### Centre for Rural Economy





# Co-producing environmental futures: public goods, land managers and protected areas

### What is the challenge?

- The United Kingdom's exit from the European Union in 2020 is resulting in a comprehensive overhaul of agricultural policy, with a shift away from subsidies to a new system of support for farmers.
- In England, Defra have set out how various initiatives including an Environmental Land Management Scheme (ELM) will replace the Direct Payments paid to farmers under the Common Agricultural Policy (CAP), with an annual budget of £2.4 billion available for new agricultural schemes<sup>1</sup>.
- ELM is centred on a novel approach of paying 'public money for public goods'. From 2021 several initiatives have been launched to aid transition to ELM, including a scheme for protected areas.

- Defra's 'priority public goods' include thriving plants and wildlife; clean water; clean air; protection from environmental hazards; reduction of and adaptation to climate change; and beauty, heritage and engagement with the environment.
- Co-production is an important mechanism for developing Defra's new policy framework for agriculture and the environment, with stakeholder and user input highlighted as central to the design of ELM.
- Consequently Defra initiated more than 50 test and trial projects (T&Ts) to inform the development of the new ELM scheme including several in England's protected areas. One of these was CURLEW Contracts, with land managers in Northumberland National Park (NNP), an upland and hill area in North East England.

### What is this research?

- CURLEW focused on the co-production of Land Management Plans (LMPs). LMPs form the fundamental 'building block' of ELM and specify the public goods land managers will deliver in return for public investment.
- A research team from the Centre for Rural Economy and officials from Northumberland National Park Authority and Natural England worked with land managers from 19 holdings across the NNP:
  - Between them, the 19 holdings covered almost one third of the National Park area
  - Dominant enterprises were extensive beef and sheep production, followed by shooting, woodland and property management
  - The holdings were a mixture of estates, tenant farmers and owner occupiers.
- Through a series of 10 workshops the land manager group worked individually and then collectively to develop delivery plans which identified existing and potential public good delivery, priority actions and approaches to payments, monitoring and advice, and support and opportunities for collaboration.

# What insights into ELM design emerged from the co-production process?

A straightforward payment system is needed that rewards both existing and future delivery of public goods.

- Participants already deliver a range of public goods, and they need to be rewarded for this as well as for additional delivery.
- All participants agreed that it is unfair and infeasible for ELM to be based solely on payment by results because of the unpredictability of natural systems and the importance of rewarding existing delivery.
- A hybrid payment structure was favoured that combined management activity, payment by results and opportunities for collaboration.
- Any payment mechanism needs to be simple to administer and assist farmer cash flow – both for capital expenditure and public good delivery - and work better than existing schemes.



### Farmers need trusted expertise and for their expertise to be trusted.

- Trust will play a critical role in the success of ELM delivery and hence land managers' willingness to engage in it.
- For land managers to understand existing public good delivery and potential opportunities they require trusted sources of advice and support and timely and accurate data to assist farmer decisionmaking.
- It is important policymakers trust land manager expertise in producing public goods on their land.

"The success of ELM will depend on having a robust vibrant and profitable rural economy, where the provision of public goods contributes to profitability and is therefore prioritised."

(CURLEW participant)

#### Public good delivery is a balancing act between public and private interests – understanding this is key.

- For the land managers involved in this T&T, the delivery of existing and additional public goods is inextricably linked to their primary function and identity as livestock farmers. For many, the provision of public goods is seen as going hand-in-hand with the production of high quality, sustainable food.
- Sustaining and enhancing upland communities is vital. Public good provision needs to contribute to a robust, vibrant and profitable rural economy. Land managers were keen to ensure upland communities and livelihoods remain viable in any future scheme.







### What are the recommendations for policy and practice?

Land managers in National Parks already produce a range of public goods and there is untapped potential for them to produce more.

- Upland National Parks could be seen as a 'special case' for ELM because of the range of public goods land managers already provide and the untapped potential that exists for them to produce more.
- Prioritising early roll-out of ELM in upland National Parks could optimise return on the investment of public money for public goods. Farm livelihoods there are inextricably linked to public good production and it is important that this is recognised and rewarded in the design of ELM.

## The momentum generated by T&Ts such as CURLEW needs to be maintained and built upon:

 Engaging farmers in scheme design as well as delivery could significantly assist uptake.
 It is important that land managers can see the influence they have had on development of ELM: this would lend credibility to the scheme and could positively influence other land managers to engage.

- Land managers need clarity over details of any new ELM scheme if they are to feel confident in engaging in it.
- Investing in facilitation could help unlock farmers' willingness to continue to work in new ways, develop capacity and deliver results.
- It is vital that Defra communicates to stakeholders and to land managers how the T&T programme has helped shape ELM design and delivery going forward. This is important for confidence and engagement in the policy at a time of uncertainty and change.

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