

## Briefing

# From pilots to progress: scaling Landscape Recovery into round 3 and beyond



March 2026

### Summary

In 2022, the Landscape Recovery scheme was launched as the most ambitious arm of England's post-Brexit Environmental Land Management (ELM) schemes. Delivering long term, large scale projects, it has huge potential to restore nature and benefit communities.

This is an innovative approach to [habitat restoration](#). Because projects under the scheme are delivered at landscape scale, across land uses and ownership boundaries, they have capacity to drive progress towards the UK's national nature and climate commitments. Careful targeting can enable trade-offs with competing land uses to be minimised, and benefits, such as flood alleviation, to be prioritised where they are most impactful. By paying for public goods generated, projects also provide farms with a reliable income stream.

To date, over fifty Landscape Recovery projects have been developed across England. Project plans extend over 240,000 hectares of England, roughly equivalent to the size of the Lake District national park. <sup>1</sup> However, at present, only three projects are approved for delivery.

The benefits of Landscape Recovery are clear, and more projects should be developed and approved across England. We recommend that the Department for Environment, Food and Rural Affairs (Defra):

- Delivers on the existing projects and ensures sufficient funds from the farming budget are ringfenced for Landscape Recovery.
- Publishes and acts on lessons from rounds one and two of the scheme, following a rapid review of Landscape Recovery to date. As intended, the pilot rounds can form the basis of an effective, more efficient third round.
- Sets out the future of the scheme, including Landscape Recovery round three in the Farming Roadmap. This should outline how the scheme will grow, including the imminent third round. Future projects should be co-ordinated with the Land Use Framework.

- Drives private sector investment into nature, through Landscape Recovery. The government needs to do more to stimulate private investment in nature, to maximise public benefits at least cost to the taxpayer.

In this briefing, we set out what the government must do to realise the full potential of the Landscape Recovery scheme and how delivery of an enhanced third round should be approached to support the environment, food production and local communities.

## What is Landscape Recovery and how does it work?

Landscape Recovery was established to support long term restoration of natural habitats across England, with a focus on providing environmental benefits, such as species recovery, flood prevention and carbon sequestration.

Projects must cover at least 500 hectares, though most are significantly larger, spanning thousands of hectares. At this scale, it becomes possible to balance competing land uses, such as food production and housing, with nature recovery and carbon storage. Typically, projects involve various landowners and tenants collaborating on a shared vision across their landscapes.

Following an initial round of selection, each project is funded for a two year Development Phase, during which a detailed delivery plan is developed. Plans outline intended changes in land use, environmental benefits that would be derived and the anticipated cost of delivery. How the project will secure long term private financing, such as through payments for biodiversity net gain (BNG) and carbon credits, must also be presented.

Upon submission, plans pass through Defra's assurance process and proceed to negotiation, with the aim of securing an implementation agreement of at least 20 years.

## Progress to date

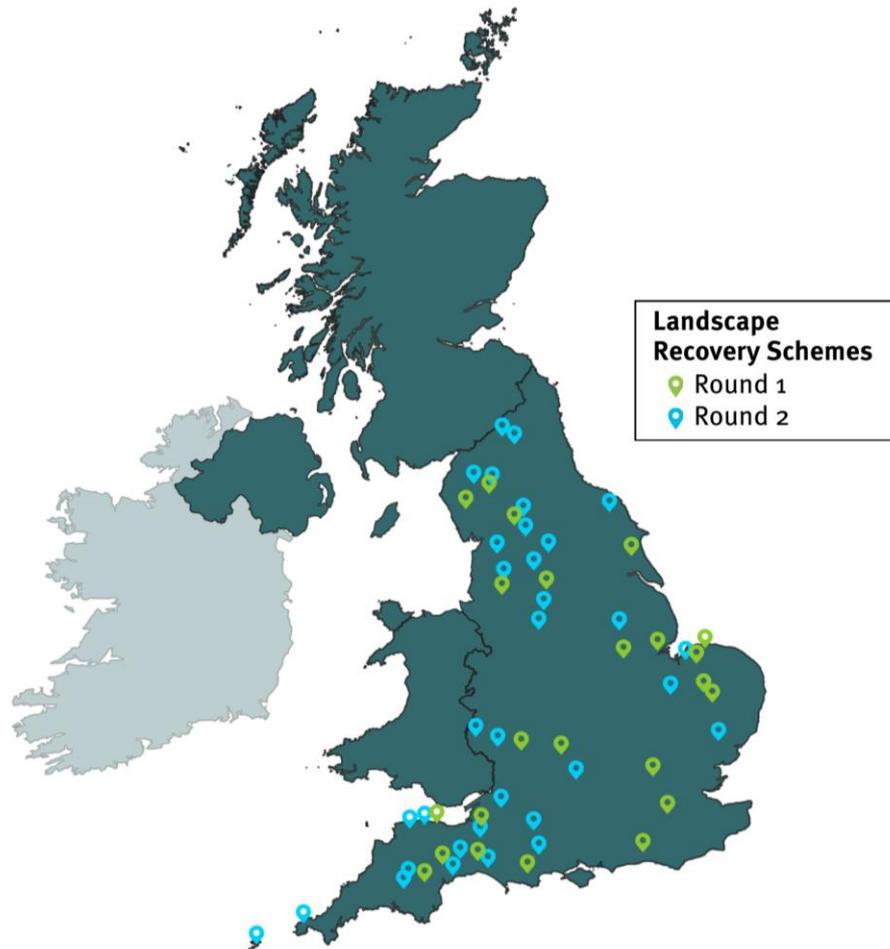
In 2022, Landscape Recovery round one established [22 projects](#). The following November, round two set up an additional [34 projects](#).

Two projects are confirmed as having [exited the scheme](#). This was anticipated: Defra made clear from the outset that not all projects would progress, with only the most ambitious and greatest value for money ultimately receiving long term funding.

For the remaining projects, decisions have been slow: only three have reached the implementation stage. Until more projects progress to implementation, the £37 million invested in their development will not be realising returns on public investment. <sup>2</sup>

## Landscape Recovery projects are spread across England

In total, 56 Landscape Recovery projects across England have been funded to develop plans for large scale habitat restoration.<sup>3</sup>



## Why Landscape Recovery should be expanded

- **Habitat creation is essential to meet the nation’s climate change goals, and the Environment Act and Environmental Improvement Plan nature targets. This can be delivered through Landscape Recovery but not through the Sustainable Farming Incentive, another ELM scheme.**

Landscape Recovery is a systemic approach to nature restoration and supports large scale, interconnected creation of habitats, like woodland and wetlands, that the shorter term nature of the Sustainable Farming Incentive (SFI) cannot deliver. This is critical to meet the government's climate and nature targets, including the UK's [commitment](#) to protect 30 per cent of land and sea for nature by 2030.

For example, The Upper Duddon Landscape Recovery project in Cumbria is increasing carbon sequestering habitats the UK is [committed to expanding](#), including woodland and peatland. The Evenlode project, almost [20 per cent](#)

of which sits within a flood zone, is bringing together over 50 farmers and land managers to restore habitats and create capacity to absorb excess rainfall, benefiting farming and local communities, in alignment with Defra's [priority outcome](#) to reduce flooding.

Similarly, projects still awaiting approvals could contribute to other government priorities. The round one Waveney and Little Ouse project, for example, could sequester carbon equivalent to the emissions of more than 157,000 round trip flights from London to New York, whilst simultaneously storing flood water, reducing agricultural pollution and restoring biodiversity.<sup>4</sup>

- **Landscape Recovery can strengthen food security, particularly if aligned with the Land Use Framework.**

At present, the UK's least productive farmland is not delivering sufficient returns for farmers, contributing to low profitability across the sector. Landscape Recovery projects allow farmers to receive secure, long term payments for delivering public goods, which is why Minette Batters' [Farming Profitability Review](#) called for the scheme to be scaled up. These payments bolster and stabilise farm incomes, supporting long term planning. The Land Use Framework must be integrated into decisions about what and where to fund activity through Landscape Recovery, so that habitat creation is aimed at areas where productivity and profitability are lowest.

- **Landscape Recovery is the only ELM scheme that makes use of private financing, offering better value for money for taxpayers.**

Landscape Recovery is innovative in that it is financed by a blend of public and private funding. Projects have bespoke funding models that make use of public funding to establish outcomes, such as carbon credits or BNG credits, that private finance then buys. For example:

- The Boothby Wildside project secured [£1 million](#) of private investment in nature-based carbon removals on the basis that Defra would support the project's establishment.
- The Upper Duddon project is [part-funded by United Utilities](#) in return for water quality improvements and flood prevention.

This approach must be scaled up to deliver the government's climate, nature and water quality targets, which public budgets are insufficient to fund alone.

We offer four recommendations below for how to propel existing projects in waiting towards implementation and expand the scheme in the future.

## Four imperatives for Landscape Recovery

### 1. Allocate adequate resources

Landscape Recovery agreements are complex and require more time to process than other farming schemes. The scheme must be allocated adequate resources within Defra, Natural England and the Environment Agency to progress existing projects rapidly into implementation.

The 20 year implementation phase must be awarded a substantial part of the annual [£2.4 billion farming budget](#). So far, only [£500 million](#) has been allocated to Landscape Recovery over the next 20 years, which equates to one per cent of the annual budget. To deliver the government's climate and nature targets, we estimate that half of the annual farming budget should be spent on the Higher Tier and Landscape Recovery schemes, with the remaining half spent on the Sustainable Farming Incentive.

### 2. Establish and act on lessons from earlier rounds

The first two rounds of Landscape Recovery were established as pilots, with learnings intended to inform future rounds of the scheme. Defra must now:

- rapidly consolidate and publish lessons from the scheme so far and set out how these will inform future rounds of the scheme. This should include best practices for making the scheme work for tenant farmers, such as the shared governance structures successfully implemented by the round one [Evenlode](#) project.
- develop standardised templates for delivery plan components to enhance the quality of submissions and comparability across projects during the approvals process. However, templates should not subtract from the bespoke nature of projects.

### 3. Set out the future of Landscape Recovery including launching a third round

Defra needs to provide farmers, landowners, private investors and NGOs with certainty about the future of the scheme. There is also an opportunity to further optimise project outcomes. Defra should:

- use the Farming Roadmap to clarify the future of the scheme through to 2050, including firm timelines for a third round of the scheme;
- co-ordinate future project selections with the Land Use Framework to ensure alignment with the government's long term vision for land use in England and maximum returns on investment.

### 4. Invest in the development of robust nature markets

Private investment will be needed to achieve nature restoration at scale. According to the Green Finance Institute, a [gap](#) of £44 to £97 billion exists between the funding allocated, versus what is needed, to support public

nature policies in the UK to 2032. The government should do more to drive private finance into nature.

Green Alliance has explored options for this, including new compliance markets, mandating nature-related financial disclosures, targeted levies and new fiduciary duties. We recommend the government produces a roadmap outlining plans to move this forward.<sup>5</sup>

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## Endnotes

<sup>1</sup> According to Defra, round one projects cover more than [40,000 hectares](#) and round two projects cover over [200,000 hectares](#).

<sup>2</sup> Round one Landscape Recovery projects were awarded [£12 million](#) to finance their development. Round two received [£25 million](#) for the development phase.

<sup>3</sup> Map adapted from: G Shrubsole, 10 December 2025, '[Mapping England's Landscape Recovery Projects](#)', *Who Owns England*.

<sup>4</sup> It is estimated that the Waveney and Little Ouse Landscape Recovery project could sequester [266,803 tonnes of CO<sub>2</sub>](#) over 50 years. This is equivalent to the carbon emissions associated with approximately 157,144 average passenger return flights from London (LHR) to New York (JFK), based on a one-way flight distance of 5,555km and Department for Energy Security and Net Zero greenhouse gas reporting [conversion factors](#).

<sup>5</sup> For more information on how to drive demand for nature markets, see: Green Alliance's briefing '[How to increase private investment in nature](#)'.