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CAP Consultation
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Defra
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28th November 2013.

Dear Sir/Madam,

Implementation of CAP Reform in England – Consultation Document.

Background to response.

The Cotswolds Conservation Board was established by Parliamentary Order under part IV of the Countryside and Rights of Way Act 2000. The duties of the Board are:

- To conserve and enhance the natural beauty of the Cotswolds AONB
- To increase the understanding and enjoyment of the special qualities of the AONB, ensuring these are compatible with its conservation and enhancement.

In carrying out its twin duties, the Board is required to seek to foster the economic and social well-being of its local communities. The priorities of the Board are contained within the Cotswolds AONB Management Plan, a statutory plan required by section 89 of the Countryside and Rights of Way Act 2000.

Pillar 2 of the CAP is especially important in delivering the objectives of AONB designation and the purposes and priorities of the Board. A significant part of the Pillar 2 funding is to be allocated by Local Enterprise Partnerships (LEPs) through their European Structural and Investment Fund strategies (SIFs). The Board is looking to Defra to ensure these SIFs and their implementation takes full account of AONB Management Plans and that AONB Conservation Boards and Partnerships are consulted.

With appropriate support from the CAP, the Cotswolds AONB can make a significant contribution to delivering the Government's environmental objectives and legal obligations for the environment, notably:

- Biodiversity conservation (including the commitments in the Biodiversity 2020 strategy, and supporting pollinator and farmland bird populations);

Conserving, enhancing, understanding and enjoying the Cotswolds Area of Outstanding Natural Beauty

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- Improving water and soils quality (including delivering Water Framework Directive objectives and restoring peatlands);
- Woodland creation and management;
- Protection of landscape and the historic environment;
- Educational access;
- Genetic conservation; and
- Climate change mitigation and adaptation on farmland.

With the above in mind, the Cotswolds Conservation Board fully supports the maximum transfer of 15% from Pillar 1 to Pillar 2 with an increased focus on environmental outcomes.

Reductions and the redistributive payment

Do you support our preferred option that we should apply the minimum level of reduction possible? If not, what level do you think should be applied?

- ***We should apply the minimum level of reduction possible (5% on receipts over €150,000).***
- ***We should apply a higher rate of reduction but less than 100% (please explain what reduction you favour).***
- ***We should make €150,000 the most any farmer can receive — this is the maximum reduction possible.***

Please comment further if you wish, or explain what other reduction you prefer.

We understand the reluctance of the Department to go beyond the minimum of 5% in reductions of direct payments for the sake of additional Pillar 2 funding; we have debated the issues here, and find them finely balanced. Given the whole context, including the difficulty of funding UK international environmental commitments such as those under the Habitats, Birds and Water Framework Directives, we can see an argument for a degree of additional reduction designed to ensure that those commitments can be appropriately financed – though we acknowledge that there are also strong arguments in the other direction. If the Government were in the event minded to increase the reduction of payments in this way, it would in our view be vital to exclude charitable and public bodies such as the National Trust, the Wildlife Trusts and RSPB which manage significant areas of land through farming practices that support biodiversity, landscape, the historic environment and access.

Active Farmer test.

Do you support our preferred option not to extend the list of 'negative activities' forming part of the active farmer test?

- *The negative list should not be extended.*
- *The negative list should be extended.*

Please comment further if you wish, or explain what types of businesses should be added to the list and why.

The Board supports the view that the negative list should not be extended. It is in particular essential that conservation and public bodies managing land through farming practices for biodiversity, landscape, historic environment and access are able to use both the direct payments and the land management schemes. Without such support, the many bodies working to conserve the Cotswolds would be badly handicapped.

Direct payments: greening.

EFA options

Making available the full list of proposed Ecological Focus Area (EFA) options would enable the EFA requirement to be met without the need for additional action. However, individual EFA options may realise differing levels of environmental benefit. Which selection of Ecological Focus Area options do you favour?

There is a particular interest to see benefits for pollinators arising from the implementation of greening. Are there any practical Ecological Focus Area options, or enhancements of these options, which could be easily adopted, have a high likelihood of uptake and which would be particularly beneficial for pollinators? Would these options be deliverable within the approach set out in the direct payments Regulation or would they need to be implemented through a National Certification Scheme?

The Ecological Focus Area options favoured by the Board are:

- Land lying fallow
- Landscape features
- Buffer strips
- Areas with catch crops or green cover
- Areas with nitrogen fixing crops
- Uncultivated land alongside forest edge

These options maximize benefits for pollinators, soil management, water quality and protect landscape features. Fallow, catch crops/green cover and nitrogen fixing crops as part of an arable rotation would also reduce the level of artificial fertilizer usage.

5 Rural Development Programme

Current RDP 2007 – 2013.

What lessons can be learned from the current Rural Development Programme? How can we build upon its successes?

Lessons learnt – The delivery of Axes 1 and 3 was left too late. Some 12 months were lost to planning and preparing the Strategic Implementation Plan. Project delivery did not really start until 2009. There were similar problems with LEADER with some Local Action Groups (LAGs) taking until 2009 to sort out governance arrangements.

All parts of the country should be able to apply to establish a LAG on a level playing field. Alternatively, existing organisations such as LNPs, National Park Authorities and AONB Boards and Partnerships could take on the mantle of LAGs for their areas and deliver LEADER and other aspects of the RDP. The Board has considered including the Local Enterprise Partnerships (LEPs) as an existing organisation that could take forward the RDP but unless LEPs show a greater interest in rural issues than we have seen in our area, they would be a weak vehicle to carry this responsibility.

Areas of focus under the new RDP

Are the areas we outline for support under the new Rural Development Programme set out above the right ones?

How we can best target investment under the new Rural Development Programme to help gain the maximum value for money for UK taxpayers?

The areas outlined in paragraphs 5.18 and 5.19 are the right ones.

Proposed scheme structure for the new environmental land management scheme

What are your views on the structure of the proposed new environmental land management scheme, in particular the new “landscape scale” approach?

Do you agree that we should not be prescriptive about how groups of farmers or land managers could be brought together to deliver landscape scale agreements under the proposed new environmental land management scheme?

How could we help facilitate landscape-scale approaches under the proposed new environmental land management scheme?

The principle of the structure of a two tier NELMS is fine. What will be important is what can be included in each tier, particularly the upper tier equivalent of the current HLS. The inclusion of SSSIs and SAMs is supported, but there are many important areas of semi-natural habitat, such as unimproved grassland and ancient woodland, that are not SSSIs; in fact some such non-designated sites are in better condition than some SSSIs.

Likewise there are important archaeological sites not scheduled, such as Deserted Medieval Villages and ridge and furrow field systems. It is important these are included as high priority sites.

The Landscape Scale approach of the middle tier is of great interest to the Board. It should be noted that protected landscapes (National Parks and AONBs) provide an excellent context within which middle tier landscape scale initiatives can be developed. However:

- Further debate would be desirable about the concept and application of “landscape scale” in projects.
- More work is needed on how to apply the NELMS in support of landscape scale projects.

While it is not necessary to be 100% prescriptive about how groups are brought together, some form of guidance or strategic level advice is necessary to ensure a level of parity between different landscape scale schemes and to ensure value for money.

The national targeting framework will need to recognize and allow for local priorities to be included. This would ensure the best opportunities for a genuine landscape scale approach to deliver the right environmental objectives for a given area. National Character Area (NCA) profiles provide a national framework and AONB and National Park Management Plans, along with local landscape character assessments and SSSI statements, provide objectives specific to their area.

Within AONBs and National Parks, facilitation of the landscape scale approach could be achieved effectively by supporting National Park Authorities and AONB Conservation Boards and Partnerships to undertake this work. These organizations have considerable experience in identifying and delivering integrated local strategies and are well placed to deliver the NELMS on the ground supported by priorities identified in their management plans, landscape character assessments, advice and guidance.

Grant provision

Question: Should we offer a capital only grant as part of the proposed new environmental land management scheme?

The Board is particularly concerned about the area of land that will ‘fall out’ of agri-environment agreements over the coming years. An example recently brought to the attention of the Secretary of State is the impending loss of arable reversion areas in the Cotswolds at the end of ESA agreements, some of which have received public money for 20 years.

We fear that the area of land under some form of conservation agreement within the AONB might be halved from 70% to 35-40%, involving in many cases the abandonment of many years of investment of public funds. So some form of grant provision for non-agreement land to encourage the management and upkeep of widely-occurring landscape features such as hedges and dry stone walls will be essential. The inclusion of such a capital grant provision is strongly supported by the Board.

Proposed scheme elements

Question: Do you agree with the principle that five year agreements should be the norm under the new environmental land management scheme?

What approach should we take to targeting the new environmental land management scheme?

The Board is concerned that five year agreements, particularly for the middle and higher tier, may not achieve the same commitment and outcomes as the traditional ten-year agreements for HLS and ESA. Five year terms for agreements would also increase bureaucracy due to doubling the frequency with which agreements expire and are renewed.

The Board, therefore, recommends the maximum seven-year agreements allowed under EU rules for the middle and higher tiers. This is not that far short of the 10-year agreements already accepted by the farming community. An alternative would be to establish rolling five year agreements whereby, following a simple annual review, the agreement is extended annually for an additional year, thus providing a five year time horizon, and enabling land managers to plan with confidence over the longer term

The approach taken should be to identify areas of greatest opportunity to deliver the priorities and outcomes, but mapped to hard boundaries, such as roads or field boundaries, as this avoids confusion, making it clear what areas of land are within any target area. A good geographic starting point for the development of scheme targeting would be protected landscapes and selected National Character Areas. The NIAs would also be good starting point, but not just the 12 pilots and 8 others receiving government funding. There were over 70 applications to the NIA fund in 2011 and many of the 50 NIA proposals that could not be funded by Defra have great merit and all have landscape scale action at their heart.

Question: With the exception of the highest priority sites, is there a case for making advice and guidance available increasingly on line or through third parties under the new environmental land management scheme?

On-line advice is useful but has limitations. For example, it cannot take account of local variation, context or landscape character. Some form of third party face-to-face advice would be likely to maximize outcomes for the scheme, particularly for area specific

agreements. But the land management community is very varied and it is easy and potentially misleading to generalise about it: empirical research would be useful to establish across it how much impact different channels of communication have, including on-line information

Advice and support along with monitoring needs to be ongoing during the agreement period. Unfortunately this has been a noticeable weakness in the ESA and HLS schemes.

Scheme entry requirements

Question: Where should we set the scheme entry requirements (ie above the legal baseline) for the proposed new environmental land management scheme?

The Board agrees that scheme entry requirements should sit above the baseline for cross compliance etc. There could however, be merit in having a lower baseline for protected landscapes and NIAs compared to the wider countryside to encourage maximum uptake in these areas. National Parks and AONBs are much loved landscapes protected for the nation and a lower baseline for scheme entry would help ensure they are properly protected and managed for people to enjoy. Many protected landscapes are also important for water quality and supply and for flood management as well as for biodiversity and the historic environment.

LEADER

Question: How can we strengthen LEADER's contribution to delivering jobs and growth in rural areas?

In the new Programme Period, LAGs should be encouraged to draw up Local Delivery Strategies in co-operation with LEPs so that co-ordinated thought is given to the role that LEADER can play in the wider local growth agenda. This comment endorses a similar point that is made in a recent review report commissioned by Defra (A Review of the LEADER Approach for Delivering the Rural Development Programme for England, Lincoln Business School). In parallel with this, the community-led emphasis in LEADER must also be observed so that programme implementation remains consistent with the underlying principles of LEADER activity.

Defra should take an active role in LEP and LAG liaison to ensure that the potential economic contribution from LEADER activity is planned and secured. A key part of the future approach should be to ensure that effective steps are taken to enable LAG development in areas that are not covered at present and to link neighbouring areas where co-operation would offer benefits.

Question: How can we make the LEADER approach more effective and deliver better value for money?

The LEADER approach can be made more effective and deliver better value for money through key support actions co-ordinated through Defra. For example, Defra should issue good practice guidance and project examples drawn from previous LEADER programme periods. Similarly, in overseeing programme operation, Defra could take an active role in ensuring programme compliance (as a joint venture with LAG accountable bodies and through organised networking opportunities). This closer approach was a valued part of the LEADER+ Programme Period 2002-2008 (when LAGs had a close liaison with Government Offices and could draw on relevant expert advice on key technical aspects of programme administration). The development of appropriate programme guidance would assist in the approach to risk management and help support compliance with required programme operation and a streamlined approach to programme audit.

6. Inter-pillar transfer

Question: Should we transfer funding from Pillar 1 to Pillar 2?

If so, should we transfer the maximum 15% or less?

If less, what should the Rural Development Programme fund less as a result?

- **Environmental land management**
- **Rural economic growth**
- **Farming and forestry competitiveness and productivity**

Other, please specify

RDP funding can improve the rural environment, improve the competitiveness of the farming sector and productivity of the forestry sector, support growth in the rural economy, and strengthen rural communities.

What priorities should we spend RDP funding on?

What proportion of RDP spend should we apply to:

- **Environment — agri-environment and forestry**
- **Farming competitiveness and forestry productivity**
- **Growth Programme**
- **LEADER**

Please explain your reasoning.

The Board fully supports the transfer of funding from Pillar 1 to Pillar 2

The Board also supports the transfer of the maximum 15%. We note (section 1.15 of the consultation paper) that even with this transfer some of our key environmental commitments, such as Biodiversity 2020 and obligations under the Water Framework Directive, will require additional funds from other sources. Funding these essential priorities without such a transfer would be scarcely feasible.

The priority from the transfer to Pillar 2 should be an increased focus on environmental outcomes. The benefits of focussing on environmental outcomes include (as already identified in Section 1 of the consultation document) significantly meeting Government's environmental objectives and legal obligations as well as delivering best value for public money. Such an approach positively encourages landowners and farmers to deliver for the environment.

The Board notes that growing the rural economy is one of the top priorities but focussing funding on the environment does not detract from this priority – indeed, tourism-related services may now collectively be the largest employer in rural areas and the most important economic activity. They are absolutely dependent on environmental protection and enhancement for their continued prosperity.

Indeed a focus on environmental outcomes makes a positive contribution to growth and competitiveness. For example increased spend on the management of dry stone walls and hedges and on training creates jobs in the land management sector. Likewise measures that reduce water pollution help cut the cost to customers of some services such as water by reducing the need to clean up the effects of diffuse pollution; and action that improves the environment can help underpin tourism

The proportion of RDP spend should be (as in scenario 2, table 9):

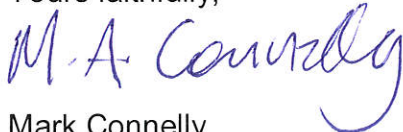
Environment – 88%

Competitiveness – 3%

Growth – 5%

LEADER – 4%

Yours faithfully,



Mark Connelly
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Cotswolds Conservation Board