

FARMING AND RURAL DEVELOPMENT IN THE COTSWOLDS AONB

Summary proposal: A single menu of agri-environment and rural development grants delivered locally, informed by local evidence and investing in the special qualities of the protected landscape.

1 Context

- 1.1 The Cotswolds is a farmed landscape and it is the impact of farming on the natural features of the Cotswolds that has shaped the present landscape, led to the designation as an AONB and created many of the special qualities.
- 1.2 It is important that future agri-environment schemes encourage and enable farmers to be effective custodians of the Cotswolds AONB harnessing their expertise so that the environment is as much a part of their farm business as high quality food production.
- 1.3 To achieve this we believe that there is a need for a local menu for the Cotswolds that builds on any national scheme, a menu informed by and based upon:
 - the AONB Management Plan & Landscape Strategy & Guidelines
 - a locally tailored, informed, owned and evidenced approach
 - local payment rates to reflect local costs
 - local advice and local delivery
 - outcomes based, with payment by results
- 1.4 Current programmes are designed in silos and fail to deliver a joined-up approach. They can often overlap or duplicate each other and paint a confusing picture for the applicant. There is significant scope to merge LEADER, Countryside Productivity, the Growth Programme and Countryside Stewardship into one integrated programme.
- 1.5 This programme would include grants but should also include loans i.e. a revolving fund rather than one-off injections of capital. There should also be greater opportunity for revenue spend.
- 1.6 Significant public investment in farming and agri-environment support has been an essential ingredient in helping to sustain the celebrated Cotswold landscapes, but there are opportunities to address such issues as:
 - Degrading soils, particularly the thin Cotswold Brash soil.
 - Falling and fragmented biodiversity
 - Lower resilience to drought and improving the ability of the Cotswolds to hold back water and prevent flooding downstream
 - Marginal returns for traditional farm systems such as sheep and beef
 - Farming areas of natural constraint i.e. Cotswold escarpment and valley slopes
 - Increasing disconnect between 'town' and 'country' / 'people' and 'nature'
- 1.7 The £3bn plus annual investment in farm support by the taxpayer will be under much closer scrutiny than ever before. It is essential that we sustain and improve the supply of public goods produced by the Cotswolds e.g. high quality landscapes, carbon storage; water management; and opportunities for public access and enjoyment. Public and private investment in 'high value farming systems' is essential to the

maintenance of this treasured place: imagine the Cotswolds without stone walls or flower-rich meadows.

2 New proposals

- 2.1 Our proposals are for two locally designed and delivered linked components:
 - FARM (Farming & Rural Management) Scheme: to provide a foundation level of good environmental husbandry and public goods.
 - FARMRD (Farming, Rural Management & Rural Development) Scheme: an enhanced agri-environment, public goods and rural development programme.
- 2.2 The foundation level FARM scheme would be open to all and ensure good environmental management, husbandry and rural development. FARMRD would be focused on *enhanced* levels of environmental management and rural development to deliver public goods and rural business growth.
- 2.3 This is not a complete description of an English replacement of the Common Agricultural Policy. Other important elements such as volatility measures will need to be addressed at a national level, whilst tariff and non-tariff trade issues and gaining a 'level playing field' will be at least as important to the future viability of farming systems and rural business in the Cotswolds. Agri-environment and rural development will require a viable farming system to support their delivery.
- 2.4 The proposal builds on the experience of the Cotswolds and compliments the emerging national public policies for farming, food, forestry, rural development and the environment set out by Secretary of State, Michael Gove MP.
- 2.5 The schemes would seek to develop the Cotswold brand i.e. those signing up could use the Cotswolds Choice sheep logo to symbolise that they are contributing to the management of a special landscape. The FARMRD Scheme in particular could help develop the local economy, supporting those who produce local food and other products such as biomass and Cotswold Charcoal. It would encourage local product chains and enhance the 'sense of place' for producers and consumers.

3 Cotswolds FARM (Farming & Rural Management) Scheme

- 3.1 We envisage a 'Cotswolds FARM Scheme' in the form of a 'certification scheme', a voluntary scheme for farmers to sign up to. In return for a foundation level payment there would be certain management obligations tailored to conserve the distinctive features in the Cotswolds e.g. dry stone walls and unimproved grassland and elements of cross compliance e.g. continuing to require maintenance of public rights of way.
- 3.2 People who enter into this scheme would also be eligible for farm business advice to produce an integrated farm plan (linking environment and business) to act as a baseline for the scheme. We believe that there is a business approach that can deliver improved productivity of both environmental outcomes and high quality food and fibre as well as contribute to farm profitability, business growth and development. This remains a key challenge for many farms and rural businesses, especially those on the thin Cotswold brash soils and areas with challenging terrain such as the escarpment and valley sides.

4 Cotswolds FARMRD (Farming, Rural Management & Rural Development) Scheme

4.1 A higher level agri-environment and rural development FARMRD scheme would be focused on delivering multiple benefits with options that support the delivery of:

Landscape – Cotswold dry stone walls, dramatic views and open landscapes
Biodiversity and geodiversity – unimproved limestone grasslands and farmland birds
Carbon management – Cotswold grasslands, woodlands and soils
Good soil husbandry – increasing organic content and soil building
Water and flood management – slowing the flow through natural flood management
Woodland management and creation - ancient escarpment beech woodlands
Biomass energy – wood fuel and energy from grasslands, including road verges
Historic environment – Neolithic burial barrows, hillforts and medieval field patterns
Access – supporting the Cotswolds as the Walking and Exploring Capital of England
Rural business growth and development – supporting local produce and products
Education – understanding farming and that it produces more than just food

4.2 The aim would be to maximise delivery across these benefits rather than to focus narrowly on one or two and to allow local flexibility in setting priorities.

4.3 The scheme should:

- Focus on the needs and opportunities of the Cotswolds but recognise national priorities.
- Encourage collaboration between farmers or within farm clusters.
- Encourage farm business innovation groups, bringing together farm businesses, research institutions and other businesses.
- Be outcome focused, engaging with farmers to involve them in agreeing environmental outcomes that they can deliver and monitor.
- Be evidence-based, ensuring that monitoring results are understood and used to inform management.
- Be proportionate, easy to understand and to sign up to, with common sense flexibility on measurement and reporting, as light touch as possible.
- Offer multi-year agreements, with the length of agreements related to the outcomes e.g. long-term complex landscape-scale delivery.
- Include capital and revenue payments for key landscape features e.g. stone walls or investment in natural flood management.
- Provide the opportunity to integrate private sector payments (e.g. water companies) for natural capital/ecosystem services alongside public payments.
- Encourage and develop farm and rural businesses efficiency, productivity and innovation.
- Support farmers providing services for communities beyond the farm or AONB boundary e.g. flood management.
- Add value to farm and woodland produce.
- Maximise the local economic impact e.g. programmes for the restoration of landscape features linked to local apprenticeship/skills programmes.

- Encourage healthy livestock initiatives that improve the quality of the livestock and help address wider health concerns.

5. Overall benefits

5.1 Information from the integrated farm plans and FARM and FARMRD agreements would help identify collective business support and skill needs across the Cotswolds. Training events and seminars could then be organised and potential rural development applications identified to grow the rural economy and help farm businesses to adapt, become more efficient and sustainable. They may also identify new business opportunities and provide a gateway for new entrants into the sector.

5.1 The scheme aims to sustain the farming systems and local businesses that help deliver the outstanding Cotswolds landscape that millions enjoy and cherish. The local approach provides an opportunity for savings and efficiencies through:

- Greater 'ownership' of schemes by farmers and businesses, delivered with agreed progress reviews to ensure that targets are achieved.
- Clear targeting on public payments for public benefits.
- Integrating agri-environment and rural development into a single scheme taking a holistic approach to business development and environmental gain
- Innovation and learning in the delivery of environmental and other outcomes.
- Greater transparency.
- Potentially lower administration costs.

5.2 Within this approach there is the opportunity to evaluate new systems:

- environmental contracts – whereby farmers and land managers bid to deliver rather than sign up for certain management options;
- payment by results; and
- private payments alongside public investment.

6 Farms that span the AONB boundary

6.1 Any application process and advisory service would be managed as whole farms irrespective of where the AONB boundary divides a farm. Grant rates or access to the FARM or FARMRD schemes would be restricted to the AONB.

7 Farming and rural development outside the Cotswolds AONB

7.1 Any national scheme applying outside the AONB could be delivered by the Defra agencies or by a local delivery organisation e.g. Wildlife Trust or Rivers Trust. Perhaps a basic scheme with some capital grants for Government priorities such as SSSIs, flood management and rural business development.