cash sterling guarantees totalling £207 million, and euro guarantees totalling €135 million (£113 million) were held at 31 March 2025 (£198 million and €136 million (£116 million) at 31 March 2024).

These are not included within the Statement of Financial Position since the agency assesses, based on prior experience of trader behaviour, a minimal chance of the guarantees being called upon.

13.2 Financial risk management policies

The agency's treasury operations are managed in accordance with the framework document agreed with Defra and HM Treasury. The framework document sets out the governance arrangements in respect of the agency's hedge strategy, the execution of contracts, the valuation of derivatives, the process for settlement of derivatives and external reporting. All derivatives held were exercised in year prior to 31 March 2025.

13.3 Market risks

The agency's activities associated with residual Common Agriculture Policy funding exposed it primarily to the financial risks of changes in foreign currency exchange rates. The agency entered into forward foreign exchange contracts to manage its exposure to foreign currency risk relating to euro denominated receipts from the European Commission for the Basic Payment Scheme and Rural Development Programme Scheme expenditure (including Scotland, Wales and Northern Ireland).

From January 2003, in accordance with Commission Regulation (EC) No.1997/2002 (as amended), non-Eurozone member states, such as the UK, are reimbursed by the European Commission in euros.

However, the majority of EU funded grant payments made by the agency were transacted in sterling, which created an exposure to gains or losses from fluctuations in foreign exchange rates between the euro and sterling. The agency managed its exposure to this risk through the purchase of forward foreign currency contracts. This activity ceased during March 2025 when final reimbursement from the EU was received, and no derivative contracts were held at 31 March 2025.

13.4 Foreign currency denominated monetary assets and monetary liabilities

The carrying amounts of the agency's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	31 March 2025		31 March 2024	
	Assets (£000)	Liabilities (£000)	Assets (£000)	Liabilities (£000)
Euro	212	192	218,175	157

Monetary assets are balances on euro bank accounts. Monetary liabilities are euro cash securities receipts.

13.5 Sensitivity analysis

The following table details the agency's sensitivity to a 10% increase and decrease in sterling against the euro. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for 10% change in foreign currency rates. For net operating costs a positive number indicates a decrease in net operating costs whereas a negative number indicates an increase in net operating cost.

	Impact of movement in Euro/ Sterling rate Sterling appreciates by 10%		Impact of movement in Euro/ Sterling rate Sterling depreciates by 10%	
	31 March 2025 (£000)	31 March 2024 (£000)	31 March 2025 (£000)	31 March 2024 (£000)
(Increase)/decrease in Net operating cost[1]	(2)	(21,753)	2	21,753
Derivative instruments				
(Increase)/decrease in Net operating cost[2]	-	21,804	-	(21,804)

1. *This is attributable to the exposure outstanding on euro receivables and payables in the agency at the Statement of Financial Position date.*
2. *This is the result of the changes in fair value of derivative instruments held for trading not in designated hedging arrangements.*

During the period, the agency maintained forward exchange contracts to hedge the receipts in relation to the closure of the UK Rural Development Programmes. All derivatives held were exercised in year prior to 31 March 2025.

13.6 Own credit risk and counterparty credit risk

As the agency is a UK Government entity, the own credit risk for the agency is not significant. All derivative contracts were with a stable international bank; therefore, the fair value of the counterparty credit risk is also limited.

Credit risks

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the agency. As part of its procedures the agency periodically reviews the counterparty credit risk.

Trade receivables consist of a large number of unrelated customers with differing credit qualities, which serves to diversify the agency's credit risk. An ongoing credit evaluation is performed on the financial condition of accounts receivable.

13.7 Liquidity risks

The agency is funded by HM Treasury through Defra.

The agency does not undertake the borrowing of funds other than from HM Treasury. Such borrowing, arising from short-term in-year fluctuations in expenditure, if required, would be effected by the agency drawing monies from HM Treasury's Contingencies Fund. This facility is the subject of a formal standing arrangement agreed by HM Treasury. Drawings are normally repayable within the year.

13.8 Liquidity tables - non-derivative liabilities and assets

The following tables details the agency's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the agency can be required to pay. The table includes both interest and principal cash flows.

Non-interest bearing as follows:

	31 March 2025 (£000)	31 March 2024 (£000)
Zero - three months	182,216	174,188
Three - twelve months	264,984	809,486
One - five years	-	-
Total	**447,200**	**983,674**

The following table details the agency's expected maturity for its non-derivative financial assets. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary to understand the agency's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Non-interest bearing as follows:

	31 March 2025 (£000)	31 March 2024 (£000)
Zero - three months	9,999	9,796
Three - twelve months	-	217,163
Total	**9,999**	**226,959**

14. Revaluation reserve

The Revaluation reserve relates to revaluation of Intangible assets (Note 8) analysed as follows:

	Intangible assets (£000)	Total (£000)
Balance at 1 April 2024	10,358	**10,358**
Transfer to General Fund[1]	(7,061)	**(7,061)**
Transfer from Defra	2,020	**2,020**
Revaluation during the year	6,653	**6,653**
Balance at 31 March 2025	**11,970**	**11,970**

1. *The transfer to the General Fund reflects the difference between the amortisation charge based on the revalued carrying amount of the asset and the amortisation charge based on the original cost.*

15. Capital commitments

The agency had £nil capital commitments as at 31 March 2025 (31 March 2024: £nil).

16. Lease commitments

16.1 Building

The agency occupies various properties which are held on a leasehold basis by Defra. The core department manages these properties and the allocation of space between its agencies and arms' length bodies. These do not represent identified assets controlled by the agency and so under IFRS 16 do not result in right of use assets or lease liabilities.

These and the related commitments are described in the department's own accounts. The total recharge made by Defra in the current year was £2.5 million (2023-24: £3.2 million) which along with the £6.4 million (2023-24: £6.9 million) facilities management recharge quoted in Note 17 make up the £8.9 million (2023-24: £10.1 million) which is included within Corporate overhead recharges (notional), Estate management costs, see Note 3.

16.2 Lease liabilities

Total future minimum lease payments under non-cancellable leases recognised in the Statement of Financial Position at 31 March 2025 are given in the table below for each of the following periods:

	31 March 2025 (£000)	Restated[1] 31 March 2024 (£000)
Not later than one year	864	495
Later than one year and not later than five years	1,737	378
Total	**2,601**	**873**
Less interest element	(41)	(39)
Present value of obligations	**2,560**	**834**

1. *Prior year restated as amounts were previously reported on a discounted basis.*

The present value of total future minimum lease payments under non-cancellable leases recognised in the Statement of Financial Position at 31 March 2025 are given in the table below for each of the following periods:

	31 March 2025 (£000)	Restated[1] 31 March 2024 (£000)
Not later than one year	794	341
Later than one year and not later than five years	1,766	493
Present value of obligations	**2,560**	**834**

1. *Prior year restated as amounts were previously reported on a discounted basis.*

17. Other financial commitments

The agency has entered into non-cancellable contracts (which are not leases or Private Finance Initiative contracts). Agreements have been analysed spanning the year end and reflecting contractual cancellation clauses. The payments to which the agency is committed (not accrued for) are as follows:

	31 March 2025 (£000)	31 March 2024 (£000)
Not later than one year	426	317
Total	**426**	**317**

Additionally, the agency benefits from certain facilities management services that are provided centrally by Defra, including estate staff, utilities, and property maintenance. These services are agreed and managed through service level agreements between the agency and Defra but the contractual commitments underlying these arrangements are made by the core department and disclosed in their accounts.

The total recharge made by Defra in the current year was £6.4 million (2023-24: £6.9 million) which is included within Corporate overhead recharges (notional), Estate management costs, see Note 3.

UK funded schemes financial commitments

The agency has entered into non-cancellable contracts (which are not leases, PFI contracts or other service concession arrangements) for UK funded schemes payable to farmers, land managers, schools, local authorities, and other organisations.

It is common for schemes, depending on their nature, to see a significant percentage of customers in receipt of a grant funding agreement either not proceeding to claim, or legitimately electing to claim less than the maximum agreement value. No adjustment has been made for this factor – the commitments therefore represent a maximum possible scheme expenditure to which the agency is committed at 31 March 2025. Payment rates in grant agreements have been adjusted by published increases in payment rates since inception of the agreements through to 31 March 2025 to disclose commitments at their current values.

The amounts presented below reflect the agency's commitments at 31 March 2025.

Future full-length contractual agreements to which the agency is committed are as follows:

	Note	Within one year (£000)	Later than one year and not later than five years (£000)	Later than five years (£000)	Total 31 March 2025 (£000)	Total 31 March 2024 (£000)
UK Funded schemes						
Lump Sum Exit Scheme	1	-	-	-	**-**	**8,340**
Countryside Stewardship	2	744,449	1,693,539	105,230	**2,543,218**	**2,893,341**
Environmental Stewardship	3	93,511	227,831	72	**321,414**	**421,919**
Sustainable Farming Incentive	4	577,580	1,190,744	1	**1,768,325**	**1,055,896**
Farming Investment Fund	5	29,767	3,041	-	**32,808**	**15,028**
Water Restoration Fund	6	8,229	2,193	-	**10,422**	**-**
Fruit and Vegetables	7	40,884	-	-	**40,884**	**77,431**
School Milk	8	24,851	-	-	**24,851**	**27,029**
Rural Development	9	-	-	-	**-**	**1,497**
Animal Health and Welfare	10	54,849	22,977	-	**77,826**	**1,142**
Total		**1,574,120**	**3,140,325**	**105,303**	**4,819,748**	**4,501,623**

Notes

The nature of the most significant contracts is described below:

1. Lump Sum Exit Scheme: The agency has entered into contractual commitments which include agreements with farmers who do not wish to transition to future schemes such as SFI to exit the industry early by selling their entire land holding. The agency has assessed that a commitment arises at the point when an application is received. Claimants must complete the sale of their land by 31 May 2024, although in some exceptional cases this deadline may be extended.

2. Countryside Stewardship (CS): The CS scheme was introduced for farmers and land managers to boost biodiversity and help protect and enhance farmland and the countryside. CS can effectively be split into two categories – multi-annual 'management options' (commonly referred to as revenue options) and capital options.

All revenue agreements are long term agreements typically made of options which constitutes 5 year agreements (Mid-Tier agreements) and 10 year agreements (Higher Tier agreements). Capital options relate to one-off improvement works such as fencing, installing water storage tanks, or making improvements to farmyards to reduce soil erosion. Capital works must be undertaken by the customer during the first three years of an agreement. The agency has assessed that commitments arise when agreements are entered into.

3. Environmental Stewardship (ES): The ES scheme provides funding to farmers and land managers to farm in a way that supports biodiversity, enhances the landscape, and improves the quality of water, air and soil. ES is part of the Rural Development Programme for England which transferred from Defra to the agency on 1 April 2023. These are legacy multi-annual management agreements for both revenue and capital.

4. Sustainable Farming Incentive (SFI): This includes SFI Pilot, SFI 2022 special payments, SFI 2023 and SFI 2024 Expanded Offer. The agency has assessed that SFI commitments arise when agreements are entered into. These scheme are all now closed, with the exception of SFI 2024 Expanded Offer which has been reopened for a six week window from 7 July 2025 to 18 August 2025, with applications limited to those customers adversely affected by the original closure of the scheme. See Note 20 for further details.

SFI Pilot

SFI Pilot had three elements namely capital options, revenue options and the pilot participation fee. The scheme paid customers for actions they take to manage their land in an environmentally sustainable way.

The workings of the capital options in the pilot scheme operates in a similar fashion as CS capital offerings. Once an agreement is in place, the claimant must first complete the works and then submit a claim with supporting evidence to RPA for payment.

Revenue options consists of a set of standards which the claimant is required to deliver annually on designated parcels of land. These agreements last for three years and the first such agreements went live on 1 November 2021.

The participation fee is £5k per claimant per year of revenue agreements to compensate claimants for their time and costs in completing learning activities.

SFI 2022

The SFI 2022 scheme only offered revenue options. The nature of this scheme was similar to the revenue element of the SFI Pilot described above. SFI agreements were intended to last for three years, with some flexibility for farmers to amend them every 12 months from their start date. The SFI 2022 scheme was closed early to allow customers to transition to the improved SFI 2023 scheme more rapidly. Where agreements featured actions which were not available under SFI 2023 the agency undertook to compensate agreement holders for any loss of income which this created. The remaining commitments disclosed above relate to these compensatory payments.

SFI 2023

The SFI 2023 scheme closed for new applicants in June 2024. SFI 2023 offered revenue options with the flexibility to combine SFI actions with other environmental land management options, such as Countryside Stewardship (CS). Applications as on a ‘rolling application’ basis, meaning customer’s agreements can start from the first day of any calendar month. The agency has assessed that commitments arise when agreements are entered into.

SFI 2024 Expanded Offer

The expanded Sustainable Farming Incentive (SFI) scheme for 2024 aims to provide greater support to farmers implementing sustainable practices. The updated offer includes additional funding options and more flexibility across various sustainable practices. The expanded SFI offer combines SFI and CS Mid-Tier actions into a single service, so farmers and land managers no longer have to choose between the two.

5. The Farming Investment Fund (FIF): FIF is a capital scheme under which a claimant is issued a grant agreement and then completes agreed works, before subsequently making a claim. The FIF provides grants to improve productivity and bring environmental benefits. FIF is made up of two separate schemes: Farming Equipment and Technology Fund and Farming Transformation Fund. Both schemes operate in a similar manner, but on different scales and timelines. The agency has assessed that commitments arise when agreements are entered into.

6. The Water Restoration Fund (WRF): WRF was launched in April 2024. Grant funding for the scheme was available for local projects to restore and enhance the water environment in specified geographical areas. These could be for capital items and revenue expenditure.

7. Fruit and Vegetables: The agency, in collaboration with the Devolved Administrations, is responsible for recognising Producer Organisations (POs) into the Fresh Fruit and Vegetables Aid Scheme. The scheme year runs from 1 January to 31 December. Applications for ‘operational programmes’ submitted by POs to claim monies under the scheme, are approved by the agency by 15 December before the scheme year commences, and the agency has assessed that a commitment arises at this point. All operational programmes are between three and five years in duration.

8. School Milk: The scheme subsidises the cost of milk, certain milk products and yoghurts for school children in England, Scotland, and Wales. The subsidy can be claimed by schools, local authorities, suppliers, or other organisations so that the products can be sold to schoolchildren at a lower price. The scheme year aligns with the school year running from August to July in the following year, and organisations must apply to the agency for approval of their application by 31 October of the school year. The agency has assessed that commitments arise when applications are approved.

9. Rural Development (RD): RD is part of the Rural Development Programme for England which transferred from Defra to the agency on 1 April 2023. The commitments relating to 2023-24 represented small number of capital grants agreements. All of these agreements have been completed during the 2024-25 financial year.

10. Animal Health and Welfare: The programme supports continual improvement in farm animal health and welfare. Grants offered are for both capital and revenue. Capital elements are delivered through the Farming Investment Fund, and as such capital commitments are presented within that figure. Commitments for the revenue element of the scheme relate to agreements to fund veterinary visits to livestock farms. The agency has assessed that commitments arise when agreements are entered into.

The above represents the maximum possible commitments to which the agency is committed to as at the end of the reporting period if all agreements continue for their entire multi-annual terms.

However, as per the strict terms and conditions of some of the schemes, the agency may terminate agreements and any future grant payments on giving the agreement holder three or six months' written notice at any time.

The following table shows the agency's commitments based on the strict terms and conditions of these schemes.

UK Funded Schemes	Within six months (£000)	Total 31 March 2025 (£000)	Within six months (£000)	Total 31 March 2024 (£000)
Countryside Stewardship	387,260	**387,260**	369,185	**369,185**
Farming Investment Fund	16,388	**16,388**	8,475	**8,475**
Sustainable Farming Incentive	403,420	**403,420**	216,718	**216,718**
Environmental Stewardship	46,755	**46,755**	49,774	**49,774**
Water Restoration Fund	337	**337**	-	**-**
Animal Health and Welfare	31,073	**31,073**	-	**-**
Total	**885,233**	**885,233**	**644,152**	**644,152**

18. Contingent assets and contingent liabilities disclosed under IAS 37

18.1 Contingent assets

The agency has no contingent assets.

18.2 Contingent liabilities

The agency has the following contingent liabilities where the possibility of an outflow in settlement is not considered to be remote:

The agency is currently in receipt of appeals from scheme claimants against the non-payment of claims covering schemes administered by the RPA. If the appeals are successful, they could either result in a liability for EU or Exchequer funded payments. The amount of any such potential liability is unquantifiable, though is expected to be immaterial. Further details of the number of appeals is set out within the Appeals disclosure of the Performance report above.

19. Related party transactions

The RPA, as an executive agency of core Defra, has transactions with both core Defra and the following executive agency:

- Animal and Plant Health Agency

The agency also has transactions with the following Non-Departmental Public Bodies (NDPBs), which are sponsored by Defra:

- Agriculture and Horticulture Development Board
- Livestock Information Limited
- Environment Agency
- Natural England

In addition, the agency has transactions with the following Non-Ministerial Department, which is accountable to Parliament through the Secretary of State for Health and Social Care:

- Food Standards Agency

Disclosure of employment

Tim Breitmeyer was a Non-Executive Director of the agency until 31 May 2025. He runs a family farm, Bartlow Estate, which received scheme payments of £111k during the year to 31 March 2025 (2023-24: £121k).

These transactions were undertaken in the normal course of business and all transactions were at arm's length. This Non-Executive Director also received a salary as shown in the Remuneration Report.

20. Events after the reporting period

These accounts have been authorised for issue by the Accounting Officer on the date the Comptroller and Auditor General's audit certificate and report was signed.

Closure and reopening of SFI 24 applications

On 12 May 2025, a written ministerial statement was made remaking the decision to close the SFI 2024 scheme. This scheme was closed to new applications on 11 March 2025. An error was made, which caused customers who had started, but not yet submitted, an application to be shown two messages when saving their application:

(a) “If we need to close applications, we will give you 6 weeks’ notice. We will publicise this information on GOV.UK and email you”. This message was shown in error due to a technical issue which meant that the message was carried over unintentionally from the online application used for the SFI 2023 offer.

(b) “Your application will be available for 2 months for you to continue. If you have not submitted your application by then, we will delete it”. This message was intentional.

Despite the first message being displayed in error, these messages gave a legitimate expectation that customers with an application in progress, which was under 2 months old, would be provided with 6 weeks’ notice to complete their applications.

There are approximately 3,000 such applicants who will now be allowed a 6 week window to complete their applications. Note that these applications will be subject to a number of restrictions, including being capped at the median value of existing SFI 2024 agreements, which equates to £9,300 per agreement per year. This is to balance fairness to affected applicants with the unintended extra strain upon departmental resources to support other grant schemes.

Voluntary Exit Scheme

During May 2025, the agency announced a limited voluntary exit redundancy scheme. Successful applicants will leave the agency on 31 January 2026 and will receive compensation within six weeks of that date.

The exit programme is designed to reshape and rebalance the agency’s workforce, ensuring it is best positioned to meet future needs and business priorities. As at the date of signing this report, management’s best estimate is that the scheme is expected to result in approximately 150 employee exits, with associated exit costs of £8.3 million. These estimates are based on assumptions regarding the number of exits and average salary levels. Actual outcomes may vary depending upon the final uptake of the scheme.

Spending review 2025 impact on delinked payments

On 13 June 2025, HM Treasury announced the outcome of the 2025 Spending Review, which included a substantial reduction in the total funding planned for delinked payments in 2026-27 and 2027-28. This policy decision forms part of the government's broader fiscal realignment under the agricultural transition plan.

As disclosed in Note 12, the agency recognised a provision of £41 million at 31 March 2025 in respect of these future delinked payments, based upon the agency’s best estimate of their expected value using the information available at that date, adjusted for the Spending Review announcement, with the final decision taken as a whole after 31 March 2025 in line with the Spending Review timetable.

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