## **Financial Assistance Statutory Instrument**

## **Consultation Invitation**

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https://www.gov.uk/government/organisations/department-for-environment-foodrural-affairs/about/personal-information-charter

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Defra will keep your response and any personal data it contains for 2 years after the consultation deadline for responses until all legal and other processes relating to the consultation and resultant decisions are completed and expiry of any relevant legal timescales.

Information provided in response to this consultation, including personal data, may be published or disclosed in accordance with the access to information regimes these are primarily the Environmental Information Regulations 2004 (EIRs), the Freedom of Information Act 2000 (FOIA) and the Data Protection Act 2018 (DPA). We have obligations, mainly under the EIRs, FOIA and DPA, to disclose information to particular recipients or to the public in certain circumstances.

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### 1. What is this document about?

### **1.1 Introduction**

This consultation exercise is directed at key stakeholders who will have an interest in the financial assistance schemes commencing in 2021 using provisions of the Agriculture Bill, the publication of beneficiary data, and enforcement and monitoring requirements for these schemes.

For each of these schemes, this document sets out the proposed approach for both a) publication of beneficiary data and b) checking eligibility, monitoring agreements and enforcement, with the aim of seeking views from our key stakeholders.

The views gathered from stakeholders in response to this document will contribute towards the development of a new statutory instrument (SI). The SI will provide the legal basis for publication of beneficiary data, and enforcement and monitoring requirements for these schemes.

### 1.2 Background

Now the United Kingdom has ended its membership of the European Union, it is free to move away from the Common Agricultural Policy (CAP). The Agriculture Bill gives Ministers the powers to do this. The Agriculture Bill completed its remaining stages in the House of Commons on 13 May and is now being scrutinised by the House of Lords.

The Agriculture Bill sets out an ambitious new way to support farming, based on the principle of "public money for public goods", which will allow the Government to reward farmers and land managers who deliver public goods such as protection of our environment. It will also help farmers stay competitive, with measures to increase productivity and investment in new technology. Clause 1 of the Bill provides the Secretary of State with the power to give financial assistance to beneficiaries, including (but not limited to) farmers, horticulturalists, foresters and those responsible for the management of land. Clause 2 of the Bill provides details on how the Secretary of State may deliver financial assistance. It gives the Secretary of State the necessary powers to make Regulations requiring himself or another to publish information about payments made under Clause 1. Clause 3 provides powers for the Secretary of State to make regulations to check, enforce and monitor for the intended financial assistance schemes.

To support the process of transitioning to new financial assistance schemes in 2021, we are now developing this SI, which is based upon these Clause 2 and Clause 3 powers.

This consultation will not be the only opportunity to feed into agricultural policy development. As set out in the "Farming for the Future, Policy and Progress update" of February 2020, we also want to engage stakeholders further on the vision and priorities for a future regulatory system. We will continue engagement to gather the sector's views and build on the issues raised with the current agricultural regulatory landscape in Dame Glenys Stacey's 2018 "Farm Inspection and Regulation" Review.

### **1.3 What does this consultation cover?**

The SI discussed in this consultation exercise will cover some of the requirements for financial assistance schemes being launched in 2021. These financial assistance schemes include two **pilot** grant schemes:

### i) Environmental Land Management (ELM) National Pilot

Our Environmental Land Management (ELM) scheme is the cornerstone of our new agricultural policy, founded on the principle of "public money for public goods". ELM is intended to provide a vehicle for contributing to achieving the goals of the 25 Year Environment Plan and commitment to net zero emissions by 2050, while supporting the rural economy.

The National Pilot will provide a critical opportunity to test, refine and develop the scheme design prior to full roll out across England of the ELM scheme, which is due to launch in 2024.

### ii) Tree Health Pilot

In recognition of the valuable environmental benefits provided by our trees, woodlands and forests, we are reviewing the Tree Health grants currently provided under the Countryside Stewardship scheme and aim to improve and expand the package of support available to:

- fell or treat diseased trees in a targeted approach to ensure that such action slows the spread of pests and disease and protects the wider treescape; and
- restock for resilience following a pest and disease outbreak to ensure that there is no net loss of tree cover and improve the resilience of the future treescape.

The Tree Health pilot will provide the opportunity to test and refine the package of support that will be provided, ahead of the full launch of the Tree Health scheme in England, due in late 2024.

We are also launching two grant schemes:

# iii) Countryside Stewardship 2022 scheme (which opens in early Feb 2021 for applications)

This domestic scheme is a simplified version of the EU Countryside Stewardship (CS) scheme that was open to applications from 2015 to 2019 and is a further iteration of the CS 2021 domestically-funded scheme that was open to applications in 2020. It will continue to provide incentives for farmers, woodland owners, foresters and land managers to look after and improve the environment.

### iv) Productivity Grants Scheme

This scheme will provide grants to farmers, foresters and growers so that they can invest in equipment, technology and infrastructure to help their businesses to prosper, while improving resource efficiency and enhancing the environment.

It is important to note that, whilst the SI will cover the four separate financial assistance schemes listed above, the way in which the regulations will apply to each of them may differ. This is detailed below.

For the two pilots (Environmental Land Management and Tree Health) we will use learning from both the application of this SI and the delivery of these pilots on the ground to inform what regulatory provisions would be most effective to apply when we roll out the full versions of those schemes.

For further information about these schemes see Annex A

### **1.4 Timing and duration of this consultation**

The consultation period will commence on **Tuesday 4<sup>th</sup> August 2020** and will be open to responses for a period of four weeks. We welcome views from farmers, foresters, growers, and other land managers who have an interest in the Government's future agricultural policy.

The consultation period will end at midnight on Tuesday 1<sup>st</sup> September 2020. We may not consider any responses received after that date.

To respond to this consultation please contact;

### FinancialAssistanceConsult@defra.gov.uk

## 2. Publishing Beneficiary data

### 2.1 Background

The Common Agricultural Policy, under <u>EU Regulation No. 1306/2013</u> and <u>Commission Regulation No. 908/2014</u>, required Defra and the devolved administrations to publish details of recipients of CAP subsidy payments on a single **website** for the whole of the UK.

The details included on this website relate to all CAP subsidy payments made to beneficiaries during the previous two EU financial years. The total amount received by each beneficiary is shown under three headings: direct aids (e.g. the Basic Payment Scheme), market schemes and rural development measures.

Once new schemes and grants are made available from 2021, we recognise that it will continue to be important to publish information about the payments we make, to provide transparency over how taxpayer's money is spent and as a means of holding recipients of taxpayer's money to account over its use.

It is acknowledged that publication of payment data provides a means of public scrutiny over the payments made to beneficiaries. Transparency discourages individual beneficiaries from irregular behaviour and reinforces the personal accountability of the recipients for use of public funds received.

As new payments will be made using UK Exchequer funds, certain information about the payments will need to be published on the Grants Standards website under the terms of the Government Grants standards. These are requirements that seek to promote effective grant applications across all government departments <u>https://www.gov.uk/government/publications/government-grants-register</u>.

However, only limited data is published through the Grants Standards website, so in the interests of greater transparency and accountability, Defra also proposes to publish more beneficiary payment information on its own, separate website. This is because:

- Whilst the Grants Standard website publishes details of grants of any value to companies, grants to individuals of less than £100,000 are anonymised by way of aggregation.
- The Grants Standard website does not provide the level of detail about the purpose of payments that Defra proposes should be available. The description of payments made is very brief.
- We also intend to publish information from ELM pilot Land Management Plans which cannot be published on the grants database,

Please see "Publication of beneficiary data" below for details of the data proposed to be published on Defra's website.

Q1 - Do you agree that in addition to the Grants Standard website, details of grant payments should be published on Defra's own separate website?

### 2.2 **Publication of beneficiary data**

#### 2.3 Legal Requirements

Any publication of beneficiary data will be subject to obligations under the Data Protection Legislation as defined by the Data Protection Act 2018.

Defra proposes methods of publishing information relating to beneficiaries that balance the considerations set out above with beneficiaries' and other interested persons' right to respect for their private life, in particular protection of their personal data.

### 2.4 Where does Defra propose to publish?

As explained above, Defra proposes to publish its own separate website as a searchable online database. This database would lay out all financial spend under Clause 1 of the Agriculture Bill that meets the conditions for publication in the SI. The database will be presented in an easily accessible form.

### 2.5 What detail does Defra propose to publish?

On our website, we propose to publish:

- Beneficiary Name;
- Postcode Prefix of the registered address of the beneficiary;
- Town/City of the registered address of the beneficiary;
- Amount paid to an individual per scheme agreement/contract in the preceding financial year;
- High-level purpose for each grant payment (e.g. "woodland management");
- Financial year in which the payment was made;
- Responsible Paying Agency.

We also propose that redacted ELM National Pilot Land Management Plans (LMPs) should be either published by Defra or uploaded to a public portal by the agreement holder. LMPs would include the baseline features and condition of the land, the public goods/environmental benefits that the beneficiary would be paid to deliver and how and where these environmental benefits will be delivered.

To ensure a balance of interests between the public interest for transparency on the one hand, and the legitimate interest of the agreement holder and other interested persons not wanting disclosure of sensitive/private information on the other, we propose that Defra or the agreement holder (as the case may be) redact the following information from the version of the LMP that is published or uploaded:

- Information not relating directly to financial assistance given.
- Business-sensitive or commercial information such as productivity (which land managers will have the option to include in their LMPs if they wish but is not required for them to receive financial assistance).
- Anything that is protected by legislation or by concerns around safety. For example, activities involving children/schools, location of species such as rare birds or flowers which could attract potential risk of illegal activities such as egg collection or hunting badgers or foxes.

Specific location details of tree pest and disease findings are not routinely published as this could be damaging to the individuals or businesses concerned. Therefore, we will apply an exception to Tree Health pilot scheme beneficiaries and personal identifying information will not be published in order to protect the identity and interests of individuals and businesses concerned.

Q2 - What type of information about payments would you find most helpful? A description of the individual grants or a description of the overall scheme purpose?

Q3 - Do you agree with the proposal to publish land management plans?

Q4 - Do you think that the land management plans should be published by Defra or uploaded by the responsible agreement holder to a public portal?

Q5- Is there anything else you would expect to be redacted, or conversely anything you would expect to be published?

Q6 - Do you have any other comments on our proposals on publishing information?

### 2.6 When will we publish?

We propose that, except for Land Management Plans (LMPs), publication to the website will be made as a single batch covering the previous financial year. For example, for Financial Year 2021-2022, data for that full financial year covering all measures would be published before the end of 2022.

We propose to publish that individual LMPs should be published following the participant's application being agreed and first monthly payment being made, rather than in a single batch annually. If publication is by the agreement holder uploading the LMP to a public portal, the agreement holder would be required to upload the LMP

within a specified period of receiving the first monthly payment as a condition of receiving further payments.

### Q7 - Do you agree to an annual reporting cycle?

Q8 - Would you find it helpful for Defra to publish data as a batch covering each financial year?

Q9 - Do you agree that individual LMPs should be published following the participant's application being agreed and the first monthly payment being made, rather than in a single batch annually?

Q10 - Do you have any other comments on our proposals on the timing of publication?

### 2.7 How long should we retain beneficiary data on the publicly available DEFRA Database?

We propose to maintain prior year data in the publicly available Defra database for 2 years following publication, after which it will be removed. We have noted the requirement in data protection legislation to keep data for no longer than is necessary to achieve the purpose of sharing, and we believe this length of time would meet this requirement.

LMPs are proposed to be retained in perpetuity on the publicly available database to retain a record of what publicly funded environmental measures have been undertaken on land.

# Q11 - Do you agree that prior year payment data is maintained in the Defra database for 2 years following publication?

### Q12 - Do you agree that LMPs should be retained in perpetuity?

### 2.8 De Minimis

We propose that details of any payments below the de minimis threshold should not be published, and we have been considering how to set this at an appropriate level.

There is a current de minimis level in EU law. This has been established by aligning it to the maximum amount of aid possible under the Direct Payments Small Farmer Scheme, as provided for in Article 63 of Regulation (EU) No 1307/2013, which was equivalent to £1118 in 2018 and £1116 in 2019.

We propose to use £1,250 as the de minimis threshold when publishing this data, to enable comparisons to be made to the payments in prior years.

We propose there will be no de minimis for LMPs. We propose all LMPs be published irrespective of the size of the agreement.

Q13 - Do you agree we should continue to use a de minimis, and that it should be set at the proposed level?

Q14 - Do you have any alternative suggestions to establish a de minimis?

Q15 - Do you agree that all LMPs should be published irrespective of the size of the agreement?

### **Summary of Publishing Questions**

### Section 2.1 – Background

Q1 - Do you agree that in addition to the Grants Standard website, details of grant payments should be published on Defra's own separate website?

### Section 2.2 – Publication of Beneficiary Data

Q2 - What type of information about payments would you find most helpful? A description of the individual grants or a description of the overall scheme purpose?

Q3 - Do you agree with the proposal to publish land management plans?

Q4 - Do you think that the land management plans should be published by Defra or uploaded by the responsible agreement holder to a public portal?

Q5- Is there anything else you would expect to be redacted, or conversely anything you would expect to be published?

Q6 - Do you have any other comments on our proposals on publishing information?

### Section 2.6 – When Will We Publish

Q7 - Do you agree to an annual reporting cycle?

Q8 - Would you find it helpful for Defra to publish data as a batch covering each financial year?

Q9 - Do you agree that individual LMPs should be published following the participant's application being agreed and the first monthly payment being made, rather than in a single batch annually?

Q10 - Do you have any other comments on our proposals on the timing of publication?

# Section 2.7 - How long should we retain beneficiary data on the publicly available DEFRA Database?

Q11 - Do you agree that prior year payment data is maintained in the Defra database for 2 years following publication?

Q12 - Do you agree that LMPs should be retained in perpetuity?

### Section 2.8 - De Minimis

Q13 - Do you agree we should continue to use a de minimis, and that it should be set at the proposed level?

Q14 - Do you have any alternative suggestions to establish a de minimis?

Q15 - Do you agree that all LMPs should be published irrespective of the size of the agreement?

## 3. Enforcement and Monitoring

Clause 3 of the Agriculture Bill will provide the Secretary of State with a power to make regulations to check, enforce and monitor the financial assistance schemes referred to in this consultation document.

### 3.1 Background

Monitoring and enforcement are critical to ensuring that public funds are properly expended, suitably protected against fraud and provide value for money. However, we want to learn lessons from existing CAP schemes, and design an approach that is more targeted, proportionate and focused on moving towards achieving public goods, such as environmental outcomes, by supporting good practices and advising agreement holders rather than penalising them.

For the Tree Health pilot, the likely number of agreements means we are planning to visit all agreement holders during the course of the scheme. For the other larger schemes, we want to ensure that any site visits are targeted in the best way, so we propose making greater use of risk-based models as a way of identifying which agreements to focus on.

For both the pilots, we want participants to trial new things, so a major consideration for our monitoring and enforcement approach is to minimise the chance that participants fear being punished for making 'mistakes'. We want to learn as much as possible from them within a 'safe space' about what works and what does not. The monitoring and enforcement approach needs to be fully attuned to this significant change from the past.

Q16 - Do you agree with our proposals for an enforcement approach based on risk-based targeting?

Q17 - Do you agree with our proposals for a more proportionate approach to enforcement?

### 3.2 Information and monitoring

For all four schemes, checks will be made to determine that the eligibility criteria (that criteria will be specified in guidance documents and not the SI) and the agreement terms and conditions are or continue to be met:

- At application stage;
- Where an agreement is amended, or an amendment is proposed;
- As part of our in-agreement 'monitoring checks' e.g. desk-based reviews and site visits;
- At payment stage; and
- Post agreement/payment, where appropriate.

However, for the ELM National Pilot, we are not proposing to check eligibility and scheme terms and conditions at every payment stage as we want to test different aspects of ELM, including how we make payments.

#### Q18 - Can you identify any difficulties with our proposed approach?

### 3.3 Inspections and Powers of Entry.

For all schemes we propose to carry out routine inspections (site visits) as part of our routine monitoring to review delivery of individual agreements. These may be selected by risk or random criteria and specific environmental priorities. We are proposing to arrange them at a mutually agreed date and time or, where this is not possible, give at least 48 hours written notice of the date and time but with an opportunity for the person in receipt of the financial assistance to request an alternative date and time.

For the ELM and Tree Health Pilots, we plan to trial this type of inspection (site visit) to maximise our learning on the participants' experience in order to build on what is going well and assess how to address what is not going so well. This will inform how they could best operate for the full rollout of the schemes. For ELM, we plan for them to also include a review of the implementation of the Land Management Plan.

#### Q19 - Do you agree with our proposals on routine inspections (site visits)?

For all schemes, where there is suspicion of a breach - either fraud or serious noncompliance, or in cases of obstruction, we propose to have the power to carry out these inspections, where necessary, without notice and without agreement. However, for a private dwelling this can only occur with a warrant as provided for in clause 3(3) of the Agriculture Bill.

In addition to the above, we also propose to have search and seizure powers consistent with existing Defra or CAP schemes, including powers for:

- The land/premises to be searched (with an appropriate warrant, this could include domestic dwellings);
- Samples to be taken;
- Inquiries, checks, measurements or tests to be carried out;
- Photographs or other digital records to be made of anything on the land/in the premises;
- The removal of anything believed to be evidence of non-compliance;
- Livestock, machinery, crops or equipment specified in the agreement to be inspected;
- Animals or objects to be marked for identification purposes;
- Access and an ability to copy any documents or records and to remove these documents to be copied or retained as evidence;
- Access to a computer or other electronic device (e.g. a mobile phone) that has been used, or is suspected to have been used, in connection with documents relating to the agreement.

# Q20 - Do you agree with our proposals where there is a suspicion of fraud or breach of conditions and the above powers for an inspection?

### 3.4 Breaches

For all four schemes, we propose that examples of the circumstances under which we would consider an applicant or agreement holder to be in breach of the rules or requirements of a scheme might include:

- knowingly or recklessly providing false or misleading information;
- intentionally obstructing an investigation or on-site visit, or failing to assist with public functions carried out in connection with the agreement, including and for example, infrastructure projects requiring planning permission;
- being in receipt of double funding by receiving funding from another public body to carry out activities which are in included in the agreement;
- significantly delaying or being unlikely to complete an activity in the agreement for which funding is being received;
- not delivering an activity to the specification set out in the agreement (deliberately or persistently, after being given an opportunity to make improvements), including not adhering to the time frame set out in the agreement; or
- deliberately or negligently breaching any specific terms and conditions in the agreement.

We propose that, where appropriate, we would endeavour to provide the agreementholder with an opportunity to rectify a breach before any further action is taken. Where appropriate, we propose that we would provide advice or guidance in order to support the agreement-holder to deliver aims and also to remedy breaches, if this is necessary. This is particularly relevant to the ELM National Pilot and Tree Health Pilot where it will be important for us to learn as much as possible about what works and what does not. We propose that action against any breach is only taken when there is serious misuse of taxpayer's money or fraud.

We also propose to have a provision to consider whether account should be taken of exceptional circumstances, possibly something akin to "force majeure" or wider.

Where a breach is not rectified, we propose further action might be taken, for example withholding future payments, recovery of grant funding, suspension or termination of the grant agreement.

# Q21 - Do you agree the proposed examples should constitute breach? Are there other circumstances you believe should be considered a breach?

Q22 - Do you agree with our proposed approach for pilot schemes?

Q23 - Do you agree beneficiaries should be able to rectify the situation before sanctions are imposed?

Q24 - Do you think that account should be taken of exceptional circumstances, and should that be akin to "force majeure" or wider?

#### 3.5 Sanctions

We propose there should be no additional administrative penalties for breaching an ELM pilot, Tree Health Pilot, Productivity Grant, or Countryside Stewardship agreement. Further that if fraud is proved it will lead to termination of the agreement and referral to the fraud team and potential referral to the Crown Prosecution Service.

In cases where specific scheme breaches or irregularities are detected that can be rectified, we propose being able to withhold payment, in part or in whole, and lifting this as soon as the beneficiary proves that the situation has been remedied, within an agreed time limit.

For cases of serious or repeated breaches or fraud, we are also considering including a provision to withhold all or part of future payments, terminate the agreement early and recovering money and/or ban the agreement holder from the scheme and other schemes covered by the same powers for a period of time. We are proposing a 2 years ban to remain consistent with existing Countryside Stewardship agreements made under EU law.

## Q25 - Do you agree that agreement holders should be banned as described, including from other schemes?

#### Q26 - What period of time do you think this should be for?

We may seek to recover payments where there has been a significant breach of the terms of the agreement or terms and conditions of the scheme. Recovery of payments already made may be subject to a de-minimis.

In addition, we may seek to recover part or all payment in cases of irregularities in payments - such as if the beneficiary receives an overpayment or payment in error- or for some schemes to reduce future payments if payment claims are submitted after the deadline. CS want to be able to reduce payments made by 1% for each working day that the payment claim is received late, up to a maximum of 30 days.

Recovery of an amount due from a scheme, could be made from any of the other schemes covered by this legislation.

We propose to charge interest on recoveries and intend to continue the current arrangements where this is set at 1% above the Bank of England's daily rate.

## Q27 - Do you agree with the proposed method of calculating the interest rate for recoveries?

### 3.6 Appeals

We propose that three types of decision should be open to appeal:

- a decision on the application,
- a decision to amend the agreement, and
- a decision to take action for breach.

Currently, under CAP rules, a complaint must be received within 60 days of the decision being made. Existing CAP CS agreements will continue to run concurrently with new domestic CS agreements, so we propose to keep this same timeframe to avoid confusion. We also propose to retain this timeframe for the ELM and Tree Health Pilots as they will run concurrently with new domestic CS agreements and existing CAP CS agreements.

If the applicant or agreement holder is not content with the outcome of their complaint, they may appeal but only if they have exhausted the complaint route.

For all schemes, we are considering the appropriate appeal process. For example, something akin to the existing process whereby the Independent Agricultural Appeals Panel investigates and makes a recommendation to the Secretary of State, or that Panel having a greater decision-making role.

Alternatively, for the ELM pilot phase, we are also considering a less formal, internal method of determining appeals, where cases would be reviewed and decided outside of the ELM team.

Q28 - Do you agree with the proposed basis on which an applicant or agreement holder might appeal?

Q29 - Do you agree with the proposed complaints process and that it must be exhausted before an appeal is made?

Q30 - What are your thoughts on the potential appeal processes outlined above?

Q31 - Do you have any other comments on our proposals on appeals?

### **Summary of Enforcement Questions**

### Section 3.1 - Background

Q16 - Do you agree with our proposals for an enforcement approach based on riskbased targeting?

Q17 - Do you agree with our proposals for a more proportionate approach to enforcement?

### Section 3.2 - Information and monitoring

Q18 - Can you identify any difficulties with our proposed approach?

### **Section 3.3 - Inspections and Powers of Entry**

Q19 - Do you agree with our proposals on routine inspections (site visits)?

Q20 - Do you agree with our proposals where there is a suspicion of fraud or breach of conditions and the above powers for an inspection?

### Section 3.4 - Breaches

Q21 - Do you agree the proposed examples should constitute breach? Are there other circumstances you believe should be considered a breach?

Q22 - Do you agree with our proposed approach for pilot schemes?

Q23 - Do you agree beneficiaries should be able to rectify the situation before sanctions are imposed?

Q24 - Do you think that account should be taken of exceptional circumstances, and should that be akin to "force majeure" or wider?

### Section 3.5 - Sanctions

Q25 - Do you agree that agreement holders should be banned as described, including from other schemes?

Q26 - What period of time do you think this should be for?

Q27 - Do you agree with the proposed method of calculating the interest rate for recoveries?

### Section 3.6 - Appeals

Q28 - Do you agree with the proposed basis on which an applicant or agreement holder might appeal?

Q29 - Do you agree with the proposed complaints process and that it must be exhausted before an appeal is made?

Q30 - What are your thoughts on the potential appeal processes outlined above?

Q31 - Do you have any other comments on our proposals on appeals?

### Annex A

### What are the new financial assistance schemes?

### **ELM National Pilot**

Our Environmental Land Management (ELM) scheme is the cornerstone of our new agricultural policy. Founded on the principle of "public money for public goods", ELM is intended to provide a powerful vehicle for achieving the goals of the 25 Year Environment Plan and commitment to net zero emissions by 2050, while supporting our rural economy.

We are working closely with a range of environmental and agricultural stakeholders to collaboratively design the new scheme so that it is fit for purpose. We are currently running a programme of Tests and Trials, the priorities for which are the building blocks we will need for the National Pilot. The National Pilot will provide a critical opportunity to test and refine the scheme design prior to full roll out of the ELM scheme across England.

### **Tree Health Pilot**

Plants, trees and woodlands are vital national assets, but they are facing increasing threats from pests and disease. Outbreaks are not just devastating to our natural landscape and native species, but they also endanger our economy and wellbeing. Therefore, protecting plants and trees from pests and disease is essential.

In recognition of the valuable environmental benefits provided by our trees, woodlands and forests, we are reviewing the current Countryside Stewardship Tree Health grants and we aim to improve and expand the package of support available in order to:

- Fell or treat diseased trees in a targeted approach to ensure that such action slows the spread of pests and disease and protects the wider treescape.
- Restock for resilience following a pest and disease outbreak to ensure that there is no net loss of tree cover and improve the resilience of the future treescape.

Developing the right support is vital to ensure the new schemes provide the correct incentives to enable felling, treatment and restocking to take place where suitable and appropriate to deliver real benefits. This is why we are working with a range of stakeholders to co-design the new schemes and will be undertaking a pilot to trial future incentives ahead of the full roll out of the new Tree Health package of support.

#### **Productivity Grants Scheme**

From 2021, the Productivity Grants scheme will provide grants to farmers, foresters, and growers to help them make investments in technology, equipment, and infrastructure, for the purpose of improving their productivity and business prosperity. Through encouraging more efficient production, the scheme aims to support a more competitive and self-reliant industry post-CAP, helping farmers to reduce costs, increase yields, and deliver environmental benefits.

#### **Countryside Stewardship 2022**

The domestic Countryside Stewardship scheme will be a simplified version of the EU scheme that was open to applications from 2015 to 2019 and is a further iteration of the CS 2021 domestically funded scheme that was open to applications in 2020. It will continue to provide incentives for farmers, woodland owners, foresters and land managers to look after and improve the environment by: conserving and restoring wildlife habitats, managing flood risk, creating and managing woodland, reducing widespread water pollution from agriculture, keeping the character of the countryside, preserving historical features in the landscape and encouraging educational access. Focus will move towards achieving environmental outcomes by supporting good land management practices and advising agreement holders rather than penalising them.